



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI imposes Monetary Penalty on three Payment System Operators

The Reserve Bank of India (RBI) has imposed monetary penalty on the following two Payment System Operators (PSOs) for non-compliance with certain provisions of the [Master Direction – Know Your Customer \(KYC\) Direction, 2016 dated February 25, 2016](#) (as updated from time to time).

| S.No. | Name of the PSO | Speaking Order dated | Amount of Penalty (₹ lakh) |
|-------|----------------------------------|----------------------|----------------------------|
| 1 | Manappuram Finance Limited | July 16, 2024 | 41.50 |
| 2 | Ola Financial Services Pvt. Ltd. | July 16, 2024 | 33.40 |

Compounding Orders were also issued to two PSOs i.e. Ola Financial Services Pvt. Ltd. and Visa Worldwide Pte. Limited, for contravention of certain provisions contained in the [Master Directions on Prepaid Payment Instruments \(PPIs\) dated August 27, 2021](#) (as updated from time to time) and [Card Not Present transactions – Relaxation in Additional Factor of Authentication for payments upto ₹ 2000/- for card network provided authentication solutions dated December 06, 2016](#), respectively.

| S.No. | Name of the PSO | Compounding Order dated | Compounding Amount (₹ lakh) |
|-------|----------------------------------|-------------------------|-----------------------------|
| 1 | Ola Financial Services Pvt. Ltd. | July 05, 2024 | 54.15 |
| 2 | Visa Worldwide Pte. Limited | July 16, 2024 | 240.75 |

The above actions have been taken in exercise of powers vested in RBI under the provisions of Section 30 and Section 31 of the Payment and Settlement Systems Act, 2007 and are based on deficiencies in regulatory compliance and are not intended to pronounce upon the validity of any transaction or agreement entered into by the entity with its customers.

Background

Manappuram Finance Limited and Ola Financial Services Pvt. Ltd.

Both the entities were non-compliant with the directions issued by RBI on KYC requirements. Accordingly, notices were issued to the entities advising them to show cause as to why penalty should not be imposed for non-compliance with the directions. After considering their written responses and the oral submissions made during the personal hearing, RBI concluded that the aforesaid charges of non-

compliance with RBI directions were substantiated and warranted imposition of monetary penalty.

Further, Ola Financial Services Pvt. Ltd. had also reported instances of shortfall in the balance in its escrow account and filed an application for compounding of the violation. After analysing the compounding application and oral submissions made during the personal hearing, RBI determined that the aforementioned contravention can be compounded.

Visa Worldwide Pte. Limited

It was observed that the entity had implemented a payment authentication solution without regulatory clearance from RBI. Accordingly, notice was issued to the entity advising it to show cause as to why penalty should not be imposed for non-compliance with the directions. The entity in its response had filed an application for compounding of the violation. After analysing the compounding application and oral submissions made during the personal hearing, RBI determined that the aforementioned contravention can be compounded.

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(Puneet Pancholy)
Chief General Manager