

Digital Payment Security Control Directions 2020

December 5, 2020

In news

Reserve Bank of India proposes to issue Digital payment security Control directions 2020

Key highlights of the directions

- In order to enhance security of digital payment systems, the Reserve Bank of India proposes to issue Reserve Bank of India (Digital Payment Security Controls) Directions, 2020
- RBI governor has said that the directions will contain requirements for robust governance, implementation and monitoring of certain minimum standards on common security controls for channels such as internet and mobile banking and card payments.
- The proposed guidelines will be technology and platform agnostic, it will create an enhanced and enabling environment for customers to use digital payment products in a more safe and secure manner.

Framework for grievance redressal by 2021:

In order to **strengthen and improve the efficacy of the internal grievance redress mechanism of the banks and to provide better customer service**, it has been decided to put in place a comprehensive framework comprising inter-alia of **enhanced disclosures on customer complaints by the banks, a monetary disincentive in the form of recovery of cost of redress of complaints from banks** when maintainable complaints are comparatively high, and undertaking intensive review of grievance redress mechanism and supervisory action against banks that fail to improve their redress mechanism in a time-

bound manner

At present, the Ombudsman mechanism instituted by the Reserve Bank is an alternate grievance redress mechanism.

Significance

Such a move will improve the security of digital payment channels and also convenience for users