To,

Members - Unified Payments Interface (UPI)

Dear Madam / Sir,

User Experience Enhancements for UPI AutoPay

As UPI Autopay continues to evolve, it has become an integral part of the digital payment landscape, offering numerous benefits to both users and businesses within the Autopay ecosystem. With the aim to further simplify processes, and facilitate seamless experience in UPI AutoPay, following user experience enhancements are introduced:

1. **Improved User Experience for In-App Merchant Recurring Payments:**

   1.1 UPI Apps shall have a dedicated section displaying user's bills and other potential in-app merchant recurring payment use-cases.

   1.2 For any bills and recurring payments use-cases, UPI AutoPay should be shown as a default payment option in "Pay via UPI" section

2. **AutoPay Transaction Limits:**

   2.1 Remitter banks shall ensure that UPI AutoPay financial transactions will not count towards regular UPI financial transaction limits.

   2.2 Remitter Banks and Payer PSPs shall allow mandate creation and execution up to UPI transaction limits for verified merchants. AFA (Additional Factor of Authentication) limit shall continue to be ₹15,000/- as per circular NPCI/UPI/OC No. 151/2022-23 issued on date 23rd June 2022 with the subject "UPI AUTOPAY AFA limit enhancement and compliance".

3. **Mandate management (pause and cancellation) by merchants:**

   Soft deletion of mandates by merchants leads to confusion among users as such mandates keep appearing as active in their UPI app. To avoid this, acquiring banks shall ensure that merchants adhere to following:

   3.1 All Merchants accepting payments via UPI AutoPay (except merchants under MCC 7322 category) shall support mandate pause functionality. Merchants shall not delete mandates only from their end if it is paused by user from any UPI app.

3.2 If a merchant needs to cancel the mandate, they shall send the cancellation request to UPI AutoPay channel via their acquiring bank (payee initiated revoke) instead of deleting it only on their end.

4. Adherence to latest mandate linking specifications:

Latest mandate linking specifications include displaying of first debit amount separately (only for mandate creation via QR and intent), support for scanning mandate QRs (only for online merchants) and allowing users to choose between one-time and recurring payments. Payer apps and merchants shall adhere to these latest mandate linking specifications to enhance customer experience.

5. Standardization of Merchant VPA format:

Acquiring banks are advised to follow the below standard VPA format for onboarding new merchants,

<merchant identifier>.<aggregator identifier>@<acquiring bank handle>

Aggregator identifier shall be a 3 to 4-character participation code assigned by NPCI to each merchant aggregator. Merchant identifier should not have any dot "." character in their name. In case the merchant has directly integrated with acquiring bank without aggregator, aggregator identifier can be relaxed.

All relevant members of the UPI ecosystem shall take note of the aforementioned points and ensure adherence to the same, latest by 15th of February 2024.

Thanking You,

SD/-

Kunal Kalawatia
Chief of Products