

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION No. 1443

To be answered on Monday, July 01, 2019/Ashadha 10, 1941 (Saka)

Mobile Wallet Companies

1443. SHRI LALLU SINGH:

SHRI RAVINDRA SHYAM NARAYAN SHUKLA ALIAS RAVI KISHAN:

SHRI P.P. CHAUDHARY:

SHRI RODMAL NAGAR:

Will the Minister of FINANCE be pleased to state:

(a) the number of cases registered in regard to violation of rules/guidelines by the companies providing mobile wallet and the agencies providing online payment services and the details of action taken against the said violators during each of the last five years;

(b) whether any better action plan is being prepared in addition to the existing guidelines relating to the said payments;

(c) if so, the details thereof including the details in regard to Madhya Pradesh; and

(d) if not, the action being taken by the Government in this regard?

Answer

The Finance Minister

(SMT. NIRMALA SITHARAMAN)

(a) to (d) As apprised by the Reserve Bank of India (RBI), the list of Prepaid Payment Instrument (PPI) issuers, banks and Cross border Money Transfer (in-bound only) operators, found in violation of regulatory guidelines during the last five years is as follows:

Name of the Entity	Date of the order	Penalty (in Rs.)
Eko India Financial Services Private Limited	March 9, 2017	5,00,000/-
My Mobile Payments Limited	October 22, 2018	1,00,00,000/-
Phonepe Private Limited	February 14, 2019	1,00,00,000/-
Y-Cash Software Solutions Private Limited	February 22, 2019	5,00,000/-
Vodafone m-pesa Limited	March 06, 2019	3,05,00,000/-
GI Technology Private Limited	March 26, 2019	1,00,00,000/-
ZipCash Card Services Pvt. Ltd.	April 22, 2019	11,25,000/-
Yes Bank Limited	April 22, 2019	11,25,000/-
One Mobikwik Systems Pvt. Ltd.	May 17, 2019	15,00,000/-

Hip Bar Private Limited	May 24, 2019	10,85,000/-
Western Union Financial Services Inc.	April 20, 2018	29,66,959/-
MoneyGram Payment Systems Inc.		10,11,653/-

As per RBI's master direction dated 11.10.2017 (updated on 29.12.2017 and on 25.2.2019) on 'Issuance and Operation of Prepaid Payment Instruments (PPIs)', including Mobile wallets, the PPI issuers are to have a strong Risk Management system, for the safety and security of the payments systems operated by them and to put in place formal, publicly disclosed customer grievance redressal framework.

Further RBI's circular dated 4.1.2019 on 'Customer Protection – Limiting Liability of Customers in Unauthorised Electronic Payment Transactions in Prepaid Payment Instruments (PPIs) issued by Authorised Non-banks', inter alia, stipulates "Zero Liability of a customer" where:

- i. the unauthorised electronic payment transaction through a PPI occurs due to contributor fraud / negligence/ deficiency on the part of the PPI issuer, irrespective of whether or not the transaction is reported by the customer; or
- ii. due to third party breach where the deficiency lies neither with the PPI issuer nor with the customer but lies elsewhere in the system, and the customer notifies the PPI issuer within three working days of receiving the communication from the PPI issuer regarding the unauthorised transaction.

Further the PPI issuer is mandated to credit the amount involved in such transactions to the customer's PPI within ten days from the date of such notification by the customer.

The circular also stipulates limited liability of a customer for the loss occurring due to unauthorized transactions in certain cases. Further, in case of PPI issued by banks, customers can have recourse to the Banking Ombudsman Scheme for redressal of their grievances.

RBI also continuously endeavours to promote digital transactions in safe and secure manner and to identify the gaps and plug them for enhancing safety and security of the system which includes Prepaid Payment Instruments (PPIs) also.
