

NPCI/IMPS & UPI/OC No. 82/2017-18

17<sup>th</sup> Oct, 2017

To,

All Members of Immediate Payments System (IMPS) & Unified Payments Interface (UPI)

Dear Sir / Madam,

**Sub: IMPS & UPI – Penalty for populating wrong NBIN, processing returns for valid accounts & updating TCC without crediting the customer’s account**

**Objective:** Objective of this circular is to explain the impact of populating wrong NBIN/incorrect returns, etc. in IMPS & UPI which results in customer complaints and hence, levying of penalty so as to avoid customer complaints.

The above matter was discussed in the UPI Steering Committee Meeting held on 27<sup>th</sup> Sep 2017. It was approved therein to levy penalty of Rs.25 (plus taxes) so as to ensure proper handling of transactions by banks and avoid customer complaints for these reasons.

**(A) Populating wrong NBIN by the remitting banks:** Few banks (as remitter) are populating sponsor bank’s NBIN instead of sub-member bank’s NBIN which results in credit to incorrect account and resultant customer complaints.

**(B) Returning the funds for deemed approved transactions without processing manual credits:** It is observed that few banks (as beneficiary bank) are returning funds to remitting banks for deemed approved transactions without actually processing manual credits – as per the extant process. As per NPCI guidelines, funds are to be returned only if beneficiary bank cannot credit their customer’s account for specific reason, such as, incorrect account number, account closed, credit freeze, etc.

**(C) Raising wrong TCC (Transaction Credit Confirmation):** It is observed that few banks (as beneficiary bank) are raising TCCs in RGCS without crediting their customer’s account in CBS.

**Penalty:** The aforesaid issues were discussed and penalty of Rs.25 + tax for such aberration was approved by SCM in the meeting held on 27-09-2017.

**Applicability:** The above penalty is *applicable for IMPS & UPI transactions*.

**Effective Date:** The penalty, as aforesaid, will be implemented with effect from 1<sup>st</sup> Nov., 2017.

All members are requested to take a note of the above and ensure to put in place proper process so as to ensure compliance to NPCI guidelines of handling transactions. Kindly disseminate the information contained herein to the officials concerned.

For any further clarification please contact the following official:-

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Yours faithfully,

SD/-

**Ram Sundaresan**  
**SVP & Head – Operations**