

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION No. 1631

To be answered on Friday, July 27, 2018/Shravana 5, 1940 (Saka)

Mobile Wallet Services

1631. SHRI BHARAT SINGH:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India (RBI) has issued stringent guidelines for mobile wallet services and if so, the details thereof;
- (b) whether this move of the RBI is likely to benefit the customers;
- (c) if so, the details thereof; and
- (d) if not, the reasons therefor?

Answer

The Minister of State in the Ministry of Finance

(SHRI SHIV PRATAP SHUKLA)

(a) Yes, Sir. Reserve Bank of India (RBI) has issued master direction dated 11.10.2017 (updated on 29.12.2017) on 'Issuance and Operation of Prepaid Payment Instruments (PPIs)', including Mobile wallets.

(b) to (d) The Master Direction, updated as on 29 December 2017, *inter alia* mandates the PPI issuers to put in place a formal, publicly disclosed customer grievance redressal framework, including designating a nodal officer to handle the customer complaints/grievances, the escalation matrix and turn-around-times for complaint resolution.

Further RBI's circular no. DBR.No.Leg.BC.78/09.07.005/ 2017-18 dated 6 July 2017 on Customer Protection also stipulates "Zero Liability of a customer" where the transaction occurs due to contributory fraud / negligence/ deficiency on the part of the bank, irrespective of whether or not the transaction is reported by the customer, or due to third party breach where the deficiency lies neither with the bank nor with the customer but lies elsewhere in the system, and the customer notifies the bank within three working days of receiving the communication from the bank regarding the unauthorised transaction. Further the bank shall credit the amount involved in such transaction to the customer's account within ten working days from the date of such notification.

The circular also stipulates limited liability of a customer for the loss occurring due to unauthorized transactions in certain cases. Further, in case of PPI issued by banks, customers can have recourse to the Banking Ombudsman Scheme for redressal of their grievances.
