To,
All Members participating in IMPS Network

Madam/Dear Sir,

Sub: <u>Unified Dispute and Issue Resolution (UDIR) - Enhancing complaint handling and resolution process for IMPS 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 and PSPs i.e. banks and non-banks to implement online dispute resolution process for handling and resolving customer complaints.

NPCI has introduced UDIR which can act as a layer for member banks to connect their systems and handle disputes / queries thru API calls.

Key Enablement: Following are the key propositions, which participants need to enable for facilitating online dispute resolution of customer complaints for IMPS deemed transactions.

1. **Remitter 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.
    b. To make necessary changes in reconciliation and complaint handling process at Bank end.
    c. To process reversal in customer account on the basis of return response received from Beneficiary.
    d. To communicate to customer any change in the status of the transaction / complaint or dispute through CRM, mobile app, internet banking, SMS, Email etc.
2. **Beneficiary Bank**
    a. To make necessary changes at Bank' IMPS switch and CBS for ascertaining the status of transaction when ReqChkTxn API is received as Autoupdate or for complaint raised.
    b. To make necessary changes for processing credit or return for deemed transaction once the ReqChkTxn API is received.
    c. To make necessary changes in reconciliation and dispute handling process at Bank end.

The list of APIs and other important points along with changes in handling of LR/CR/VR are given in **Annexure A**.

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,

SD/-

Kunal Kalawatia

Chief Products

IMPS – UDIR OC NPCI/2023-24/IMPS/117 dated 4th Aug 2023

1. 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	Remitter	UDIR
2	RespChkTxn	ChkTxn	NPCI response to remitter ReqChkTxn with latest transaction & dispute details	UDIR	Remitter
3	ReqChkTxn	ChkTxn	To check the status of the transaction at Beneficiary	IMPS Switch	Beneficiary Switch
4	RespChkTxn	ChkTxn	Beneficiary response to NPCI with the status of the transaction.	Beneficiary Switch	IMPS Switch
5	ReqComplaint	Complaint	To raise a complaint for financial transaction	Remitter	UDIR
6	RespComplaint	Complaint	Status of the complaint raised from NPCI.	UDIR	Remitter
7	ReqPay	Credit	Initiated by NPCI to remitter for crediting remitter account online	IMPS Switch	Remitter Switch
8	RespPay	Credit	Initiated by remitter to updates the status of the online credit	Remitter Switch	IMPS Switch
9	ReqChkTxn	Status Check	To check the response for timeout cases for complaints. If there is any complaint raised in prior and user selects the check status, this API	Remitter	UDIR

All API's mentioned above are asynchronous in nature.

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

2. Autoupdate in IMPS

The auto update API will be triggered from IRCS to IMPS switch for deemed transactions, where beneficiary is live on UDIR. Beneficiary bank to update the status of the transaction (TCC / RET), including processing Credit or Return, in case it was not processed earlier in original online transaction. In case of return from Beneficiary bank, Remitter bank to process credit to customer account. Bank as a Remitter and Beneficiary need to have check for duplicate processing and ensure that the request is not processed more than once.

The Auto update API indicative times shall be as following:

Timing	Transaction Time Range
11:00 AM	10:00 to 11:00
12:00 PM	11:00 to 12:00
01:00 PM	12:00 to 01:00

Note: Auto update will be triggered at interval of every 60 mins. Cases were no response is received in next 2 retry these transactions will be marked as timeout and will be made available in (New) UDIR adjustment reports.

3. Reconciliation and Dispute Management:

a) Dispute/adjustment shall be raised directly in the IRCS (back office) system for transactions based on the complaint received through UDIR API and response received from Beneficiary.

b) UDIR will help resolve customer complaints in the following ways:
   i.   Generating online reversal for the transactions marked returned by Beneficiary switch end (if it is within the reversal time period).
   ii. Raising chargeback (CB) for transactions. (wherever applicable)
   iii. Updating TCC/RET on the basis of response received by beneficiary in API response for Auto update and Complaint raised.

c) Issuer/Remitter Banks can 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).

d) Whenever the Remitter 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 Remitter Bank, based on the status of the transaction.

e) Customer complaints related to the below scenarios will be addressed by UDIR:

Dispute Category	Dispute Flag	Reason Code	Reason Code Description
Chargeback	B	108	Remitter account debited but beneficiary account not credited
Deferred Chargeback	FB	121	TCC has been raised but customer still complaining that Beneficiary a/c is not credited.

NOTE: If Complaint (chargeback) is initiated with any other reason code, the same will be rejected by UDIR

f) When the UDIR system requests the status of a transaction from Beneficiary bank, the Beneficiary may give respond with following response code RC:

RC	Description
00	Success along with TCC and proper code
UR	Failure - along with RET and proper code
UP	Beneficiary Unable to update

g) The APIs can connect and facilitate online transaction / dispute status check and raise complaints up to 60 days from the date of transaction.

h) Members shall also be able to connect their reconciliation or back office system to UDIR for raising first level disputes / adjustments viz. Chargeback, Re-presentment, Credit Adjustments, etc. directly through APIs in future.

i) Please note importantly that –
   - Members live on UDIR should not pass manual entries (credit / reversal) to customer account for exceptions / pending transactions identified during reconciliation on the transaction date (T+0). Members can do so on T+1 day (onwards), only after checking the latest settlement / adjustment reports and customer account before passing manual entries, to avoid duplicate credit/reversal.
   - Members live on UDIR should not process credit online for complaint received on T+1 day or later as Beneficiary unless bank has a system/process to validate the manually processed credits into the beneficiary account.

j) The existing dispute management process including TAT, dispute & adjustment type, customer penalties for delayed credit for failed transactions, etc. shall be followed for complaints raised under UDIR approach.

4. Raw files and Adjustment report

a) There shall be no changes in raw data files and settlement reports.

b) In existing adjustment report new columns are added as per below table. This is for your information only.

Column	Value	Scenario
Originating Channel	UDIR	For UDIR initiated disputes/ Customer complaints via NPCI Website
	Auto-Update	For auto-updated transactions
	Web	For disputes initiated through Web
	Online-VR	For disputes raised against online VR
	Online-CS	For disputes raised against online CS
	File	For disputes initiated through file upload
Adjustment Settlement date	Settlement date of the dispute	For disputes raised between 23:00 and 00:00, this date will reflect the settlement date (which will be the next day) In all other cases, this will be the same as the dispute raise date
Reason code	Reason code used while raising the dispute	Reason code chosen by banks while raising disputes OR 00/M0 for disputes/adjustments raised based on online VR/CS

c) In IRCS front end, dispute / adjustments raised under UDIR can be identified basis.

Value	Scenario
UDIR	For UDIR initiated disputes
Auto-Update	For auto-updated transactions
Online-VR	For disputes/adjustments raised against VR
Online-CS	For disputes/adjustments raised against CS

d) New report as **UDIR Adjustment Report** is made available to members as remitter and beneficiary for each cycle. It shall contain details of time outs and unable to update responses for UDIR APIs. Adjustment types are introduced for identification in new UDIR Adjustment report, however this shall not have any impact on settlement.

Description	Dispute Flag
Beneficiary timeout	BTO
Beneficiary unable to update	BUU
Beneficiary invalid response	BIR
Remitter timeout	RRC
Remitter decline	RDR
Remitter invalid response	RIR

e) Changes in handling LR /VR/CS processing post Bank's go live on UDIR:

   I.   LR processing – will be dropped in online for Beneficiary banks live on UDIR and LR – Response code (RC) shall not be updated.

   II. In case of VR/CS processing, if original transaction is still in deemed status (08) and no disputes are raised through Auto Update, Complaints or thru IRCS.

VR/CS	Action
Successful (00)	TCC is raised in BCS and transaction is removed from timeout report /penalty calculation/Auto-update list.
Declined (M0)	RET is raised and transaction is removed from time out report/penalty calculation/auto-update list.
Any other response code	No change in status of the transaction as well as in IRCS

In above scenarios, transaction status in raw data file will be deemed and settlement of funds will be in NTSL transaction section as per the adjustment raised.

5. Importantly, for detailed functionality, specification, validation and controls, member to refer the latest Technical Specification Document for implementation.