

NPCI/2022-23/AEPS/042

27th Oct 2022

To,
All Member of Aadhaar Enabled Payments System (AePS)

Madam/ Dear Sir,

Sub: Implementation of fraud chargeback in AePS ARCS System w.e.f. 1st November 2022

We refer to the operating circular vide reference no. **NPCI/2021-22/RMD/004** dated 1st Sep, 2021 wherein the process for handle the fraud chargebacks for AePS fraudulent transactions has been defined.

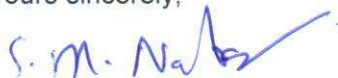
We wish to submit that we have now automated fraud chargeback process in AePS ARCS back office. After implementing the said automated fraud chargeback mechanism in ARCS, NPCI shall discontinue the existing manual process which was carried out through emails. Refer Annexure-1 for process flow and details set for handling the fraud chargebacks.

Members are requested to note the following key features of the Guideline:

1. The Guidelines will be applicable for all financial transactions in AePS (Viz., Cash withdrawal, Cash Deposit, Funds transfer and BHIM Aadhaar) involving Business Correspondents (BC), BC agents, Customer Service Points (CSP) etc.
2. Every fraud chargeback should be reported in NPCI's EFRM portal and Banks should include the Case ID generated therein while raising fraud chargeback in ARCS Portal.
3. Member banks are requested to use ARCS portal for raising fraud chargeback effective from **1st November 2022** and with effect from this date, the manual process over emails will be discontinued.
4. NPCI's role will be limited to handling cases raised to arbitration of any issues (raised by the aggrieved party) in the last stage of fraud chargeback lifecycle.
5. Member bank can raise fraud chargeback within 60 calendar days from date of transaction.
6. If the bank does not submit responses within TAT in their respective stages, the case would be considered as deemed accepted and closed in favor of the other party.
7. Maker/ Checker is mandatory for raising, accepting and rejecting fraud chargeback/ good faith chargeback
8. ARCS allow to raise fraud chargeback both through front end and bulk upload mode.
9. Once the fraud charge back is raised, the Acquirer is debited & Issuer is credited immediately. However, Issuers are advised to hold the credit and post it to the customer only after the final closure of the Fraud Liability shift chargeback process.

Member Banks are requested to take note of above and disseminate the information contained herein to all the stakeholder concerned.

Yours sincerely,



Saiprasad Nabar
Chief Technology Officer

Enclosed: Annexure-1 Process flow and procedures for handling AePS fraud chargebacks.

ANNEXURE-1

Qualifying Criteria for Fraud Reporting:

The criteria for reporting a fraud transaction under this guideline is detailed below:

- 1) Issuer banks shall report only off-us transactions under this guideline.
- 2) Declined transactions are not eligible for reporting as fraud transactions.
- 3) Transactions raised as dispute chargebacks cannot be raised under Fraud Chargeback and vice versa

PROCESS FLOW AND PROCEDURES FOR HANDLING AEPS FRAUD CHARGEBACKS IN ARCS

Disputes type, TATs & Dispute Flags:

Adjustment Type	Raised by	TAT Period	Dispute Flag
Fraud Chargeback	ISSUER	60 days	FC
Fraud Chargeback Accept	ACQUIRER	15 days	FCA
Fraud Chargeback Re-presentment	ACQUIRER	15 days	FCR
Fraud Complaint Re-raise Accept	ACQUIRER	03 days	FCPA
Fraud Complaint Re-raise Reject	ACQUIRER	03 days	FCPR
Fraud Compliance	ISSUER	05 days	FCP
Fraud Compliance Check	NPCI	05 days	FCC
Good Faith Fraud Chargeback	ISSUER	60 days from expiry of FC TAT	GC
Good Faith Fraud Chargeback Accept	ACQUIRER	15 days	GFA
Good Faith Fraud Chargeback Reject	ACQUIRER	15 days	GFR

Dispute Type	Txn Type	Dispute Flag	RC	Previous Stage	TAT	Raised By
Fraud Chargeback	04,32,01, FC, 25	FC	00	-	60 days	Issuer
Fraud Chargeback Accept	04,32,01, FC, 25	FCA	00	Fraud Chargeback	15 days	Acquirer
Fraud Chargeback Re-presentment (Reject)	04,32,01, FC, 25	FCR	00	Fraud Chargeback	15 days	Acquirer
Fraud Compliance	04,32,01, FC, 25	FCP	00	Fraud Chargeback Re-presentment (Reject)	5 days	Issuer
Fraud Compliance Check	04,32,01, FC, 25	FCC	00	Fraud Complaint Re-raise Reject	5 days	Acquirer
Fraud Complaint Re-raise Reject	04,32,01, FC, 25	FCPR	00	Fraud Compliance	3 days	NPCI

Documents to be uploaded by Banks while taking action on disputes

Reporting frauds within 60 days from date of transaction

Sr. No	Stage	Document Name	Raised by	Settlement	Fields Details
1	Fraud Chargeback	Supporting Document Police FIR copy, Complaint copy, customer complaint letter, bank statement, passbook copy, etc.: Non mandatory	Issuer	Acquirer → Issuer	Document Non mandatory
2	Accept Fraud Chargeback	Supporting documents: Non mandatory	Acquirer	No Action	Non mandatory document Acquirer Response – Accept/Reject with free text
3	Represent Fraud Chargeback (Reject)	1) BC letter confirming cash handover to customer. 2) Customer letter confirming receipt of cash/funds 3) Others: Any 1 of the above supporting documents required to upload into system also, the points mentioned 1, 2 & 3 to be reflected on the screen with tick to upload multiple documents	Acquirer	Issuer → Acquirer	Reason for raising fraud chargeback reject Document Mandatory
4	Compliance	Any Supporting Document: Mandatory	Issuer	Acquirer → Issuer	Additional field - 'Reason for raising fraud repeat complaint' made available in portal while raising fraud repeat complaint
5	Accept Re-raised Fraud Complaint	Any Supporting Document : Non - Mandatory	Acquirer	No action	Additional field - 'Reason for accepting Re-raised fraud complaint' made available in portal while accepting

					fraud repeat complaint
6	Reject Re-raised Fraud Complaint	Any Supporting Document	Issuer	Issuer → Acquirer	Additional field - 'Reason for rejecting Re-raised fraud complaint' made available in portal while rejecting fraud repeat complaint

Good faith – Reporting frauds after 60 days from date of transaction

S. No	Stage	Document Name	Settlement	To be uploaded by
1	Good faith Fraud Chargeback	Supporting documents: Non mandatory	No action	Issuer
2	Good Faith Accept Fraud Chargeback	Any Supporting Document: Non mandatory	Acquirer → Issuer	Acquirer
3	Good Faith Represent Fraud Chargeback	Supporting documents: Non mandatory	No action	Acquirer

NTSL report changes for Fraud chargeback dispute entries present in NTSL report

Sample reports & screen shot for your reference.

Dispute Adjustments			
Description	Ref. No	Debit	Credit
Chargeback Details			
Chargeback from KKM	'224410969944	2501	0
Total Chargeback Amount		2501	0
Credit Details			
Credit Adjustment to KKM	'224410687716	2501	0
Total Credit Amount		2501	0

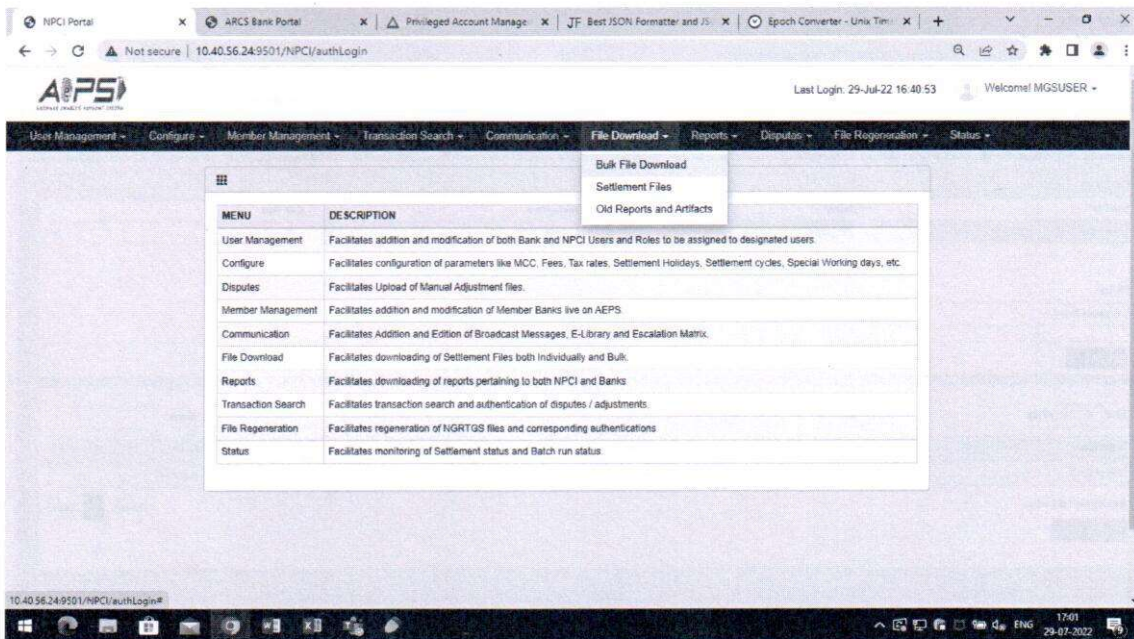
Fraud Chargeback Details			
Fraud Chargeback from KKM	'224410782333	2501	0
Fraud Chargeback from KKM	'962642336133	1500.25	0
Total Fraud Chargeback Amount		4001.25	0
Fraud Chargeback Re-presentment Details			
Fraud Chargeback Re-presentment to KKM	'224410782333	0	2501
Total Fraud Chargeback Re-presentment Amount		0	2501
Fraud Complaint Re-raise Accept Details			
Fraud Complaint Re-raise Accept to KKM	'224410782333	2501	0
Fraud Complaint Re-raise Accept to KKM	'224811289280	1500.25	0
Total Fraud Complaint Re-raise Accept Amount		4001.25	0
Fraud Compliance Check Details			
Fraud Compliance Check to KKM	'962642336133	1500.25	0
Total Fraud Compliance Check Amount		1500.25	0
Good Faith Fraud Chargeback Accept Details			
Good Faith Fraud Chargeback Accept from KKM	'218711810409	0	2501
Total Good Faith Fraud Chargeback Accept Amount		0	2501
Adjustment Sub Total		14504.75	5002
Net Adjusted Amount		9502.75	0

Bank wise Fraud Chargeback Issuer & Acquirer Report

Please prefer Bank wise fraud chargeback reports in back office system

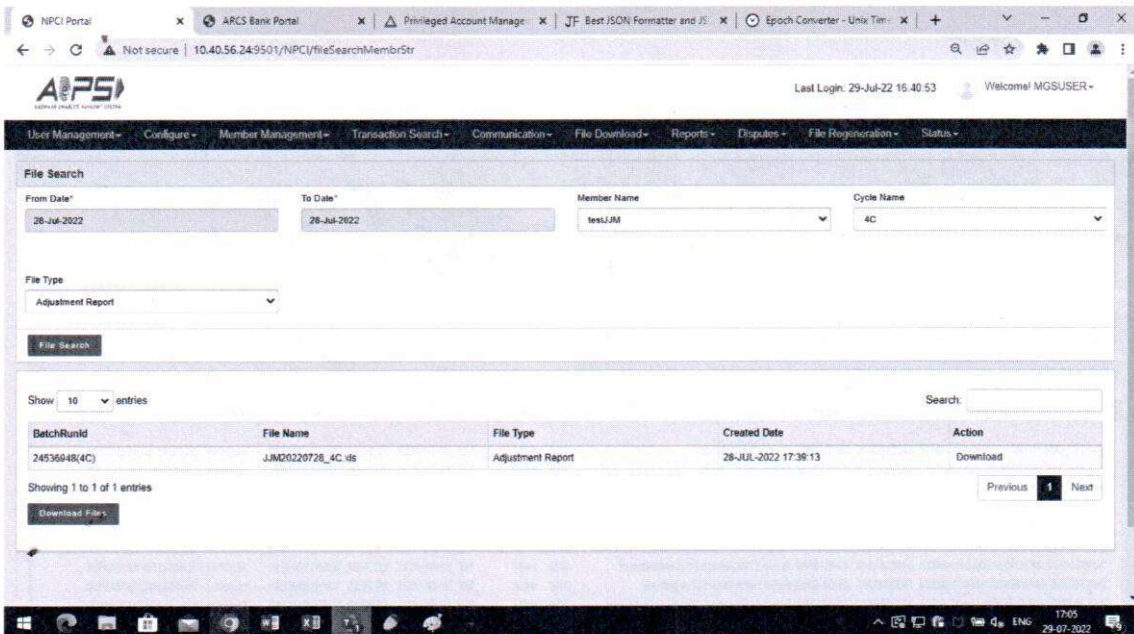
File Name: FCB_XXX_ISS_ACQ_DDMMYYYY_3C.xls.pgp

Bank Portal



Go to File Download→Bulk File Download

Select from and To date, Cycle number, Member Bank Name, File Type and click search



Click Download button

Browser tabs: NPCI Portal, ARCS Bank Portal, Privileged Account Manager, JF Best JSON Formatter and JS, Epoch Converter - Unix Time

Address bar: Not secure | 10.40.56.24:9501/NPCI/tireSearchMemorStr#

Page Title: APS

Last Login: 29-Jul-22 16:40:53 | Welcome! MGSUSER

Navigation: User Management, Configure, Member Management, Transaction Search, Communication, File Download, Reports, Disputes, File Registration, Status

File Search

From Date: 28-Jul-2022 | To Date: 28-Jul-2022 | Member Name: testJM | Cycle Name: 4C

File Type: Adjustment Report

File Search

Show 10 entries

Batch/RunID	File Name	File Type	Created Date	Action
2453048(4C)	JJM20220728_4C.xls	Adjustment Report	28-Jul-2022 17:39:13	Download

Showing 1 to 1 of 1 entries

Download Files

Previous | Next

JJM20220728_4C.xls

Open the Report

JJM20220728_4C - Excel

txnid	uid	AdjDate	AdjType	Acquirer	Issuer	Response	TxnDate	TxnTime	RRN	TerminalID	CardNo	ChbDate
'c2a82d2320d74866be0c7dd3c0e6f47	1126102936	28-07-2022	Fraud Chargeback	JJM	KKM	'00'	27-07-2022	11:16:50	'220811348735	register	'5555881002235845908	
'e825109cde8b4ee5b6931b073a0a569a	1172021419	28-07-2022	Fraud Chargeback	JJM	KKM	'00'	27-07-2022	11:16:50	'220811915859	register	'5555881002235845908	
'1c4893df275147f7a9ee6232a5c6d41b	1194195102	28-07-2022	Fraud Chargeback	JJM	KKM	'00'	27-07-2022	11:16:51	'220811749964	register	'5555881002235845908	
'42d3db156160476489f885dce1e35953	1235785200	28-07-2022	Fraud Chargeback	JJM	KKM	'00'	27-07-2022	11:16:50	'220811439255	register	'5555881002235845908	
'1c4893df275147f7a9ee6232a5c6d41b	1466554537	28-07-2022	Fraud Chargeback Representation	JJM	KKM	'00'	27-07-2022	11:16:51	'220811749964	register	'5555881002235845908	
'dd17407dfb644a96b268046ed65fcd4	1458401235	28-07-2022	Good Faith Fraud Chargeback	JJM	KKM	'00'	19-04-2022	18:22:13	'210918906663	register	'5555881002235845908	
'dd17407dfb644a96b268046ed65fcd4	1121650812	28-07-2022	Good Faith Fraud Chargeback Accept	JJM	KKM	'00'	19-04-2022	18:22:13	'210918906663	register	'5555881002235845908	

Select From and To date, Cycle number, Member Bank Name, File Type and click search

NPCL Portal | ARCS Bank Portal | Privileged Account Manager | JF Best JSOA Formcaster and JS | Epoch Converter - Unix Tim | +

Not secure | 10.40.56.24:9502/AEPS/fileSearch

AEPS
ARCS BANK KENYA LTD

Last Login: 29-Jul-22 16:49:50 | Welcome! shantajmmakar

User Management | File Upload | Transaction Search | Transaction Approval | File Download | Reports | Communication

File Search

From Date: 28-Jul-2022 To Date: 28-Jul-2022 Cycle Name: 4C File Type: FCB Report

File Search

Show 16 entries

File Name	File Type	Created Date	Action
FCB_ACO_UJM_Summary_28072022_4C.xls	FCB Report	28-JUL-2022 17:40:28	Download
FCB_ISS_UJM_Summary_28072022_4C.xls	FCB Report	28-JUL-2022 17:40:28	Download
FCB_ACO_UJM_Summary_28072022_4C.csv	FCB Report	28-JUL-2022 17:40:28	Download
FCB_ISS_UJM_Summary_28072022_4C.csv	FCB Report	28-JUL-2022 17:40:28	Download

Showing 1 to 4 of 4 entries (filtered from 6 total entries)

Download Files

Previous **1** Next

Bank Name -JJM

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Issuer Bank Investigation

Fraud Analysis & Investigation Report		
ISSUER BANK INVESTIGATION		
1.	<u>CASE DETAILS</u>	
A.	Date of Occurrence of Fraud Transaction	
B.	Date of fraud reported by customer	
2.	<u>CUSTOMER DETAILS</u>	
A.	Full Name (mention names of all joint holders, if applicable)	
B.	Contact Number	
C.	Masked Aadhaar Number (mention Aadhaar numbers of all joint account holders, if applicable Ex: XXXX XXXX 5678)	
D.	Residential Address	
	City	
	State	
	PIN CODE	
E.	Bank Branch address	
3.	<u>TRANSACTION DETAILS</u>	
A.	Correct Aadhaar Seeded (Y/N)	
B.	Transaction Type {Cash Withdrawal, Funds transfer, Purchase transaction (Aadhaar pay), Cash Deposit}	
C.	Number of Transaction Reported	
D.	Total amount of reported transactions (in Indian Rupees)	
E.	Trxn Date Acq ID Terminal ID RRN Number (12 digits as per BCS) Amount Timespan	
4.	<u>ISSUER INVESTIGATION DETAILS</u>	
A.	Has Issuer Bank received written fraud complaint letter from customer? (Y/N)	
B.	Is there any joint holder in customer's account? (Y/N)	
C.	Is joint account holder aware of fraudulent transactions reported by other account holder? (Y/N)	
D.	Customer's account type (Savings/ Current)	
E.	Has customer shared his/ her biometric with other entity/person for any purpose since the last 6 months? If yes, provide details.	
F.	Is the customer regularly carrying out AePS transactions at same BC locations?	
G.	Has customer previously done any AePS transaction in last 6 months	
H.	How did the customer come to know about the fraudulent transactions in his/ her account?	

I.	Customer's location at the time of transaction?	
J.	Is the Customer's account statement checked for reported transactions?	
K.	Any other cases reported against the same BC?	
L.	What is the action taken by Issuer Bank to stop subsequent AePS transactions in customer's account	
M.	Aadhaar No delinked from account? (Y/N)	
N.	Is customer's 'mobile number/ email id' updated in Aadhaar Card? (Y/N)	
O.	Is the customer's currently used mobile number updated with the bank for SMS alert? Also was the same number used by customer at time of disputed transaction?	
P.	Are SMS notifications been sent to customer's mobile number for reported transactions? If "No", provide reason.	
Q.	Reason for late reporting of fraudulent transactions by customer	
R.	If any other specific details issuer want to report	
S.	Other details	
5.	<u>FIR DETAILS</u>	
A.	FIR/Complaint Lodged (Y/N).	
B.	IF "No" Provide reason	
C.	FIR Number & Date	
D.	Police Station	
E.	Status of the case	

Acquirer Investigation Report

Fraud Analysis & Investigation Report		
ACQUIRER BANK INVESTIGATION		
1.	<u>CSP / BC DETAILS</u>	
A.	BC Agent Full Name	
B.	Terminal Id	
C.	Contact Number	
D.	Masked Aadhaar Number (Ex: XXXX XXXX 5678) – Last 4 digits only	
E.	Residential Address	
	City	
	State	
	PIN CODE	
F.	On-board Date	
G.	Off-board/Termination/suspension Date (If applicable)	
H.	Exit Reason	
I.	Corporate BC details (If any)	
2.	<u>ACQUIRER INVESTIGATION DETAILS</u>	
A.	Is BC contactable? If no, action taken by Bank for the given case	
B.	Register maintained by CSP / BC (YES/NO). If YES, share details.	
C.	Has BC agent collected any ID proof of the customer	
D.	What was the location of the agent at the date of disputed transaction?	
E.	Whether the agent is working from a fixed location? If yes, what is the location?	
F.	If No, where from he was operating during the last six months and share the locations.	
G.	Whether there are attempts, successful or failed by the agent for the given Aadhaar with multiple banks? If so the details thereof.	
H.	What is the procedure adopted by the acquirer bank for engaging the BC agents?	
I.	If Acquiring bank is complied with Two factor authentication (Yes/No)	
J.	What are the transaction limits, daily limits set for the agent?	
K.	Action taken by the acquirer to stop subsequent operation by agent.	
L.	Is BC involved in Fraud? (Y/N)	
M.	Any Police complaint filed against BC? (Y/N)	
M1	If BC is involved in fraud, has he been added in the negative list & reported to NPCI	
M2	If no, specify the reason	

N.	Fraud Type (Fake Biometric, Wrong Aadhaar Seeding, Siphoning Fraud, Others (with reason))	
O.	Brief Description of the case/Modus Operandi	
P.	Is Acquirer Bank providing consent for refund to customer? (Y/N)	
Q.	Any other details w.r.t reported transactions/ case	