

October 17, 2019

NPCI/NACH/2019-20/014

To,  
All members participating in NACH

**NACH – Harmonization of Turn Around Time (TAT) and customer compensation for failed transactions**

We refer to RBI circular DPSS.CO.PD. No.629/02.01.014/2019-20 dated 20<sup>th</sup> September, 2019 towards harmonisation of Turn Around Time (TAT) and customer compensation for failed transactions using authorized Payment Systems.

RBI circular states that for every failed transaction, the credit amount shall be auto reversed to the customer's account *suo moto*, without waiting for customer's complaint/claim along with the compensation in case of delay as per stipulated time. The circular also harmonises the turnaround time (TAT) for such adjustments and compensation to be charged to the participant deferring the adjustment.

It is also classified that transaction failures could be on account of various factors not directly attributable to the customer. Eg. Disruption of communication links, time out of sessions etc.

Please refer **Annexure I** for the change in TAT and customer compensation for list of scenarios related to NACH transactions to be implemented. Please make note of the above and disseminate the instructions contained herein to the officials concerned and provide compliance before October 31, 2019.

For any queries or clarification, please raise the same in **CRM**.

With warm regards,



Giridhar G M  
Chief – Offline product operations & technology

**Annexure I**

Sl. No.	Description	Framework for TAT, auto-reversal and compensation	
		Timeline (TAT)	Compensation payable
<i>Aadhaar Payment Bridge System (APBS)</i>			
1	Delay in crediting beneficiary's account	<ul style="list-style-type: none"> <li>• Destination bank to credit penalty if reversal response is delayed beyond T+1 day for a failed transaction.</li> <li>• Destination bank to credit penalty if delay in crediting beneficiary account i.e. beyond T+1 day.</li> </ul>	₹ 100/- per day if delay is beyond T+1 day
<i>National Automated Clearing House (NACH)</i>			
2	Delay in crediting beneficiary's account or reversal of amount	<ul style="list-style-type: none"> <li>• Destination bank to credit penalty if reversal response is delayed beyond T+1 day for a failed transaction.</li> <li>• Destination bank to credit penalty if delay in crediting beneficiary account i.e. beyond T+1 day.</li> </ul>	₹ 100/- per day if delay is beyond T+1 day
	Account debited despite revocation of debit mandate with the bank by the customer	Customer's bank will be responsible for such debit. Resolution to be completed within T+1 day	₹ 100/- per day if delay is beyond T+1 day

Member Banks to note that:

- T is the day of transaction and refers to value date.
- The prescribed TAT is the outer limit for resolution of failed transactions.

**Roles and responsibilities**

**Sponsor bank**

- Bank to calculate penalty for the difference between date of debit to corporate account and actual value date of uploaded file. If the difference beyond T+1. The penalty should be calculated at the record level and the penalty should be credited to corporate account maintained with the bank.



- Dispute accepted as a receiver bank - From the date of acceptance of dispute, if the transaction amount is to be reversed to corporate / Government account, the same should be reversed within the stipulated TAT of T + 1, and if reversed beyond T+1 day then penalty of Rs.100/- per day should be paid to corporate / Government account.
- Pass on the penalty amount received from the destination bank to respective corporate/government account.

#### Destination bank

- Destination bank not crediting beneficiary account within T+1 day (Including deemed accepted). Penalty of Rs. 100/- per day if credit to account delayed beyond T+1 day.
- Destination bank debit to customer's account after mandate revocation - penalty of Rs.100/- per day should be paid from the transaction date.
- Dispute accepted as a receiver bank – From the date of acceptance of dispute, transaction amount, if any, to be reversed to customer account, the same should be reversed within the stipulated TAT of T + 1, and if reversed beyond T + 1 day then penalty of Rs.100 /- per day should be paid to customer account.
- To capture the credit date in the return file as per the specification to be issued by NPCI separately.

#### NPCI

- To levy penalty on destination banks for response to failed transactions uploaded to NPCI beyond T+1 day.
- The penalty will be credited on monthly basis to respective sponsor bank account who in-turn will pass the credit to respective corporate account.
- An additional field to be introduced in the existing file format for destination bank to capture the date of credit to beneficiary account which will be published as a detailed report to respective stakeholders. Technical specification for the change in the file format will be issued separately.
- Till above change is implemented, the date of response uploaded to NPCI will be considered as the credit date.

