

# Ombudsman Scheme for Digital Transactions

## Ombudsman Scheme for Digital Transactions in Brief

Launch Date	31 January, 2019
Total Ombudsman for Digital Transaction	21
What are covered	Any digital transactions by Non-Banking Entities (Wallets, PPIs, UPI)
Maximum Award for Loss	20 lakhs
Maximum Award for Harassment	1 lakh

RBI enforced the Ombudsman Scheme for Digital Transactions on 31 January, 2019

The Ombudsman for Digital Transactions is a senior official appointed by the Reserve Bank of India to redress customer complaints against System Participants as defined in the Scheme for deficiency in certain services covered under the grounds of complaint specified under Clause 8 of the Scheme.

As on date, 21 Ombudsman for Digital Transactions have been appointed with their offices located mostly in state capitals.

## Grounds of complaints - Ombudsman Scheme for Digital Transactions

### ***Prepaid Payment Instruments:***

***Non-adherence to the instructions of Reserve Bank by System Participants about Prepaid Payment Instruments on any of the following:***

- Failure in crediting merchant's account within reasonable time;
- Failure to load funds within reasonable time in wallets / cards;
- Unauthorized electronic fund transfer;
- Non-Transfer / Refusal to transfer/ failure to transfer within reasonable time, the balance in the Prepaid Payment Instruments to the holder's 'own' bank account or back to source at the time of closure, expiry of validity period etc., of the Prepaid Payment Instrument;
- Failure to refund within reasonable time / refusal to refund in case of unsuccessful / returned / rejected / cancelled / transactions;
- Non-credit / delay in crediting the account of the Prepaid Payment Instrument holder as per the terms and conditions of the promotions offer(s) from time to time, if any;
- Non-adherence to any other instruction of the Reserve Bank on Prepaid Payment Instruments.

### ***Mobile / Electronic Fund Transfers:***

Non-adherence to the instructions of the Reserve Bank on Mobile / Electronic fund transfers by System Participants on any of the following:

- Failure to effect online payment / fund transfer within reasonable time;
- Unauthorized electronic fund transfer;

- Failure to act upon stop-payment instructions within the time frame and under the circumstances notified to the customers within prescribed timeline;
- Failure to reverse the amount debited from customer account in cases of failed payment transactions within prescribed timeline;
- Non-adherence to any other instruction of the Reserve Bank on Mobile/Electronic fund transfers.

***Non-adherence to instructions of Reserve Bank / respective System Provider to System Participants, on payment transactions through Unified Payments Interface (UPI) / Bharat Bill Payment System (BBPS) / Bharat QR Code / UPI QR Code on the following grounds:***

- Failure in crediting funds to the beneficiaries' account;
- Failure to return within reasonable time the payment to the originating member in case of failure to credit the funds to the beneficiary's account;
- Failure to / delay in refund of money back to account in case of transaction failure or declined transactions (i.e. failed transactions);
- Non-adherence to any other instruction of the Reserve Bank on payment transactions / through Unified Payments Interface (UPI) / Bharat Bill Payment System (BBPS)/ Bharat QR Code / UPI QR Code.

### **About Ombudsman Scheme for Digital Transactions**

- The compensation amount, if any, which can be awarded by the Ombudsman, for any loss suffered by the complainant, is limited to the amount arising directly out of the act or omission or commission of the System Participant, or two million rupees whichever is lower.
- The maximum amount can be awarded for any loss suffered by the complainant is 20 lakhs rupees.
- Also, the maximum compensation can be awarded to the complainant for mental agony and harassment is 1 lakh rupees.
- The compensation should be over and above the disputed amount.
- The Ombudsman may award compensation not exceeding rupees 0.1 million to the complainant for mental agony and harassment. The Ombudsman, while giving the compensation, should take into account the loss of time, expenses incurred by the complainant, harassment and mental anguish suffered by the complainant.
- The Ombudsman for Digital Transactions should send to the Governor, Reserve Bank, a report, as on 30th June every year.
- The scheme was first announced on December 5, 2018, in an RBI monetary policy statement.
- The scheme will address user complaints on digital transactions done through non-bank entities regulated by RBI.