

NPCI/UPI/OC-98/2020-21

November 24, 2020

To,

All UPI Members - Banks, PSP's & Third Party Applications

Madam / Dear Sir,

Subject: UDIR – Enhancing Complaint handling & resolution process for UPI transactions

We refer to the RBI circular RBI/2020-21/21 DPSS.CO.PD No.116/02.12.004/2020-21 on Online Dispute Resolution (ODR) System for Digital Payments dated 6th August, 2020, whereby it has advised PSO & PSPs i.e. banks and non-banks & TPAPs to implement online dispute resolution process for handling and resolving customer complaints. The Unified Dispute & Issue Resolution (UDIR) approach was discussed in the UPI Steering Committee meeting held on 2nd July, 2020 and was endorsed by SC for implementation by members.

2. Key enablements

Following are the key propositions, which ecosystem participants needs to enable for facilitating online dispute resolution of customer complaints for UPI transactions:

A. Payer App

1. To enable raising of complaint/dispute from UPI App.
2. To display status of transaction and disputes, as and when updated at URCS.
3. To adhere to the guidelines

B. Payer PSP

1. To enable TPAP with standardized API's for enabling UDIR.
2. To ensure adherence to velocity checks for API usage.

C. Remitter/Beneficiary Bank

1. To ensure necessary changes are done at switch and CBS end for supporting API's for online status check and to take appropriate action on pending transactions viz. DRC (debit reversal timeout) or Deemed (credit timeout) transactions, as the case may be.
2. To make necessary changes in reconciliation and complaints handling process for facilitating UDIR process.

3. Member bank's CRM or any other system can also connect to UPI for raising and resolving complaints using the same APIs.

3. Changes in existing dispute management process

- Auto-conversion of open complaints, if any, into chargeback after T+1 and T+3 days (parameterized) for P2P & P2M respectively, (where T = transaction date).

The list of API's and other important points are given in Annexure A

Members and TPAPs are requested to start the development and do the required changes at their end for commencing certification (Bank – Remitter / Beneficiary, PSP – Payer / Payee and APP testing) with NPCI at the earliest, to ensure go live by January 1st, 2021.

Members can refer the documents listed below (Reference documents) for implementation. All members should have it implemented it 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 officials concerned.

Yours Sincerely,

Praveena Rai
COO

Annexure A

UDIR – Enhancing Complaint handling & resolution process for UPI transactions

A. List of API's to be included to enable UDIR

1. ReqChkTxn API (Existing API - will be enhanced)
2. ReqComplaint API (New API) will have following categories:
 - i. Complaint
 - ii. Dispute
 - iii. Refund
 - iv. StatusUpdate
 - v. CheckStatus
 - vi. Reversal

B. Some of the important points to manage UDIR program are as follows:-

1. Payer App to enable online transaction & dispute status check and raising of complaints/disputes for resolution.
2. UPI will proactively auto trigger an API to bank (remitter/beneficiary) for checking and updating the status of pending transactions viz. DRC (debit reversal timeout) or Deemed (credit timeout) transactions, as the case may be.

As this functionality shall attempt to proactively update the status of pending transactions and notify all the parties involved, members are advised to judiciously use request check transaction API (ReqChktxn). PSP/Banks to restrict it to not more than 3 attempts per transaction per day, once it is implemented.

Further, for balance pending transactions, if any, member banks should ensure that the status – TCC / RET / DRC is updated on T+1 day itself as per the existing process.

3. Member banks are expected to respond to the online request check transaction / complaint APIs with appropriate action for updating the status of pending transactions and online resolution of complaint.
4. For all requests (APIs) received at NPCI, the status shall be checked in URCS first. The API request shall be sent to bank (beneficiary / remitter) for pending transactions and/or where dispute or adjustment is not raised. On receipt of the response from the bank, the status and/or dispute or adjustment, as the case may be, shall be updated in URCS and notified to all the parties involved.
5. Auto-conversion of complaints into chargeback – Complaints received after the specified TAT, shall be directly raised as chargeback, if not resolved online through Complaint API.

6. Acquirers are expected to integrate with aggregators and online merchants (as per NPCI specification) for getting the status of the transaction at their end / response on dispute raised, online on receipt of request complaint API.
7. Remitter / Beneficiary can also make use of the API to raise first level adjustments / dispute and to update the status of the transaction (TCC / RET / DRC).
8. Reconciliation, Settlement & Dispute Management process:
 - a. There shall be no changes in raw data files and settlement reports. Transaction status (response code- RC) shall be updated in the raw data files for cases where TCC / RET / DRC are updated within the settlement cycle.
 - b. Adjustment report shall have a separate indicator (*'UDIR' in field 'originating channel'*) to identify disputes and adjustments (incl. TCC / RET / DRC / RRC) raised thru APIs. Members can refer the adjustment report for cases where the transaction status is updated after settlement cutover.
 - c. Please note importantly, 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. Refer TSD for further details.
 - d. 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.