

Independent Study Title	Legal Problems on Credit Card Business
Keywords	Legal Problems/Credit Card
Student	Choduck Chotikumjorn
Independent Study Advisor	Associate Professor Sapon Athaphisalsopon
Independent Study Co-advisor	Pratheeb Thab-attanon
Level of Study	Master of Laws
Faculty	Graduate School, Sripatum University Chonburi Campus
Year	2007

ABSTRACT

The legislation on credit card business in Thailand in the present has not been specifically enacted for the enforcement and no any government agencies to take the clear responsibility in controlling it. As the result, these business operators are able to freely engage in the credit card business which is the engagement on the credit that is considered as very critical to the country's economic and social systems. Although the Bank of Thailand has currently announced the standards relating to the service of credit cards, including the interest rates, fees and expenses, no status are found to enforce some credit card business operators who fail to act in compliance with the regulations, causing the consumers to be taken advantage of. If no such law or specific organization or agency is established to control the said business to be in the same way, guidelines or standard, it would have caused the severe problems to the country's economy and society. There are questions about legal problems on the application and the conduct of the credit card business. Based on the study, the problems can be concluded as follows:

1. The problems occurred as the result of the uncontrolled measures on the credit card business expansion.
2. The problem of too much demand on the profit return, the calculation of accrued interest rates, penalty, service charges and fees or expenses that are seemed to be complicated in the credit card contract.

3. Problems on the legal restrictions currently enforced and the means of avoidance of the credit card business operators against the consumers.

4. Problems on the uncertain and unclear legal status of the credit card contract and the enforcement of the law against the credit card contract.

5. Problem on the law enforcement against the credit card users protection.

6. Problem on the economic effects resulted from the uncontrolled credit card application.

According to the study the problems are found to be the legal measures currently enforced has not had the adequate coverage to provide the fair protection against the consumers and the equal and fair competition for the credit card business operators. The author agrees that it is necessary for the specific legislation to be enacted to directly enforce against the credit cards for the using convenience with the essential statements in the same text of law as follows :

1. To have the host available for taking responsibility about the credit card job, there must be any Government organizations or agencies to clearly in charge of the credit card business with the legislation to back up the said organizations' or agencies' responsibility and authority. They will be responsible and authorized to supervise and take control of the credit card business operators, both the lawfully licensed commercial banks and the non-bank credit card business operators, to be under the same authority and law.

2. The credit card business legislation must be enacted as the specific law to control and enforce the credit card business engagement. The enactment would be made separately as a certain type of contract in the Civil and Commercial Code or re-enacted as the Credit Card Act for the appropriateness and fairness. The necessary rules can be as follows :

2.1 The provisions should be available as the requirement on the patterns of agreement for standard and fair credit card application, to provide the rights and duties on the liability of the related parties, the period of remedial actions based on the right of claim in the credit card contract.

2.2 The provisions should be available as the requirement on the calculation of interest rates, penalty, fees actually existed in the present, the formation of the loan interest demand which the rates of interests, penalty, fees and service charge calculated altogether must not be exceeding the required amounts, whatever should be in the same rates and that the credit card issuers could no longer seek any interests out of the credit card holders.