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Financial Education Series
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Issue-2

RAJU AND THE DEBIT CARD



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

Meet Raju - a chirpy, inquisitive, school going village boy who learnt his basic banking in the first of financial literacy series (Raju & the Money Tree, Raju & the Sky Ladder and Raju & the Magical Goat) brought out by RBI. On a trip to Rampur, through his searching questions, Raju gets his Gopi chacha to teach him to draw cash from an ATM, about its security features and multipurpose capability (Raju & the Friendly ATM). In this issue, Raju visits his sister in Mumbai and learns how a bank's ATM-cum-Debit card is used for cash-less purchase at Point of Sale (POS) terminals and on e-commerce sites. Read how Raju enriches his knowledge of e-banking from his sister Rani and Rani's friend Tara in this comic book brought out by the Department of Payment & Settlement Systems of Reserve Bank of India. The saga of Raju's experiences is also available at www.rbi.org.in/financialeducation



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For more information or to get this comic book, you may please write to:

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RAJU AND THE DEBIT CARD



Yahoo! Exams are finally over.

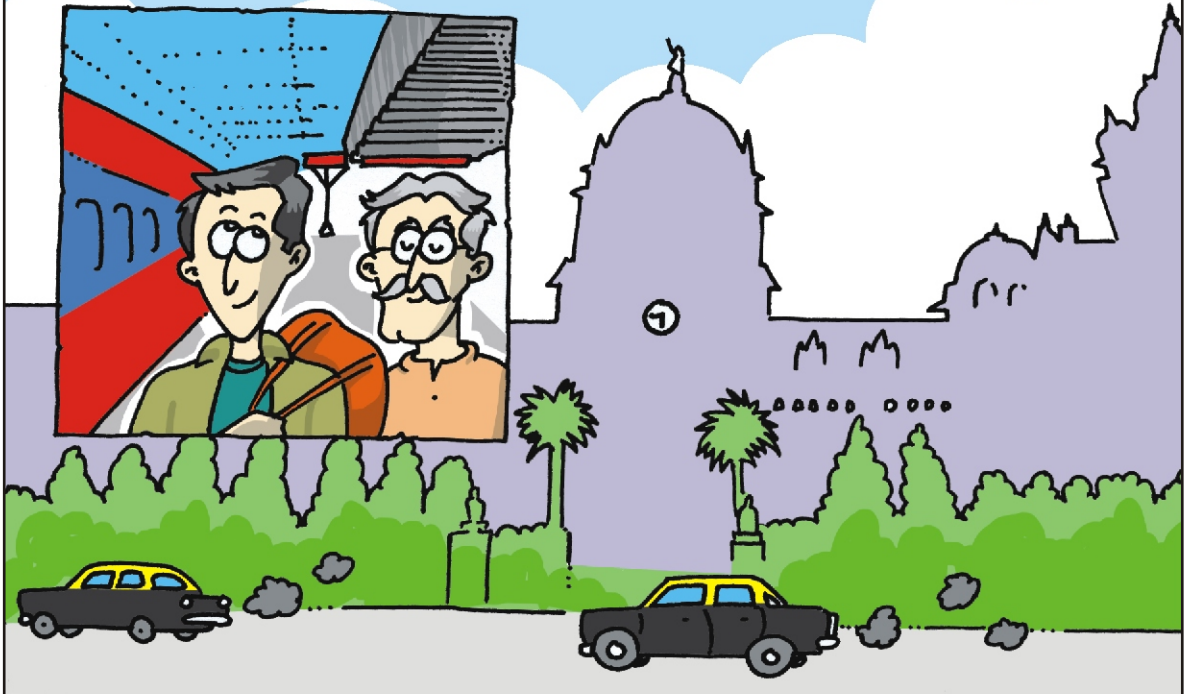


Gopi chacha, you had promised to take me to Mumbai to Rani didi's house.



Yes, I have booked two tickets . I will call up and tell Rani that we both are coming.

Raju and Gopi chacha reach Mumbai ...



and reach Rani's house



Chacha and Raju, welcome to Mumbai.

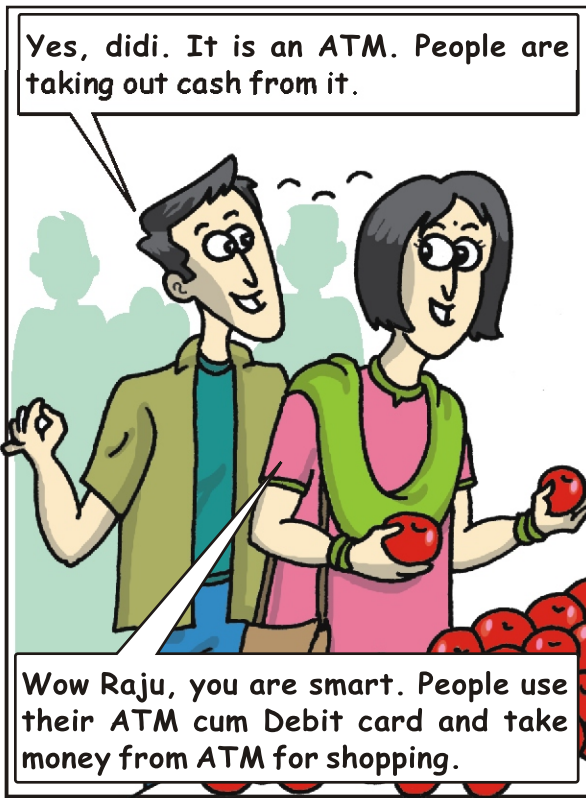
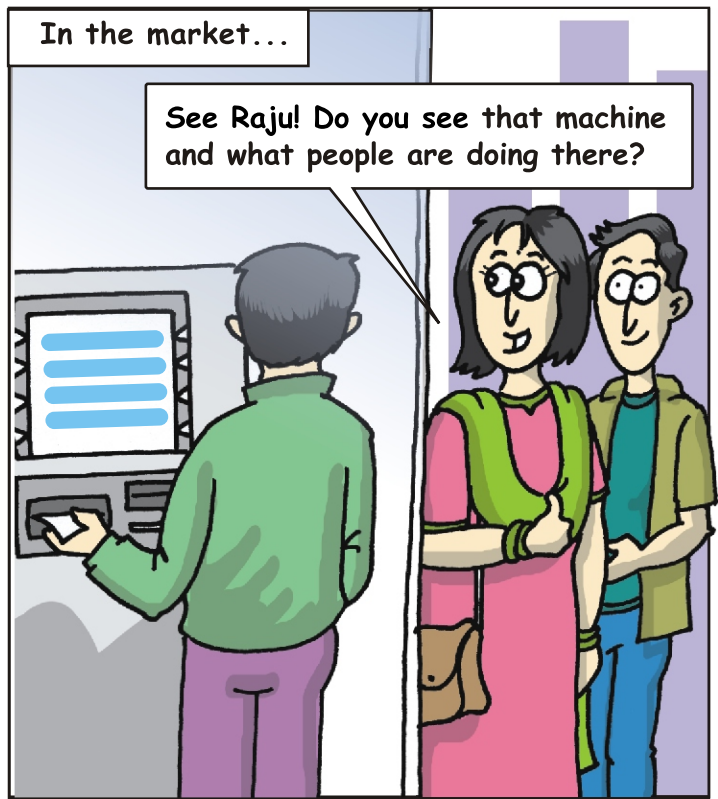


Good you have come today, Raju. I have a holiday. We can go out shopping together.



Raju, let me check if my card is there. It is. So let us go.

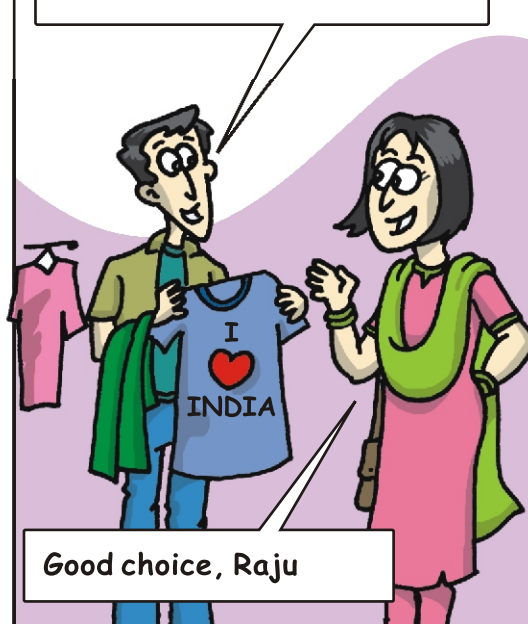




Raju and Rani enter a shop in the mall.



I like this trouser & T shirt didi.



Good choice, Raju

How much is the bill ?

Rs 1500/- Madam.
Card or cash ?

I will pay by card.



Didi, why did you give him the card instead of money?



Raju, we can pay with this Debit card. Do you see this machine?



It is called Point of Sale (POS) Terminal. The cashier will swipe my card and take money from my bank account.



How can that happen? He has to be paid in cash for the clothes we bought.



POS talks to my bank, check whether I have money in my account and confirms the transaction. See that slip coming out of the small printer. My account is debited.



Which account, didi?

This card is better. It pays cash directly to the merchant's bank account. The merchant's bank is called Acquirer Bank.



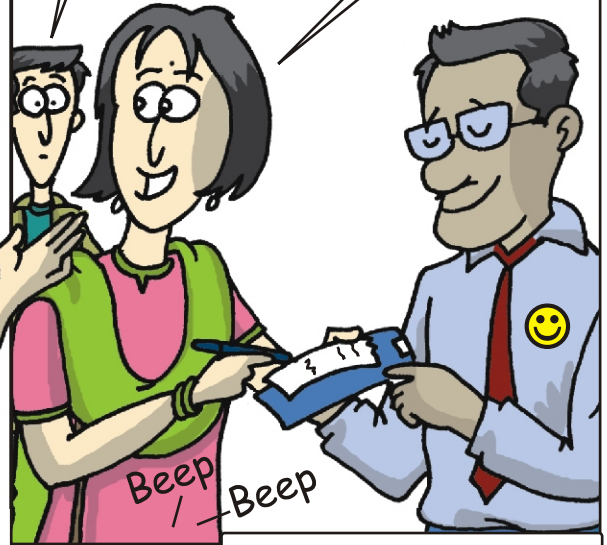
See this card, the name of my bank where I have an account is written on this. My bank is called the Issuing Bank.

I can't believe it. That means if such machines are there, we need not pay by cash?



That's right, little brother. I need not carry much cash when I have my card. Let me sign the slip and then let us pick some fruits and vegetables. Oh, the beep!

What beep, didi?



An alert from my bank.



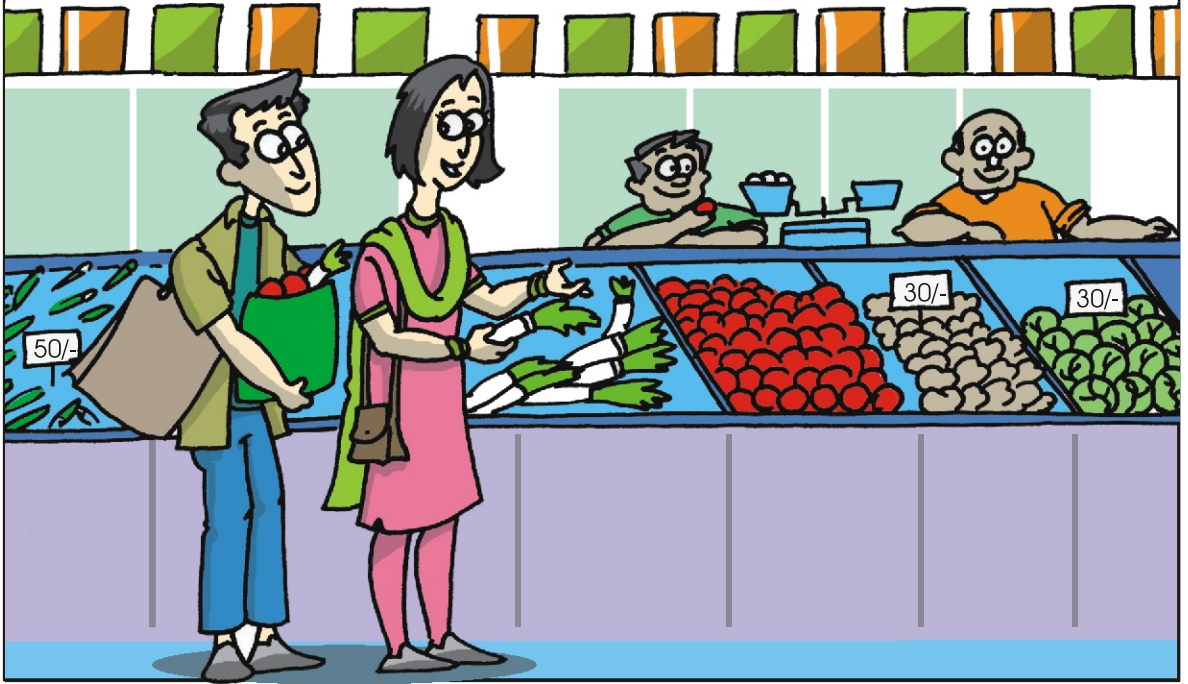
Rs.1500 was spent on your Debit CardXXXXX5555 on 06-May-13- at Cloth Shop. Available balance Rs 38,563.



This is a message from my bank telling me that my card has been used.



Raju and Rani enter another shop, pick some fruits and vegetables.



Madam, cash or card?

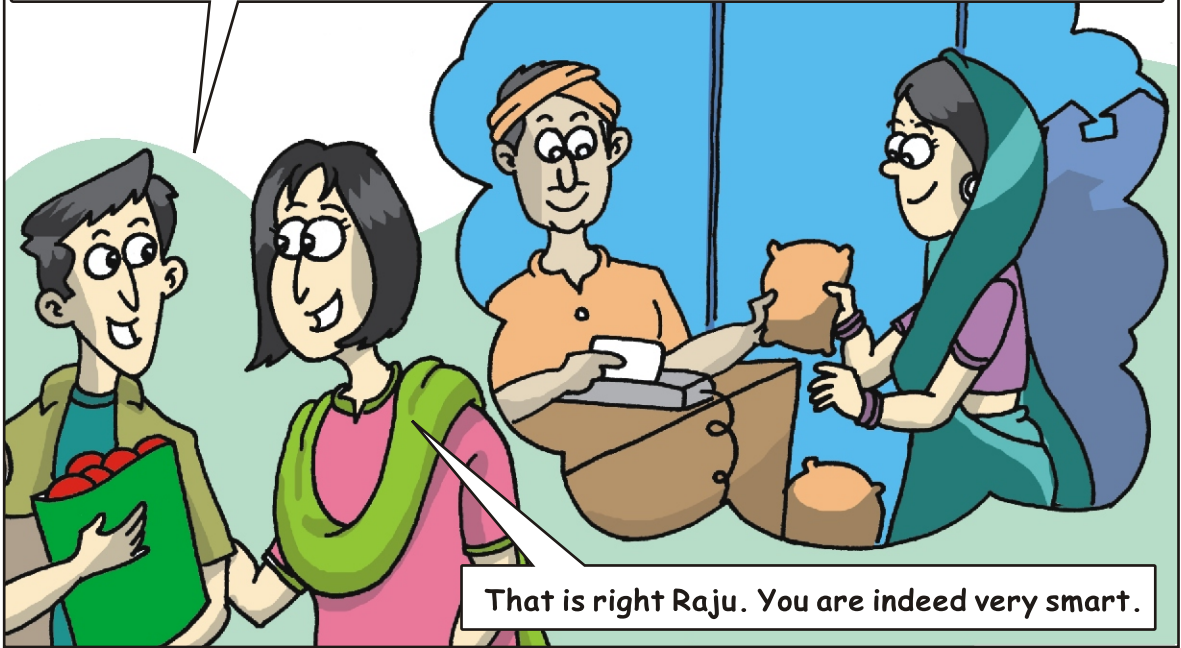


Card.

Ok Raju, shopping is over. It's ice cream time.



Didi, this POS machine is great. If we had such machines in Ramu kaka's shop and all the shops in our village, we would not need to visit a bank or even an ATM to withdraw money.



Less cash and convenience for both merchants and users.

I wish every shop keep a POS. Then I could go shopping with only one card. Pick pockets will go out of business.



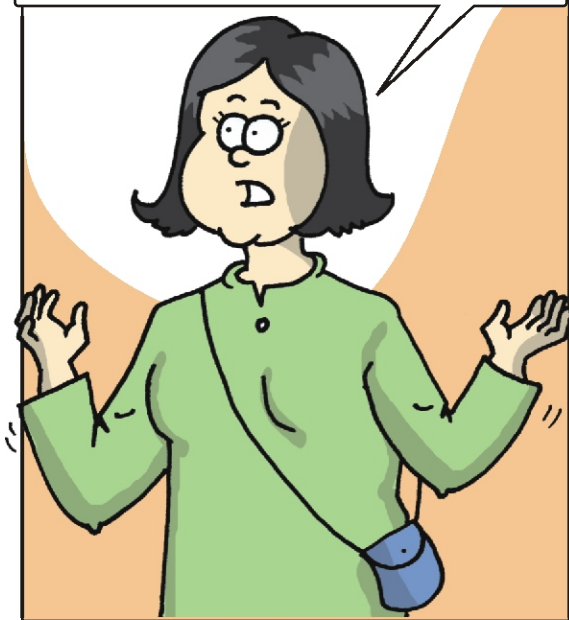
At home..



Hi ! Meet my brother. Raju, this is my friend Tara from office. What brings you here Tara ?.



Rani, I need your help. Grandmother is not well and mom wants to visit her. I need to book a ticket on-line urgently. Can I use your computer?



Oh yes, please come. I will connect to the internet.



See Tara didi is also using her card. But we do not have a POS machine like we saw in the shop. What will she do?



Raju, you can enter the details mentioned on the card and make payment.



There! I have booked a train ticket. Now let me transfer some funds to my grandfather using my debit card.



See, how I am transferring Rs.5000 to my dear grandfather's debit card. Look at my bank's website. After entering the details of my grandfather's debit card, it is asking for PIN (a kind of password) which only I know.



See, after entering my PIN, the transaction is successful. The money is transferred to my grandfather's debit card.

Can you send any amount using your debit card?

No, maximum Rs.5000 at a time and total amount of Rs.25000 per month.



Didi, I was wondering what if somebody gets your card and sends money like this.



Raju, you are intelligent. But did you see that I entered the user Id and password when I logged on to my bank's website? That information is known only to me. I never share it with anyone.

Great. The best part is the alert on my mobile.



Like Rani didi got one yesterday when we bought clothes. But, how does your bank know your mobile number?

So if someone gets my card, he can't use it without my user ID, password and PIN.



Oh! that's great.

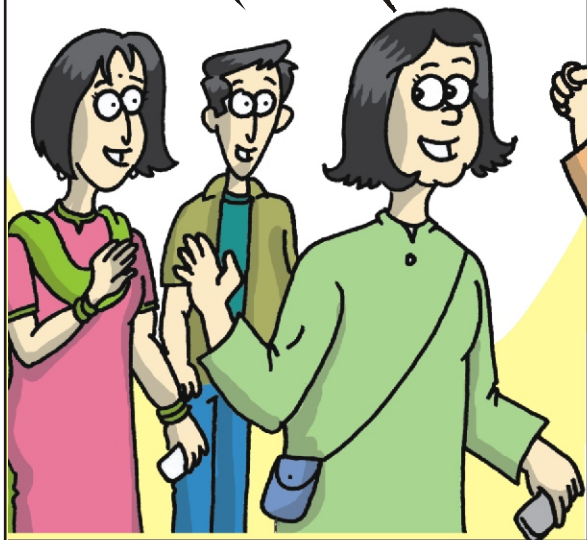
What a relief this facility is? Thanks Rani, I booked the ticket for my mother and could send money to my grandfather.

I have registered my mobile number with my bank. Rani has done so with her bank too.



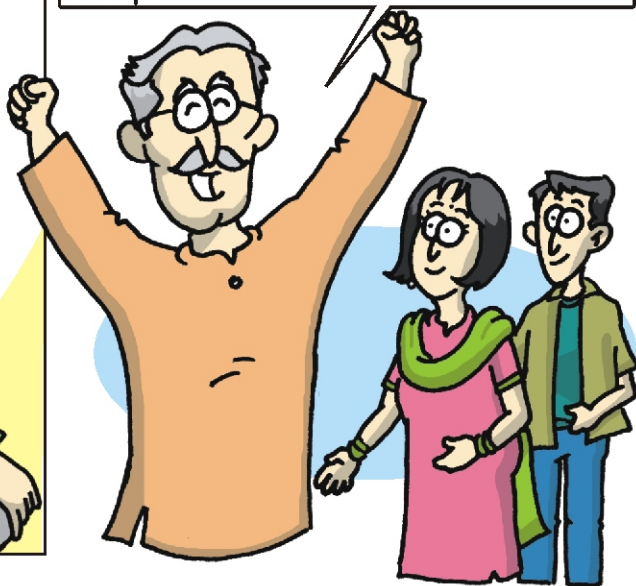
Ok, Rani. Bye Raju. Nice meeting you.

Goodbye didi.



Gopi chacha enters the room...

Oh, I was very tired but now I am feeling refreshed after having a good sleep.



Gopi chacha, Tara didi has given me lots of important information which I will share with you later.



Raju, have I missed something really important?



May be Chacha, Ha ha. Didi knows quite a bit.



- ✓ There are three types of cards:
 1. ATM cum Debit card
 2. Credit Card
 3. Prepaid Card
- ✓ All these cards can be used to purchase goods & services on POS terminals. Merchants display names of network operators like Visa, Master, Dinners, Ammex and Rupay whose cards are accepted by them.
- ✓ There is no need to withdraw Cash from an ATM if money withdrawn is to be used to purchase goods/services from a merchant having a POS terminal.
- ✓ Cards can also be used on e-Commerce sites.

DON'Ts

- Don't give your User ID and Password, Debit Card PIN to anybody else.
- Don't write password/PIN on any paper, card or diary.
- Don't give your bank account number, User ID, Password and PIN on Email as banks never ask for such information.
- Don't use Internet café/public internet facilities to do financial transactions.

DOs

- Change password/PIN periodically.
- Remember password/PIN as far as possible.
- Register your mobile number with your bank and insist your bank to send SMS alerts for every transaction in your bank account.
- Check the transactions in your bank account periodically and bring to the notice of the bank about suspicious transactions.
- While buying any products & services or paying bills on Internet/e-commerce sites, ensure that while making payments the website should take you to a secured website address starting with "https".
- Always logout from the website instead of closing the browser by clicking "x" on the top right corner of the browser.
- If you have used your debit card in foreign country at least once, approach your bank to replace the existing card to Chip & PIN card.



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