

NPCI/NFS/OC No.239 /2016-17

12th January, 2017

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. At the time of Representment, Electronic Journal (EJ) or Journal Print (JP) has to be provided if the transaction is successful. Presently, Acquirer has a time period of 6 calendar days from the next day of chargeback for either accepting or representing the chargeback. In case no action is taken by the 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 6 calendar days to ascertain the status of the disputed transaction, especially during intervening holidays such as second and fourth Saturdays, etc.

The matter was taken up in the NFS Steering Committee Meeting (SCM) held on 24th May, 2016. Members acknowledged that the existing time period of 6 calendar days for Representment may be difficult to adhere during intervening holidays such as second and fourth Saturdays etc, 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 5 working days from the next day of chargeback (as against the existing timelines of 6 calendar days), so that Acquirers get one additional day in case of intervening second and fourth Saturdays and Issuers are also able to resolve ATM cash withdrawal dispute within 7 working days as per the RBI mandate.

The Second, Fourth Saturdays and RTGS holidays (circulated by RBI at beginning of the year) are excluded while calculating the revised representment TAT of 5 working days. RTGS holidays declared by RBI during the calendar year will not be considered for calculating the revised TAT. Illustrations for revised TAT have been given in **Annexure A** for ready reference.

The change in time period of representing chargeback shall also be applicable to Card to Card fund transfer and Cash Deposit transactions for uniformity in NFS dispute management process.

The revised timelines of allowing representment in DMS up to 5 working days from the next day of chargeback shall be implemented w.e.f. 28th January, 2017.

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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 5 calendar days for representment in DMS.

Please note importantly that the revised TAT of 5 working days is applicable only for Representment. For all the other disputes/adjustments, the existing TAT will be followed.

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

Annexure A

Illustrations for Representation TAT

Illustrations for Representation TAT with 5 working days are given below for clarity:

Date (Year 2017)	Day	Working days	As per existing TAT of 6 calendar days				As per new TAT of 5 working days			
			Example 1	Example 2	Example 3	Example 4	Example 1	Example 2	Example 3	Example 4
13-Jan	Fri	Yes	Complaint			Complaint/ Chargeback	Complaint			Complaint/ Chargeback
14-Jan	Sat	Holiday					Holiday			Holiday
15-Jan	Sun	Holiday					Holiday			Holiday
16-Jan	Mon	Yes	Chargeback	Complaint		1	Chargeback	Complaint		1
17-Jan	Tue	Yes	1	Chargeback		2	1	Chargeback		2
18-Jan	Wed	Yes	2	1		3	2	1		3
19-Jan	Thu	Yes	3	2		4	3	2		4
20-Jan	Fri	Yes	4	3	Complaint	5	4	3	Complaint	Represent
21-Jan	Sat	Yes	5	4	Chargeback	Represent	Represent	4	Chargeback	Credit (6th day)
22-Jan	Sun	Holiday	Represent	5	1		Holiday	Holiday	Holiday	
23-Jan	Mon	Yes	Credit (7th day)	Represent	2	Credit (7th day)	Credit (7th day)	Represent	1	
24-Jan	Tue	Yes		Credit (7th day)	3			Credit (7th day)	2	
25-Jan	Wed	Yes			4				3	
26-Jan	Thu	RTGS Holiday			5				RTGS Holiday	
27-Jan	Fri	Yes			Represent				4	
28-Jan	Sat	Yes			Credit (6th day)				Represent	
29-Jan	Sun	Holiday							Holiday	
30-Jan	Mon	Yes							Credit (7th day)	