

To,

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

Dear Sir / Madam,

Sub: UPI & IMPS – Process to handle chargeback for wrong account transfer

Objective:

Objective of this circular is to explain the process to handle wrong credits in IMPS & UPI which are initiated by the remitting bank customers due to typographical errors and resulting in wrong transfers to unintended customer's account.

The above matter was discussed in the Steering Committee Meeting (SCM) held on 12th May 2017. The SCM members approved that remitting banks can raise chargeback in RGCS for wrong transfers on 'Good Faith' basis.

Process:

1. **For Remitting Banks:** Basis the customer complaint, remitting bank can raise charge back in RGCS if the customer submits that funds have been transferred to wrong customer's account. RGCS shall provide 'browse' option to upload indemnity.
2. **For Beneficiary Banks:** Beneficiary banks are requested to follow their internal process for recovering funds from the wrong customer's account and accept the chargeback, wherever applicable. Beneficiary banks may please use appropriate reason codes for accepting or rejecting such chargebacks. If beneficiary bank does not accept or reject the chargeback within TAT, then such chargeback will be treated as deemed accepted. The Beneficiary bank will not be allowed to raise re-presentation after the TAT.

Disputes Rules & TAT for chargeback on wrong credits:

S. No	Adjustment Type	Fund Movement	TAT	Who will raise	Who will receive	Reason Code *
1	Chargeback	Beneficiary to Remitter	60 days	Remitting bank	Beneficiary bank	WC1
2	Accept Chargeback	---NA---	35 days	Beneficiary bank	Remitting bank	WC2
3	Re-presentation	Remitter to Beneficiary	35 days (after chargeback)	Beneficiary bank	Remitting bank	WC3
3.1	Re-presentation	Remitter to Beneficiary	35 days (after chargeback)	Beneficiary bank	Remitting bank	WC4
4	Chargeback Deemed Acceptance	---NA---	35 days (after chargeback)	Beneficiary bank	Remitting bank	WC5

*The Reason Codes are described in the later part of this circular

Chargeback for wrong credits are allowed on the following response codes

- RC-00 – Approved for UPI & IMPS
- RC-RB- Deemed Approved for UPI
- RC-08 (ISO-91) - Deemed Approved for IMPS

Reason Codes Description:

Reason Code	Reason Code Description
WC1	Customer transferred funds to the unintended beneficiary account
WC2	Amount has been recovered successfully
WC3	Lien marked, however customer a/c is not having sufficient balance to debit the a/c
WC4	Customer cannot be contacted for obtaining debit confirmation
WC5	If WC Chargeback is not accepted or rejected, it will be treated as deemed accepted

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 the guidelines of handling wrong credit transactions. Kindly disseminate the information contained herein to the officials concerned.

- Applicability: For UPI & IMPS Approved & Deemed Approved transactions.**
- Effective from: 15th Jan 2018.**

Yours faithfully,

Ram Sundaresan
SVP & Head – Operations