

NPCI/NFS/OC No.144 /2014-15

27<sup>th</sup> November, 2014

To,

All Members of National Financial Switch (NFS)

Madam/Dear Sir,

Subject: **NFS ATM Network – Revision of timelines for representment**

Issuing bank raises chargeback through Dispute Management System (DMS) upon receipt of customer complaints for non-receipt of cash (full or partial), for ATM cash withdrawals done at NFS network ATMs.

Acquirer ascertains the status of the disputed transaction and either accepts or represents the chargeback. Proof of cash dispense in the form of Electronic Journal (EJ) or Journal Print (JP) has to be provided while representing the chargeback. Presently, acquirer has a time period of 5 days from the next day of chargeback for either accepting or representing the chargeback. In case no action is taken by Acquirer within the stipulated time, the chargeback is deemed to be accepted by the Acquirer.

NFS members had raised concern on facing difficulty in retrieving EJ/JP within 5 calendar days to ascertain the status of the disputed transaction, especially in certain cases where ATMs are at remote locations or when there are intervening national or regional holidays.

The matter was taken up in the NFS Steering Committee Meeting (SCM) held on 28<sup>th</sup> May, 2014. Members acknowledged that the existing time period of 5 calendar days for representment may be difficult to adhere to in certain cases when there are intervening holidays, as the Acquirers are required to verify the EJ / JP for ascertaining the status of the disputed transaction.

After deliberation in NFS SCM, it was decided to revise the timelines of representing chargeback to 6 calendar days from the next day of chargeback (as against the existing timelines of 5 calendar days), so that Acquirers get one additional day and Issuers are also able to resolve ATM cash withdrawal dispute within 7 working days as per the RBI circular. The change in time period of representing chargeback shall also be applicable to card to card fund transfer transactions for uniformity in NFS dispute management process.

**The revised timelines of allowing representment in DMS up to 6 calendar days from the next day of chargeback shall be implemented w.e.f. 15<sup>th</sup> December, 2014. Existing timelines of 5 calendar days from the next day of chargeback shall be applicable for all the chargebacks raised up to 14<sup>th</sup> December, 2014.**



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**Acquirer Action:**

Acquirer banks should retrieve the EJ / JP and raise acceptance or representment as the case may be, instead of deemed acceptance, so that customer complaints can be addressed speedily.

**Issuer Action:**

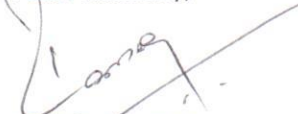
Issuer banks should process the credit to the customer account for accepted / deemed accepted chargebacks taking into consideration the revised TAT of 6 days for representment in DMS.

Please make a note of the change in timelines for representing chargeback and affording clear credit to customers, wherever applicable. Please disseminate the instructions contained herewith to officials concerned.

For any queries or clarification, please contact:

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Yours faithfully,



**Ram Sundaresan**  
**Head - Operations**