

NPCI/UPI/OC/39A/2025-26

26th May 2025

To

All UPI Members,

Subject: Handling of Deemed Approval (Deemed Acceptance or DA) status in UPI for P2M transaction where Acquiring PSP and Merchant Bank are the same

With reference to the handling of Deemed Approval transaction on UPI for Person-to-Merchant type of transaction, the below guidelines shall be applicable in extension to guidelines mentioned in NPCI/UPI /OC 39/2017-18 dated 20th November 2017:

1. In case of P2M transaction where Merchant bank (Beneficiary) and Acquiring PSP (Payee PSP) is same, UPI shall consider transaction status '**Deemed Acceptance**' as '**SUCCESS**' in Online and pass the response to the PSPs.
2. There will be no change in the back-office system for 3 party deemed approved transactions. Existing RC-RB rules will continue for all process, such as settlement, raw files, adjustment reports, GST reports, NPCI compliance penalty, RBI penalty, Chargeback rules etc. Changes will be done only in the online switch as mentioned above and the current process of updating the transaction status as TCC/RET shall continue.
3. If the merchant bank is not able to credit:
 - a. The beneficiary bank shall initiate a credit adjustment/refund /RET against the transaction back to customer only after conducting the necessary checks. It may please be noted that as 'SUCCESS' response is given to PSP and in turn to the merchant, the merchant would have provided goods and services to the customer. Unreconciled / improper marking of RET/Credit adjustment / Refund without confirming with the merchant will lead to out of fund scenario.
 - b. In case if the credit adjustment/RET is not initiated, merchant bank shall retain the funds with them and credit to the merchant as per the existing regulatory and legal framework.
4. The TAT for dispute management and adjustments shall be as per the extant process only.

Aforementioned revisions are intended to improve the customer experience and reducing customer complaints. The members are required to ensure that they make the necessary changes, if any in their system so that responses are handled accordingly.

The above-mentioned changes shall be implemented with effect from 30th June, 2025.

Yours sincerely,

SD/-

Kunal Kalawatia
Chief of Products