भारतीय राष्ट्रीय भुगतान निगम
National Payments Corporation of India

Ref No. NPCI/OC/13/2010-11 April 15, 2010

Dear Sir / Madam,

Customer Complaints on wrongful debit with non disbursement of cash at ATMs

National Financial Switch (NFS), the largest ATM network of the country with 38 member banks and 56000+ ATMs, handles average 2.3 million transactions a day. On a recent review of the Dispute Management System of the National Financial Switch operations it is observed that average number of chargeback cases filed is 3000+. For a volume of 2.3 million transactions, the chargeback ratio works out to be 0.13% which is very high compared to the similar networks abroad where the ratio is below 0.05%. It is observed that most of the NFS member bank prefers to wait for customers' complaint to be lodged instead of pro-active reconciliation which can be done in an automated way.

It is also revealed in another study that in spite of having full information from the Last Transaction Status (LTS)/ Transaction Verification Status (TVS) that the ATM generates on the status of cash disbursement; many of acquiring banks are not sending the 'reversal' automatically knowing well that cash has not been disbursed, though customer's account has been debited.

Therefore, it is felt that the member banks should now find suitable ways and means by discussion with their switch vendors as to how they can handle the exception situations like 'Account debited but cash not disbursed in an automated way.

Assuring best in class services from NPCI.

Yours faithfully,

A P Hota
Chief Executive Officer

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