

The Ombudsman Scheme for Digital Transactions, 2019

The Reserve Bank of India has introduced an [Ombudsman Scheme for Digital Transactions, 2019 \(the Scheme\)](#). It is an expeditious and cost-free apex level mechanism for resolution of complaints regarding digital transactions undertaken by customers of the System Participants as defined in the Scheme. The Scheme is being introduced under Section 18 Payment and Settlement Systems Act, 2007, with effect from January 31, 2019.

1. Who is the Ombudsman for Digital Transactions?

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.

2. How many Ombudsman for Digital Transactions have been appointed and where are they located?

As on date, 21 Ombudsman for Digital Transactions have been appointed with their offices located mostly in state capitals. The addresses and contact details of the offices of the Ombudsman for Digital Transactions is provided under Annex I of the Scheme.

3. Which are the Entities covered under the Scheme?

The Scheme has been made applicable to System Participants as defined in Clause 3 (11) of the Scheme.

4. What are the grounds of complaints?

As per Clause 8 of the Scheme, the Ombudsman for Digital Transactions shall receive and consider complaints on deficiency in services against System Participants defined in the Scheme on any of the following grounds:

4.(1) Prepaid Payment Instruments: Non-adherence to the instructions of Reserve Bank by System Participants about Prepaid Payment Instruments¹ 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.

4.(2) 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.

4.(3) 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.

4.(4) Non-reversal / failure to reverse within reasonable time, funds wrongly transferred to the beneficiary account due to lapse at the end of System Participant.

4.(5) Any other matter relating to the violation of the directives including on fees / charges, if any, issued by the Reserve Bank in relation to digital transactions.

NOTE: In respect of digital transactions done on third party platforms, it will be the responsibility of the Payment Service Provider to resolve customer disputes arising out of such transactions.

5. When can one file a complaint?

For redressal of grievance, the complainant must first approach the System Participant (as defined in the Scheme) concerned. If the System Participant does not reply within a period of one month after receipt of the complaint, or rejects the complaint, or if the complainant is not satisfied with the reply given, the complainant can file the complaint with the Ombudsman for Digital Transactions within whose jurisdiction the branch or office of the System Participant complained against, is located. For complaints arising out of services with centralized operations, the same shall be filed before the Ombudsman for Digital Transactions within whose territorial jurisdiction the billing / declared address of the customer is located.

6. When will one's complaint not be considered by the Ombudsman?

One's complaint will not be considered under the following circumstances:

If the System Participant against whom the complaint is registered, is not covered under the Scheme.

If one has not approached the System Participant concerned in the first instance for redressal of the grievance.

If the subject matter of the complaint is not pertaining to the grounds of complaint specified under Clause 8 of the Scheme.

If one has not made the complaint within one year from the date of receipt of reply from the System Participant; or if no reply is received, and the complaint to the Ombudsman is made after the lapse of more than one year and one month from the date of complaint to the System Participant. In exceptional circumstances as decided by the Ombudsman, a complaint made after the period mentioned above may be accepted by the Ombudsman, provided the complaint is made before the expiry of the period of limitation prescribed under the Indian Limitation Act, 1963 for such claims.

If the subject matter of the complaint is pending for disposal / has already been dealt with at any other forum like court of law, consumer court etc.

If the complaint is for the same subject matter that was settled through the office of the Ombudsman in any previous proceedings.

If the complaint is frivolous or vexatious.

The complaint falls under the disputes covered under Section 24 of the Payment and Settlement Systems Act, 2007.

The complaint pertains to dispute arising from a transaction between customers.

7. What is the procedure for filing the complaint before the Ombudsman?

One can file a complaint with the Ombudsman by writing on a plain paper and sending it to the concerned office of the Ombudsman by post/fax/hand delivery. One can also file it by email to the Ombudsman for Digital Transactions. (For contact details please click here) A complaint form along with the scheme is also available on RBI's website, though, it is not mandatory to use this format.

8. Where can one lodge his/her complaint?

One may lodge complaint with the Office of the Ombudsman for Digital Transactions within whose jurisdiction the branch or office of the System Participant complained against, is located (For jurisdiction of the Ombudsman please click here). For complaint arising out of services with centralized operations, complaints can be filed with the office of the Ombudsman for Digital Transactions within whose territorial jurisdiction the billing / declared address of the customer is located.

9. Can a complaint be filed through an authorized representative?

Yes. The complaint can be filed through an authorized representative of the complainant (other than an advocate).

10. Is there any cost involved in filing a complaint with the Office of the Ombudsman for Digital Transactions?

No. There is no charge or any fee for filing / resolving customers' complaints.

11. Is there any limit on the amount of compensation that the Ombudsman can sanction?

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 compensation shall be over and above the disputed amount.

12. Can compensation be claimed for mental agony and harassment?

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, shall take into account the loss of time, expenses incurred by the complainant, harassment and mental anguish suffered by the complainant.

13. What are the details required in a complaint to the Ombudsman?

The complainant is required to give details such as,

The name and the address of the complainant

The name and address of the branch or office of the System Participant against whom the complaint is made;

The facts giving rise to the complaint, supported by documents, if any;

The nature and extent of the loss caused to the complainant;

The relief sought for; and

Declaration that the complaint is maintainable under Clause 9(3) of the Scheme.

14. What happens after a complaint is received by the Ombudsman?

The Ombudsman endeavours to promote settlement of the complaint through conciliation/ mediation by agreement between the complainant and the System Participant. If the terms of settlement (offered by the System Participant) are acceptable in full and final settlement of one's complaint, the Ombudsman will pass an order as per the terms of settlement which becomes binding on the System Participant and the complainant. If the System Participant is found to have adhered to the extant norms and practices in vogue and the complainant has been informed to this effect through appropriate means and complainant's objections, if any, are not received by the Ombudsman within the time frame provided, the Ombudsman may pass an order to close the complaint.

15. Can the Ombudsman reject a complaint at any stage?

Yes. As per Clause 13 of the Scheme, the Ombudsman may reject a complaint at any stage on the following grounds:

Complaint not on the grounds of complaint referred to in Clause 8; or

Not in accordance with Sub Clause (3) of Clause 9; or
The compensation claimed beyond the limit prescribed under Clause 12 (5) and 12 (6); or
Requiring consideration of elaborate documentary and oral evidence and the proceedings before the Ombudsman are not appropriate for adjudication of such complaint; or
Without any sufficient cause; or
Complaint not pursued by the complainant with reasonable diligence; or
In the opinion of the Ombudsman there is no loss or damage or inconvenience caused to the complainant.

16. What happens if the complaint is not settled by agreement?

If the Ombudsman is satisfied that there is indeed a deficiency of service on the part of the System Participant and the complaint is not settled by agreement within a specified period as allowed by the Ombudsman, he/she proceeds to pass an Award. Before passing an Award, the Ombudsman will provide reasonable opportunity to the complainant and the System Participant to present their case. It is upto the complainant to accept the Award in full and final settlement or reject it.

17. Is there any further recourse available if one rejects the Ombudsman's decision?

Yes, the Scheme provides the appellate mechanism for the complainant as well as the System Participant.

Any person aggrieved by an Award issued under Clause 12 or by the decision of the Ombudsman rejecting the complaint for the reasons specified in sub-clause (d) to (g) of Clause 13 of the Scheme, can approach the Appellate Authority.

The Appellate Authority is vested with a Deputy Governor-in-Charge of the department of the RBI implementing the Scheme. The address of the Appellate Authority is:

The Appellate Authority
Ombudsman Scheme for Digital Transactions
Consumer Education and Protection Department
Reserve Bank of India
First Floor, Amar Building, Fort, Mumbai 400 001.

The complainant also has the option to explore other recourse and/or remedies available as per the law.

18. Is there any time limit for filing an appeal?

One can file appeal against the Award or the decision of the Ombudsman rejecting the complaint, within 30 days of the date of receipt of communication of Award or rejection of the complaint. The Appellate Authority may, if satisfied that the applicant had sufficient cause for not making an appeal within prescribed time, may allow a further period not exceeding 30 days.

19. How does the Appellate Authority deal with the appeal?

The appellate authority may:

Dismiss the appeal; or,

Allow the appeal and set aside the Award; or,

Remand the matter to the Ombudsman for fresh disposal in accordance with such directions as the Appellate Authority may consider necessary or proper; or,

Modify the Award and pass such directions as may be necessary to give effect to the Award so modified; or,

Pass any other order as it may deem fit.

¹ Semi-closed System PPIs: These PPIs are issued by banks (approved by RBI) and non-banks (authorized by RBI) for purchase of goods and services, including financial services, remittance facilities, etc., at a group of clearly identified merchant locations / establishments which have a specific contract with the issuer (or contract through a payment aggregator / payment gateway) to accept the PPIs as payment instruments. These instruments do not permit cash withdrawal, irrespective of whether they are issued by banks or non-banks.