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Fair Competition  
For Greater Good

**COMPETITION COMMISSION OF INDIA**

**Case No. 41 of 2015**

**In Re:**

**Mr. Vikas Kumar Goel**

**B-1, LGF, Geetanjali Enclave, New Delhi – 17      Informant**

**And**

**Standard Chartered Bank**

**9-10, Bahadur Shah Zafar Marg, New Delhi      Opposite Party No. 1**

**Credit Information Bureau (India) Ltd.**

**Hoechst House, 193, Backbay Reclamation,  
Nariman Point, Mumbai      Opposite Party No. 2**

**CORAM**

**Mr. Ashok Chawla  
Chairperson**

**Mr. S. L. Bunker  
Member**

**Mr. Sudhir Mital  
Member**

**Mr. Augustine Peter  
Member**

**Mr. U. C. Nahta  
Member**

**Mr. M. S. Sahoo  
Member**



### **Order under Section 26(2) of the Competition Act, 2002**

1. The present information has been filed by Mr. Vikas Kumar Goel (hereinafter, the “**Informant**”) under section 19(1)(a) of the Competition Act, 2002 (hereinafter, the “**Act**”) against Standard Chartered Bank (hereinafter, ‘**OP 1**’), and Credit Information Bureau (India) Ltd. (hereinafter, ‘**OP 2**’) alleging, *inter alia*, contravention of the provisions of section 4 of the Act.
2. OP 1 is a multinational bank engaged in the business of core banking and related activities. As per the information available in the public domain, OP 2 is a credit information company engaged in the activities of collection and maintenance of information relating to repayment of loans, credit card dues, *etc.* by different individuals. Such information are used by various credit institutions to assess the credit worthiness of applicants while processing their loan/ credit card applications.
3. The Informant has stated that he was lured by OP1 to take three credit cards for himself and for his wife during 2001 and 2002. Apart from the three credit cards, the Informant also had an Instabuy’s Loan Account of OP 1 bearing No. 9356500810084798. The Informant has stated that he did not make any purchase or transaction using any of the three credit cards post May 2004, but OP 1 kept on generating statements regarding unpaid amounts on account of use of the credit cards. Further, in spite of several requests, OP 1 did not cancel the said credit cards. The Informant took a loan of Rs 50,000 from OP 1 in March 2004 for a period of 24 months. It is alleged that the payments made by the Informant towards repayment of the said loan amount were apportioned towards interest on credit cards, late penalty, annual fees *etc.* As per the Informant, the said loan was duly repaid by him however, OP 1 kept harassing him on account of the credit card dues. OP 1 sent the last bill dated 02.04.2006 for Rs. 19,881.24 despite the fact that the Informant did not make any purchases using credit cards issued by OP 1. It is alleged that OP 1 and its hired agents are making threatening phone calls to the Informant to make payment.



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4. It is averred that when the Informant checked his credit information report dated 05.11.2014 provided by OP 2, he came to know that Rs. 3,71,168 towards OP 1 was due on him. As per the Informant, he and his wife were tricked by OP 1 and were not informed about any rules, terms and conditions of issue of credit card. The Informant has alleged that the terms and conditions imposed on him by OP 1 are arbitrary, unilateral. Practices like charging of interest after operation of card, compounding of interest, etc. were also alleged to be unfair. The Informant has alleged that OP 1 misused its dominant position and was acting in a manner which is contrary to competition and interest of consumers.
5. Accordingly, the Informant has prayed, *inter alia*, to the Commission for initiation of inquiry against OP 1 for abusing its dominant position. The Informant has also prayed for interim relief under section 33 of the Act.
6. The Commission has examined the information, allegations made in the information and materials placed on record. The Informant appears to be aggrieved by OP 1's alleged abusive conduct of charging interest, penalty etc. on credit cards issued to him and to his wife. Further, OP 1 appears to have passed the information regarding non-payment of dues by the Informant to the tune of Rs. 3,71,168 to OP 2. The implication of such information with OP 2 is that the Informant may not be able to avail any loan facility from any bank in future as the banks generally conduct due diligence by referring to the information available with OP 2 before approving any loan application.
7. At the outset, it may be pointed out that all the facts elucidated in the information pertain to the period prior to 20.05.2009 *i.e.*, the date on which relevant provisions of the Act were notified. The credit cards were issued in 2001-2002, loan was availed in 2004, and the same was repaid prior to 2009. The only fact that took place post 2009 is the revelation pertaining to the Informant's name in the defaulters list maintained by OP 2. Since OP 2 only maintains the information provided by banks and financial institutions like OP 1 and the Informant has not raised any allegation against OP 2, the



Commission feels that the conduct of OP 2 need not be examined under the provisions of section 4 of the Act.

8. Having regard to the facts of the case, the dominance of the OP 1 has to be analyzed and it would therefore be appropriate to first define the relevant market. As per the provisions of section 2(r) of the Act, 'relevant market' means the market which may be determined by the Commission with reference to the relevant product market or relevant geographic market or with reference to both markets. The services in question in the present case mainly pertain to credit card or loan facilities. Although the banks may be dealing in various other products/ services, the consumers are on a different footing when they avail a credit/loan facility from the banks. In view of the aforesaid, the relevant product market may be taken as the '*market for provision of credit card/loan facilities by banks*'.
9. As regards the identification of relevant geographic market, it is to be borne in mind that credit cards issued by a bank can be used anywhere in India. Moreover, the process of issue of a credit card has simplified over the years. Even though a bank is located in one part of the country, it can easily issue credit card to a consumer/ customer located in another part, by sending the card as well as necessary documents through postal services. Therefore, it appears that the conditions of competition are homogeneous for this relevant product market across India. Thus, the relevant market in the present case would be the market for '*provision of credit card/loan facilities by banks in India*'.
10. In the relevant market delineated above, it is observed that many banks such as Citibank, American Express, IndusInd Bank, HSBC, RBL, Axis Bank, HDFC Bank, State Bank of India operate along with OP 1 and offer similar services. *Prima facie*, OP 1 does not appear to be dominant. Moreover, no material has been placed on record to show that the OP 1 operates independently of the competitive forces prevailing in the relevant market or that it can affect its competitors or consumers or the relevant market in its favour.



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11. Since, *prima facie*, OP 1 does not appear to be in a dominant position in the relevant market, the question of abuse of dominant position by it, in terms of the provisions of section 4 of the Act, does not arise. Therefore, the conduct of OP 1 need not be examined under the provisions of section 4 of the Act.
12. In the light of the above analysis, the Commission finds no *prima facie* case of contravention of the provisions of section 4 of the Act against the Opposite Parties in the instant matter. Accordingly, the matter is closed under the provisions of section 26(2) of the Act.
13. The Secretary is directed to inform the parties accordingly.

**Sd/-**

**(Ashok Chawla)  
Chairperson**

**Sd/-**

**(S. L. Bunker)  
Member**

**Sd/-**

**(Sudhir Mital)  
Member**

**Sd/-**

**(Augustine Peter)  
Member**

**Sd/-**

**(U. C. Nahta)  
Member**

**Sd/-**

**(M. S. Sahoo)  
Member**

**New Delhi**

**Dated:23.06.2015**

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