



RESERVE BANK OF INDIA

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May 7, 2013

The Chairman and Managing Director / Chief Executive Officer
All Scheduled Commercial Banks including RRBs /Local Area Banks
Urban Co-operative Banks / State Co-operative Banks /
District Central Co-operative Banks

Madam / Dear Sir,

Delay in re-presentation of technical return cheques and levy of charges for such returns

As you are aware, banks are expected to indicate the timeline for realisation of local/outstation cheques in their Cheque Collection policy(CCP) and charges for cheque returns to be levied in an upfront manner with due prior notice to the customers as enumerated in RBI [circulars no. DPSS.CO. \(CHD\) No. 873 / 03.09.01 / 2008-09 dated November 24, 2008](#) and [DBOD.No.Dir.BC. 56 /13.03.00/2006-2007 dated February 2, 2007](#) respectively.

2. However, recently, instances have been brought to our notice where banks are (i) levying cheque return charges even in cases where customers have not been at fault in the return and (ii) delaying the re-presentation of the cheques which had been returned by the paying banks under technical reasons. Both of these issues result in unsatisfactory customer service.

3. It is, therefore, considered necessary to streamline the procedure followed by all banks in this regard. Accordingly, banks are advised to adhere to the following instructions with immediate effect:

- I. Cheque return charges shall be levied only in cases where the customer is at fault and is responsible for such returns. The illustrative, but not exhaustive, list of returns, where the customers are **not** at fault are indicated in the annex.
- II. Cheques that need to be re-presented without any recourse to the payee, shall be made in the immediate next presentation clearing not later than 24 hours(excluding holidays) with due notification to the customers of such re-presentation through SMS alert, email etc.

4. Banks are accordingly advised to reframe their CCPs to include the procedures indicated in paragraph 3(i) and 3(ii) above, and may note to give publicity to their revised CCPs for better customer service and dissemination of information.
5. The above instructions are issued under Section 18 of the Payment and Settlement Systems Act, 2007 (Act 51 of 2007).
6. Please acknowledge receipt and confirm compliance.

Yours faithfully,

(Vijay Chugh)
Chief General Manager

Annex

Illustrative but not exhaustive list of objections where customers are not at fault

(Applicable for Instrument and Image-based Cheque Clearing as detailed in Annexure D to Uniform Regulations and Rules for Bankers' Clearing Houses)

Code No.	Reason for Return
33	Instrument mutilated; requires bank's guarantee
35	Clearing House stamp / date required
36	Wrongly delivered / not drawn on us
37	Present in proper zone
38	Instrument contains extraneous matter
39	Image not clear; present again with paper
40	Present with document
41	Item listed twice
42	Paper not received
60	Crossed to two banks
61	Crossing stamp not cancelled
62	Clearing stamp not cancelled
63	Instrument specially crossed to another bank
67	Payee's endorsement irregular / requires collecting bank's confirmation
68	Endorsement by mark / thumb impression requires attestation by Magistrate with seal
70	Advice not received
71	Amount / Name differs on advice
72	Drawee bank's fund with sponsor bank insufficient(applicable to sub-members)
73	Payee's separate discharge to bank required
74	Not payable till 1 st proximo
75	Pay order requires counter signature
76	Required information not legible / correct
80	Bank's certificate ambiguous / incomplete / required
81	Draft lost by issuing office; confirmation required from issuing office
82	Bank / Branch blocked
83	Digital Certificate validation failure
84	Other reasons-connectivity failure
87	'Payee's a/c Credited' - Stamp required
92	Bank excluded