

1. INTRODUCTION

1.1 ORIGIN OF THE REPORT

This term paper is prepared for MKT 450 course instructor of the Undergraduate program, School of Business at North South University as a partial requirement of course. This report is prepared during the fall, 2004 semester and would be submitted in the same semester. The standard procedure for the long, formal report is followed here as per the instruction of the course instructor.

1.2 OBJECTIVES

➤ General objective:

The primary objective of this report is to compare the practical experience by working to link the theoretical knowledge with its application in real life situation. Another objective is to explain the past, current and future situation of the customer service of the Bank.

➤ Project Objective:

- Customer Service Maintenance.
- Credit Card Service Directory.
- A research on credit card facility.
- Correspondence Unit.

1.3 METHODOLOGY

➤ Primary Data:

The data and the information collected from the customer and the employees themselves.

➤ Secondary Data:

Information was also taken from books and other vouchers and also from Internet.

1.4 DEFINITIONS

ATM: Automated teller machine
BSSM: Branch sales and service manager
COU: Conditions of Use
DOB: Date of Birth
DPD: Days per Due
LE: Limit Enhancement
MMN: Mother's maiden Name
PFC: Personal financial consultant
PIN: Personal Identification Number
SCA: Senior Credit Analyst
SCB: Standard Chartered Bank
SCG: Standard Chartered Grindlays

1.5 LIMITATIONS

➤ Availability of the Information:

We did this report on a small branch, so it was not that easy for us to get all sort of question so easily.

➤ Lack of desire to serve the actual information:

Some of the credit card customers were very upset with the Customer Service of Standard Chartered bank. They believe that it may cost more fees, which they were not aware of.

2. Company Profile (SCB – an Overview)

2.1 HISTORY OF SCB

Standard Chartered Bank started its business in Bangladesh in 1948, opening its first branch in the port city of Chittagong. The bank increasingly invested in people, technology and premises as its business grew in relation to the country's thriving economy. At present the bank has 22 offices in Dhaka Chittagong and Sylhet, including the country's only offshore banking unit inside the Dhaka Export Processing Zone at Savar.

Standard Chartered is the world's leading emerging markets bank employing 30,000 people in over 500 offices in more than 50 countries primarily in countries in the Asia Pacific Region, South Asia, the Middle East, Africa and the Americas. The new millennium has brought with it two of the largest acquisitions in the history of the bank with the purchase of Grindlays Bank from the ANZ Group and the acquisition of the Chase Consumer Banking operations in Hong Kong in 2000.

These acquisitions demonstrate Standard Chartered firm committed to the emerging markets.

2.2 SERVICES OFFERED BY SCB

2.2.1 Deposit Services:

- Extra value saving account (EVSA)
- Savings Account (SB);
- Current account (C/A)
- Access Account.
- Short-term deposit (STD)
- Fixed Deposit Reserve (FDR);
- Call deposit
- Residence foreign currency deposit
- Foreign currency current account
- Non-resident foreign currency account

2.2.2 Loan Services:

Personal loan
Cash line

2.3 PRIORITY BANKING

Standard Chartered Bank Bangladesh offers Priority Banking, a special service package for valued customers, who have minimum account of BDT 3,500,000. Under this segment an exclusive combination of services are offered to customers who signed up for it. Some of the benefits offered under the Priority banking are:

- A Priority Card that recognizes your Priority Status at all our local branches and also at our global Priority Centers
- A free adds on Gold Visa/ master card.
- Higher withdrawal limit (BDT 50,000) per day from all our ATMs in Dhaka, Chittagong & Sylhet
- Privileges associated with the Priority card in reputed hotels, restaurants and stores locally and globally
- Dedicated Customer Relationship Personnel at the Priority Centers.
- Solvency certificate and duplicate statement free for priority customers.
- And also commission free SCB Visa travelers' cheques against travel quota, swifter transactions, pre-arranged banking services and invitation to special social and cultural events
- Separate cash counter and service desk for priority customer, so that they don't have to wait in queue.

2.4 OTHER FACILITIES OFFERED FOR CUSTOMER OF SCB

2.4.1 Phone Banking Service:

Standard Chartered Bank is the first bank in the country to offer automated 24-hour Phone banking service. SCB phone banking services include balance inquiry, fund

transfer, change of TIN, chequebook request, statement request, foreign currency exchange rate etc. Phone link service is offered to all customers free of charge.

2.4.2 Money link Card:

Standard Chartered Bank launched Money link ATM in 1994, the first bank to offer this service in Bangladesh. Money link ATM service is free of charge, offering the following features:

- Cash Withdrawal & deposit
- Cheque deposit
- Cheque book request
- Change of PIN
- Printing of mini-statement
- Payment of utility bills.

2.4.3 Safe deposit locker:

Safe deposit locker offers the following facilities:

- Personalized service from a dedicated locker officer
- Available to any customers (for an annual fee which depends on locker size)
- Accessibility anytime during the banking hours
- No additional charge for locker visit

Bank can lend money to the customer when they have enough deposit in their banks. So it's necessary to please customer and give good service and let people know about their deposit and the interest that the customer will get, by which they get delighted.

3. Introduction to the Credit Card

3.1 DEFINITIONS

- **ATM** means an automated teller machine or any card operated machine or device whether belonging to the Bank or other banks or financial institutions nominated from time to time by the Bank, which accepts card.
- **Card Account** means the credit card account opened by the bank for the purpose of entering all credits and debits received or incurred by the Primary Cardholder and the Supplementary/Additional Card Holder, if any, under these Terms and Conditions.
- **Cardholder** means an individual whose name is in a card account and who is responsible for all transactions and liabilities on the card account. It includes Primary and any Supplementary Cardholder.
- **Card Transaction** means the purchase of goods and/or services, benefits or reservations.
- **Cash Advance** means any amount obtained by the use of the card, the card number or the PIN or in any manner authorized by the Cardholder from the Bank or any other Bank or financial institutions for debit to the card account.
- **Charges** means amount payable by the Cardholder arising from the use of the Card or the Card number or the PIN or under these Terms and Conditions and includes without limitation all card Transactions, Fees, Finance charges, additional expenses, damages, legal costs and disbursements. This charge will be debited to the Card Account and form part of the Current Balance.

- **Credit Limit** means to the maximum debit Balance permitted by the Bank for the card account for the Primary and the Supplementary Card, if any, and notified to the Primary Cardholder from time to time.
- **Current Balance** means the total debit balance (inclusive of all Charges which shall be debited to the Card Account) outstanding on the Card Account payable to the Bank according to the Bank's records on the date the Statement of Account is issued.
- **“Deposit”** means the amount in cash placed with the Bank as specified by the Bank as security for the performance of the Cardholder's obligation.
- **Electronic Banking Terminal** means any authorized terminal or device in which Card and/or PIN can be used. This includes ATM's, Point of Sales terminal through which Card Transactions can be performed or any other authorized terminal or device connected to Standard Chartered Electronic Banking system from time to time.
- **Fast card** are Visa or Master card credit cards issued by the bank against lien or cash securities such as fixed deposits, government savings certificate issued through the bank or transactional accounts held with bank.
- **Merchant** means any corporate entity, person or other establishment, supplying goods and/or services, which a Card Scheme Member Bank has approved and made arrangements to accept the Card or the Card numbers as a mode of payment or reservation by the cardholder.
- **Minimum Amount Due** is 5% of the current balance subject to a minimum of Tk. 500, which if paid by the Payment Due Date will avoid any late fee charges.

- **Payment Due Date** means the date specified in the Statement of Account by which date, payment of the Current Balance or any part thereof or the Minimum Amount Due is to be made to the Bank.
- **PIN** means in relation to a cardholder the Personal Identification Number issued to the Cardholder to enable the Card to be issued at an ATM.
- **Primary Cardholder** means a person other than a Supplementary Cardholder who is issued a primary card and for whom the Bank first opens the card Account.
- **Security** means the deposit. For example. Any type of Savings Certificate.
- **Statement of Account** means the Bank's monthly or other periodic statements sent to the cardholder showing particulars of the Current Balance payable to the Bank.
- **Supplementary/Additional/ Add-on Cardholder** means the person who has been issued a Supplementary/ Additional/ Add-on card.
- **Supplementary/Additional/Add-on Card** means a Card issued by the Bank to a third party nominated by.
- **Over limit charges** is a charge levied once per statement of Account, if the Cardholder exceeds his Credit Limit.
- **Unless the context requires otherwise;**
 - Words denoting one gender shall include all other genders;
 - Words denoting the singular shall include the plural and vice versa.

3.2 TYPES OF CREDIT CARD

Standard Chartered Bank provides two types of credit cards one is local another is international.

3.2.1 Local Credit cards

Under local cards there are mainly three types of card:

- Master card
- Master card silver
- Visa card, which is also known as Visa Silver

Master card gold, which has a credit limit of BDT 100,000 to BDT 400,000. Master card silver has credit limit of BDT 10,000 to BDT 90,000, and Visa Silver credit card has a credit limit of BDT 10,000 to BDT 90,000. Limits are based on job grades.

3.2.2 International credit cards

To apply an international Visa gold or Visa classic card one must have an US\$ account, either RFCD (resident foreign currency deposit) or ERQ (Exporters retention Quota) FCY account. Any Bangladeshi after returning from abroad can open a RFCD account, within 30 or 180 days of arrival respectively. Under international card SCB and SCG use one brand that is visa card, they use two types of Visa card, they are:

- Visa gold
- Visa classic

Visa gold has credit limit of \$5000 to \$ 20,000 and for lien card Visa gold has limit of \$556 to \$ 5000. Visa classic has a credit limit of \$500 to \$ 4,500 and for lien card visa classic has credit limit of \$ 5,556 to \$ 22,223. These cards are being accepted in more than 150 countries around the world including Bangladesh. Accepted at over 556,000 ATMs worldwide displaying Visa log.

New system appeared in Standard chartered Grindlays, which is known as fast card, to make this fast card one doesn't need any document, but must have a security such as Shanchaya Patra and a stamp worth TK. 150 attached authorization letter.

3.3 TYPE OF CARD HOLDERS

3.3.1 Primary Card holder:

The primary cardholder is a person who signs the Standard Chartered Grindlays printed application form for a Standard Chartered Grindlays Visa/ Master Credit Card. The Primary Cardholder must be at least 21 years of age. The account is established based on his/her credit information such as 6 months bank statement passport etc., also the Primary cardholder is responsible for all charges incurred on the account and statements are sent only to the Primary Cardholders.

3.3.2 Additional Card Holder:

The additional card, which is known as supplementary card can be taken by a spouse/ child/ Parent/ brother/ sister of a primary cardholder. And those who can get these supplementary cards are known as additional/ supplementary cardholder. The supplementary cardholders must be at least 18 years of age. This account is based on the primary cardholder's credit information. The responsibility for the payment of dues for the supplementary cardholder lies with the primary cardholder. There is one limit applied to the local cardholders account under which all cards operation. But for international supplementary cards limit varies.

3.4 CARD HOLDER'S ELIGIBILITY CRITERIA

- Permanent residence of those cities in Bangladesh where Standard Chartered has Branches.
- Minimum Income for Visa Silver/Master card local is BDT 10,000 (Gross) Per Month.
- Minimum Income for local Master card Gold is BDT 55,000 (Gross) Per Month.
- The amount of RFCD account must be above \$5000 to have an international card.
- Age from 21 years to 70 years (At the time of application)
- Passport Holder
- Valid Residence/ Business Address
- Valid Telephone Nos. Residence/ Business
- Visa international cards are given against RFCD account balance (to be kept under lien) and against exporter's retention quota FCY account balance (to be kept under lien)

3.5 DOCUMENTATION

3.5.1 Service holder:

- Passport Size Photo
- Salary Certificate/ pay slip
- Bank Statement for the last six months, with stamp of bank
- Verification of duration of employment

Note: For local company employee who have salary above BDT 25,000 they need to submit latest Income tax assessment order IT 88

3.5.2 Self Employed:

- Passport Size Photo
- Bank Statement for the last six months, with stamp of bank

- Latest Income Tax Assessment Order IT 88
- Partnership Deed (incase of the partnership firms)
- Bank/ letter/ Certificate confirming Proprietorship (incase of Proprietorship)
- Memorandum of Association/ Articles of Association (incase of public/ private Ltd. Company)
- Financial Statement (Incase of Private/ Public Ltd Company)

Note: If the Bank Statement is Typed/ Handwritten/ Photocopied they should contain the following:

- Bank Stamp
 - Signature of the Authorized Signatory
 - Code of the Authorized Signatory
- And Copy 1st six page of passport is needed.

3.5.3 Lien:

- FDR receipt (original)
- Stamp worth 150 attached authorization letter.

3.5.4 Expatriate or Foreigner:

- Work permit from the ministry
- Photocopy of the passport (original)
- Salary certificate

3.6 THE CARD

- i) The card is and will be, at all times, the property of the Bank and must be surrendered to the Bank immediately upon request by the Bank or its duly authorized agent.

- ii) The card may be collected by the Cardholder or sent by post or courier to the address notified to the bank by the cardholder at the risk of the cardholder.
- iii) Upon receipt of the card, the cardholder shall sign the card immediately and such signature and/or activation and/or the Use of the card will constitute binding. Conclusive evidence of the confirmation of the cardholder to be bound by these terms and conditions for which purpose the primary cardholder hereby appoints all Supplementary cardholder(s) as his agent for this purpose, not with standing that the Bank is not notified of the Cardholder's receipt of the Card.
- iv) In the event the cardholder does not wish to be bound by these Terms and Conditions, the Cardholder shall cut the Card in halves and return both halves to the Bank and Clause 8 hereof shall henceforth be operative.
- v) The Card is not transferable and will be used exclusively by the cardholder. The cardholder under no circumstances whatsoever will allow the card and/or PIN to be used by any other individual. The cardholder as Security may not pledge the card for any purpose whatsoever.
- vi) The Cardholder shall at all times ensure that the Card is kept in a safe place.

3.6.1 Use of card:

- i. The use of this card is confined to Bangladesh only. Use of the card outside Bangladesh shall make the card liable for immediate cancellation and any other appropriate action as stipulated by Bangladesh Bank or other regulatory body. The cardholder will also be liable to clear all outstanding without prejudice to any right, remedy or action against him, by the Bangladesh Bank, the Bank, court or any regulatory agency.
- ii. The card may be used for Card Transactions.

- iii. Within the credit Limit notified by the Bank to the Cardholder.
- iv. Until the expiry date embossed on the Card.
- v. The Cardholder undertakes to act in good faith at all times in relation to all dealings with the card and the Bank.
- vi. The Cardholder shall and undertakes to stay within the prescribed Credit Limit assigned by the Bank unless prior approval in writing to exceed this limit is obtained by the Cardholder from the Bank and further undertakes to affect no purchase or transactions which may cause the aggregate outstanding Balance under all such purchases and transactions to exceed such credit limit. If in contravention of this provision, the Cardholder exceeds the Credit Limit, then the Cardholder must pay the amount exceeding the Credit Limit in full and the Minimum Amount Due and also in addition an Over limit Charge.
- vii. Notwithstanding that the Cardholder's Credit Limit has not been exhausted, the Bank shall be entitled to, at any time and without notice and without giving any reason and without liability towards the Cardholder, withdraw and restrict the Cardholder's right to use or to refuse to authorize any Card Transaction.

3.7 CASH ADVANCE

The Cardholder may obtain Cash Advance up to a maximum of 50% of the Credit Limit subject to availability of adequate credit and as may be acceptable to the Bank from time to time at its absolute discretion by the following means:

- i. Presenting the Card at any of the Branches of the Bank or at any member institution of VISA/MasterCard together with evidence of his identity and signing the necessary transaction record.

- ii. Use of the Card at any ATM of the Bank or of any other Bank or Institution with whom the Bank has an Agreement for the use of the ATM of the said Bank or Institution in which case the amount of each advance will be further subject to the applicable daily withdrawal limit of the ATM.
- iii. The Bank will provide a PIN to be used in conjunction with the Card when effecting a transaction at an ATM. The cardholder may under no circumstances whatsoever disclose the PIN to any other person.
- iv. The Bank's record of any transaction effected in conjunction with a PIN shall be binding on the Cardholder as to its consequences.
- v. The use of the Card by the Cardholder to obtain a cash advance shall be deemed to constitute the agreement of the Cardholder to pay a Finance Charge on the amount of cash advance as prescribed by the Bank from time to time. Finance Charge shall be levied on each cash advance from the date of the advance, until repayment in full. The Bank may from time to time, vary the amount of finance charges payable by the Cardholder.

3.8 PAYMENT OF CARD

Details of all fees and charges referred to in this section are listed in the Service and Guide. This service and Price Guide may be amended from time to time usually giving advance notice to the Cardholder.

- i. The Cardholder agrees to pay the Bank upon the request of the Bank an annual fee as prescribed by the Bank for the Card when issued or renewed and an annual fee prescribed by the Bank for each Supplementary Card when issued or renewed.

- ii. The Cardholder agrees to pay the total amount of all charges described as the current Balance specified in the Statement of Account which is due in full and payable not later than the date specified on the Statement of Account and the Cardholder shall incur no financial charge (including for cash advance) if the payment of the Current Balance is received by the Bank on or before the Payment Due Date.
- iii. The Card holder may choose not to settle the Current Balance in full, in which case the cardholder must pay at least 5% of the current Balance or Tk 500/-, whichever is higher, (hereafter referred to as “Minimum Amount Due”) on or before the Payment Due Date. If the current Balance is less than Tk 500/- then Current Balance becomes fully due. However, if the Payment Due Date or only part of the Current Balance is paid, then the unpaid amount will be added to the next statement’s Minimum Amount Due.
- iv. If the Cardholder fails to pay the minimum amount due by the payment due date, a flat late payment charge as prevailing from time to time will be levied.
- v. If the cardholder pays to the Bank an amount less than the Current Balance by the Payment Due Date or no payment is made or payment is made but after the Payment Due Date, a finance charge calculated on an average daily basis will be applied to the Current Balance and new card transaction until any payments are credited to the Card account and thereafter on the reduced balance.
- vi. All payments received by the Bank from the cardholder may be applied in the following order of payment or such other order of priority as the Bank may think fit:
- vii. All unpaid finance Charges, Fees, Cash Advances, Charges, and other cost shown on any previous Statement of Account.

- viii. All unpaid cash Transaction as shown on any previous Statement of Account.
- ix. All unpaid Finance Charges, Fees, Cash Advances, Charges and other costs shown on the Current Statement of Account.
- x. All unpaid Card Transactions shown on the current Statement of Account.
- xi. All finance charges, fees, and cash advances, charges and card transactions not yet shown on the current Statement of Account.
- xii. The Bank shall be entitled at its sole discretion to vary the rate or method of calculation of the annual fees, handling charges, additional charges, finance charges, the specified Minimum Amount Due and/or late payment charges or any other charges.
- xiii. A Replacement charge as prescribed by the Bank is payable by the cardholder to the Bank immediately upon a request to the Bank to issue a Replacement Card. Additional charges as prescribed by the Bank are payable by the Cardholder to the Bank immediately upon the request to the Bank for the provision of copies of sales voucher/cash advance slip and any further services the Bank may provide from time to time.
- xiv. Without prejudice to the Bank's rights at any time to take the appropriate legal action, the Bank may charge fees for any returned unpaid cheques drawn by the cardholder in full or partial payment of the outstanding amount.
- xv. The cardholder hereby expressly agrees that if any sum shall be due from the cardholder to the Bank at any time under the Card Account, or the Cardholder shall be liable to the Bank at any banking account. Or any other account, current or otherwise, in any manner or if default is made by the Cardholder in the provisions of such accounts or in any other Banking facilities granted by the Bank

- to the Cardholder, then. In such event, the whole outstanding balance on the cardholder's account shall become immediately due and payable and the provisions of clause 8 shall be applicable.
- xvi. A Cheque deposit shall be acceptable for collection and the proceeds shall not be available until the Cheque has been cleared and the proceeds paid to the Bank the Bank. Any cash deposits may only be regarded as having been received by the Bank upon crediting the same to the card account.
 - xvii. Payments will be treated as made from the date on which the payments are actually received by the Bank in the ordinary course of Business and not from the posting date on the statement. At least 3-4 days should be allowed for the payment to be credited to the Card Account.
 - xviii. Payments made by cheques drawn on a location where the Bank does not have a branch will be subject to a processing and handling fee as determined by the Bank from time to time.
 - xix. The Bank may at any time demand that the cardholder deposits an undated Cheque and/or pledge cash collateral in favor of the Bank for the amount, which the Bank may require even when such a cheque was not demanded when the card was issued to the cardholder. The Cardholder, in such an eventually will be deemed to have authorized the Bank to insert the date on the said cheque and to present it for payment on the inserted date against any amount due to the Bank.
 - xx. Non- receipt of Statement of Account shall not be constructed by the Cardholder to be sufficient reason for non-payment of dues in time. The Bank cannot be held liable for non-receipt of Statement due to unforeseen circumstances and circumstances outside the Bank's Control.

- xxi. If the Cardholder is traveling or out of town, it would be the responsibility of the Cardholder to arrangements to ensure that at least the Minimum Amount Due is paid to the Bank or on before the Payment Due Date.
- xxii. The Bank will credit the Cardholder's Card Account with the amount of any refund only upon receipt of a property issued credit voucher from the merchant establishment.

The payment by the cardholder of any sum to the Bank in respect of any statement of Account shall constitute binding and conclusive evidence of the acceptance by the Cardholder of the entries shown on the Statement of Account.

3.9 SUPPLEMENTARY CARD

- (i) The Bank may at its absolute discretion issue a Supplementary Card to a person nominated by the Cardholder and Approved by the Bank. The supplementary cardholder must be of 18 years of age or over. The issue of the Supplementary Card(s) shall be subject to such terms and conditions, which the Bank may deem necessary.
- (ii) The credit limit assigned to the Cardholder is inclusive of the Credit Limit of the Supplementary Cardholder and the Primary Cardholder and the Primary cardholder shall not permit the total of the charges incurred through their respective Cards to exceed the said Credit Limit.
- (iii) The validity of the Supplementary Card is dependent on the validity of the primary card. The termination of the supplementary card shall not terminate the Primary Card.
- (iv) The undertakings, liabilities and obligations of the Primary cardholder and the Supplementary Cardholder to the Bank and the Bank's rights herein shall not be

affected in any way by any dispute or counter claim which the primary Cardholder and the Supplementary Cardholder may have against each other.

- (v) The Supplementary Cardholder is bound by all terms and conditions except that he or she is not liable for payment in respect of any transaction on the Card Account. The Primary Cardholder will be responsible to the bank for all transactions on the Supplementary Card.
- (vi) The Primary Cardholder may withdraw the authority of the Supplementary Cardholder by sending a written intimation to the Bank accompanied by the Supplementary Card.
- (vii) All transactions authorized by the Supplementary Cardholder prior to the date the Supplementary card is received by the Bank, are valid and treated as binding upon the Primary Cardholder and are the liability of the Primary Cardholder.

3.10 LOSS CARD & PIN NUMBER

- (i) The Bank may issue a PIN for the Cardholder for use at any ATM, which will accept the card and the cardholder agrees that post or courier may send the PIN to the Cardholder at his risk.
- (ii) The cardholder shall be fully liable for all card transactions made with the PIN whether with or without the knowledge of the Cardholder.
- (iii) The Cardholder shall use all reasonable precautions to prevent the loss or theft of the card and shall not disclose the PIN to any party.
- (iv) In the event that the card is lost or stolen or the PIN is disclosed to any other party, the Cardholder shall immediately notify the said loss, theft or disclosure

together with the particulars thereof to the Bank and the police of the country where such loss or theft or disclosure occurred.

- (v) The Cardholder shall be and remain fully liable to make payment to the Bank for any debit to the Card Account arising from any Card Transaction, goods or services supplied by Merchants, Cash advances or ATM transactions affected through the use of the card by any person whether with or without knowledge of the Cardholder and irrespective of whether they were authorized by the cardholder or not.
- (vi) The Bank may at its absolute discretion issue a replacement for any lost or stolen Card or a new PIN on the terms and conditions that the Bank may deem it.
- (vii) In the event that the Cardholder recovers the lost or stolen Card, he/ she shall immediately return the same cut in halves to the Bank without using it. The Cardholder shall not use the PIN after reporting to the Bank of the disclosure of the same to any other party.

3.11 TERMINATION

- (i) Not with standing the payment provisions outlined under clause 5. All amounts outstanding on a card account (including that of all Supplementary Cards) together with the amount incurred by the use of the card but not yet charged to the Cardholder's Account shall be payable immediately in full upon the termination of this agreement.
- (ii) The Cardholder may at any time notify the Bank of his intention to close the Card Account and terminate the use of all Cards by giving the notice in writing and returning all Cards cut into halves to the Bank. The Card Account shall be closed only after the receipt by the Bank of all cards cut in Halves and full payment of all charges and liabilities under the Card Account.

- (iii) In the event that Supplementary Cardholder terminating his/her Card, all cardholders including the Supplementary Cardholder whose use of the Card has been terminated shall be and shall continue to be jointly and severally liable to the Bank for all Charges and other liabilities in accordance with these terms and conditions save that Supplementary Cardholder whose use of the card has been terminated shall not be liable for charges and other liabilities incurred by the cardholder and other Supplementary Cardholders (if any) after the Bank's receipt of the Cut Supplementary Card.
- (iv) The Bank may at any time recall all or any Card(s) and cancel its/ their use with or without giving prior notice to the Cardholder. The Cardholder shall immediately after such recall; return such card(s) cut in halves to the Bank and make full payment of all Charges and liabilities to the Bank.
- (v) The Bank shall terminate the use of the card without notice upon the death, bankruptcy or insolvency of the cardholder or when the whereabouts of the cardholder become unknown to the Bank due to any cause not attributable to the bank.
- (vi) The cardholder and/or his estate will be responsible for repaying in full any outstanding balance on the Card Account and shall keep the Bank indemnified for all costs (including legal fees and charges) and expenses incurred in recovering such outstanding Balances.
- (vii) The Bank shall not be liable to refund the annual fee or any membership fee or any part thereof in case of the termination of the Card Account.
- (viii) In the event that any security is held by the Bank as collateral for the issuance of the Card. The Bank reserves the right to retain such Security for a period of at least 45 days following the card being cancelled and returned to the Bank whether

cancelled by the cardholder or the Bank or following the Agreement being terminated.

3.12 DISCLOSURE OF INFORMATION

- (i) The Cardholder irrevocably authorize and permits the Bank to disclose and furnish such information that it deems fit concerning the Cardholder and its affairs including but not limited to this Agreement to the Bank's associates, branches, assignees, agents or other parties.
- (ii) The Cardholder also irrevocably authorizes and permits the Bank to disclose information about Card Account to any credit rating/ reference agency, bank, financial institution, leasing company, any government regulatory agencies or to any one else when the Bank deems it is in its interest to do so. The Bank will immediately comply with disclosure of information to any authority under any law.

The Bank shall have the right to check the credit standing of the applicant for the card and/ or check credit standing of the Cardholder at any time as and when the Bank deems fit without reference to him.

3.13 INDEMNITY

The Cardholder undertakes and agrees to indemnify the Bank against any loss, damage, liability, and costs and expenses whether legal or otherwise which the Bank may incur by reason of these Terms and Conditions or ant Breach thereof or the enforcement of the Bank's right as herein provided. All costs and expenses in such regard may be debited to the Card Account and shall be payable by the Cardholder.

3.14 NOTICES

- (i) The Cardholder must promptly notify the Bank in writing of any change in employment or business or address (Office and/ or residence) or if Cardholder intends to be away from Bangladesh for more than 30days.
- (ii) Should the Cardholder be away from Bangladesh for more than a month, the Card Account should be settled 7 days prior to departure.
- (iii) If the Cardholder leaves Bangladesh to take up residence elsewhere, both the Primary and Supplementary Card(s) shall be returned to the Bank 14 days prior to the Cardholder's departure and the use of the Card and Supplementary Card(s) shall be deemed to be terminated and clause 8 shall apply.
- (iv) All cards, which do not have any payments pending for over a month or more, will be renewed automatically. In case the cardholder does not want his/her card to be renewed or any supplementary card to be renewed, written information should be sent to card services two months in advance. Intimations sent earlier than two months or less than 30 days before the expiry cannot be accepted.
- (v) Instructions sent by the Cardholder to the Bank through facsimile communication considered should be valid and binding on the Cardholder & the bank may act upon instruction conveyed through the method. The bank may use the originals of the facsimile transmissions received by the bank and printed out on its receiving machine as evidence in any court of law.
- (vi) All Cards, Pin, Statement of account, demands or any other communication under these terms & conditions may be delivered personally or sent courier or ordinary post to the last known billing or any other address to the Cardholder and such communication shall be deemed to be to have been served on the Cardholder on

the day of delivery if delivered by hand and on the next business day after dispatch, if sent by courier or post.

- (vii) All communications under these terms and conditions sent to the Primary Cardholder or the Supplementary Cardholder shall be deemed to be communication sent to both.

3.15 VARIATION OF TERMS

- (i) The Bank may from time to time change the Terms and Conditions of this Agreement. Subject to the requirements of statute, notification of any such change shall be given to the Cardholder by the Bank either in writing or by publication thereof. Such changes shall apply to all unpaid Finance charges, Fees, Cash Advances, Costs and Card Transactions.
- (ii) Retention or use of the Card after the effective date of any such change of Terms and Conditions shall be deemed to constitute acceptance of such changes without reservation by the Cardholder. If the Cardholder does not accept the proposed change, the Cardholder must terminate use of the Card by giving prior written notice to the effective Date and clause 8 shall henceforth be operative.

3.16 GOVERNING LAW

The terms and conditions are governed by and shall be construed in accordance with the laws of the land and the cardholder hereby submits irrevocably to non- exclusion jurisdiction of the courts of the country. Such submission however not prejudices the rights of the bank to bring proceedings against the cardholder in any other jurisdiction.

3.17 FEATURES & BENEFITS OF CREDIT CARD

3.17.1 Local acceptability

Standard Chartered Grindlays Visa/ Master card is one of the most locally acceptable cards welcomed all locations displaying the VISA/ MASTER CARD logo. The card can be used at in 5 cities around country, with over 2,800 establishments in Bangladesh.

3.17.2 International acceptability

Standard Chartered Grindlays International Visa card is a acceptable card in more than 150 countries around the world displaying the VISA CARD logo. This card is accepted over 18m establishments worldwide including 3,000 merchants in Bangladesh.

3.17.3 Air accident insurance

The Standard Chartered Credit card gives free air accident insurance coverage up to TK. 100,000(for silver card) TK. 500,000(for gold card). This coverage is also applicable for supplementary cardholder.

3.17.4 Auto debit facility

If a person have any account in SCB or SCG, he/she can fill up a form of standing instruction, by which the amount which is being due will be automatically debited from that account and credit card payment will automatically done.

3.17.5 Cash advance facility

The cardholder has the facility to withdraw up to 50% of his/ her credit limit as cash advance at any of the Standard Chartered branches or participating Banks displaying Visa/ Master logo.

3.17.6 Security versus cash

Security is a very important factor especially when traveling. Carrying a large amount of cash can be risky and not very practical. The credit card provides the cardholder security against cash because of the zero loss liability.

3.17.7 Extended customer service

8 hours service is available over the Phone from 9:00AM to 5:00PM. Also from 9:00AM to 5:00PM Customer Service will be available for all walks in Customers at the Card Centers in Dhaka & Chittagong respectively. And by phone banking one will get 24 hours customer service.

3.17.8 (45) days interest free payment

Maximum 45 days is interest free. If a customer fully paid his/her bill before the due date next 45 days will be free for them again.

For international visa card: Monthly minimum repayment of 5% or US\$ 10, whichever is greater. One may get instant cash advance 50% of credit limit

3.17.9 Supplementary (additional) card

Supplementary Cardholders enjoy the same benefits and services as the Primary Cardholder. Charges incurred by the supplementary card will be reflected in the Monthly Statements. The min. age to qualify for a supplementary card is 18 years. Each cardholder can have a max of 3 Supplementary Cards. However, it is to be noted that if supplementary cards are issued for local cardholders, then all Supplementary Cards must operate within the Limit assigned to the Primary Cardholder. For international credit card 4 supplementary cards are given and also separate spending limits for supplementary card(s).

3.17.10 Revolving credit facility

Standard Chartered Grindlays Visa/Master Cardholders have the flexibility to make their payments through a revolving credit facility, in which the Cardholder needs only to pay as little as 10% of the Outstanding balance, or BDT .500 which ever is greater and revolve the rest. Full payment will incur no further charges. For international visa card customer have to replay monthly minimum 5% or \$ 10, which ever is greater.

3.17.11 Lost or stolen card

Cardholders are covered for all fraudulent charges made on their Visa/Master card as soon as it has been reported Lost/Stolen cards immediately on discovery. In doing so a cardholder becomes completely secure against loss and theft.

3.17.12 Telephone calls

The Consumer Banking Cards Customer Services also receive telephone calls relating to card queries. The Dhaka Card Centre has a 8-hour Customer Services UAN number. And by phone banking one will get 24 hours service.

- All Calls Answered Within 3 Rings.
- Always greet the caller with a proper way.
- Listen to the caller.
- Confirm the Details.
- Provide Accurate Information.

Close the conversation with appropriate response.

3.18 COST TO THE CARDS

➤ Local cards:

- Visa silver / Master Silver:

Joining Fee (Primary)	Nil
Annual Fee (Primary)	BDT 1,500
Annual Fee (Supplementary)	BDT 1,000
Card Replacement (Primary/supplementary)	BDT 500

Table # 1, Annual and replacement fee of local (silver) cards

- Master Card Gold

Joining Fee (Primary)	Nil
Annual Fee (Primary)	BDT 3,000
Annual Fee (Supplementary)	BDT 1,000
Card Replacement (Primary/supplementary)	BDT 1,000

Table # 2, Annual and replacement fee of local (gold) cards

➤ International cards:

- Visa Gold

Joining Fee (Primary)	Nil
Annual Fee (Primary)	US\$120
Annual Fee (Supplementary)	US\$60
Card Replacement (Primary/supplementary)	US\$15

Table # 3, Annual and replacement fee of international (gold) cards

- Visa Classic

Joining Fee (Primary)	Nil
Annual Fee (Primary)	US\$70
Annual Fee (Supplementary)	US\$35
Card Replacement (Primary/supplementary)	US\$15

Table # 4, Annual and replacement fee of international (silver) card

3.18.1 Cash Advance Fee:

A flat charge BDT 350 will be charged off us on each Cash Advances taken by the Cardholder of other Bank. Waiver for Standard Chartered Grindlays cardholders. For international visa card cash advance charge is 50% of the credit limit.

3.18.2 Late Charge:

- The Cardholder must pay the Minimum Monthly Payment of 10% of the statement balance on a regular basis. Late charge is levied in case of non-payment of the minimum due/ payments made after the due date/ payment done less than the minimum appearing on the statement.
- The Minimum Payment Due is to be paid within 15 days from the statement date.
- The late payment fee is BDT 500 for Gold and BDT 350 for Silver local cards and for international visa card late payment fee is US\$15.

The card will be suspended in case of non-receipt of payment within 90 days from the due date.

3.18.3 Replacement Charge:

There will be replacement card fee charged to the cardholder for BDT 1,000 for Gold and BDT 500 for Silver. There will be replacement card fee charged to the international cardholder for US\$15 for Visa gold and Visa classic.

3.18.4 Over limit Fee:

If a card account exceeds the limit by a minimum of a 10% (Over limit), an over limit fee of BDT 500 and BDT 300 will be charged. And for international credit card US\$ 15 is charge.

3.18.5 Returned Cheque Fee:

If a cardholder's cheque payment is returned due to any reason or an auto-debit is reversed, a return cheque fee of BDT 500 will be charged for Gold & Silver both, and an advice sent to the customer.

3.18.6 Out Station Cheque Collection Charge:

If a cardholder's cheque is outside the city, then a fee of BDT 100 will be charged.

3.18.7 Transfer Charge:

There will be no charges for any upgrades/ transfers, but the cardholders will be liable to pay the annual fee irrespective of the transfer.

3.18.8 Voucher Retrieval Fee:

For any sales slip that is retrieved for disputed transactions a fee will be charged at the rate of BDT 100 for local Transactions.

Schedules of Charge:

Charges	Local cards	International cards
Interest charge	BDT 2.5% per month for Visa & Master	2.5% per month
Late payment Fees	BDT 500 for Gold & 350 for Silver Card	US\$15
Cash Advance Fees	BDT 300	50% of credit limit
Cheque Return Fee	BDT 500	US\$15
Over limit Fee	BDT 500	US\$15
Card Replacement Fee	BDT 1000 for Gold & BDT 500 for Silver	US\$15
Statement retrieval fee	BDT 50	US\$5
Certificate Charge	BDT 100 (per request)	US\$15
Pin replacement fee	BDT 500	US\$15

Table # 5, Schedules of Charges of local and international cards of SCB

Standard Chartered credit card is now acceptable worldwide; one doesn't have to carry cash if he or she have a credit card. In other countries like Japan, if a customer have an account with the bank they are given a credit card to, the customer don have to pay for anything except interest. So for being an international and having competitors SCB should lower other charges that being charge for credit card. And they don have to charge for both card and pin. When the customers apply for a credit card they get the card after 1 month or so. As demand for credit card in increasing year after year they should increase their supply too.

4. FINDINGS & ANALYSIS

4.1 COMPARISON WITH OTHER BANKS

4.1.1 Local Credit Cards

4.1.1.1 Local MasterCard silver and Visa Silver

Compared to other two banks. National Bank Ltd. and Prime Bank Ltd., Standard Chartered Bank annually charges higher than other two banks. Where PBL charge TK. 1400 and NBL charge TK. 1200, SCB charge TK. 1500. An annual charge for MasterCard Silver and Visa Silver in Standard Chartered bank is 8% higher than NBL and 3% higher than PBL. Though charge is high people are borrowing these cards from SCB.

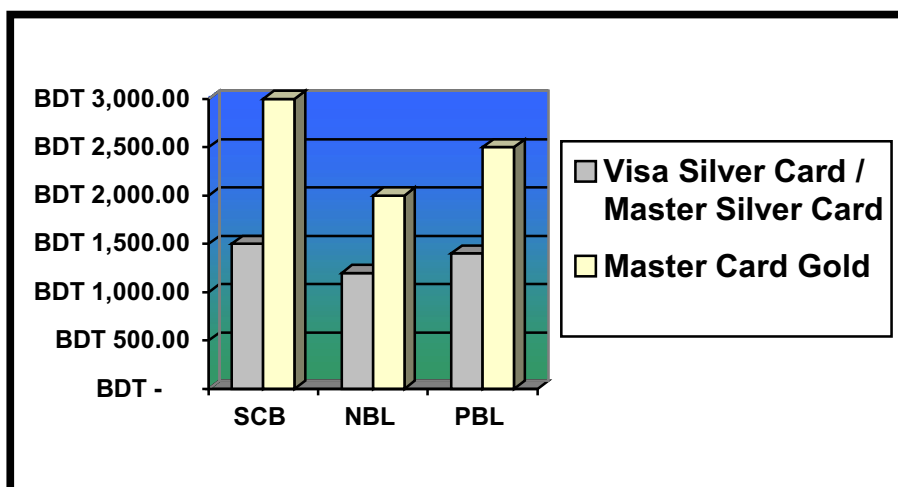


Figure # 1, Annual charge of local Credit Cards

4.1.1.2 Local MasterCard Gold:

Compared to other two banks, i.e. National Bank Ltd. and Prime Bank Ltd. charge lower than Standard Chartered bank. Where PBL charge TK. 2000 and NBL charge TK. 2500, SCB charge TK. 3000. Though charge higher than other banks people are buying Master card gold from SCB.

4.1.2 International Credit Cards

Standard Chartered Bank has an international card, which is Visa Card; they don't have any MasterCard international where other banks don't have Visa international Card but Master international Card. But both master card and Visa card have two types of international cards, such as:

- Visa Gold / Master Gold Card,
- Visa Classic / Master Silver.

4.1.2.1 Visa gold / Master gold card:

All three Banks Standard Chartered Bank, Prime Bank Ltd., National Bank Ltd. charge the same amount for international Gold card. For Visa Gold or Master gold they are charging \$120.

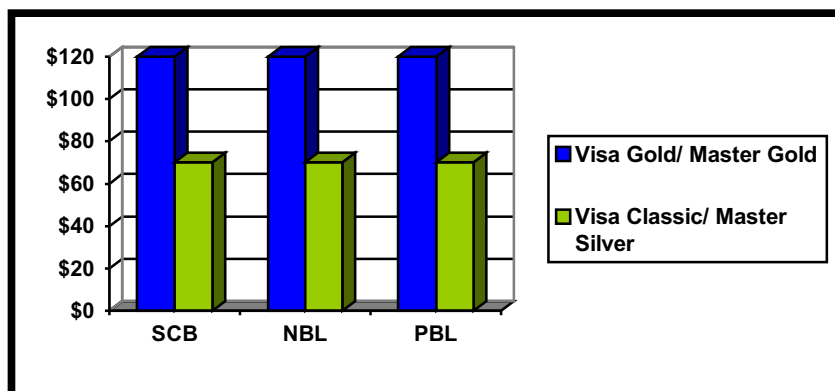


Figure # 2, Annual charge of international Credit Cards

4.1.2.2 Visa Classic / Master Silver Card

All three Banks Standard Chartered Bank, Prime Bank Ltd., National Bank Ltd. charges the same amount for both Master silver and Visa classic card. For Visa Classic or Master Silver they are charging \$ 70.

4.2 CHARGES WHICH AFFECT CUSTOMERS TO GET A CARD

4.2.1 Charges for local cards

Charges vary from bank to bank. Interest rate is almost same in all the three banks except National Bank Ltd. (NBL), which charge 2% interest rate where other charges 2.5%. Late payment is almost same But Prime bank charge BDT 50 lower than other two banks for gold card, but national banks charges higher for silver card for which customer might chose SCB for silver card because SCB has a good will. And most of all it's an international bank. SCB customer can take 50% cash in advance where other bank customer can borrow 2%-3%, which is very low. SCB is taking high charge for cheque return where PBL charges only BDT 50. NBL customer service officer told me that they don't take any over limit charge where other two banks take huge charge.

Charges	SCB	NBL	PBL
Interest charge	BDT 2.5% per month for Visa & Master	BDT 2% per month	BDT 2.5% per month
Late payment Fees	BDT 500 for Gold & 350 for Silver Card	BDT 500 for both Gold and Silver card	BDT 450 for Gold & 300 for Silver Card
Cash Advance Fees	50% of credit limit	2% per instant	3% per instant
Cheque Return	BDT 500	BDT 50	BDT 350 for Gold

Fee			& 250 for Silver Card
Over limit Fee	BDT 500	Not specified	BDT 750 for Gold & 500 for Silver Card
Card Replacement Fee	BDT 1000 for Gold & BDT 500 for Silver	BDT 500 for Gold and Silver	BDT 1000 for Gold & BDT 500 for Silver
Statement retrieval fee	BDT 50	No charge	BDT 50
Pin replacement fee	BDT 500	No charge	BDT 1000

Table # 6, Schedules of Charges of local cards of three different banks.

For card replacement NBL take less charge BDT 500 for both gold and silver and no charge for Pin number, where other two bank charges BDT 1000 for gold card and BDT 500 for silver and they also charge for pin number. So if a customer lost his or her card and asks for a replacement and if they got to know about the high charge they might get sad by this high charge. As other banks such as Dhaka bank, Eastern bank, HSBC etc. are also planning to have credit card the competition will increase in near future. And for statement they charge BDT 50 but PBL doesn't charge for statement retrieval.

Charges are almost same in every bank; only few differences are there. As SCB wants to have many customer in future they have keep the charge lower because credit card market is growing rapidly so the competitor.

4.2.2 Charges for international cards

SCB has Visa international credit card, no other banks use this logo. But in future other banks are expecting to have Visa logo card too, other banks have only master card logo. Interest rate for international card is same as local card. For late payment PBL charges

lower than other two banks. For check return NBL doesn't charge any amount, PBL charge US\$ 15 for gold card and NBL charge US\$ 10 for silver card and SCB charge US\$ 15 for both gold and silver. Over limit charge for gold card is higher in PBL than SCB where NBL don't charge for it.

Charges	SCB	NBL	PBL
Interest charge	2.5% per month for Visa & Master	2% per month	2.5% per month
Late payment Fees	US\$15	US\$15	US\$10
Cash Advance Fees	50% of credit limit	2% per instant	3% per instant
Cheque Return Fee	US\$15	Not specified	US\$15 for Gold & US\$10 for Silver Card
Over limit Fee	US\$15	Not specified	US\$20 for Gold & US\$15 for Silver Card
Card Replacement Fee	US\$15	US\$90	US\$50 for Gold & US\$35 for Silver
Statement retrieval fee	US\$5	No charge	US\$5
Pin replacement fee	US\$15	No charge	US\$20

Table # 7, Schedules of Charges of international cards of three different banks.

For international card replacement NBL charge much higher then PBL AND SCB. NBL charge US\$90 where PBL charge US\$50 for gold and US\$35 for silver and SCB charge only US\$15 for both gold and classic international card. For pin replacement SCB charges US\$15 and PBL US\$20, where NBL doesn't charge any amount. For statement retrieval both the bank SCB and PBL charge US\$5 but PBL charge nothing.

4.3 MINIMUM & MAXIMUM LIMIT OF A CREDIT CARD

Standard Chartered bank follows a rule and regulation where other banks NBL and PBL don't follow that much. For having a PBL credit card one must have an account with them, only in special case they give cards without an account. But in SCB and NBL customer don't need to have an account to get a credit card.

4.3.1 Maximum and minimum charge of local cards:

For Master Card gold SCB have minimum limit of BDT 100,000 same as PBL, but NBL has a limit of BDT 50,000. And maximum limit BDT 400,000 for SCB and NBL it's only 100,000 and for PBL it varies. Master card silver / Visa silver, these two brands are in use in SCB but no other banks have Visa logo credit card. For silver card PBL doesn't have such limitation, it can be open by anyone who has an account with that bank. But for other two banks minimum limit is BDT 10,000 and maximum limit for SCB BDT 90,000 and for NBL BDT 45,000.

Card type	SCB (Minimum limit & Maximum limit)	NBL (Minimum limit & Maximum limit)	PBL (Minimum limit & Maximum limit)
Master Card gold	BDT 100,000 to BDT 400,000.	BDT 50,000 to BDT 100,000	Above 100,000 (varies)
Master card silver / Visa silver	BDT 10,000 to BDT 90,000	BDT 10,000 to BDT 45,000	Above 3,000 (varies)

Table # 8, minimum and maximum limit of local cards of three different banks

4.3.2 Maximum and minimum charge of international cards:

For Visa gold SCB has minimum limit of US\$5,000 where for master card gold PBL has US\$3000, NBL has a limit of US\$1000. And maximum limit US\$20,000 for SCB and

NBL it's only US\$4,000 and for PBL it varies. Master card silver / Visa classic, For silver card PBL doesn't have such limitation according to PBL employees they have minimum limit of US\$1,000, but for other two banks minimum limit is US\$500 and US\$1000, and maximum limit for SCB BDT 90,000 and for NBL BDT 45,000.

Card type	SCB (Minimum limit & Maximum limit)	NBL (Minimum limit & Maximum limit)	PBL (Minimum limit & Maximum limit)
Master Card gold/ Visa gold	US\$ 5,000 to US\$ 20,000	US\$ 1,000 to US\$ 4,000	Above US\$3000 (varies)
Master card silver / Visa classic	US\$ 500 to US\$ 4,500	US\$ 1,000 to US\$ 3,000	Above US\$1000 (Varies)

Table # 9, minimum & maximum limit of international cards of three different banks

4.4 MARKET SHARE OF STANDARD CHARTERED BANK

At present time Standard chartered bank have 70,000 Credit card customers, where other banks have only 5,000 to 20,000 customers.

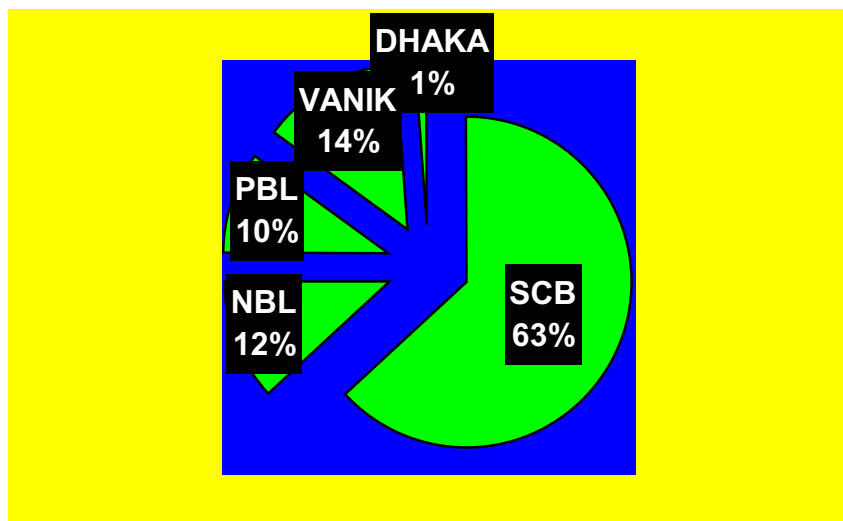


Figure # 3, Total number of Credit Cards customer

Customers take credit card from Standard Chartered bank because it's an international bank. Other international banks still don't have any credit card. Those of which have credit cards, are local banks, and as people want a better environment they want to have SCB credit card. And the plus point is people can use their credit card in ATM machine, where other bank customer can't use their credit card in ATM machine. This is the main attraction for the customer for having a credit card with Standard Chartered bank. As other banks are using ATM machine but that's only for debit card not credit card.

5. CONCLUSION

This report tries to figure out most of the indicators of problems and strengths of the Credit Card division of SCB through data gathered from primary observation and secondary source. These data and their analysis can be of importance if they are critically and feasibly implemented in the Bank's culture. These data also indicate some distinguishing features of weak and strength circumstances of the Bank's strategy.

Standard Chartered Bank is taking necessary steps to enhance its position in context of Bangladesh. They are now coming out of being restricted in a selective type of customers to the broad range of retailers as they are having international Visa card. But still they are not up to the task yet. They should advertise more on Credit card to create any real chance against other foreign banks that are very proactive in their business. Customers often complain about their service, they have to take necessary action for Credit Card service. The suggestion and policy framework revealed through the survey are of importance since they are recommended on the basis of theoretical aspect and realistic approach.

6. RECOMMENDATION

i. An easy and understandable booklet:

A booklet should be given to customer letting them know about the payment system and charges, so customer don need to come to bank to know how they are charging, what the procedure is, and what the amount is. Then they will not come to ask customer service what is written in statement and why they charged and what for.

ii. A separate counter for the Credit Card payment:

As bank is planning to get large number of customers, they should have a separate counter for payment of credit card, or they must show the customer how easily they can pay by ATM service, which other banks don't have.

iii. Proper care of the ATM machine:

A big problem of the bank is that most of the time in a week machine becomes out of order. And sometimes everything is ok but the card doesn't work, not for magnetic reason, it also happens with new card too, because of machine's problem. Cardholders suffer a lot for the retained card to take and cash advance to draw. As a result, these machines need immediate upgrade. And if credit card is captured by ATM machine say as in Uttara branch they have to collect it from head office (Motijhil Branch) after 3 days, which is a negative point for SCB. It should make such a way that customer can get their card in the branch where it's captured. A separate person must be kept in every booth to repair and every branch must have a right to give the capture card back t the customer so that they don have to go all the way to head office.

iv. Limit should be lower:

Limit is a limitation for some customer. So limit should be perfectly delegated as customer can apply for a credit card.

v. Credit Card trainer:

All the customer service employee must be trained about the credit card not only the credit card officer. If SCB appoint a person to train the customer service of all branches about the Conditions of Use of the Credit Card, it would have given positive impact for the credit card holder.

vi. Improved Courier Service:

The courier service should improve their work of delivery. Many cardholders didn't get the card, as the card was not delivered to the assigned person. Some times they get card but they don't get the pin. Usually pins were mailed before the card.

vii. Fast service:

The credit card and the pin may give to the customer as they are giving the debit card to the customer. It's very risky the way they send the credit card to the customer. It's better if customer gets the card from where they are applying. That time they can activate it suddenly.

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