

Positive Pay System (PPS)

To make cheque transactions safer, the Reserve Bank of India (RBI) has asked all Banks to introduce the Positive Pay System from 1st January, 2021, vide its Circular No. DPSS.CO.RPPD.No.309/04.07.005/2020-21 dated 25th September, 2020,

Positive Pay System enables an additional security layer to the cheque clearing process, wherein the issuer (drawer) of the cheque shares cheque details with the Bank. When the beneficiary submits the cheque for clearing, the presented cheque details will be compared with the details provided to the Bank through Positive Pay.

To avail this facility, the account holder (drawer of the cheque) needs to share the cheque details at the time of issuance for the cheques that amount for INR 50,000 and above.

Cheque details to be shared as under:

- Account Number (15 digits Axis Bank Account Number)
- Cheque Number (6 digits)
- Cheque Date (Date mentioned on the cheque)
- Cheque Amount
- Name of Beneficiary (Payee's Name)

Cheque Image



The image shows a specimen of an Axis Bank Ltd. cheque. The following fields are labeled with red dashed lines and boxes:

- Payee / Beneficiary Name:** Points to the 'Pay' field.
- Amount in Words:** Points to the 'रुपये Rupees' field.
- Account Number:** Points to the 'A/c. No.' field.
- Cheque Date:** Points to the date field at the top right, labeled 'VALID FOR THREE MONTHS FROM THE DATE OF ISSUE'.
- Amount in Figures:** Points to the '₹' field.
- Cheque No:** Points to the MICR line at the bottom.
- MICR Code:** Points to the MICR line at the bottom.
- SAN No:** Points to the MICR line at the bottom.
- Tran Code:** Points to the MICR line at the bottom.
- Account Holder's Name:** Points to the 'Please sign above' field.

Step involved

- Positive Pay details can be submitted by the account holder (drawer) at the nearest Axis Bank branch by filling a simple Positive Pay form or from the convenience of their home through Mobile / Internet Banking / SMS Banking
- Details shared by the account holder will be validated & updated in Positive Pay data base at National Payments Corporation of India (NPCI)
- SMS will be sent to the customer's registered mobile number, to acknowledge the receipt of Positive Pay details

- When the cheque is received in CTS inward clearing, the presented cheque details will be compared with the details provided to the Bank through PPS
- In case of data discrepancy, the cheque will be returned unpaid after referring to the customers through home branch or through Responsible alerts (SMS) or Interactive Voice Response (IVR) calls.

Channels available to share the Positive Pay details are:

Branch Channel: Walk in customers can fill in a simple form and submit the details over the counter.

Digital Channel: Customer can log in via:

- Retail Mobile Banking: Select **Services >> Cheques >> Positive Pay**
- Retail Internet Banking: Select **Services >> Positive Pay**
- Corporate Mobile Banking: Select **Service Request >> Positive Pay**
- Corporate Internet Banking: Select **Service Request >> Positive Pay**
- SMS Banking: Customer can send SMS in the following format to 56161600 or 8691000002.
PPAY <Last 4 digits of Account Number> <Cheque Number> <Cheque Amount> <Cheque Date in DD-MM-YYYY format> <Actual Payee Name>

For example – PPAY 1234 364748 250000.00 16-07-2021 AJAY KUMAR

(Where 1234 is last 4 digits of Account Number, 364748 is Cheque Number, 250000.00 is Cheque Amount, 16-07-2021 is Cheque Date and AJAY KUMAR is the Actual Payee Name)

On successful registration, a reference number will be generated.

Note:

- To enable validation through Positive Pay, cheque details mentioned above should be provided by the customer to the Bank, prior to the cheque presentation date, and the PPS details should be shared by the customer in the same manner as specified on the cheque leaf.
- PPS request shall be updated in the bank's systems on real time basis.
- Insufficient and incorrect details submitted by the customer may lead to cheque return.
- In case of any discrepancy which warrants return of the cheque due to financial or for any other technical reasons, the cheque shall be returned, notwithstanding the fact the customer has submitted details under Positive Pay.
- Only cheques that are compliant with the Positive Pay System will be accepted under RBI dispute resolution mechanism between the presenting and paying banks
- Availing of this facility for cheques amounting to INR 50,000 and above is at the discretion of the account holder. However, sharing the cheque details through PPS for cheques amounting to INR 500,000 and above has been made mandatory by the Bank w.e.f. 01st September, 2021
- In case of non-submission of PPS details by the customers, the cheque with the value of INR 500,000 will be returned to the presenting Bank, when the cheque is presented through CTS clearing. However, in the event of customer responding to the Bank's intimation and instructing the Bank to accept the cheque through branch channel or through any one of the digital channels viz. Responsible Alerts (SMS), Interactive Voice Response (IVR) calls, within cut-off time, such instruction will be treated as final and the cheque will be honoured. In such cases, the cheque will be honoured, though the positive pay details were not submitted while issuing the cheque or even if there exists difference(s) in the positive pay data submitted earlier with the Bank
- If sufficient funds are not available in the customer's account and PPS details are not submitted by the customer for cheques with value of INR 500,000 or above, then the cheques will be returned with the reason – 'Insufficient Funds'.
- Process followed by the Bank while carrying out technical scrutiny of cheques received in CTS inward clearing is outlined below:

- a. First level of scrutiny is done with respect to the signature, date, amount and alteration(s) visible to naked eye, etc. In case of any discrepancy, the cheque is returned with appropriate return reason code as specified by the Clearing House.
- b. Second level of scrutiny is done in terms of PPS instructions submitted by the customer. In absence of Positive Pay details and also if sufficient funds are not available in the customer's account, the cheque with value INR 500,000 and above is returned with reason code 'Insufficient Funds' instead of 'Kindly contact the drawer'.

FAQs – Positive Pay System (PPS)

1. What is Positive Pay?

To add an additional layer of safety to the customer and avert fraudulent encashment of cheques through their fabrication, a new service has been introduced as per directives from RBI. Circular is effective 1st January, 2021.

Customers, after issuance of cheques, will provide to the Bank, details of the instruments issued by him on his account with Axis Bank. The Customer needs to share the cheque details like Cheque Number, Cheque date, Payee name, Account number, Amount to the nearest Branch by updating the cheque details in the Positive Pay Form and counter signing the same.

2. How does Positive Pay system (PPS) work?

When the beneficiary submits the cheque for encashment, the cheque details will be compared with the details provided to the Bank through Positive Pay. If the details match, the cheque is honoured, else it will be returned.

3. What is the benefit of the Positive Pay system?

Implementing 'Positive Pay' will increase safety in cheque payments and will reduce instances of fraud occurring on account of tampering of cheques.

Positive Pay is a fraud detection tool adopted by banks to protect customers against forged, altered or counterfeit cheques. It cross verifies all the details of the issued cheque before it is encashed by the beneficiary.

4. Why is it important for me to use Positive Pay?

The PPS is a step taken to safeguard the cheques issued from alteration/forgery and avoid any fraud. If Positive Pay facility is not used, any claim raised against the particular cheque will not be accepted under dispute resolution mechanism at RBI.

5. Is it mandatory to submit the cheque details through Positive Pay system for all the cheques issued by me?

Availing of the facility is at the **discretion of the account holder**. However, sharing the cheque details through PPS for cheques amounting to INR 500,000 and above have been made mandatory by Axis Bank w.e.f. 01st September, 2021. In case of non-submission of PPS details by the customers, the cheque with value INR 500,000 will be returned to the presenting Bank, when the cheque is presented through CTS clearing.

6. In case of cheque amounting to INR 500,000/- and above, if sufficient funds are not available in the customer's account and PPS details are not submitted by the customer, then what would be the reason for returning the cheque?

In such cases, the cheque will be returned with the reason –‘Insufficient Funds’.

7. I am holding Savings bank account, do I still need to submit Positive Pay details?

Yes. As per RBI regulation w.e.f. 01st January, 2021, Positive Pay details have to be submitted by all the customers issuing cheques for amount INR 50,000 and above.

8. Can I visit the branch to submit Positive Pay details?

Yes. You can submit cheque details through the PPS form available at the nearest branch during the branch's working hours.

9. Can I submit the Positive Pay details through any of the digital modes?

Yes. Following digital modes are available to submit the Positive Pay details from the comfort of your home.

- Mobile Banking
- Retail Internet Banking
- Corporate Internet Banking
- SMS Banking

10. What steps should I follow to share Positive Pay details through Mobile Banking?

Enter the login credentials in mobile app and follow the process outlined below:

Scroll down and select Services >> Cheques >> Positive Pay.

Enter the following mandatory details

- Beneficiary / Payee Name
- Cheque Number
- Cheque Amount
- Cheque Date

Input comments for your reference which is not a mandatory field.

Select PROCEED. Confirmation screen will get displayed to confirm the cheque details. Select CONFIRM. Unique reference number will be generated.

11. What steps should I follow to share Positive Pay details through Retail Internet Banking?

Enter the login credentials in Internet Banking and follow the process outlined below:

Select option Services >> Cheques Services >> Positive Pay.

Enter the following mandatory details

- Beneficiary / Payee Name
- Cheque Number
- Cheque Amount
- Cheque Date

Input comments for your reference which is not a mandatory field.

Select PROCEED. Confirmation screen will get displayed to confirm the cheque details. Select CONFIRM. Unique reference number will be generated.

12. What steps should I follow to share Positive Pay details through Corporate Internet Banking?

Enter the login credentials in Corporate Internet Banking & follow the process outlined below:

Select option Service Request >> Positive Pay.

Enter the following mandatory details

- Beneficiary / Payee Name
- Cheque Number
- Cheque Amount
- Cheque Date

Multiple records can be entered and approved with 2 factor authentication. Status of Positive Pay data will be available in Status enquiry.

13. Are there any charges for using Positive Pay System?

No. Positive Pay facility is provided free of cost to all the customers of Axis Bank.

14. What are the timings to submit Positive Pay details?

Through digital mode, Positive Pay details can be submitted 24X7 and for sharing the details over the Bank's counter you have to adhere to bank's customer visiting hours.

15. When should I submit the Positive Pay details?

Positive pay confirmation should be provided to the bank at the time of cheque issuance.

16. Will the details be updated in Positive Pay database immediately, once I share PPS details?

Yes. The Positive Pay details will be updated in the database on real-time basis.

17. Is there any amount restriction while sharing the Positive Pay details?

No. There is no restriction on the cheque amount. However, sharing the cheque details through PPS for cheques amounting to INR 500,000 and above has been made mandatory by Axis Bank w.e.f. 01st September, 2021. In case of non-submission of PPS details by the customers, the cheque with the value of INR 500,000 will be returned to the presenting Bank, when the cheque is presented through CTS clearing.

18. Will the cheque be returned in case the details are not submitted by me?

Sharing the cheque details through PPS for cheques amounting to INR 500,000 and above has been **made mandatory by Axis Bank w.e.f. 01st September, 2021**. In case of non-submission of PPS details by the customers, the cheque with the value of INR 500,000 will be returned to the presenting Bank with return reason description "Positive Pay details not available", when the cheque is presented through CTS clearing. However, in the event of customer responding to the Bank's intimation and instructing the Bank to accept the cheque through branch channel (System Based Referral) or through any one of the digital channels viz. Responsible Alerts (SMS), Interactive Voice Response (IVR) calls, within cut-off time, such instruction will be treated as final and the cheque will be honoured. In such cases, the cheque will be honoured, though the positive pay details were not submitted while issuing the cheque.

19. If there is a mismatch or mistake in the details submitted by me, will my cheques be processed?

No. If there is a difference in details submitted by you and the cheque received in clearing, the Bank has the right to return the cheque to the presenting bank in CTS clearing. However, in the event of customer responding to the Bank's intimation and instructing the Bank to accept the cheque through branch channel (System Based Referral) or through any one of the digital channels viz. Responsible Alerts (SMS), Interactive Voice Response (IVR) calls, within cut-off time, such instruction will be treated as final and the cheque will be honoured. In such cases, the cheque will be honoured even if there exists difference(s) in the positive pay data submitted earlier with the Bank.

20. Will I receive confirmation once the Positive Pay details are submitted?

Yes. An SMS will be triggered on your registered mobile number available with the Bank, confirming the cheque details.

21. Is positive pay necessary even if I am transferring funds through cheque to my own account with another bank?

Yes. RBI has mandated to share the cheque details under Positive Pay mechanism for all the cheques issued by the drawer

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