

Info Capsule

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THE RESERVE BANK INTRODUCES OMBUDSMAN SCHEME FOR DIGITAL TRANSACTIONS¹

As announced in the Monetary Policy Statement of December 5, 2018, the Reserve Bank of India (RBI) launched the Ombudsman Scheme for Digital Transactions (OSDT) vide Notification dated January 31, 2019 for redressal of complaints against System Participants as defined in the said Scheme.

The Notification on the Ombudsman Scheme for Digital Transactions is appended as Annexure – I

The Scheme, launched under Section 18 of the Payment and Settlement Systems Act, 2007, will provide a cost-free and expeditious complaint redressal mechanism relating to deficiency in customer services in digital transactions conducted through non-bank entities regulated by RBI. Complaints relating to digital transactions conducted through banks will continue to be handled under the Banking Ombudsman Scheme. The offices of Ombudsman for Digital Transactions will function from the existing 21 offices of the Banking Ombudsman and will handle complaints of customers from their respective territorial jurisdiction.

The Scheme provides for an Appellate mechanism under which the complainant / System Participant has the option to appeal against the decision of the Ombudsman before the Appellate Authority.

The complete Scheme is available on RBI's website at
https://www.rbi.org.in/Scripts/bs_viewcontent.aspx?Id=3631

Annexure – 1

Notification²

Ombudsman Scheme for Digital Transactions, 2019

Ref. CEPD. PRS. No. 3370/13.01.010/2018-19

Date: January 31, 2019

1. In exercise of the powers conferred by Section 18 of the Payment and Settlement Systems Act, 2007, being satisfied that in the public interest and in the interest of conduct of business relating to payment systems, it is necessary to provide for a mechanism of Ombudsman for redressal of complaints against deficiency in services related to digital transactions, the Reserve Bank of India hereby directs that, the System Participants defined under the Ombudsman Scheme for Digital Transactions, 2019 shall come within the ambit, and should comply with the provisions of the Ombudsman Scheme for Digital Transactions, 2019.
2. The Scheme shall come into force from **January 31, 2019**.

¹ Available at: https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=46163

² Available at: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11461&Mode=0>