

NPCI/UPI/OC 208A/2025-26

Jun 30, 2025

To,

All Members of Unified Payment Interface (UPI)

Subject – Addendum to implementation of NRP & PRD Process & arbitration guidelines

Reference may be taken from circular No. NPCI/UPI/OC 208/2024-25 dated 03rd Oct 2024 where we have implemented NRP & PRD process from 05th Oct 2024 (chargeback raise date) and communicated that the process will be carried out through email till it is automated in the back-office system (URCS).

In view of the above, please be informed that we have automated the NRP process as listed below (refer Annexure – E user manual for details), changes will be implemented in URCS w.e.f. 01st Aug 2025.

- 1) Submit complaint document option is made available while raising arbitration in URCS through front-end option for remitting/issuing banks.
- 2) Funds will be settled through URCS if arbitration is accepted/deemed accepted, settlement details are made available in the adjustment report.
- 3) NPCI will give NRP verdict in URCS. Users can view the status in transaction search page and adjustment report. NPCI will discontinue the email process for communicating the NRP verdict status.
- 4) RBI customer compensation confirmation (AC/AT) has been implemented in URCS for P2M transactions where beneficiary/acquiring bank should update the status in URCS with AC/AT when the verdict is given in favour of the remitting/issuing bank. Member banks can view the status in transaction search page and adjustment report. NPCI will discontinue taking AC/AT confirmation from beneficiary/acquiring banks through email. If the beneficiary bank does not confirm the status of AC or AT, then the same will be considered by URCS on deemed acceptance basis i.e. AT and process the compensation.
- 5) Refer Annexure – C for NTSL new line items.
- 6) Introduced new dispute flag & reason codes for arbitration (refer Annexure – A for details).
- 7) Refer other process automations list in the Annexure – D for details.

In addition to the above, please note the revised process has been briefed as follows (refer Annexure – B life cycle for details).

S. No	Existing Process	Revised Process
1	Arbitration fee is charged in NRP/PRD raise stage.	Arbitration fees will be charged after giving NRP/PRD verdict for the chargebacks raised from 05 th Oct 2024.
2	TAT to raise PRD is 15 calendar days from next day of NRP Verdict.	TAT to raise PRD is 5 calendar days from next day of NRP Verdict.

The information herein may please be disseminated to all the concerned.

With warm regards,

SD/-

Giridhar GM
Chief – Customer Success

New Dispute Flags & Reason Codes

Annexure – A

Dispute Stage	TXN Sub Type	Adj Flag	Adjustment Reason Code	Adjustment Reason Code Description
Arbitration Continuation	U2/U3/UC	ACC	1105	Beneficiary account is credited successfully as per the document uploaded
	U2	ACC	1106	Goods/Services provided to customer
	U2	ACC	1107	Refund processed to customer via alternate channels
NRP Verdict - AC/AT	U2/U3/UC	NVB	1126	Dispute on fraud TXN raised under normal chargeback category
			1127	Merchant refunded/reversed to customer
			1128	Goods/Services fulfilled to customer
			1129	Customer has withdrawn complaint
			1130	Beneficiary customer account credited successfully
			1131	Goods/Services fulfilled to customer in good condition and as per the order
NRP Verdict - AC/AT	U2/U3/UC	NVR	1132	Rejection document says merchant accepting dispute
			1133	Blurry evidence
			1134	CBS details provided in editable file instead of CBS screenshot
			1135	CBS screenshot uploaded without last digits of beneficiary account
			1136	CBS screenshot uploaded without TXN details
			1137	Details in the rejection document are not matching with dispute details
			1138	Uploaded evidence is blank
			1139	Goods/services fulfilment declaration letter uploaded which is invalid as merchant does not pertain to Small/Offline category
			1140	Illegible evidence
			1141	Invalid document which does not address the customer dispute
			1142	Invalid evidence consisting generic statements
			1143	Merchant fraudulent
			1144	No/Partial/Incorrect refund details present in the rejection document
			1145	No evidence has been provided
			1146	Only door-delivery details attached as rejection document which is invalid because no TXN details present
			1147	Only merchant details provided not about the fulfilment of goods/services provided
			1148	Others
			1149	Rejection document of partial refund uploaded but the customer is disputing for the balance amount
			1150	Rejection reason mentioned as customer account closed/freeze/lien marked which is invalid reason
			1151	Rejection reason mentioned as customer not giving debit consent which is invalid reason
			1152	Rejection reason mentioned as customer not in contact which is invalid reason
			1153	Rejection reason mentioned as merchant is black-listed/fraudulent which is invalid reason
			1154	The refund has failed as per the refund details in the rejection document
			1155	TXN details not matching with invoice details
			1156	TXN status in the rejection document is showing cancelled/pending/failed
			1157	Uploaded rejection document does not pertain to the dispute
NRP Verdict in favor of Rem Bank - Customer Compensation Accept (or) Deemed Accept	U2	NVCA	AT	Attributing to the Technical issue at bank/aggregator/merchant
NRP Verdict in favor of Rem Bank - Customer Compensation Reject	U2	NVCR	AC	Attributing to the Customer

Note: Removed the reason code 1102 – 'Customer has still not received the service' under Arbitration Continuation.

Arbitration Life Cycle

Annexure – B

Arbitration Stage	Raised By	TAT	TXN Sub Type	Adj Flag	Adj Reason Code	Fund Movement							
						Dispute Amount		RBI Customer Compensation Amount		NRP Fee Rs. 500/- & GST		PRD Fee Rs. 3,000/- & GST	
						Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr
Arbitration													
Arbitration Raise / Deferred Arbitration Raise	REM / ISS	15 days from next day of Pre-Arbitration Decline	U2 / U3 / UC	AR	1100								
				FAR	127								
Arbitration Withdraw	REM / ISS	15 days from next day of Arbitration Raise	U2 / U3 / UC	ACW	1103								
Arbitration Accept / Deemed Accept	BEN / ACQ	15 days from next day of Arbitration Raise	U2 / U3 / UC	ACA	AT	BEN / ACQ	REM / ISS	BEN / ACQ	REM / ISS				
					AC								
					1101			BEN / ACQ	REM / ISS				
Arbitration Continue	BEN / ACQ	15 days from next day of Arbitration Raise	U2 / U3 / UC	ACC	1105								
					1106								
					1107								
					1105								
NPCI Review Panel (NRP)													
NRP Verdict in favor of BEN / ACQ Bank	NPCI	30 days from next day of Arbitration Continue	U2 / U3 / UC	NVB	1126 to 1131					REM / ISS	NPCI		
NRP Verdict in favor of REM / ISS Bank	NPCI	30 days from next day of Arbitration Continue	U2	NVR	1132 to 1157	BEN / ACQ	REM / ISS			BEN / ACQ	NPCI		
			U3 / UC					BEN / ACQ	REM / ISS				
NRP Verdict in favor of Rem Bank - Customer Compensation Accept/Deemed Accept (***)	BEN / ACQ	3 days from next day of NRP Verdict in favor of REM / ISS Bank	U2	NVCA	AT			BEN / ACQ	REM / ISS				
NRP Verdict in favor of Rem Bank - Customer Compensation Reject (***)	BEN / ACQ	3 days from next day of NRP Verdict in favor of REM / ISS Bank	U2	NVCR	AC								

(***) Applicable only on arbitrations where the chargeback raised with RC 1065 - Account debited but transaction confirmation not received at merchant location.

Arbitration Stage	Raised By	TAT	TXN Sub Type	Adj Flag	Adj Reason Code	Fund Movement							
						Dispute Amount		RBI Customer Compensation Amount		NRP Fee Rs. 500/- & GST		PRD Fee Rs. 3,000/- & GST	
						Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr
Panel for resolution of disputes (PRD) : NRP Verdict given in favour of BEN / ACQ Bank													
PRD Raise	REM/ISS	5 days from next day of NRP Verdict given in favour of BEN / ACQ Bank	U2 / U3 / UC										
PRD Withdraw	REM/ISS	15 days from next day of PRD Raise	U2 / U3 / UC										
PRD Accept / Deemed Accept	BEN / ACQ	15 days from next day of PRD Raise	U2			BEN / ACQ	REM / ISS	BEN / ACQ (upon 'AT' confirmation)	REM / ISS (upon 'AT' confirmation)				
			U3 / UC				BEN / ACQ	REM / ISS					
PRD Continue	BEN / ACQ	15 days from next day of PRD Raise	U2 / U3 / UC										
PRD Verdict in favor of BEN / ACQ Bank	PRD	30 days from next day of PRD Continue	U2 / U3 / UC									REM / ISS	NPCI
PRD Verdict in favor of REM/ISS Bank	PRD	30 days from next day of PRD Continue	U2			BEN / ACQ	REM / ISS	BEN / ACQ (upon 'AT' confirmation)	REM / ISS (upon 'AT' confirmation)	BEN / ACQ	REM / ISS	BEN / ACQ	NPCI
			U3 / UC				BEN / ACQ	REM / ISS					
Panel for resolution of disputes (PRD) : NRP Verdict given in favour of REM / ISS Bank													
PRD Raise (***)	BEN / ACQ	5 days from next day of NRP Verdict given in favour of REM/ISS Bank	U2 / U3 / UC										
PRD Withdraw	BEN / ACQ	15 days from next day of PRD Raise	U2 / U3 / UC										
PRD Accept / Deemed Accept	REM / ISS	15 days from next day of PRD Raise	U2			REM / ISS	BEN / ACQ	REM / ISS (if paid after NRP verdict)	BEN / ACQ (if paid after NRP verdict)				
			U3 / UC				REM / ISS	BEN / ACQ					
PRD Continue	REM / ISS	15 days from next day of PRD Raise	U2 / U3 / UC										
PRD Verdict in favor of BEN / ACQ Bank	PRD	30 days from next day of PRD Continue	U2			REM / ISS	BEN / ACQ	REM / ISS (if paid after NRP verdict)	BEN / ACQ (if paid after NRP verdict)	REM / ISS	BEN / ACQ	REM / ISS	NPCI
			U3 / UC				REM / ISS	BEN / ACQ					
PRD Verdict in favor of REM / ISS Bank	PRD	30 days from next day of PRD Continue	U2 / U3 / UC									BEN / ACQ	NPCI

(***) When the verdict is given in favour of remitting/issuing Bank, URCS will settle the funds. However, remitting/issuing Bank should keep the funds on hold up to 5 calendar days where beneficiary/acquirer bank may raise PRD. Remitting/Issuing Bank can reverse the funds to their customer on 6th calendar day provided there is no PRD raised by the beneficiary/acquirer bank.

New Line Items in NTSL

Annexure – C

NRP Fee and NRP Fee Reversal Settlement Entries: As per OC – 208, we have collected NRP fee + GST when arbitration is raised. This process has been revised and started collecting NRP fee + GST only after giving the verdict, corresponding NTSL line items are listed below. Amount column will appear zero because the fee has been made zero at arbitration raise.

	A	B	C	D
1	National Payments Corporation of India			
2	Unified Payments Interface			
3	Daily Settlement Statement for HDFC Bank - UPI as on 30-04-2025 (23C			
4	11:45:00 TO 12:00:00)			
5	Description	No of Txns	Debit	Credit
41	NRP Raise Fees	37	0	0
42	NRP Raise Fees GST	37	0	0
43	Reversal of NRP Fee From Beneficiary to Remitter (Arbitration Acceptance) - Debit	0	0	0
44	Reversal of NRP Fee GST From Beneficiary to Remitter (Arbitration Acceptance) - Debit	0	0	0
45	Reversal of NRP Fee From Beneficiary to Remitter (Arbitration Acceptance)- Credit	12	0	0
46	Reversal of NRP Fee GST From Beneficiary to Remitter (Arbitration Acceptance)- Credit	12	0	0
47	Reversal of NRP Fee From Beneficiary to Remitter (NRP Verdict in favour of Remitter)- Debit	0	0	0
48	Reversal of NRP Fee GST From Beneficiary to Remitter (NRP Verdict in favour of Remitter)- Debit	0	0	0
49	Reversal of NRP Fee From Beneficiary to Remitter (NRP Verdict in favour of Remitter)- Credit	10	0	0
50	Reversal of NRP Fee GST From Beneficiary to Remitter (NRP Verdict in favour of Remitter)- Credit	10	0	0

Dispute Amount Settlement Entries: Funds will be settled if beneficiary/acquiring bank accepts / deemed accepts the arbitration and NPCI gives verdict in favour of remitting/issuing bank, all settlement entries will be netted and processed in 'Net Adjusted Amount' line item in NTSL.

	A	B	C	D
1	National Payments Corporation of India			
2	Unified Payments Interface			
3	Daily Settlement Statement for HDFC Bank - UPI as on 30-04-2025 (23C			
4	11:45:00 TO 12:00:00)			
5	Description	No of Txns	Debit	Credit
27	Net Adjusted Amount		0	28350

RBI TAT Harmonization Customer Compensation Settlement Entries: Customer Compensation will be settled and the same is included in 'Customer Compensation For Non Compliance' line items in NTSL.

	A	B	C	D
1	National Payments Corporation of India			
2	Unified Payments Interface			
3	Daily Settlement Statement for HDFC Bank - UPI as on 30-04-2025 (23C			
4	11:45:00 TO 12:00:00)			
5	Description	No of Txns	Debit	Credit
51	Customer Compensation For Non Compliance Debit	0	0	0
52	Customer Compensation For Non Compliance Credit	12	0	34000

Additional developments - Work in progress

Annexure – D

Following processes are still under development and will be handled as per the current offline process:

- i) Process of raise PRD by remitting/issuing bank or beneficiary/acquiring bank will continue to be carried out through email.
- ii) NRP & PRD Verdict fee + GST collection will be settled through adjustment entry and will communicate through email.
- iii) In addition to the front-end option, upload bulk evidence option will be provided in URCS. Banks should continue to update the same through front end till the automation is completed.