

CO-BRAND INSIGHTS



THE NEXT 100 MILLION CREDIT CARDS

How banks, fintechs, and brands are bringing the next wave of co-branded credit to Bharat

INTERVIEWS
WITH 4 CREDIT
CARD GURUS

RAVINDRA RAI, BOBCARD
BIKRAM SINGH YADAV, RBL BANK
PANKAJ BANSAL, BANKBAZAAR
RAMANATHAN RV, HYPERFACE

INSIGHTS
IN THIS
REPORT

- THE NEW INDIAN CUSTOMER
- THE BEST CO-BRAND PARTNER
- HOW BRANDS COLLABORATE
- WORKING WITH THE REGULATOR



EXECUTIVE SUMMARY

HOW CO-BRAND CARDS WILL DELIVER THE NEXT 100 MILLION

Partners' shared values & smalltown India's aspirations the keys

IN FEBRUARY 2024, India celebrated the milestone of 100 million credit cards in force. This growth trajectory, supported by a 15% annual increase, has set the stage for co-branded credit cards to play a pivotal role in driving the next 100 million cards. Co-branded credit cards, which currently account for around 33% of new issuances, are expected to further expand their influence as the market evolves. These partnerships between card issuers, consumer brands and fintechs cater to the diverse needs of Indian consumers with targeted rewards and value propositions.

The insights in this report are drawn from interviews with four industry experts: **Ravindra Rai**, Whole-time Director of BOBCARD Limited; **Bikram Singh Yadav**, Business Head, Credit Cards at RBL Bank; **Pankaj Bansal**, Chief Business Officer at BankBazaar.com; and **Ramanathan RV**, Co-Founder of Hyperface. Each expert brings valuable insights into the role of co-brands, the characteristics of the ideal consumer, the requirements for successful partnerships, and the regulatory landscape.

To succeed in this evolving environment, our experts say that partnerships need to be consumer-centric, with deep integration between the partners' strengths in technology, marketing, analytics, and risk

VITAL STATS

104M	Total credit cards in force today
33%	Share of co-brands in new issuances
15%	Annual growth rate of cards in force
97%	Pincodes are now credit card eligible

management. Success hinges on delivering a seamless and satisfying customer experience, with quick, frictionless onboarding processes being critical. Above all, a clear alignment of values and long-term goals between partners is essential for the sustained success of co-branded cards.

Our experts agree that the next 100 million cardholders will be diverse, ranging from aspirational middle-class individuals to younger cohorts in Tier-2 and 3 cities. These consumers are increasingly savvy, digitally engaged, and value loyalty benefits.

Readers of this report will find actionable insights into the key drivers behind India's credit card growth, particularly the strategic importance of co-branded partnerships. The expert perspectives offer practical advice on navigating evolving consumer needs and meeting regulatory expectations. These insights will be valuable for industry stakeholders looking to capitalise on the next wave of credit card expansion.



IN NUMBERS

INDIA'S CREDIT

4 banks stand tall, but challengers aplenty aiming to delight.

CREDIT CARDS IN FORCE

104m

AS OF JULY 2024 FOR 35 ISSUING BANKS AND NBFCs, WITH THE TOP 4 BANKS HAVING A 70% MARKET SHARE

TOTAL TRANSACTIONS

3.94b

IN THE LAST 12 MONTHS, WITH THE TOP 4 BANKS HAVING A 77% MARKET SHARE

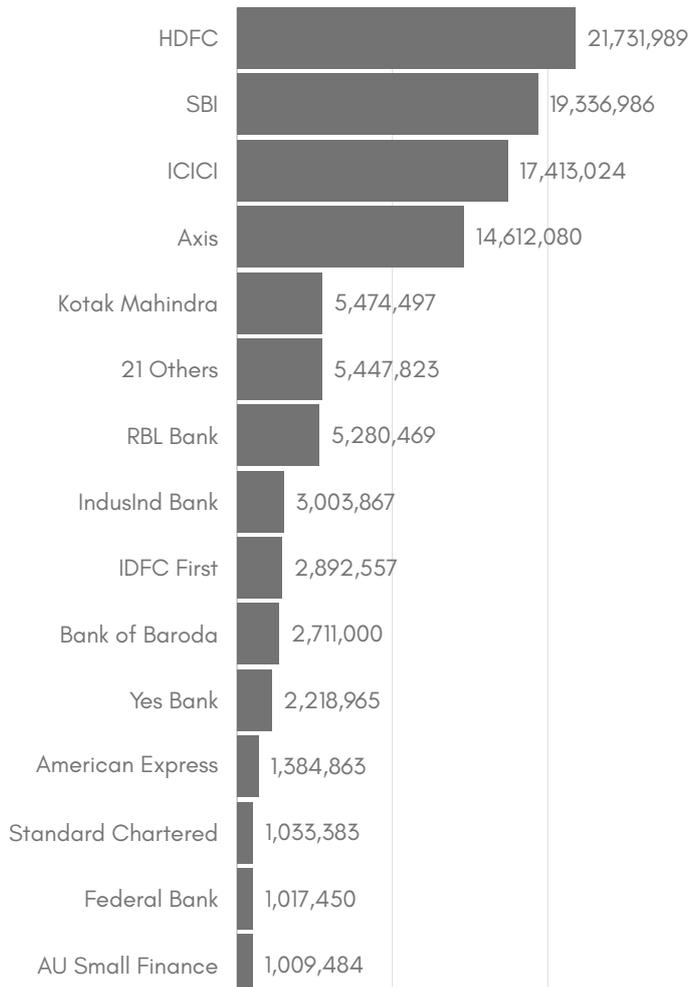
MONEY TRANSACTED

₹19.3t

IN THE LAST 12 MONTHS, WITH THE TOP 4 BANKS HAVING A 73% OF THE MARKET SHARE

DATA: RBI, AUGUST 2023 to JULY 2024

TOP CREDIT CARD ISSUERS



Issuer	Share
HDFC	20.8%
SBI	18.5%
ICICI	16.7%
Axis	14.0%
Kotak Mahindra	5.2%
RBL	5.0%
IndusInd	2.9%
IDFC First	2.8%
Bank of Baroda	2.6%
Yes Bank	2.1%
American Express	1.3%
Standard Chartered	1.0%
Federal Bank	1.0%
AU Small Finance	1.0%
21 Other Issuers	5.2%



CARD INDUSTRY

THE TOP 3 ISSUERS

Issuer	Transactions	Spends	Avg Spend	E-Commerce	P.O.S
HDFC	1.01 billion	₹5.07 trillion	₹5021	62.89%	34.13%
SBI	658 million	₹3.31 trillion	₹5027	64.12%	33.11%
ICICI	738 million	₹3.56 trillion	₹4822	70.66%	27.21%

AVERAGE SPENDS

₹4903

AVERAGE CREDIT CARD TRANSACTION IN THE LAST 12 MONTHS

₹6562

AVERAGE E-COMMERCE TRANSACTION IN THE LAST 12 MONTHS

63%

TRANSACTIONS WERE IN E-COMMERCE WHILE 33% WERE ON P.O.S

CROWD FAVOURITES

₹10,115

AVERAGE SPEND ON **INDUSIND** CARDS IN THE LAST YEAR, 2.06X THE INDUSTRY AVERAGE

₹11,571

AVERAGE ONLINE SPEND ON **YES BANK** CARDS IN THE LAST YEAR, 1.76X THE INDUSTRY AVERAGE

₹10,630

AVERAGE ONLINE SPEND ON **RBL BANK** CARDS IN THE LAST YEAR, 1.61X THE INDUSTRY AVERAGE

47%

SHARE OF ONLINE SPENDS VIA **HDFC, SBI, ICICI, AND AXIS** CARDS OUT OF ALL SPENDS

DATA: RBI, AUGUST 2023 to JULY 2024

THE MACRO PICTURE

Milestone Card	Month	Cards in Force	Transactions*	Spends*	Avg Spend*
25 Million	May 2016	25,147,902	79 million	₹252 billion	₹3193
50 Million	Jul 2019	50,263,911	179 million	₹600 billion	₹3348
100 Million	Feb 2024	100,600,166	312 million	₹1.49 trillion	₹4794

* FIGURES FROM MILESTONE MONTHS

Lending Trends	July 2022	July 2023	July 2024
Outstanding Bank Credit	₹123.7 trillion	₹141.7 trillion	₹163.2 trillion
Retail Loan Dues	₹36.8 trillion	₹43.6 trillion	₹51.3 trillion
Credit Card Dues	₹1.70 trillion	₹2.25 trillion	₹2.75 trillion
Credit Card Dues As % Of Retail Loans	4.63%	5.18%	5.36%
Credit Dues as % Of Bank Credit	1.38%	1.59%	1.69%

DATA: RBI



THE CUSTOMER

WHO IS AN IDEAL CUSTOMER?

Every customer is ideal. A templated approach is outdated.

As India crosses the milestone of 100 million credit cards, the focus now shifts to identifying the customers who will drive the next wave of growth. Industry experts agree that there is no single formula, but they offer valuable insights into who these new cardholders might be.

According to Ravindra Rai of BOBCARD, the next 100 million customers will be diverse, but they will share one common trait: aspiration. "Our ideal customer is an aspirational Indian middle-class individual who looks for the best deals and is willing to spend on both discretionary and non-discretionary items, such as travel, lifestyle, groceries, fuel, and daily utilities," Rai said. He believes that the one-size-fits-all approach is outdated, and that the future lies in "tailored products to attract the next 100 million customers."

Bikram Singh Yadav of RBL Bank takes a broader perspective. "There isn't a single definition of an ideal customer. All creditworthy payment instrument service customers are ideal," he said. Yadav emphasised the importance of adaptability in serving a wide range of customer segments, noting that there's no one-size-fits-all, but rather different rules for different segments. "We focus on tested and verified customers and approach riskier segments on a small scale until we validate our hypotheses," Yadav said.



Pankaj Bansal of BankBazaar.com focusing on demographics, pointed out that the younger cohort aged 28-35 will be crucial. "The ideal customer that we look at is from the cohort aged 28-35 years. The demographics would be predominantly Tier 1, 2, and 3. But we're seeing faster growth from Tier 2 and 3," he said. Bansal highlighted the increasing credit card acceptance and merchant onboardings in these regions, which will be key to reaching the next 100 million cards. "We're getting a lot of young customers—people with work experience of about 3-4 years, who already own one or two credit cards," Bansal said.

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THE SAYING “WHAT GOT US HERE WON’T TAKE US TO THE NEXT LEVEL” HOLDS TRUE FOR THE NEXT 100 MILLION CARDS.

CO-BRAND PARTNERSHIPS WILL BE CRUCIAL FOR THIS EXPANSION. WE RECOGNISE THE NEED FOR TAILORED PRODUCTS INSTEAD OF A ‘ONE SIZE FITS ALL’ APPROACH.

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**RAVINDRA RAI,
WHOLE-TIME
DIRECTOR,
BOBCARD LIMITED**





WHERE THE NEW CUSTOMER IS FROM



The next phase of growth is likely to be driven by Tier-2 and Tier-3 cities, where a new wave of consumers is increasingly aware of and comfortable with credit cards. These regions, often referred to as 'Bharat,' are witnessing a rising demand for financial products that cater to their unique needs. As Ravindra Rai points out, "The next phase of credit card growth will be driven by the emerging customer base in Tier 2 and beyond, particularly in 'Bharat,' where demand is rising." These customers are aspirational, digitally savvy, and eager to access credit products that offer both security and ease of use.

In parallel, the growing influence of e-commerce is blurring the lines between Tier-1, Tier-2, and Tier-3 consumers. The rise of online shopping has led to a homogenisation of consumer behaviour across these regions, with approximately 60% of purchases now happening online. "The homogenisation is largely driven by the internet and e-commerce," notes Bikram Yadav. This shift is particularly evident among younger

KNOW YOUR CARDHOLDERS

TIER-2, 3, 4	High demand to come from outside of Tier 1, as Bharat onboard rapidly
CATEGORIES	Groceries, e-commerce, travel, dining the main drivers for credit card demand
DIVERSIFY	Millennials, Gen-Zs lead the pack but banks must acquire customers flexibly

consumers—millennials and GenZ—who have different spending habits compared to previous generations.

Non-Tier-1 consumers, while perhaps not as affluent, are increasingly becoming high spenders, particularly in categories such as groceries and dining. As Pankaj Bansal observes, "Non-Tier-1 customers are playing a predominant role. Maybe they're not affluent. But they are high spenders. Their activation rates are better." This demographic's growing involvement in e-commerce and their embrace of online dining options are expected to be key drivers in the next wave of credit card adoption.



THE DEMAND

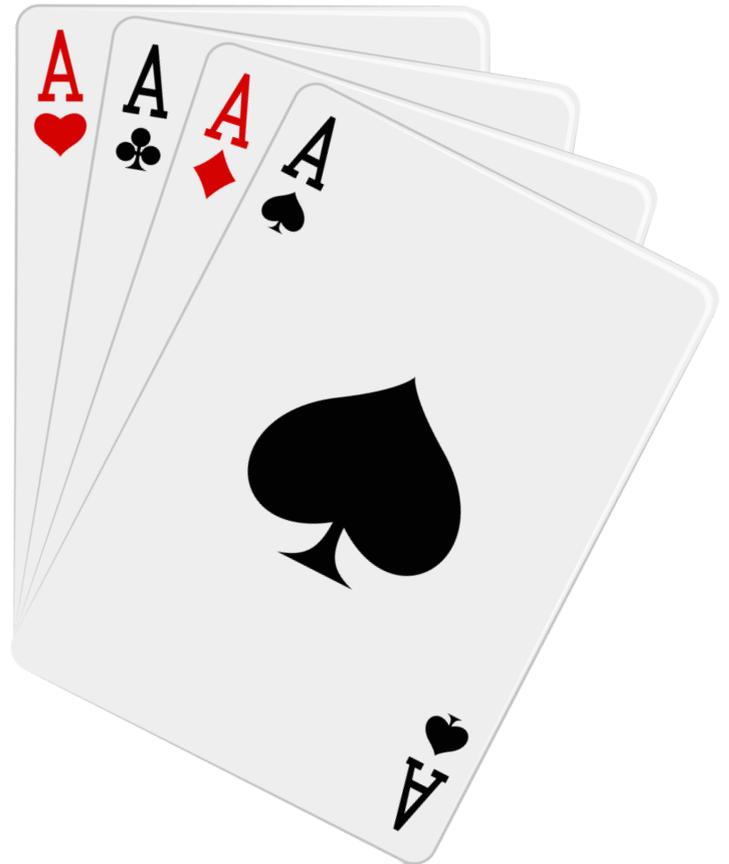
WHAT DO CO-BRAND CONSUMERS WANT?

Loyalty, value, rewards—and control over their financial health.

Co-branded cards are set to be a major force driving the next wave of growth in credit cards. As per industry sources, a third of all new cards today are co-brands. These cards, crafted through strategic partnerships, are designed to cater to the diverse and evolving needs of Indian consumers. But what do customers truly value in co-brands?

Loyalty benefits stand out as a key attraction. In a market where consumers increasingly expect personalised rewards, co-branded cards offer targeted incentives that resonate with their everyday spending habits. As Bikram Yadav explains, “I would categorise co-brand consumers as consumer co-brands, fintech co-brands, banking co-brands, and so forth. In consumer co-brands, they look for loyalty and enhanced loyalty benefits.” This focus on loyalty is crucial, particularly when tied to platforms where customers are already frequent users, driving both engagement and satisfaction.

At the same time, financial discipline and credit management are becoming critical differentiators. Pankaj Bansal highlights the growing importance of credit scores in product offerings, noting, “Our product differentiation is critical as we offer credit reports to these consumers free of cost, and it gives them financial discipline to go and check their credit scores. We recommend how to improve their credit score so that next time their cost of borrowing is lower and



ease of disbursement is higher.” This way, co-branded cards are not just facilitating purchases but also fostering long-term financial health.

Ultimately, the success of co-branded cards hinges on their ability to deliver value. As Ravindra Rai emphasises, “Indian customers prioritise value, so any offering, particularly co-branded ones, must strongly resonate with this aspect.” Whether through cashback, rewards, or specialised perks, the closer the alignment between a card’s features and a customer’s spending patterns, the more likely it is to attract and retain users.

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**NON-TIER-1
HIGH-SPENDERS ARE
PLAYING A BIG ROLE IN
DRIVING THE GROWTH
OF CO-BRANDS.**

**EARLIER, CO-BRANDS
WERE LARGELY ON
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TO THE NEXT LEVEL.**

”

**PANKAJ BANSAL
CHIEF BUSINESS OFFICER,
BANKBAZAAR.COM**





DAILY NEEDS VS LUXURY SPENDS



Co-branded cards have traditionally catered to affluent customers, focusing on discretionary spending with brands like airlines and luxury hotels. However, this scenario has changed. Pankaj Bansal highlights the shift: “What we have seen in the last few years are a lot of mass market programs like Amazon and Flipkart through e-commerce, which operate on both discretionary and non-discretionary spends.” The rise of co-branded cards in everyday categories such as online shopping, dining, and groceries signals a move towards more inclusive financial products that resonate with a wider audience. This shift is crucial as it taps into the vast potential of non-Tier-1 markets, covering 97% of India’s PIN codes.

The strategic importance of co-branded cards lies in their ability to provide distribution and access to captive customer bases. Bikram Yadav explains, “Co-brands are valuable because they connect the bank with the consumer. Going from 100 million to 200 million will become a lot easier if you have wider distribution access to a larger number of customers,” Rai says, providing the

SHIFTING SANDS

REACH

Co-branded cards now cover 97% of Indian PIN codes

THE SHIFT

From largely discretionary, co-brands spends are now non-discretionary

EVOLUTION

A broader range of demand-based cards will soon reach the market soon

example of a superchain launching a card. This wider reach, combined with loyalty benefits, positions co-branded cards as a key tool in driving future growth.

As the market evolves, it’s clear that co-branded partnerships will play a critical role in the next phase of credit card expansion. “The saying ‘what got us here won’t take us to the next level’ holds true for reaching the next milestone of 100 million cards. Co-brand partnerships will be crucial for this expansion,” says Ravindra Rai. As categories and target groups evolve, we will witness a broader range of demand-based co-brand offerings introduced to the market, he adds. As consumer needs diversify, co-branded cards must adapt and offer relevant value.



THE PARTNERSHIP

HOW TO LAUNCH A WINNING CO-BRAND

Partners must integrate deeply and play the long game.

Co-branded partnerships, which marry the strengths of financial institutions with popular consumer brands, have proven to be highly effective when executed well. A successful co-branded credit card starts with a clear understanding of the consumer's needs and a compelling value proposition that addresses those needs.

Bikram Yadav highlights this foundational aspect: "For any co-brand to work at scale, it's extremely important that you first come together to solve the consumer story. To solve the consumer story, you are either giving them convenient access or a compelling value proposition or both." This consumer-centric approach ensures that the product resonates deeply with its target audience, making it more likely to succeed.

Yadav also stresses the importance of synergy and long-term collaboration between partners. Unlike partnerships that focus solely on immediate financial gains, those that succeed over the long term are built on mutual respect and shared goals.

"Most partnerships which are zero-sum have a finite threshold. But partnerships that are sustained over a length of time do not play the zero sum game. They step into each other's shoes and solve the ecosystem," he says, explaining how lasting value is created in a partnership.

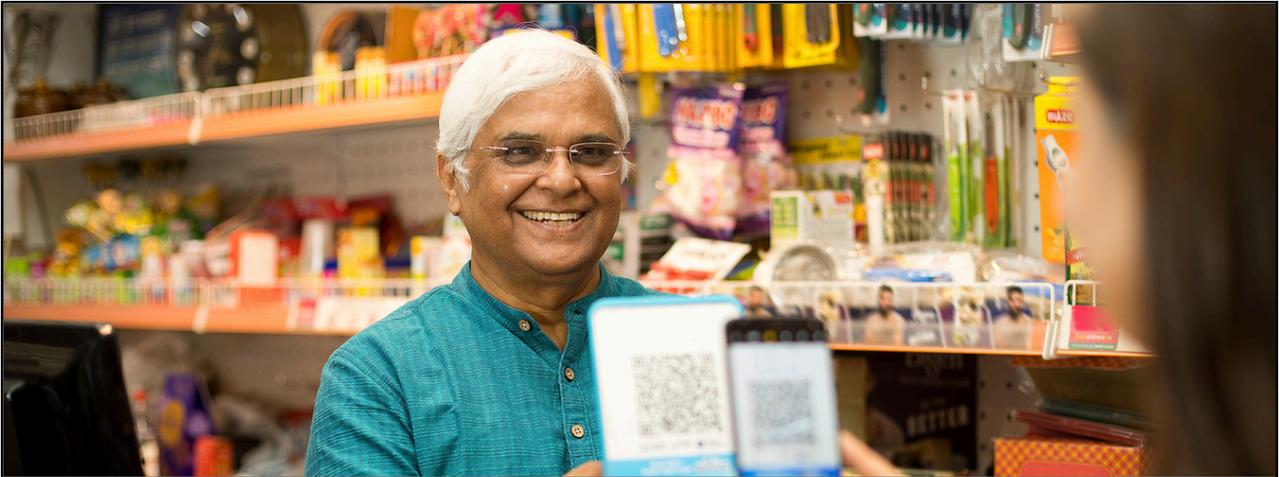


Pankaj Bansal provides a practical example of this principle in action where a BankBazaar partnership achieved operating profits within just 20 months. The success of this card? "We worked on deep integration where tech, analytics, and risk management are driven by the strengths of both partners," Bansal notes. The result: "Frictionless onboarding and instant disbursement which enhance the customer experience", he says.

Ravindra Rai points out where a co-branded card is tested. "Successful co-brands work for two reasons—close synergy between brand, and use case along with the ease of recall," he says. When these elements align, the co-brand delivers on its promise, and leads to higher consumer satisfaction.



SATISFYING YOUR CO-BRAND CUSTOMERS



Successful partnerships between banks and consumer brands are not just about issuing cards; they are about creating a seamless and satisfying experience that keeps customers coming back. Pankaj Bansal emphasises that in the new consumer age, delivering a “wow” experience is paramount.

He explains, “We don’t take any data from consumers. No documentation, no physical intervention. When the customer applies, the entire process is completed in two to three minutes.” This frictionless, fully online experience is enabled by leveraging eKYC and advanced data analytics. Bansal’s key takeaway from these partnerships is the importance of collaboration, where each partner plays to their strengths. “We rely on banks to do risk management, collections, and underwriting. This collaboration helps us get the best of both worlds,” he notes.

However, delivering an outstanding customer experience is an ongoing challenge. Bikram Yadav underscores that there is no one-size-fits-all solution in today’s ever-evolving market. “The customer is not a constant. It’s

WHAT IT TAKES

WOW!	Frictionless, instant disbursal of the card to satisfy the customer
HABITS	Give the customer reasons to use the card frequently and satisfactorily
EVOLVE	Continually adapt to the customer’s changing needs

an ever-evolving customer, and today they are spoiled for choice,” Yadav says. To stand out, brands must continually adapt. Yadav highlights the rapid pace at which brand reputations are built and destroyed in the digital age: “One must be on their toes. You have to give them a reason to like you.”

Hyperface’s Ramanathan RV adds that brands have unique expressions and language which also extends to co-branded cards. “Banks have their own portfolio of cards that are very different from each other. The experience of a travel-focused card is different from a shopping-focused card. The Hyperface platform enables banks to implement highly personalised experiences for their cards as well,” he says.



THE PLATFORMS

CO-BRANDING WITH THE BIG BOYS

Bringing e-commerce players to the table is key for co-brand wins.

Collaborations with e-commerce players are critical not just for customer acquisition but also for enhancing engagement and satisfaction across diverse consumer segments. Ravindra Rai underscores the importance of partnerships in expanding market reach, especially into new demographics and geographies.

“Partnerships are fundamental to our next phase of expansion, which we are strategically focusing on. Working with like-minded and synergistic partners allows us to co-create value propositions that attract today’s discerning customers,” Rai explains. These partnerships are not just about brand alignment; they are about creating curated value-adds and enhanced user experiences that resonate with a broad audience. By partnering with retail and e-commerce brands, issuers can tap into segments that might otherwise be difficult to reach.

On the other hand, Bikram Yadav brings attention to the need for a flexible, opportunistic approach to partnerships. In a competitive marketplace, aligning with the right partners is crucial. Yadav says, “You cannot have a narrow strategy. We have to make sense of each deal by finding partners where we have the right alignment on what we can offer to the customer.” This approach has led to deep, strategic partnerships where both parties can experiment and innovate.



Yadav says, in his opinion, a 20–30% success rate is considered good in the co-brand space, given the complexities involved.

Pankaj Bansal offers a different perspective by focusing on the flexibility of offers rather than building products around specific e-commerce giants. “We are not focused on going with e-commerce giants only because then you limit a customer to one particular merchant,” he explains. Instead, Bansal’s strategy revolves around creating broader acceptance through a variety of offers across multiple platforms. This approach allows customers to benefit from deals on Amazon, Flipkart, and other e-commerce sites, all within a single card, driving offers across brands rather than focusing on one.

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**ZERO-SUM
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**PARTNERS STEP INTO
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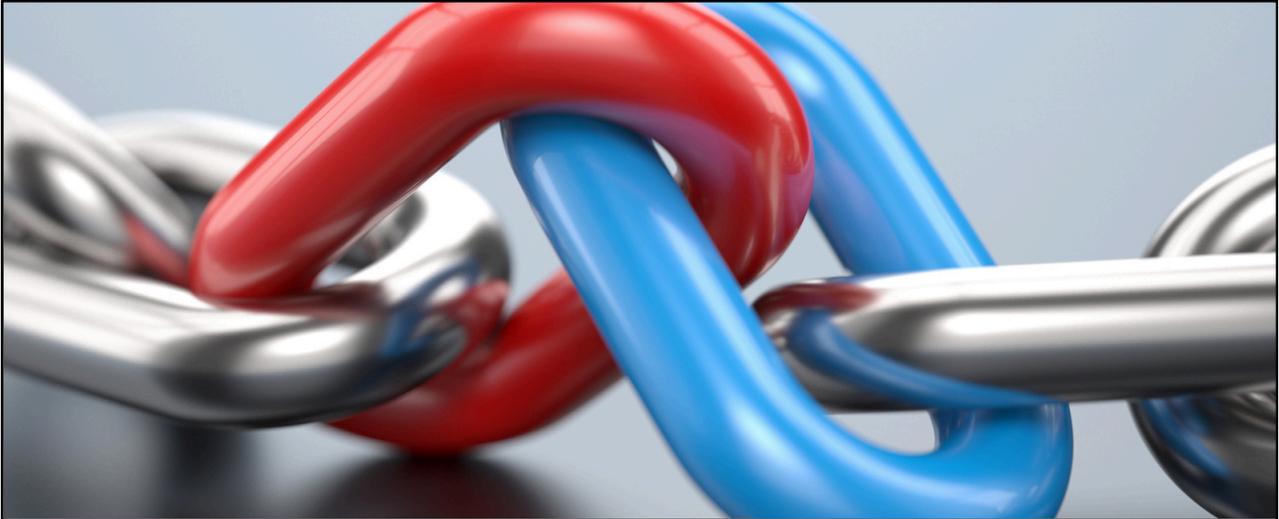
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BIKRAM SINGH YADAV
BUSINESS HEAD, CREDIT
CARDS, RBL BANK



CHOOSING THE RIGHT CO-BRAND PARTNERS



As co-branded credit cards become a significant driver of growth in India's credit card market, selecting the right partner is crucial for success. Ravindra Rai emphasises that synergy between partners is essential. It's not just about business potential but about aligning philosophies. "It is crucial that the partner's philosophy aligns with our established brand and the trust we have built through consistent and high-quality offerings," Rai says. The partnership should focus on long-term value creation for all stakeholders, with the customer always at the centre. Rai points out that the process involves extensive discussions, workshops, and clarity on roles, particularly around data sanctity and compliance with regulatory mandates. This thorough approach ensures that both partners are on the same page from the outset, reducing the risk of misalignment down the line.

Pankaj Bansal cites the criticality of cultural fit. "A cultural fit between the partners is crucial. Their appetite, their customer segments, their understanding of consumers

WHAT IT TAKES	
CULTURE	Alignment of tech stacks, customer segments, and long-term goals
SYNERGY	Synergy in thoughts and actions between partners is essential
WIN RATE	A 20-30% success rate in co-branded partnerships is considered good

and product-building is most important," Bansal explains.

Bikram Yadav offers the nuanced view that the partnership process isn't always straightforward. "It's not a hard cut-out process that we run," Yadav notes, explaining that some relationships are tactical, while others are more strategic and require deeper collaboration. He acknowledges that not all partnerships succeed, but those that do often evolve into significant, strategic alliances. "You cannot assess at inception if a partnership is strategic or not. Wherever you partner well, you work well," he says, explaining that finding the right partner is about more than just business considerations.



THE TOOLS

BUILDING TECH WITH THE 7S MANTRA

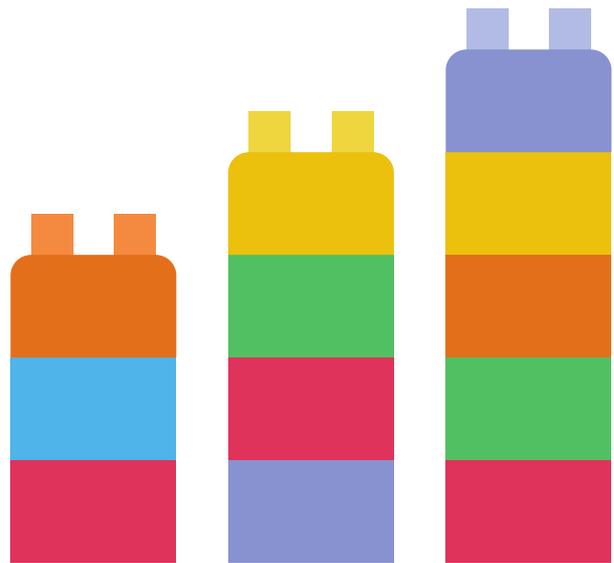
Seamless, secure, scalable, sustainable, synergised, secular, socialist.

The integration of technological advancements, from mobile apps to contactless payments, is playing a crucial role in enhancing the user experience and setting the stage for future innovations. Bikram Yadav highlights the significant impact of technology in levelling the playing field among banks and financial institutions.

“Technology is now an integral commoditised part of banking. It is no longer the privilege of large banks or MNC banks. It is available in a secular, socialist manner to all players,” Yadav says. This democratisation of technology has made tools like UPI and contactless payments accessible to all, driving widespread adoption across the industry. Yadav also points to the ecological and regulatory push that is likely to reduce reliance on physical plastic cards in favour of digital solutions, signalling a shift towards a more sustainable future.

Ramanathan RV adds that the integration of complex banking systems with new technological workflows is essential for the evolution of co-branded cards. He explains, “Banking systems have evolved over decades... Hyperface has to integrate and orchestrate workflows between such disjointed systems.”

This intricate process ensures that the user experience remains seamless, even as back-



end systems become more complex. The focus on security is paramount, with technologies like end-to-end encryption and configurable authentication policies becoming standard to meet stringent regulatory requirements.

Ravindra Rai underscores the role of cutting-edge technology in enhancing customer satisfaction. “The incorporation of NFC chips for contactless payments is a prime example of how technology is being used to simplify transactions, making them quicker and more secure. This not only improves the user experience but also fosters customer loyalty by delivering on the promise of convenience and security.”

Pankaj Bansal takes a forward-looking approach, focusing on upcoming innovations that will further revolutionise the onboarding

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BANKING SYSTEMS HAVE EVOLVED OVER DECADES. FROM HAVING TO SUPPORT TOTALLY ANALOG WORKFLOWS, TO HAVING TO SUPPORT BOTH ANALOG AND DIGITAL WORKFLOWS OVER THE YEARS, AND EVOLVING TO BECOME REALTIME, THESE ARE SOME OF THE COMPLEX TECH SYSTEMS IN EXISTENCE TODAY.

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RAMANATHAN RV
CO-FOUNDER,
HYPERFACE



and user experience processes. He highlights the importance of tools like OCEN (Open Credit Enablement Network) and Digital Locker in streamlining the onboarding process. “These are the two things that we see will really aid the consumers to onboard even quicker, because the data is from source, and whenever the data is on source, it helps the banks to underwrite them very, very diligently,” Bansal explains. By leveraging these technologies, banks can offer a more reliable and efficient service, reducing costs and enhancing the overall customer experience.

Moreover, the evolution of mobile app integration is set to play a pivotal role in how customers interact with their co-branded credit cards. Bansal explains that BankBazaar is rebuilding its mobile app to provide a more seamless experience through Software Development Kits (SDKs) that banks can integrate into their systems. This will allow consumers to manage their credit cards more efficiently, access personalised offers, and enjoy a one-stop solution for all

THE 7S MANTRA

SEAMLESS	Integrating legacy banking with advanced tech for smooth UX
SECURE	End-to-end encryption, tokenisation, and configurable authentication
SCALABLE	Democratised tech for all fintechs to innovate accessible solutions
SUSTAINABLE	Ecological needs drive a shift from plastic cards to digital payments
SYNERGISED	Fintech-bank partnerships based on goals, values, culture
SECULAR	Tech now an integral, commoditised part of banking; available to all
SOCIALIST	DPIs like Aadhaar, UPI, DigiLocker Account Aggregator level the field

their financial needs. “We are going to give the experience through SDKs to most of the banks on the credit card offerings,” he says, emphasising the need for a holistic, user-friendly approach. The integration of technological advancements into co-branded credit cards is not just about keeping up with the competition; it’s about redefining the user experience.



THE RULES OF THE GAME

CO-BRANDS AND THE REGULATOR'S ROLE

The RBI has been making the space safer for consumers and banks.

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Bikram Yadav uses a vivid analogy to explain the RBI's stance on regulatory compliance. He likens the situation to being authorised to produce different types of vehicles: "I have a license to produce bicycles and I start making four axle trucks and start calling them Atlas. It doesn't work that way." Post-2008, consumer lending became attractive, drawing in numerous fintechs and investors. However, some entities began to over-engineer solutions, creating products they weren't authorised to offer, like credit cards masked as prepaid cards with credit lines. The RBI's recent guidelines are a corrective measure, ensuring that entities stick to their authorised roles, thereby stabilising the market and reducing long-term risks.

Ramanathan RV underscores the importance of regulatory clarity. "The RBI has been extremely clear that the co-branded credit card partners must restrict themselves to distribution of the cards only. This offers great clarity when it comes to roles and responsibilities," he notes. As digital security and data privacy concerns grow, Ramanathan anticipates further regulatory controls. To remain compliant, robust configurability in access controls and encryption policies are required to quickly adapt to policy changes.

Ravindra Rai stresses the non-negotiable nature of customer ownership and data



protection. "The regulator has been consistently clear about guidelines... ownership of customer and data is a fundamental requirement for regulated entities, without negotiation," Rai says. He emphasises that all regulations place the customer at the forefront, and this priority must be remembered by all parties involved in co-branded card partnerships.

Pankaj Bansal highlights the need for clear demarcation of roles and responsibilities between banks and co-brand partners. "The RBI has been clear in terms of who will do what," Bansal says. This clarity extends to data handling, with the RBI mandating that encrypted transaction data be accessible to customers through secure SDKs. Bansal says these developments are helping consolidate a fragmented market, allowing co-branded partners to focus on core competencies.



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About Us

BankBazaar.com is India's largest fintech co-branded credit card issuer and online platform for free credit score. It has a base of 60 million registered users who use the platform for free credit score tracking and in-depth personal finance content and comparison tools.

Its range of co-branded credit cards with India's leading banks is driving the platform's rapid growth with more than half its customers now opting for BankBazaar's own co-branded products. The company is on track to facilitate

one million active BankBazaar co-branded credit cards in force.

Supported by global investors such as Experian, Eight Roads, Peak XV Partners, WSV, and Amazon, BankBazaar has been at the forefront of democratising finance by providing Indians with frictionless access to credit.

The company exited FY2024 with an audited revenue ₹215 crore, growing 36% year-on-year.

Adhil Shetty, CEO, BankBazaar.com, said:

"BankBazaar has been focussed on three things: great technology, customer focus, and the bottom-line. I am proud to say that we are one of the few fintechs in the world to be growing rapidly and profitably.

BankBazaar is well positioned to accelerate this revenue growth rate further in FY25 while targeting full year EBITDA profitability. This strategy for profitable and sustainable growth has been in the works for over three years. We've built a co-branded portfolio of digital products with proven customer traction, which has created sustainable revenue while improving margins."

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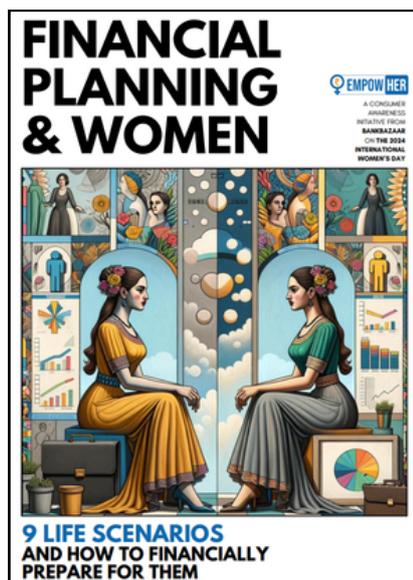
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Author: Malvika Singhal, Manager - Communications.



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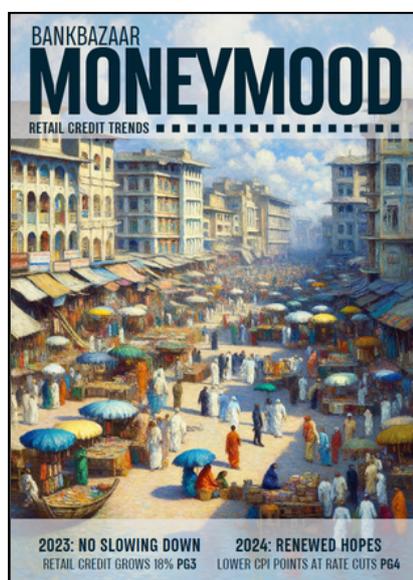
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Authors: Nanda Padmanabhan, DGM - Communications, Navneeta Srivastava, DGM - Communications, and Malvika Singhal, Manager - Communications.



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