

NPCI/NFS/OC No.214 /2016 -17

18<sup>th</sup> July, 2016

To,

**All Members of National Financial Switch (NFS)**

Dear Sir/Madam,

**Sub: NFS ATM Network – Handling Single Dispute Multiple Transactions (SDMT) cases in DMS.**

We refer to OC No. 109 dated 25<sup>th</sup> February, 2014 and OC No. 113 dated 11<sup>th</sup> April, 2014 on the Guidelines for handling cash withdrawal dispute for multiple transactions done by the cardholder at the ATM. The Guidelines were operationalised with effect from 1<sup>st</sup> March, 2014.

For cases where customer has done multiple cash withdrawal transactions at an ATM on a particular day and customer complains for non-receipt of cash in one or more transactions, the Issuing bank should raise chargeback under 'Single Dispute Multiple Transactions (SDMT)' reason code and total chargeback amount should be equal to the disputed amount.

As per the existing process, Issuing bank has to attach Dispute Letter containing the details of transactions and amount disputed by the cardholder while raising chargeback under reason code 'SDMT'. This involves manual process of gathering the transaction details and preparing Dispute Letter.

As per the feedback received from member banks, we have made changes in DMS for automation. A new menu option 'Multiple Adjustments' is created in DMS for raising disputes under 'Single dispute multiple transactions - SDMT' reason code. This will allow Issuer to select the transactions to be grouped from the list of transactions eligible for SDMT for raising the dispute. This will eliminate the manual process of preparing the Dispute Letter and uploading it in DMS.

Once a group of transaction is created by the Issuer, no chargeback or credit adjustment can be raised for such grouped transactions. Issuers should ensure that proper care is taken while selecting the transactions to be grouped under SDMT and chargeback/s are raised for the total disputed amount.

Acquirers should ensure that all the grouped transactions are checked while handling chargebacks raised with reason code – SDMT. If the Acquirers come across any other failed transaction which has been grouped by the Issuer, but chargeback is not raised against it i.e. total amount of unsuccessful transactions is more than the total disputed amount, then the Acquirers should process credit for the balance amount outside of DMS.

New Menu options are created in DMS for handling Single Dispute Multiple Transactions (SDMT) cases. Details of these new menu options are given in **Annexure A**.

Detailed process to be followed for handling disputes related to SDMT is given in **Annexure B**.

Chargebacks with reason SDMT can be raised through bulk file upload process. Separate Bulk file format to be used for raising chargeback under reason code SDMT along with few illustrations is given in **Annexure C**.

**Please note importantly that -**

1. User shall be able to raise all disputes i.e. chargeback acceptance, representment, pre-arbitration, pre-arbitration accept / reject and arbitration through 'Multiple Adjustments' menu option for the chargebacks raised with reason code 'SDMT'.  
Representment / acceptance for chargebacks not raised with reason code 'SDMT' needs to be done through existing menu option.
2. User shall not be able to raise any other disputes / adjustments for the transactions which are grouped under 'SDMT' reason code.
3. User will not be able to select the reason code 'SDMT' through front-end using the existing menu option - 'Adjustment'.
4. Acceptance and representment for chargebacks raised with reason code 'SDMT' should be done through front-end. Bulk option is provided for only raising chargebacks with reason code 'SDMT'.
5. There is no change in the process for handling Arbitration acceptance / withdrawal and Case Presentment / Decision process.
6. Only good faith representment will be allowed for chargeback raised with reason code 'SDMT'.
7. Late reversal received for any transaction which is part of the 'SDMT' group (irrespective of chargeback being raised for that transaction or not), will not be considered in settlement.
8. Credit adjustment overriding chargeback will not be allowed for any transaction which is part of the 'SDMT' group.
9. The existing adjustment report will have additional column i.e. 'MultDisputeGroup' added on the extreme right which will have details of the RRNs and chargeback amount for which the SDMT group is formed. Bank should make note of the change in Adjustment report, especially if the report is used in any system at bank's end.
10. The disputes already raised under 'SDMT' reason code before implementation needs to be handled as per the existing process.

**Please note that there is no change in the Guidelines mentioned in OC 109 and OC 113 other than those mentioned above.**

**The process for handling disputes / adjustments for normal chargebacks i.e. those not raised with reason code 'SDMT' including the bulk upload file format remains same as per the existing process.**

**The above mentioned changes in DMS will be implemented with effect from 1<sup>st</sup> August, 2016.**

Please make note of the above mentioned process and disseminate the instructions contained herein to the officials concerned.

For any queries or clarification, please contact:

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Yours faithfully,



**Ram Sundaresan**  
Head – Operations

- Encl:
1. Annexure A - Details of New menu options created in DMS for handling SDMT cases.
  2. Annexure B - Process for raising disputes in DMS using menu option - 'Multiple Adjustment' for SDMT cases.
  3. Annexure C - Bulk upload file format for raising chargeback.