

NPCI/UPI/OC No. 148/2022-23

April 20, 2022

To,

**All Member Banks – UPI and IMPS**

Madam / Dear Sir,

**Subject: Processing of refunds**

NPCI has provided Dispute Management System to member banks to raise/manage the disputes such as refunds, chargebacks etc. for UPI and IMPS transactions. In addition to Dispute Management System, functionality of Online refund is also made available to member banks to initiate the refunds to customers directly for UPI transactions. In case if bank is not able to process any disputes through dispute management system, the reason thereof should be communicated to NPCI so that NPCI can use the manual disbursement option i.e. currently used by NPCI to pass the necessary debit/credit entry to settle the disputes.

It has been brought to our notice by few member banks that they are receiving credits through NEFT for the disputes. Please note that this is not in line with dispute resolution guidelines and also may results in non-payment of compensation amount that is due as per RBI guidelines on harmonization of TAT. This will also lead to non-tracking of complete flow of disputes resolution process.

In view thereof, it is imperative that all members should utilize the Dispute Management System to process the disputes/refunds etc.

Member Banks may please make a note of the above and disseminate the information contained herein to all officials concerned.

For any further clarification, please contact the following officials:

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Yours Sincerely,

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