

NPCI/NFS/OC No.356/2019-20

To

All Members of National Financial Switch (NFS)

Madam / Dear Sir,

Sub: Change in dispute resolution rules - Union Pay International (UPI) cards on NFS ATM Network

We refer to Operating Circular (OC) number 240 dated 24th January, 2017 on acceptance of JCB and UPI cards on NFS ATM Network, wherein, we had requested NFS members to enable JCB and UPI Cards acceptance on Bank's ATMs.

In this regard, NFS members have been given Dispute Management System (DMS) access to download the settlement and reconciliation reports, and to raise disputes / adjustments. Presently, UPI card's ATM disputes follows two different life cycles classified under Signature based (UPI - C) and Pin based (UPI - D) dispute life cycle in NFS DMS for resolutions.

The Card is identified basis the Card type marked against each Bin in Bin Management file. If the Card type is marked as 'C' then the transaction will follow Signature Based Dispute Life Cycle and if the Card type is marked as 'D' then the transaction will follow Pin Based Dispute Life Cycle.

Effective 01st December, 2019, UPI has integrated both dispute life cycles to simplify the dispute resolution procedures and shorten the Chargeback timeframe. The new dispute life cycle is applicable for ATM disputes irrespective of transaction date and Card type.

Please refer **Annexure A** for the change in Dispute resolution rules and Turn Around Time (TAT). The UPI dispute resolution rules other than mentioned in the **Annexure A** shall be applicable as per existing guidelines. The Addendum to NFS Operating and Settlement Guidelines (NFS-OSG) containing new disputes resolution guidelines applicable to UPI card acceptance on the NFS ATM network is also made available to members in DMS.[Menu option: Info >>>Important Documents]


Please note importantly that these changes in back office shall take some time. Meanwhile, Acquirers need to follow new dispute rules/TAT for the disputes/adjustments received from 1st December, 2019 onwards.

Please make note of the above and disseminate the instructions contained herein to the official concerned.

For any queries or clarification, please contact:

Name	E-mail	Mobile Number
Imran Patni	Imran.Patni@npci.org.in	8291968533
Pankaj Samarth	pankaj.samarth@npci.org.in	8108122861
Avinash Kunnoth	avinash.kunnoth@npci.org.in	8879772725

Yours faithfully,


Saiprasad Nabar
Chief – Online Products Operations

Encl: 1. Annexure A – Change in Union Pay International (UPI) dispute process & TAT

Annexure - A

Change in Union Pay International (UPI) dispute process & TAT

Sr. No.	UPI Dispute Rules - ATM	Existing - till 30th Nov, 2019	New - Effective 1st Dec, 2019
1	Technical violation processing fee of US dollar 100 at Arbitration level	This technical violation processing fee was not applicable for arbitration.	This technical violation processing fee is applicable for arbitration now.
2	Pin based (CUD) and Signature based (CUC) dispute life cycles	There were 2 different dispute resolution rules for Pin based and Signature based card transactions.	The new single dispute life cycle to simplify the dispute resolution procedures, shorten the Chargeback timeframe and to integrate the dispute processing procedures for debit card and credit cards.
3	Reason code for Retrieval Request # 1004 - Transaction receipt request by Justice # 1027 - Transaction receipt request by card member after responded Inquiry	The UPI Issuers had rights to raise Retrieval request under these reason codes before raising chargebacks.	These two reason codes are removed in new dispute life cycle and no longer available for UPI Issuer while raising Retrieval request.
4	Retrieval Request reason code # 6351 - Dispute on Goods / Service delivery	The reason code 6351 was not available for UPI Issuers for raising Retrieval request.	The new dispute life cycle has added reason code 6351. The UPI Issuers must submit Retrieval request with reason code 6351 before raising chargeback under reason codes # 1065 - Cash not received # 4532 - Refund not processed. The Chargeback right is not subject to the Acquirer's fulfillment.
5	Inquiry and Retrieval Request fulfilment code # 1050 - Supporting document not available	The reason code 1050 was not available for NPCI acquirers while submitting the response to Inquiry and Retrieval Request fulfillment.	The new dispute life cycle has added reason code 1050. The NPCI acquirer can fulfill Inquiry and Retrieval request with reason code 1050 if supporting documents are not available.
6	Balance Inquiry Chargeback reason code # 1072 - Fees refund for unsuccessful Balance Inquiry	The UPI Issuers had rights to raise Chargebacks under Reason code 1072 for unsuccessful Balance Inquiry transactions.	The new dispute life cycle has removed the reason code 1072 used to raise chargeback on unsuccessful Balance Inquiry transactions.

Sr. No.	UPI Dispute Rules - ATM	Existing - till 30th Nov, 2019	New - Effective 1st Dec, 2019
7	Chargeback rule and TAT of Reason code # 1065 - Cash not received	The Inquiry and Retrieval request is optional, but mandatory subject to UPI Card type. The Chargeback TAT was 185 days from transaction date.	The Inquiry and Retrieval request is mandatory before chargeback. The Chargeback TAT is reduced to 125 days from transaction date.
8	Chargeback rule and TAT of Reason code # 1071 - Dispute on Debit Adjustment	The Inquiry and Retrieval request is optional, but mandatory subject to UPI Card type. The Chargeback TAT was 185 days from transaction date.	The Inquiry and Retrieval request is optional before chargeback. The Chargeback TAT is reduced to 65 days from transaction date.
9	Chargeback rule and TAT of Reason code # 1121 - Transaction received Decline Authorization response	The Inquiry and Retrieval request is optional, but mandatory subject to UPI Card type. The Chargeback TAT was 185 days from transaction date.	The Inquiry and Retrieval request is optional before chargeback. The Chargeback TAT is reduced to 125 days from transaction date.
10	UPI Fraud Reporting and Management System (FRMS) Chargeback under reason code # 4562 - Counterfeit Card	It is optional for UPI Issuer to report the disputed transaction to UPI FRMS before raising Chargeback.	It is mandatory for UPI Issuer to report the disputed transaction to UPI FRMS before raising Chargeback.
11	Chargeback reason code # 4532 - Refund not processed	The reason code 4532 was not available for UPI Issuers for raising Chargeback.	UPI Issuer has rights to raise chargeback under new reason code 4532, if refund is not processed by NPCI acquirer.
12	Representment rights on chargebacks	The representment rights were available for NPCI acquirer on Chargeback raised under Signature based life cycle and not available under Pin based life cycle.	Post-merger of two dispute cycles (i.e. Signature based & PIN based) into one dispute cycle, the representment rights are not available for NPCI Acquirer on chargebacks received. As recourse, NPCI Acquirer shall raise Pre-arbitration for rejecting the Chargeback. If the Acquirer does not respond to the Inquiry and Retrieval request within time frame, then it has no right to raise Pre-arbitration.