



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2020-21/21

DPSS.CO.PD No.116/02.12.004/2020-21

August 6, 2020

The Chairman / Managing Director / Chief Executive Officer  
Authorised Payment System Operators and Participants (Banks and Non-banks)

Madam / Dear Sir,

**Online Dispute Resolution (ODR) System for Digital Payments**

Please refer to the [Statement on Developmental and Regulatory Policies dated August 6, 2020](#) wherein the Reserve Bank of India (RBI) had announced introduction of Online Dispute Resolution (ODR) system for resolving customer disputes and grievances pertaining to digital payments, using a system-driven and rule-based mechanism with zero or minimal manual intervention.

2. The Payment System Vision-2021 of Reserve Bank highlights the need for technology-driven, rule-based, customer-friendly and transparent dispute redressal systems. As a step in this direction, authorised Payment System Operators (PSOs) – banks and non-banks – and their participants are hereby advised to put in place system/s for ODR for resolving disputes and grievances of customers.

3. To begin with, authorised PSOs shall be required to implement an ODR system for disputes and grievances related to failed transactions in their respective payment systems by January 1, 2021. The PSOs shall provide access to such a system to its participating members i.e., Payment System Participants (PSPs). Any entity setting up a payment system in India thereafter or participating therein, shall make available the ODR system at the commencement of its operations. The minimum requirements of the ODR system are specified in [Annex](#).

भुगतान और निपटान प्रणाली विभाग, केंद्रीय कार्यालय, 14वीं मंजिल, केंद्रीय कार्यालय भवन, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400001

फोन Tel: (91-22) 2264 4995; फैक्स Fax: (91-22) 22691557; ई-मेल e-mail : [cgmdpssco@rbi.org.in](mailto:cgmdpssco@rbi.org.in)

Department of Payment and Settlement Systems, Central Office, 14<sup>th</sup> Floor, Central Office Building, Shahid Bhagat Singh Road, Fort, Mumbai - 400001

हिंदी आसान है, इसका प्रयोग बढ़ाइए

4. Based on experience gained, ODR arrangement would later be extended to cover disputes and grievances other than those related to failed transactions. Please note that if the grievance remains unresolved up to one month, the customer may approach the respective ombudsman.

5. This directive is issued under Section 10 (2) read with Section 18 of Payment and Settlement Systems Act, 2007 (Act 51 of 2007).

Yours faithfully,

(P. Vasudevan)  
Chief General Manager

Encl. : As above

DPSS.CO.PD No. 116 / 02.12.004 / 2020-21 dated August 6, 2020

**Minimum Requirements of the ODR System**

1. Applicability

1.1. These requirements apply to all authorised Payment Systems Operators (PSOs) – banks and non-banks – and their participating members [Payment System Participants (PSPs)].

2. Concept of the ODR system

2.1. The ODR system should be a transparent, rule-based, system-driven, user-friendly and unbiased mechanism for resolving customer disputes and grievances, with zero or minimal manual intervention.

3. Structure of the ODR system

3.1. Each PSO shall make available an ODR system for resolving disputes and grievances arising out of failed transactions and provide the participating PSPs an access to the system.

3.2. The PSO and its PSPs shall provide the customers an access for lodging the disputes and grievances relating to failed transactions, irrespective of such transactions being on-us or off-us in nature.

4. Types of transactions covered under the scope of the ODR system

4.1. To begin with, disputes and grievances relating to failed transactions shall be covered under the ODR system. The scope, thus, includes all transaction types mentioned in the [RBI circular DPSS.CO.PD No.629/02.01.014/2019-20 dated September 20, 2019](#) on “Harmonisation of Turn Around Time (TAT) and customer compensation for failed transactions using authorised Payment Systems”.

4.2. All provisions, including those relating to TAT and compensation to customers mentioned in the above circular need to be adhered to while resolving disputes and grievances using the ODR system.

5. Lodging and tracking of disputes and grievances

5.1. Customers shall be provided with one or more channels – web-based or paper-based complaint form, IVR, mobile application, call centre, SMS, through branches or offices, etc. – for lodging disputes and grievances. As mentioned above, such facility shall be

provided by the PSO as well as by the PSP (the issuer institutions with whom the customer has a relationship) with a mechanism to link / access the ODR system put in place by the PSO. The industry may progressively increase the variety of these channels.

- 5.2. In addition to the above channels, in case of mobile phone-based systems like Unified Payments Interface (UPI), third party app providers (TPAPs) shall also provide customers with a facility to lodge disputes and grievances through the same mobile app used for making payments, which shall be integrated with the ODR system.
- 5.3. The process of lodging the dispute or grievance shall be simple and involve only necessary minimum details. The ODR system should be made capable of automatically fetching full details based on the information provided by the customer. The aspect of data confidentiality shall specifically be taken care of while designing such parameters.
- 5.4. Once a customer has lodged the dispute or grievance, a unique reference number shall be allocated by the ODR system. Facility shall be provided to the customers for tracking the status of the dispute or grievance using this reference number.

-----