

June 07, 2021

NPCI/UPI/2020-21/OC No.111

To,

All Members of Unified Payments Interface (UPI)

Madam / Dear Sir,

**Subject: Process to handle UPI Transactions for banks who has completed the amalgamation/
merger process**

In case of UPI, customer of any bank can onboard themselves on any UPI enabled App of any PSP Banks, TPAPs etc. In case of merged banks, the customers shall use the revised account details in order to process UPI transactions. In UPI system, once the merger process is completed, the banks which cease to exist shall be off-boarded from the UPI system.

There shall be customers who have registered themselves before merger activity and hence in the PSP database, old account number and IFS codes shall be present. In such cases, transaction request with old account details at Payer/Payee PSP (in case of Pay, Payer PSP initiates the transactions and in case of Collect, Payee PSP initiates the transaction), are expected to be declined at Payee/Payer PSP end with response code B3 (Transaction not permitted to the account - Business Decline) during the address resolution leg. In such cases NPCI will send U29-Address Resolution Failed-Business Decline to the originator as error code as well.

However, it has been observed that few PSPs are sending the old account details in the response for ReqAuth leg to NPCI and since such IFSCs/Banks are off-boarded from the UPI Systems, UPI sends negative acknowledgement (U17-PSP is not registered) to respective PSPs. In such cases NPCI will also send U09-ReqAuth Time out for Pay-Technical decline to the originator as error code. For handling such cases, it is recommended that PSPs / Banks to make use of List Account Provider APIs on a daily basis, to update the list of Active Issuer Banks (Remitter and Beneficiary Bank) live on UPI so that PSPs can decline transaction with appropriate response codes (B3) as mentioned in paragraph 2.

Also to avoid such declines, notification / messages should be sent to the customers on regular basis by the bank/PSPs/TPAPs to register with updated/new account details. Please provide a line of confirmation in this matter that notification/messages shall be sent to such customers.

Please make note of the above and disseminate the instructions contained herein to the officials concerned.

Yours faithfully,

Saiprasad Nabar
Chief – Online Product Operations