

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

UNSTARRED QUESTION NO. 1751

ANSWERED ON MONDAY, FEBRUARY 13, 2023/MAGHA 24, 1944 (SAKA)

Failure of Online Transactions

1751. SHRI VIJAYAKUMAR (ALIAS) VIJAY VASANTH:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that many online transactions fail for various reasons, if so, the details thereof;
- (b) whether the Government or the bankers have received the complaints in this regards, if so, the details thereof;
- (c) the steps taken by the Government about the failure of online payments;
- (d) whether the consumer ask for the compensation if the institutions do not settle the failed transactions within the timeline, if so, the details thereof; and
- (e) the details of the pending complaints during the last three years, institution-wise along with the action taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR BHAGWAT KARAD)

(a) Banks have informed that online transactions may fail due to various reasons, some of them, *inter-alia* are as under:

- Insufficient Funds.
- Invalid Credentials.
- Timeout issue in Core Banking Solution (CBS)/ National Payments. Corporation of India (NPCI) / at Beneficiary Bank.
- Expiry of Daily Limits.
- Network Issues.

(b) to (d) Reserve Bank of India (RBI) has apprised that they are continuously monitoring the decline in online transactions of various payment systems for different reasons and necessary actions are taken for improvement in respective payment systems, which includes:

- i. RBI *vide* its circular dated September 20, 2019, has issued instructions for time-bound resolution of failed transactions; failure to do so may lead to payment of compensation to customers.
- ii. RBI *vide* its circular dated August 06, 2020 has advised the authorised Payment System Operators and participants (banks and non-banks) to put in place system/s for Online Dispute Resolution for resolving disputes and grievances of customers, related to failed transactions.

Moreover, Ministry of Electronics and Information Technology (MeitY) has integrated Digital Payment Grievances along with Ministry of Consumer Affairs (MoCA) for utilizing the National Consumer Helpline (NCH) platform of Department of Consumer Affairs (DoCA). All the major banks and financial service institutions have been on-boarded on NCH Platform which is live.

With regard to compensation to the customers for failed transactions, RBI has issued following instructions:

- i. If NEFT transaction is not credited or returned within two hours, then the beneficiary bank is liable to pay penal interest at the current RBI Liquid Adjusted Facility Repo Rate plus two percent for the period of delay.
- ii. If RTGS transaction is not credited to the beneficiary's account within 30 minutes of the receipt of the message at its Member Interface then the beneficiary's bank has to pay compensation at current repo rate plus 2% to the beneficiary customer for delay.
- iii. RBI has mandated customer compensation of ₹100/ - per day of delay beyond T + 5 days for failed transactions at ATMs.

(e) RBI has apprised that if customers are not satisfied by the response of the Regulated Entities, they can file a complaint before RBI under the Ombudsman Scheme. Accordingly, the number of complaints received by RBI with respect to "delay or failure to effect online payment / Fund Transfer" is as under:

Year	No. of complaints related to failed online transactions		
	Received	Disposed as on February 06, 2023	Pending as on February 06, 2023
2019-20 (July to June)	21,532	21,532	0
2020-21 (July to Mar)	19,312	19,312	0
2021-22 (April to Mar)	15,436	15,436	0
2022-23 (April to February 06, 2023)	10,155	9,164	991

Various Institutions have their internal mechanism to deal with the complaints received and their disposal, as per the guidelines issued by the regulator.
