

RBI announces measures to boost digital payments

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- **Positive Pay mechanism for high value cheques.**

The Reserve Bank of India on Thursday introduced a slew of measures to promote digital payments including a scheme for offline payments using mobile devices and cards and also announced a Positive Pay mechanism to prevent frauds with high value cheques.

“Under this mechanism, cheques will be processed for payment by the drawee bank based on information passed on by its customer at the time of issuance of cheque,” the RBI said in the Statement on Developmental and Regulatory Policies, adding that the Positive Pay mechanism will cover approximately 20 per cent and 80 per cent of total cheques issued in the country by volume and value, respectively.

The mechanism will be for all cheques of values of ₹50,000 and above.

It will further augment customer safety in cheque payments and reduce instances of fraud occurring on account of tampering of cheque leaves, the RBI said.

Offline digital payments

Meanwhile, noting that there has been considerable growth in digital payments but Internet connectivity poses to be a challenge, the RBI also proposed to allow a pilot scheme for small value payments in off-line mode with built-in features for safeguarding interest of users, liability protection.

The pilot would be undertaken till March 31, 2021. Banks and non-banks can participate using cards, wallets or mobile devices or any other channel. Payments can be offered without any additional factor authentication with an upper limit of ₹200 per transaction. The total limit for offline transactions on an instrument will be ₹2,000 and payment operators will have to send real time alerts to the customers.

Based on experience of the pilot, detailed guidelines for roll-out of the scheme will be announced.

“Providing an option of off-line payments through cards, wallets and mobile devices is expected to further the adoption of digital payments,” it said, adding that it has been encouraging entities to develop offline payment solutions.

ODR systems

The RBI also announced that Payment System Operators (PSOs) would be expected to introduce Online Dispute Resolution (ODR) Systems in a phased manner. “Recourse to technology-driven redressal mechanisms that are rule-based, transparent and involve minimum (or no) manual intervention is necessary to deal with them (disputes and grievances) in a timely and effective manner,” it said. Initially, authorised PSOs would be required to implement ODR systems for failed transactions in their respective payment systems. Based on the experience gained, ODR arrangements will be extended to other types of disputes and grievances, the RBI further said.

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Customers should have one or more channels like web-based or paper-based complaint form, IVR along with a facility on the app for lodging disputes and grievances, according to the notification and the process should be simple with minimal details.

Innovation hub

The RBI also announced plans to set up an Innovation Hub in the country with an aim to promote innovation across the financial sector by leveraging on technology and create an environment which would facilitate and foster innovation.

“The Innovation Hub will act as a centre for ideation and incubation of new capabilities which can be leveraged to create innovative and viable financial products and / or services to help achieve the wider objectives of deepening financial inclusion, efficient banking services, business continuity in times of emergency, strengthening consumer protection,” it said.

The RBI had earlier also accepted six proposals under the Regulatory Sandbox initiative to promote innovations in the sector.