

NPCI/NFS/OC No.273/2017-18

16th March, 2018

To,

All Members of National Financial Switch (NFS)

Madam / Dear Sir,

Sub: NFS ATM Network – New reason code for suspect fraud transaction under Debit adjustment in DMS

As per NFS Operating procedure, acquirer can raise debit adjustment for cash withdrawal transactions, where cash has been successfully dispensed by the ATM but it is not settled due to any reason including processing of fraudulent transactions.

Acquirers had raised concern that there should be a reason code to indicate that the transaction is purported to be fraud while raising debit adjustment. The suggestion was approved in the NFS Steering Committee Meeting (SCM) held on 30th May, 2017 for addition of new reason code in DMS for Debit adjustment transactions for cases where the Acquirer suspects the transaction to be fraudulent in nature.

We wish to inform that we have made the necessary changes in DMS and the new reason code '**Adjustment raised for Suspected Fraud**' have been made available in DMS while raising Debit Adjustment.

Acquirers can select the new reason code '**Adjustment raised for Suspected Fraud**' while raising the debit adjustment, if the acquirer suspects the transaction to be fraud. Acquirers should upload the additional documents other than the EJ and Switch logs in support of their claim.

Issuing bank while responding to the debit adjustment with the new reason code should take additional precaution and check the conduct of the account and other details shared by the acquirer.


In case, new reason code is used for a particular transaction while raising debit adjustment, acquirer should also mark the card as suspect through Frequent Chargeback Query Module (FCQM). This will help in updating the suspect cardholder repository.

You may please make note of the above and disseminate the information to the officials concerned.

For any queries or clarification, please contact:

Name	e-mail ID	Mobile Number
Mehfooz Khan	mehfooz.khan@npci.org.in	8108122867
Avinash Kunnoth	avinash.kunnoth@npci.org.in	8879772725

Yours faithfully,



Ram Sundaresan

SVP & Head – Operations