NPCI/NFS/OC No.398/2021-22   16th June'21

To,
All members of National Financial Switch (NFS)

Madam / Dear Sir,

Sub: <u>UDIR – Enhancing complaint handling and resolution process for NFS - ATM transactions</u>

We refer to RBI Circular RBI/2020-21/21 DPSS.CO.PD No. 116/02.12.004/2020-21 dt. 6th Aug'20 on Online Dispute Resolution (ODR) System for Digital Payments, whereby it has advised PSO & PSPs i.e. banks and non-banks to implement online dispute resolution process for handling and resolving customer complaints.

Key Enablement

Following are the key propositions, which ecosystem participants need to enable for facilitating online dispute resolution of customer complaints for NFS ATM transactions (incl. card+PIN transactions on Micro-ATMs).

A. Issuer Bank
    a. To connect their CRM / Complaint management system or any other internal system (mobile / internet banking / etc.) to UDIR system at NPCI to be able to raise dispute (complaint).
    b. To provide status of transaction / dispute / adjustment, available in BCS system
    c. To process online reversal with new RC 'UR' for cases where acquirer have confirmed that the transaction is failed at their end and reversal is generated by UDIR based on the response from Acquirer.
    d. To make necessary changes in reconciliation and complaint handling process for facilitating UDIR.

B. Acquirer Bank
    a. To connect their internal system (switch, back office data base, or recon system, etc.), from which status of ATM transaction at Acquirer end can be ascertained and responded with, on receipt of API request from UDIR.
    b. Internal system to have near real time data (say within 5 minutes of the transaction) so that it can respond to the request received from UDIR, immediately after completion of transaction.

The list of APIs and other important points are given in Annexure A

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1001A, The Capital, B Wing, 10th Floor,
Bandra Kurla Complex, Bandra (E), Mumbai 400 051
T: +91 22 40009100 F: +91 22 40009101
contact@npci.org.in www.npci.org.in
CIN: U74990MH2008NPL189067

Members are requested to start the development and do the required changes at their end for commencing certification with NPCI from 15th Jul'21 onwards. Banks shall be on-boarded after duly completion of certification.

Members can refer latest version of Technical Specification Document (TSD) for implementation. All members should have it implemented in their DR setup too, for giving seamless services to the end customers.

You may please make a note of the above and disseminate the information contained herein to all the officials concerned.

Yours sincerely,

Praveena Rai
COO

Encl: Annexure A - List of APIs and other important points.

Annexure A

Reference NFS OC no.398 UDIR – Enhancing complaint handling and resolution process for NFS - ATM transactions

❖ **List of values required to be sent in API request to UDIR for NFS ATM transactions**

Product	Whether Unique Txn ID present	Combination of Fields shall be used for identification of txn – this should be part of request APIs	Remarks (C - condition)
NFS	NO	1. PAN (card No.) 2. RRN 3. LOCAL DATE 4. Acquirer ID. (C - Recommended) 5. Time (Optional - Recommended)	If bank is not able to send Acquirer ID, still UDIR shall process the request if Unique Txn can be identified based on the information provided by Issuer

Note: If more than one transaction is identified based on the information provided by the Issuer, the request will be rejected with appropriate reason code – Multiple transaction by UDIR.

❖ **List of APIs - UDIR**

Sr. No	API	Type (Category)	Scenarios/Transactions	Initiator	Responder
1	ReqChkTxn	ChkTxn	To check the status of the transaction / dispute or adjustment raised at NPCI	Issuer	UDIR
2	ReqChkTxn	ChkTxn	To check the status of the transaction at the acquirer's end	UDIR	Acquirer
3	ReqComplaint	Complaint	To raise a complaint for financial transaction	Issuer	UDIR
4	ReqChkTxn	STATUS	To check the response for timeout cases for complaints	Issuer UDIR	UDIR Acquirer

All API's mentioned above are asynchronous in nature.

❖ **Important points to be noted:**
1. Dispute/adjustment shall be raised directly in the NFS back-office (BCS) system for successful transactions based on the complaint received through API of UDIR and response receive from Acquirer.

2. UDIR will help resolve customer complaints in the following ways:
   o Generating online reversal for the transactions failed at Acquirer switch end (if it is within the reversal time period).
   o Raising credit adjustment for transactions failed at Acquirer switch end and where reversal is not possible.

    o Raising chargeback (CB) for approved transactions.

3. Issuer Banks may also have their Mobile Banking and Internet Banking systems directly connected to UDIR for checking the status of the transaction / dispute as well as raise disputes (complaints).

4. In case of any rejection / error for API call, members to check the API response and act accordingly.

5. Whenever the Issuer Bank raises a ReqComplaint request to UDIR, it is assumed that the request is for NPCI to raise a dispute (chargeback) on behalf of the Issuer Bank, based on the status of the transaction.

6. Customer complaints related to the below scenarios will not be addressed by UDIR:
    o EMV Chargeback – CB reason code "Counterfeit EMV Card Fraud".
    o Single Dispute Multiple Transaction - CB reason code SDMT.
    o Partial reversal transaction – NFS response code (RC) '26'.
Only customer complaints related to - account debited but cash not received - should be raised through UDIR i.e. for cash withdrawal transactions.

7. When the UDIR system requests the status of a transaction from Acquirer, the acquirer may give following RC:

RC by Acquirer	Description
00	Approved or completed Successfully
22	System malfuntion (Suspect Transaction)
32	Partially Reversed
UR	Transaction Failed at Acquirer

8. The time period till when the APIs can connect and facilitate online transaction / dispute status check and raise complaints shall be up to 60 days from the date of transaction.

9. The existing dispute management process including TAT, dispute and adjustment type, customer compensation for delayed credit for failed transactions, etc. shall remain same and will be followed for complaints raised under UDIR.

10. There will be no change in the existing raw data file.

11. In adjustment report, chargeback / credit adjustment can be identified using "BankAdjRef" field with value as "UDIR/TxnID"

12. In BCS (NFS back office) front end, dispute / adjustments raised under UDIR can be identified basis the maker ID as 'UDIR0g001'.

13. Members shall also be able to connect their reconciliation or back office system to UDIR for raising first level disputes / adjustments viz. Chargeback, Representment, credit adjustments, etc. directly through APIs in future.