NPCI/UPI/OC-128A/2026-27 3rd July 2026

To,

All Members – Unified Payments Interface (UPI)

Dear Sir/Madam,

Sub: Addendum to OC-128 Extension of additional response codes under Deemed Debit for mandate execution

With reference to UPI OC no. NPCI/UPI/OC No. 128/2021-22 dated 14th December 2021, response codes VH, K1, 59, and VO were excluded from the deemed debit scope. Basis the ecosystem feedback, the scope of Deemed Debit (DD) scenario are updated as mentioned below:

Changes in the Deemed Debit Scenario:

Sr. No.	Decline Response Code and Description	Decline By	DD Applicability
1	59 – Suspected fraud, decline/transaction declined based on risk score by remitter	Remitter Bank	Yes
2	K1 – Suspected fraud, decline/transaction declined based on risk score by remitter	Remitter Bank	Yes
3	VO – Payment stopped by court order	Remitter Bank	No
4	VH – Mandate signature is tampered or corrupt	Remitter Bank	No
5	VU / QD – Mandate expired	Remitter Bank & Payer PSP	No
6	VS – Duplicate mandate request	Remitter Bank & Payer PSP	No

Note: No changes for any other response codes

1. For IPO, RDS and SBMD secondary markets use case (Purpose code '01', '25', '76 and where MCC is 6211):

In case of declines with response codes 'VO', 'VH', 'VU', 'QD' or 'VS' i.e. from Sr. No. 3 to 6 mentioned above, Acquirer / Payee may claim the transaction amount if it is as per the mandate created; through BGGD option made available in URCS. [NPCI/UPI/OC No. 206A/2024-25 dated 12th March 2025]

2. For other OTM use cases (i.e. purpose code '01' and MCC other than 6211)

Declines with response codes 'VO', 'VH', 'VU', 'QD' or 'VS' i.e. from Sr. No. 3 to 6 mentioned above, are to be considered as declined and no service should be rendered by the Acquirer/Payee.

3. Any un-responded/declined transactions with response codes apart from those mentioned above for mandate execution transactions with Purpose Code '01' or '25' or '76', shall continue to be treated as Deemed Debit and settlement shall be done by debiting respective Remitter bank and crediting the Acquirer bank.

4. Payer PSPs / Remitter Banks to ensure that declines under the above mentioned response codes which are excluded for 'Deemed Debit' are populated strictly for genuine scenarios only.
5. The identifier for such settlement shall be with response code 'DD' (Deemed Debit) in URCS for identifying the deemed debit transactions separately and initiate suitable actions. Also, additional report for transaction treated as Deemed Debit is made available to the member banks in URCS. All member banks are advised to use the Deemed Debit report and raw files for reconciliation purpose and necessary actions.
6. Furthermore, members to note the following:
   a) Remitter and Acquirer banks are advised to perform three (3) way reconciliation for non-financial requests (create, update, revoke) and financial requests (execution) both with Mandate raw file and transaction raw file (including 'Deemed Debit' file) respectively.
   b) Remitter banks to ensure that funds blocked in the customer's account are auto unblocked upon expiry of the mandate period.
   c) Acquirer banks can raise BGGD, wherever applicable, within the mandate validity period.
   d) Acquirer/Payee are advised to process executions within the mandate validity period and no duplicate executions are processed. In case of such instances, Acquirers should reconcile and process credit adjustments upfront.
   e) Issuer may raise chargebacks with appropriate reason codes for mandates executed post their validity period (Chargeback reason code 1081 – Transaction not settled within the specified timeframes) and duplicate executions (Chargeback reason code 1084 - Duplicate/Multiple Transaction), wherever applicable.

Members to take note of the above and update the process accordingly.

The changes in deemed debit applicability in the URCS system will be effective from 15th July 2026.

Your Sincerely,

SD/-

Giridhar GM

Chief Customer Success

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