

NPCI/NFS/OC.No.423/2024-25

04<sup>th</sup> November 2024

To,

All Members of the National Financial Switch (NFS)

**Sub: Cash Retraction facility in ATMs to address shutter overlay frauds**

Dear Sir / Madam,

We refer to NPCI OC No. 47 dated 18<sup>th</sup> Jan 2012 wherein members were advised to disable cash retraction facility to contain cash retraction related frauds. During the past one year, several instances of fake shutter overlay have been reported by member banks of NFS.

The Modus Operandi of fake shutter overlay related frauds, and the possible solution were discussed in NFS Steering Committee Meeting held on 23<sup>rd</sup> Jan 2024. Subsequently, as agreed by SC members, the working group meetings were conducted with the group of member banks, OEMs and representative from CATMi. The recommendations of the working group were submitted to RBI DPSS.

In view thereof, to curb such frauds, RBI vide their letter no. CO.DPSS.POLC.No.S695/02-10-004/2024-2025 dated 08<sup>th</sup> Oct 2024 has granted permission banks / WLAOs to implement suitable cash retraction at ATMs / Cash recyclers, as per their risk management processes (for period as required). Banks are advised to ensure adequate customer awareness regarding enablement of cash retraction. The framework of Turn Around Time (TAT) for failed transactions issued by RBI shall apply to incidents of cash retraction.

Members are requested to disseminate the above-mentioned information to the departments concerned. Acquirers to ensure that customer transaction disputes arising in such scenarios are handled appropriately.

Yours sincerely,

SD/-

Kunal Kalawatia  
(Chief Products)