

## FREQUENTLY ASKED QUESTIONS

### Prepaid Payment Instruments (PPIs)

(Updated as on April 13, 2020)

#### 1. Under what powers has the Reserve Bank of India (RBI) issued the Master Direction (MD) on Issuance and Operation of Prepaid Payment Instruments (PPIs) dated October 11, 2017 (PPI-MD)?

Ans. In exercise of the powers conferred under Section 18 read with Section 10(2) of the Payment and Settlement Systems (PSS) Act, 2007, RBI has issued these Master Directions.

#### 2. What are PPIs?

Ans. PPIs are instruments that facilitate (a) purchase of goods and services, including financial services, (b) remittances, (c) funds transfers, etc., against the value stored in / on such instruments.

#### 3. Who are the issuers of PPIs?

Ans. PPI issuers are companies incorporated in India and registered under the Companies Act, 1956 / Companies Act, 2013. They operate / participate in a payment system for issuing PPIs to individuals / organisations. A company can issue and operate PPIs after receiving authorisation from RBI.

#### 4. Who is a holder of a PPI?

Ans. A holder of a PPI is an individual who obtains / purchases the PPI from the PPI issuer. However, in case of a Gift PPI, any other intended / targeted beneficiary, though not being the purchaser, can also be a holder.

#### 5. What do the PPI entities do with the monies collected from PPI holders?

Ans. The monies so collected are to be used by the entities to make payments to merchants who are part of the acceptance arrangement and for facilitating funds transfer / remittance services on behalf of the PPI holders.

#### 6. How many PPI issuers have been approved by RBI? Where can I find the list of authorised bank and non-bank PPI issuers?

Ans. The list is available on the RBI website at the link <https://www.rbi.org.in/Scripts/PublicationsView.aspx?id=12043> and [https://www.rbi.org.in/Scripts/bs\\_viewcontent.aspx?id=2491](https://www.rbi.org.in/Scripts/bs_viewcontent.aspx?id=2491).

#### 7. What are the various types of PPIs?

Ans. PPIs can be issued in the country under three types:

- Closed System PPIs:** These are PPIs issued by an entity for facilitating the purchase of goods and services from that entity only. No cash withdrawals are permitted. These instruments cannot be used for payment or settlement for third party services. The issuance and operation of such instruments is not classified as a payment system and does not require approval / authorisation from the RBI.
- Semi-closed System PPIs:** These are PPIs issued by banks (approved by RBI) and non-banks (authorised by RBI) for purchase of goods and services, including financial services, remittance facilities, etc., for use 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 also permit cash withdrawal, irrespective of whether they are issued by banks or non-banks.
- Open System PPIs:** These are PPIs issued by banks (approved by RBI) for use at any merchant for purchase of goods and services, including financial services, remittance facilities, etc. Cash withdrawal at ATMs / Points of Sale (PoS) terminals / Business Correspondents (BCs) is also allowed through these PPIs.

#### 8. What are the types of Semi-closed PPIs?

Ans. Semi-closed PPIs can be of three types:

- PPIs upto ₹ 10,000/- where minimum details of PPI holder are obtained (minimum-detail PPI)
- PPIs upto ₹ 10,000/- with loading only from bank account
- PPIs upto ₹ 1,00,000/- where KYC of PPI holder is completed (full-KYC PPI)

#### 9. How can a PPI be loaded?

Ans. PPIs can be loaded / reloaded by cash (not permitted in PPIs with loading only from bank account), by debit to a bank account, by a credit / debit card, or from other PPIs. The loading / reloading of PPIs shall be through payment instruments issued by entities regulated in India and shall be in Indian Rupees (INR) only.

#### 10. Is there any limit on loading of PPIs by cash or electronic means?

Ans. Yes, the cash loading of PPIs is limited to ₹ 50,000/- per month subject to overall limit of the PPI (not permitted in PPIs with loading only from bank account). The limit on loading of PPIs via electronic / online means is subject to overall limit of the PPI.

#### 11. What are included in details to be obtained in a 'minimum-detail' PPI and in 'PPI with loading only from bank account'?

Ans. The minimum details in a 'minimum-detail' PPI and in 'PPI with loading only from bank account' are same and are as under:

- mobile number verified with One Time Pin (OTP) and

- b. self-declaration of name and unique identity / identification number of any 'mandatory document' or 'officially valid document' (OVD) listed in the RBI's Master Direction on KYC / Rule 2(d) of the PML Rules, 2005(as amended from time to time). The present list of mandatory document / OVDs include PAN, passport, driving licence, Voter's Identity Card, NREGA job card, proof of possession of Aadhaar number and letter issued by the National Population Register.

**12. What are the salient features of a 'minimum-detail' PPI and 'PPI with loading only from bank account'?**

Ans. The 'minimum-detail' PPIs and 'PPIs with loading only from bank account' are reloadable and shall be used only for purchase of goods and services. Their salient features are as follows:

**Minimum-detail PPIs:**

- a) The amount loaded during any month shall not exceed ₹ 10,000/-
- b) The total amount loaded during the financial year shall not exceed ₹ 1,00,000/-.
- c) The amount outstanding at any point of time shall not exceed ₹ 10,000/-.
- d) The total amount debited during any given month shall not exceed ₹ 10,000/-.

**PPIs with loading only from bank account:**

- a) The amount loaded during any month shall not exceed ₹ 10,000/-.
- b) The total amount loaded during the financial year shall not exceed ₹ 1,20,000/-.
- c) The amount outstanding at any point of time shall not exceed ₹ 10,000/-.
- d) Loading / Reloading shall be from a bank account and / or credit card.
- e) The minimum-detail PPIs existing as on December 24, 2019 can be converted to this PPI, if desired by the PPI holder.

**13. Is funds transfer permitted from a 'minimum detail' PPI and 'PPI with loading only from bank account'?**

Ans. Funds transfer from these two types of PPIs is not permitted.

**14. How long can a customer hold a 'minimum-detail' PPI? What will happen to the balance after expiry of stipulated time?**

Ans. A 'minimum detail' PPI can be held for a maximum period of 24 months only. The 24 months shall be counted from the day of opening such a PPI. Within this period of 24 months, it has to be converted into a full-KYC PPI failing which, no further credit in such PPI shall be allowed. However, the PPI holder shall be allowed to use the available balance. All such PPIs existing as on February 28, 2018 shall have to be converted into full-KYC PPI by February 29, 2020.

**15. Can a closed 'minimum-detail' PPI be reopened after exhausting the maximum time limit of 24 months?**

Ans. Reissue of such PPIs using the same mobile number and same minimum details is not allowed.

**16. What happens to outstanding balance if the 'minimum detail' PPI is not required anymore and has to be closed?**

Ans. PPI holder has the option to close the PPI at any time and transfer the funds 'back to source' (source of payment from where the PPI was loaded) at the time of closure. PPI holder can also transfer the outstanding balance to his / her 'own bank account' after complying with KYC requirements. The account to which the closure proceeds are to be transferred has to be 'duly verified by the PPI Issuer' before allowing such transfer.

**17. What is meant by 'duly verified by the issuer'? How should the PPI issuer ensure that it is the 'own bank account of the PPI holder'?**

Ans. PPI issuer is responsible for verifying that the bank account pertains to the PPI holder for which it may devise suitable methods of verification.

**18. What happens to outstanding balance if the 'PPI with loading only from bank account' is not required anymore and has to be closed?**

Ans. PPI holder has the option to close the PPI at any time and transfer the funds 'back to source' (source of payment from where the PPI was loaded) at the time of closure. PPI issuer can also convert this PPI into a full-KYC PPI and then transfer the funds as per the features of full-KYC PPI.

**19. What are the salient features of a semi-closed 'full-KYC' PPI?**

Ans. The salient features of semi-closed 'full-KYC' PPIs are as follows:

- a. Reloadable in nature.
- b. The amount outstanding shall not exceed ₹ 1,00,000/- at any point of time.
- c. There are no limits prescribed for total credits or debits during a month.
- d. They can be used for purchase of goods and services as well as funds transfer.

**20. Is fund transfer allowed from a semi-closed 'full-KYC' PPI?**

Ans. Yes, funds transfer is allowed from a 'full-KYC' PPI within a limit of ₹ 10,000/- per month per holder. However, an enhanced limit of upto ₹ 1,00,000/- per month per beneficiary can be availed if the beneficiary is 'pre-registered' by PPI holder. PPI issuer may, however, set a lower limit after taking into account the risk profile of the PPI holder, other operational risks, etc.

**21. Can a PPI holder close the 'full-KYC' PPI? If yes, what will happen to the outstanding amount?**

Ans. PPI issuers shall give an option to the 'full-KYC' PPI holders to close the PPI and transfer the balance to bank account as per the applicable limits of this type of PPI. For this purpose, the issuer shall provide an option at the time of issuing the PPI, to the holder to provide details of pre-designated bank account or other PPI to which the balance amount available in the PPI shall be transferred in the event of closure of PPI, expiry of validity period of such PPIs, etc. At the time of closure, a holder can specify a bank account which is different from pre-designated account given earlier.

**22. Who can issue Open System PPIs and what are the types of such PPIs?**

Ans. Open System PPIs can be issued only by banks, who have RBI approval to issue such PPIs. There is only one type of open system PPI i.e. PPI with balance upto ₹ 1,00,000/-, which can be issued after completing KYC of the PPI holder (full-KYC PPI).

**23. What are the salient features of Open System PPIs?**

Ans. The salient features of Open System PPIs are as follows:

- a. Reloadable in nature.
- b. The amount outstanding shall not exceed ₹ 1,00,000/- at any point of time.
- c. Can be used for purchase of goods and services, funds transfer and cash withdrawal.

**24. What are other types of PPIs apart from the semi-closed PPIs and open system PPIs mentioned above?**

Ans. Apart from above PPIs, there can be following two categories of semi-closed PPIs:

- a. Gift PPIs
- b. PPIs for Mass Transit Systems (PPI-MTS)

**25. What are salient features of a Gift PPI?**

Ans. The salient features of gift PPIs are as follows:

- a. Maximum value of each such prepaid gift instrument shall not exceed ₹ 10,000/-.
- b. Are not reloadable.
- c. Cash-out or refund or fund transfer is not permitted.
- d. Can be revalidated (including through issuance of new instrument) as per the Board approved policy of the issuer.

**26. What are the salient features of PPIs for Mass Transit Systems (PPI-MTS)?**

Ans. The salient features of PPI-MTS are as follows:

- a. These are semi-closed PPIs issued by mass transit system operators.
- b. Apart from the mass transit system, these PPIs can be used only at merchants whose activities are allied / related to / are carried on within the premises of the transit system.
- c. Reloadable in nature.
- d. Maximum outstanding cannot exceed ₹ 3,000/- at any point of time.
- e. Cash-out or refund or fund transfer is not permitted.
- f. Can be revalidated (including through issuance of new instrument) as per the Board approved policy of the issuer.
- g. The Additional Factor of Authentication (AFA) for transactions using such PPIs is not mandatory.

**27. What are the features of prepaid meal instruments?**

Ans. Prepaid meal instruments can be issued only as semi-closed PPIs without cash withdrawal or funds transfer.

**28. What is meant by the word KYC mentioned in the PPI-MD at different places like paragraph numbers 7.14, 8.1 (a), 8.2 (c), 9.1 (i) (k), 10.1 (d), etc.?**

Ans. The meaning of KYC is as defined in paragraph 6 of the PPI-MD.

**29. What will happen to PPI and balance thereof if the PPI holder has not exercised the option to convert his / her PPI into the new categories allowed in the PPI-MD?**

Ans. Where a PPI holder has not exercised the option of converting into any of the new categories, the PPIs issued to his / her shall mandatorily be converted into a minimum detail PPI with all the applicable features as on March 01, 2018. While the PPI holder shall be allowed to use the existing balance for purchase of goods and services, no further credit / loading shall be allowed till the minimum details are obtained.

**30. Does a holder earn any interest on PPI balances?**

Ans. No interest is payable on PPI balances.

**31. In what form can a PPI be issued?**

Ans. PPIs can be issued as cards, wallets, and any such form / instrument which can be used to access the PPI and to use the amount therein. PPIs in the form of paper vouchers cannot be issued.

**32. What are the disclosures to be made by the PPI issuer at the time of issuance?**

Ans. PPI issuers shall disclose all important terms and conditions in clear and simple language to the holders while issuing the instruments. These disclosures shall include:

- a. All charges and fees associated with the use of the instrument.
- b. The expiry period and the terms and conditions pertaining to expiration of the instrument.

**33. Can a PPI issuer create new PPIs for each cash-based remittance?**

Ans. PPI issuers, including their agents, shall not create new PPIs each time, for facilitating cash-based remittances to other PPIs / bank accounts. PPIs created for previous remittance by the same person shall be used.

**34. Can co-branded PPIs be issued?**

Ans. Yes. PPIs can be issued on solo basis by a PPI issuer or on co-branded basis with another entity.

**35. Who can be a co-branding partner of the PPI Issuer?**

Ans. The co-branding partner shall be a company incorporated in India and registered under the Companies Act, 1956 / Companies Act, 2013. In case the co-branding partner is a bank, then the same shall be a bank licensed by RBI. In case of co-branding arrangement between a bank and a non-bank entity, the bank shall be the PPI Issuer. In case both the entities are non-banks, one of them will be pre-assigned, in advance, the role of issuer among themselves.

**36. In case of a co-branded card, who will be responsible for addressing all customer service aspects?**

Ans. Between the two partners, one will be designated as a PPI issuer who shall be responsible for addressing all customer service aspects relating to the co-branded PPI.

**37. Can PPIs be used for cross-border outward transactions? What are transaction limits and the transactions that are allowed under it?**

Ans. Full-KYC semi-closed and open system PPIs issued by Authorised Dealer Category-I banks, can be used in cross-border outward transactions for permissible current account transactions under FEMA viz. purchase of goods and services. This facility shall be enabled only on explicit request of a PPI holder.

Transaction Limits:

Per transaction limit shall not exceed ₹ 10,000/-.

Per month limit shall not exceed ₹ 50,000/-.

Transactions allowed:

Permissible current account transactions under Foreign Exchange Management Act (FEMA) viz. purchase of goods and services, subject to adherence to extant norms governing such transactions.

Transactions not-allowed:

- a. Any cross-border outward fund transfer and/or for making remittances under the Liberalised Remittances Scheme.
- b. Prefunding of online merchant's account.

**38. Can PPIs be used for cross-border inward transactions? What are the transaction limits?**

Ans. Banks and non-bank PPI issuers, who are Indian agents of the authorised Overseas Principal (OP), are permitted to issue KYC compliant PPIs to beneficiaries of inward remittance under the Money Transfer Service Scheme (MTSS) of the RBI. It means that the entity undertaking this activity needs to be an authorised PPI issuer as well as an Indian Agent under MTSS (authorised by Foreign Exchange Department, RBI).

Amounts upto ₹ 50,000/- from individual inward MTSS remittances are permitted to be loaded or reloaded in PPIs issued to beneficiaries. Any single transaction amount in excess of ₹ 50,000/- shall be paid by credit to a bank account.

**39. While receiving a cross-border inward remittance of ₹ 75,000/- under MTSS, can ₹ 50,000/- be credited in PPI and the remaining in bank account?**

Ans. No, splitting of credit is not permitted when funds are loaded in PPIs. Since the amount of transaction is more than ₹ 50,000/-, the entire amount has to be credited to bank account.

**40. Is there a requirement of explicit customer consent for each transaction using a PPI?**

Ans. PPIs issued in the form of cards (physical or virtual) shall necessarily have an AFA as required for debit cards, except in case of PPIs issued under PPI-MTS. Similarly, every successive payment transaction using a PPI has to be authenticated by explicit customer consent. The authentication of every successive payment transaction in wallet by explicit customer consent can be in the form of PIN, password, etc.

**41. What is the minimum validity period of a PPI?**

Ans. All PPIs shall have a minimum validity period of one year from the date of last loading / reloading in the PPI. PPI issuers are, however, free to issue PPIs with a longer validity. Issuers shall clearly indicate the expiry period of the PPI to the customer at the time of issuance of PPIs.

**42. What will happen to a PPI that is not used for a certain period?**

Ans. A PPI with no financial transaction for a consecutive period of one year shall be made / treated inactive after sending a notice to the PPI holder. It can be reactivated only after validation and applicable due diligence.

**43. What will happen to the outstanding balance in such PPIs where the scheme is being wound-up or is directed by RBI to be discontinued?**

Ans. The holders of such PPIs shall be permitted to redeem the outstanding balance in the PPI, if for any reason the scheme is being wound-up or is directed by RBI to be discontinued.

**44. How shall the refunds in case of failed / returned / rejected / cancelled transactions be dealt with?**

Ans. Refunds in case of failed / returned / rejected / cancelled transactions shall be applied to the respective PPI immediately, to the extent that payment was made initially by debit to the PPI, even if such application of funds results in exceeding the limits prescribed for that type / category of PPI.

**45. Can refunds in case of failed / returned / rejected / cancelled transactions using any other payment instrument be credited to a PPI?**

Ans. Refunds in case of failed / returned / rejected / cancelled transactions using any other payment instrument should not be credited to a PPI and should be credited back to the same payment instrument.

**46. What is the grievance redressal mechanism prescribed for a PPI Issuer?**

Ans. PPI issuers shall 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-time for complaint resolution. The framework shall include, at the minimum, the following:

- a. Dissemination of the information of customer protection and grievance redressal policy of the PPI issuer in simple language.
- b. Clear indication of the customer care contact details of the PPI issuer, including details of nodal official for grievance redressal on website, mobile apps, and cards.
- c. Display of proper signage by the agents of the PPI Issuer and the customer care contact details as at (b) above.
- d. Providing specific complaint numbers for the complaints lodged along with the facility to track the status of the complaint by the customer.
- e. Initiating action to resolve any customer complaint / grievance expeditiously, preferably within 48 hours and resolve the same not later than 30 days from the date of receipt of such complaint / grievance.
- f. Display the detailed list of the authorised / designated agents (name, agent ID, address, contact details, etc.) of the PPI issuer on the website / mobile app.
- g. Also provide answers to Frequently Asked Questions (FAQs) on the website / mobile app related to the PPIs.

**47. Is there any requirement of providing account statement or transaction history of PPI transactions?**

Ans. PPI issuers shall provide an option for the PPI holders to generate / receive account statements for at least past 6 months. The account statement shall, at the minimum, provide details such as date of transaction, debit / credit amount, net balance and description of transaction. Additionally, the PPI issuers shall provide transaction history for at least 10 transactions.

**48. Is the Banking Ombudsman Scheme applicable for PPI transactions?**

Ans. In case of PPIs issued by banks, customers have recourse to the Banking Ombudsman (BO) Scheme. For PPIs issued by non-bank PPI issuers; the customers have recourse to the Ombudsman Scheme for Digital Transactions (OSDT). These Ombudsman Schemes are available on the RBI website at the link - <https://cms.rbi.org.in>.

**49. Can a PPI issuer issue multiple PPIs to same customer?**

Ans. A PPI issuer can issue any one of the following three types to a customer:

- a) Minimum-detail semi-closed PPI;
- b) PPIs with loading only from bank account (semi-closed PPI);
- c) Full-KYC semi-closed / open system PPI.

**50. Within the types mentioned above, in case a PPI issuer is issuing multiple PPIs to same customer due to reasons like multiple co-branding partners, various forms like wallet and card, etc. how will the limits be treated?**

Ans. Within the types mentioned above, in case a PPI issuer is issuing multiple PPIs to same customer due to various reasons (e.g. multiple co-branding partners, issuance of PPI in different form factors like wallets / cards), then the PPI issuer shall monitor the limits through centralised database / management information system (MIS).

For example, the limit of ₹ 1,00,000/- at any point of time shall be calculated after combining the value in all full-KYC PPIs issued to a customer by a particular PPI issuer under various arrangements / form factor. Similarly, the limit of ₹ 10,000 in paragraph 9.1(i) of PPI MD is across all minimum-detail PPIs (issued by the PPI issuer under various arrangements / form factor). A PPI issuer cannot issue 'minimum detail PPI' and 'PPI with loading only from bank account' to same mobile number at the same time.

However, the limits do not include the two categories [Gift instruments and PPIs for MTS] mentioned in paragraph 10 of the PPI-MD.

**51. What is meant by interoperability? Are PPIs interoperable?**

Ans. Interoperability is the technical compatibility that enables a payment system to be used in conjunction with other payment systems. Interoperability has been allowed in PPIs through circular DPSS.CO.PD.No.808/02.14.006/2018-19 dated October 16, 2018. Interoperability allows PPI issuers, system providers and system participants in different systems to undertake, clear and settle payment transactions across systems without participating in multiple systems. Desirous PPI issuers can provide this facility to the customers.

**52. Who can provide the facility of PPI interoperability?**

Ans. Any authorised bank or non-bank PPI issuer can provide the facility of PPI interoperability.

**53. Is it mandatory for a PPI issuer to allow interoperability?**

Ans. No, it is not mandatory for a PPI issuer to allow interoperability. However, if opted for by an issuer, it shall be facilitated to all full-KYC PPI accounts and entire acceptance infrastructure.

**54. I am having a minimum-detail PPI / a PPI with loading only from bank account but my issuer is not allowing interoperability. Why?**

Ans. Interoperability is allowed only for full-KYC PPIs.

**55. What are the modes of interoperability?**

Ans. If the PPI is issued in the form of wallet, interoperability across PPIs shall be enabled through UPI. If the PPI is issued in the form of card, the card shall be affiliated to the authorised card network for interoperability.

**56. What is the protection available in case of unauthorised transactions involving PPIs issued by banks?**

Ans. Bank PPI issuers shall be guided by RBI circulars DBR.No.Leg.BC.78/09.07.005/2017-18 dated July 6, 2017 or DCBR.BPD. (PCB/RCB).Cir.No.06/12.05.001/2017-18 dated December 14, 2017, as applicable on Customer Protection – Limiting Liability of Customers in Unauthorised Electronic Banking Transactions.

**57. What is the protection available in case of unauthorised transactions involving PPIs issued by non-banks?**

Ans. The framework to limit the liability of customers (PPI holders) against unauthorised transactions in PPIs issued by non-bank issuers is given in paragraph 16.4 of the PPI-MD and has come into effect from March 01, 2019. FAQ numbers 60 to 74 below relate to PPIs issued by non-bank PPI issuers.

**58. Does the framework cover all the types of PPIs issued under the PPI-MD?**

Ans. Except for the PPIs issued under the arrangement of PPI-MTS (PPIs for Mass Transit Systems) as per paragraph 10.2 of PPI-MD, the framework is applicable to all PPIs issued by authorised non-bank PPI issuers. Even in PPI-MTS, the cases of contributory fraud / deficiency on the part of the PPI-MTS issuer are covered.

**59. What is meant by electronic payment transactions under this framework?**

Ans. For the purpose of this framework, electronic payment transactions can be –

- a. Remote / Online payment transactions [transactions that do not require the PPIs to be presented at the point of transaction e.g. wallets, card not present (CNP) transaction, etc.] or
- b. Face-to-face / Proximity payment transactions (transactions which require the PPIs such as cards or mobile phones to be present at the point of transaction e.g. transactions at Point of Sale using card, QR code, etc.).

**60. Is it mandatory for the customer (PPI holder) to register for SMS alerts?**

Ans. In order to get protection under this framework, it is mandatory for the customer (PPI holder) to register for SMS alerts.

**61. Is the customer supposed to get an alert of transaction in his / her PPI account?**



Ans. It is mandatory for non-bank PPI issuers to send an SMS alert to the customer for any payment transaction in his / her account. In addition, an e-mail alert may also be sent, wherever registered. The transaction alert should have a contact number and / or e-mail id on which the customer can report unauthorised transactions or notify the objection.

**62. Where can the customer report an unauthorised transaction in his / her PPI account?**

Ans. Non-bank PPI issuers shall provide customers with 24x7 access via website / SMS / e-mail / dedicated toll-free helpline for reporting unauthorised transactions and / or loss or theft of the PPI. Further, a direct link for lodging of complaints, with specific option to report unauthorised electronic payment transactions shall be provided by non-bank PPI issuers on the mobile app / home page of their website / any other evolving acceptance mode.

**63. Is the customer protected against any unauthorised transaction after he / she has reported to the issuer about such transactions or loss of instrument?**

Ans. On reporting of an unauthorised payment transaction or loss of instrument, non-bank PPI issuers shall take immediate action to prevent further unauthorised payment transactions in the PPI account of the customer. Any further transactions debit on such an instrument will be the liability of the issuer.

**64. Is the customer protected against a contributory fraud / negligence / deficiency on the part of the non-bank PPI issuer?**

Ans. The liability of a customer in cases of contributory fraud / negligence / deficiency on the part of the non-bank PPI issuer is zero. PPI-MTS issuers are also covered for such acts / events.

**65. Does the customer need to report to the issuer in case there is a contributory fraud / negligence / deficiency on the part of the non-bank PPI issuer?**

Ans. It is always advisable to report any unauthorised transaction in the account of the customer. However, an issuer cannot deny compensation against contributory fraud / negligence / deficiency on the part of the non-bank PPI issuer, on the ground that the customer has not reported any unauthorised transaction in his / her account.

**66. How will the liability of the customer be fixed in cases of third party breach where the deficiency lies neither with the non-bank PPI issuer nor with the customer but lies elsewhere in the system, and the customer notifies the non-bank PPI issuer regarding the unauthorised payment transaction?**

Ans. The 'per transaction customer liability' in such cases will depend on the number of days lapsed between the receipt of transaction communication by the customer from the non-bank PPI issuer and the reporting of unauthorised transaction by the customer to the non-bank PPI issuer. If the issuer is reported within three days' of receiving of communication, the customer liability will be zero. Similarly, for any such transaction reported between four and seven days of receiving of communication, the customer liability will be limited to a maximum of ₹ 10,000/. Reporting beyond seven days' time will be dealt in accordance with the Board approved policy of the non-bank PPI issuer.

**67. From when will be the number of days mentioned above be counted?**

Ans. The number of days mentioned above shall be counted after excluding the date of receiving the communication from the non-bank PPI issuer.

**68. In cases where the loss is due to negligence by the customer, such as where he / she has shared the payment credentials, who will bear the loss and to what extent?**

Ans. In cases where the loss is due to negligence by the customer, such as where he / she has shared the payment credentials, the customer will bear the entire loss until he / she reports the unauthorised transaction to the non-bank PPI issuer.

**69. Who will bear the loss on the unauthorised transactions carried after reporting of same to the issuer?**

Ans. Any loss occurring after reporting of the unauthorised transaction shall be borne by the non-bank PPI issuer.

**70. After how many days will the eligible amount be credited to the customer's account?**

Ans. The non-bank PPI issuer shall credit (notional reversal of) the amount involved in the unauthorised electronic payment transaction to the customer's PPI within 10 days from the date of such notification by the customer. Such reversal has to be effected even if it breaches the maximum permissible limit applicable to that type / category of PPI. The credit shall be value-dated to be as of the date of the unauthorised transaction.

**71. When can one use the notional credit so received?**

Ans. The notional credit so received can be used on resolution of complaint and establishing the liability of the customer by the non-bank PPI issuer. However, in any circumstances, this period cannot exceed 90 days from the date of receipt of the complaint.

**72. Who is responsible to prove that the transaction is not an unauthorised transaction?**

Ans. The burden of proving the customer liability in case of unauthorised electronic payment transactions lies on the non-bank PPI issuer.

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