

NPCI/UPI/OC No. 129/2021-22

December 15, 2021

To,

**All Member Banks – Unified Payments Interface (UPI)**

Madam / Dear Sir,

**Subject: Reconciliation and handling of declined/timed out transactions in UPI for BBPS transactions routed through BHIM Application**

We refer to Operating Circular (OC) issued to UPI member banks vide reference number NPCI/UPI/OC No. 50/2018-19 dated 11th June, 2018 on operationalizing the Bill payment functionality in BHIM, through BBPS platform. Effective from 25th May, 2018, BHIM Bill Pay service is available for Banks which are common between BHIM & BHARAT BILLPAY. Presently 33 banks are live on BHIM Bill Payments service through BBPS.

Presently, banks live on BHIM Bill-pay through BBPS, are receiving 6 settlement files as per UPI settlement cycles. Banks are required to reconcile these UPI transactions with BBPS Canvas settlement files along with their existing 3 way reconciliation. As per existing process any transactions not successful at BBPS end or not present at BBPS, BHIM generates the credit adjustment files for the such transactions. Banks basis credit adjustment files, process the reversal back to their customer bank account.

Based on the analysis of disputes / grievances received towards BBPS transactions routed through BHIM Application, following points to be noted for purpose of reconciliation and handling the disputes of BBPS transactions.

1. UPI Member banks to process the refunds towards the UPI transactions that have been debited from the customer's account but not available in BBPS canvas. Banks to identify the cases, where there is no claim in BBPS settlement, but successfully debited to customer in UPI.
2. Banks are advised to process the refunds of such transactions mentioned in point no.1 on T+3 days provided there are no claims raised through BBPS within 2 days from transaction date.
3. Banks are also requested to include any and all transactions till date that are success in UPI however not available or failed in BBPS adhering to condition mentioned in point no.2.

Kindly make a note of the above and disseminate the information contained herein to the officials concerned.

For any queries or clarification, please contact the following officials:

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Yours faithfully,

**Saiprasad Nabar**  
Chief – Online Product Operations and Technology