

RBI unveils norms to resolve disputes related to failed digital transactions

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The Reserve Bank of India (RBI), on Friday, unveiled a framework on harmonisation of Turn Around Time (TAT) for resolution of customer complaints related to failed transactions across all authorised payment systems and compensation for such transactions.

Customer confidence

The central bank said the framework will result in customer confidence and bring in uniformity in the processing of failed transactions, which have not been fully completed due to any reason not attributable to the customer.

In the case of transactions at Automated Teller Machines (ATMs), including micro-ATMs, if a customer's account is debited but cash is not dispensed, the timeline for auto-reversal of the failed transaction is T (the day of transaction) + 5 days.

The compensation payable is ₹100 per day of delay beyond T + 5 days to the credit of the account holder.

In the case of transactions at Point-of-Sale (PoS) (Card Present), including cash at PoS, as well as Card Not Present (e-commerce), if the account is debited but confirmation is not received at merchant location, the timeline for auto-reversal of the failed transaction and compensation payable is the same as for failed transactions at ATMs.

In the case of transactions involving card-to-card transfer, if the card account is debited but, the beneficiary card account is not credited, the transaction has to be reversed latest within T + 1 day if credit is not effected to the beneficiary account. The compensation payable in this case is ₹100 per day of delay beyond T + 1 day.

In the case of transactions using the Unified Payments Interface (UPI), if the customer's account is debited but the beneficiary's account is not credited (transfer of funds), the auto reversal by the beneficiary bank should be latest on T + 1 day.

The compensation payable in this case is ₹100 per day of delay beyond T + 1 day.

When the account is debited, but the UPI transaction confirmation is not received at the merchant location (payment to merchant), the timeline for auto-reversal is within T+5 days. The compensation payable in this case is ₹100 per day of delay beyond T + 5 days.

The RBI observed that a large number of customer complaints emanate on account of unsuccessful or 'failed' transactions. Failure could be on account of various factors not directly attributable to the customer such as disruption of communication links, non-availability of cash in ATMs, time-out of sessions, noncredit to beneficiary's account due to various causes, etc.

Rectification / Compensation paid to the customer for these 'failed' transactions is not uniform. Hence, the central bank has put together the framework on TAT for resolution of customer complaints and compensation framework across all authorised payment systems.

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