

To,

**All members of Unified Payments Interface (UPI)**

Madam / Dear Sir,

**Subject: Addendum to OC 149 - Reduction of business declines in UPI.**

This is with reference to our earlier Operating Circular (OC) 149 dated May 13, 2022, copy attached herewith, wherein we have communicated UPI members to work towards reducing the Technical Declines (TD) to below 1% and Business Declines (BD) to below 5%.

Also, it was informed vide OC 149 that RBI has directed NPCI to advise banks to run customer literacy campaign, especially where BD is more than 10%.

In view thereof, we request UPI member banks to provide a brief update to NPCI on all such literacy programs / campaign conducted from their side.

Please make a note of the above and disseminate the information contained herein to the officials concerned. For any queries or clarification, please contact following officials:

<b>Name</b>	<b>E-mail</b>	<b>Contact Number</b>
Rumana Shaikh	rumana.shaikh@npci.org.in	9702266853
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Yours Sincerely,

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

To,

**All Member Banks**

Madam / Dear Sir,

**Subject: Reduction of business declines in UPI**

UPI has become a popular mode of payment in the country. With increase in volumes, it is also essential that all ecosystem players should work towards minimizing the declines i.e. Technical declines and Business declines for seamless customer experience. RBI has advised NPCI to work towards reducing Technical Declines (TD) to below 1% and Business Declines (BD) to below 5%. Also RBI directed to advise all banks with BD more than 10% to take up targeted literacy campaigns amongst their customers.

In order to work on business declines, banks are required to bifurcate such declines into customer induced declines and bank induced declines. Bank induced declines can be minimized, by analyzing and taking corrective action at respective Bank end. In view thereof, it is essential for member banks to analyse the business declines, take corrective actions and also run customer literacy campaigns, especially where business declines are more than 10%. The sample list of business decline response codes for UPI along with suggested actions are provided in Annexure.

Member Banks are hereby advised to make a note of the above and do the needful.

Yours Sincerely,

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

## Annexure

### UPI Decline Codes

UPI Decline Response Code	Description of Decline Response Code	Type of Declines	To be checked by	Suggested Actions
Z7	TRANSACTION FREQUENCY LIMIT EXCEEDED AS SET BY REMITTING MEMBER	Bank Induced	Remitter Bank, Payer PSP	1. Analyse the reason of decline. If it is on account of wrong mapping of response code, correct the mapping.
				2. Bank to review the limits. If required, revise the limit.
				3. Bank to send communication via SMS to customers regarding the Limit.
				4. Payer PSP to give Pop up message for checking Transaction limit.
Z8	PER TRANSACTION LIMIT EXCEEDED AS SET BY REMITTING MEMBER	Bank Induced	Remitter Bank, Payer PSP	1. Analyse the reason of decline. If it is on account of wrong mapping of response code, correct the mapping.
				2. Bank to review the limits. If required, revise the limit.
				3. Bank to send communication via SMS to customers regarding the Limit.
				4. Payer PSP to give Pop up message for checking Transaction limit.
U03	Bank NDC Limit Exceeded	Bank Induced	Remitter Bank	Bank to review and revise the NDC (Net Debit Cap) assigned.
NU	Unable to notify the Customer	Bank Induced	Payee PSP	For AutoPay, Payee PSP to ensure that they initiate Pre-debit Notification API (ReqValCust) prior 24hrs of the subsequent execution and for the cases wherein 1 <sup>st</sup> execution is not happening on the same day of mandate creation.