



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
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DPSS.PD.No.2632 / 02.10.002 / 2010-2011

May 27, 2011

The Chairman and Managing Director / Chief Executive Officers  
All Scheduled Commercial Banks including RRBs /  
Urban Co-operative Banks / State Co-operative Banks /  
District Central Co-operative Banks

Madam / Dear Sir

### **Reconciliation of failed transactions at ATMs**

Please refer to our letter [DPSS No. 711 / 02.10.02 / 2008-2009](#), [1424 / 02.10.02 / 2008-2009](#) and [101 / 02.10.02 / 2009-2010](#) dated October 23, 2008, February 11, 2009 and July 17, 2009 respectively on the captioned subject.

2. Reserve Bank has been continuously monitoring the implementation of various directions by the banks. Based on a review of the developments and with a view to further improve the efficiency of operations, it has been decided as under :-

- a. The time limit for resolution of customer complaints by the issuing banks shall stand reduced from 12 working days to 7 working days from the date of receipt of customer complaint. Accordingly, failure to recredit the customer's account within 7 working days of receipt of the complaint shall entail payment of compensation to the customer @ Rs. 100/- per day by the issuing bank.
- b. Any customer is entitled to receive such compensation for delay, only if a claim is lodged with the issuing bank within 30 days of the date of the transaction.
- c. The number of free transactions permitted per month at other bank ATMs to Savings Bank account holders shall be **inclusive** of all types of transactions, financial or non-financial.
- d. All disputes regarding ATM failed transactions shall be settled by the issuing bank and the acquiring bank through the ATM system provider **only**. No bilateral settlement arrangement outside the dispute resolution mechanism available with the system provider is permissible. This measure is intended to bring down the instances of disputes in payment of compensation between the issuing and acquiring banks.

3. The directive is issued under section 18 of Payment and Settlement Systems Act 2007, (Act 51 of 2007). Non-adherence to the provisions of this circular shall attract penalty as prescribed under the Payment and Settlement Systems Act 2007 (Act 51 of 2007).

4. This directive shall come into effect from July 01, 2011.

5. Banks may widely publicise these changes at all ATM locations and by individual intimation to customers.

6. Please acknowledge receipt.

Yours faithfully

G Padmanabhan  
Chief General Manager