

Date of Filing: 25/09/2019  
Date of Disposal: 11/08/2023

**BEFORE THE III ADDITIONAL BANGALORE URBAN  
DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION,  
BENGALURU - 560 027.**

**DATED THIS THE 11<sup>TH</sup> DAY OF AUGUST 2023**

**CONSUMER COMPLAINT NO: 1503/2019**

**PRESENT:**

**SRI. SHIVARAMA. K** : **PRESIDENT**  
**SRI. CHANDRASHEKAR.S.NOOLA** : **MEMBER**  
**SMT. REKHA SAYANNAVAR,** : **MEMBER**

1. N.D. Vinaya Kumar,  
S/o Dayananda Reddy. D.S.  
Aged about 27 years,  
Having office at No.19,1<sup>st</sup> floor,  
Y.M.Gopalappa Bldg., B.B.Road  
Yelahanka, Bengaluru-560064.

.... **COMPLAINANT No.1**

2. Unnikrishna. B  
S/o. P. Balakrishnan,  
Aged about Major, No.21,  
Parvathi Nilayam,  
Muneshwara Block, Harinagar  
Bengaluru.  
**(Rep. by Rohit.K Reddy, Adv.)**

.... **COMPLAINANT No.2**

**V/s**

1. Phonepe Private Limited  
FX Mart Private Limited  
Having its Registered Office at  
Site No.9-Industrial Layout,  
Koramangala, 3<sup>rd</sup> Block,  
80 Feet Road, Bengaluru-560034  
Rep.by its Managing Director.  
**(Rep.by JSM Law Partners)**

... **OPPOSITE PARTY No.1**

2. The Manager Canara Bank,  
Konankunte, Bengaluru-560062.  
IFSC-CNRB0002476. ... **OPPOSITE PARTY No.2**  
**(Authorized person Manisha)**
3. The Manager, Karnataka Bank,  
City Civil Court Branch,  
Metro Station, K.G. Road,  
Gandhinagar,  
Bengaluru-560009 ... **OPPOSITE PARTY No.3**  
**(Rep.by Gnanesh H.Kempanna, Adv.)**

// JUDGEMENT //

**BY SMT. REKHA SAYANNAVAR, MEMBER**

01. The present complaint is filed U/s 12 of C.P Act, 1986 with a prayer to direct opposite parties to pay an amount of Rs.10,000/- with interest at the rate of 24% from 11/10/2017 and to pay damages of Rs.25,000/- and to pay litigation cost and to grant such other reliefs as this commission feels fit in the interest of justice and equity.
02. The counsel for the complainants, filed this present complaint for deficiency of services and unfair trade practice against opposite parties. Opposite party No.1 is a registered company engaged in providing online platform for payments to its customers by accepting payments by card, UPI services etc., Opposite party No.2 is the Bank where the complainant No.2 has his bank account. Opposite party No.3 was impleaded by complainant on 01/02/2021 and the said application is allowed on 23/04/2021. Opposite party No.3 is the Bank where the complainant No.1 is having his bank account.



- 03.** The complainants have their own respective registered PhonePe accounts by adding their Bank account i.e. opposite party No.2&3. On October 11<sup>th</sup> 2017 the complainant No.1 had transferred the alleged amount of Rs.10,000/- to his friend the complainant No.2 through opposite party No.1. The complainant No.1 received the message of successful transaction from the opposite party No.1 and also the said amount of Rs.10,000/- was deducted from his bank account which he maintained with opposite party No.3.
- 04.** This being the fact the complainant No.2 did not receive the said alleged amount of Rs.10,000/- to his bank account registered with opposite party No.2. The complainant No.1 raised the issue and made several requests to the opposite party No.1, a week after this one person from opposite party No.1 confirmed that the said transaction was successful and asked to cross check with his bank accounts. But the complainants found that there is no credit of Rs.10,000/- to the account of complainant No.2 maintained with opposite party No.2. The complainant No.2 had issued a legal notice on 24/03/2018 on opposite party No.2. In turn the opposite party No.2 had issued an evasive reply on 31/03/2018 stated that the alleged amount is not credited to it.
- 05.** Further the opposite party No.1 in response to the complaint raised by the complainant No.1 sought time till



16/04/2018 to resolve the issue. But of no use. Till filing of this complaint there is no refund from opposite party No.1 and opposite party No.2. The acts of the opposite parties made the complainants to suffer from mental agony and financial hardship. They left with no other alternatives to approach this commission for the redressal of their grievances under C.P. Act, 1986 for deficiency of service and unfair trade practice of opposite parties.

- 06.** Counsel for opposite party No.1 & 3 filed their respective version, partly denied the averments made by the complainants. One by name Manisha from the office of opposite party No.2 had filed detailed version and denied the credit of alleged amount of Rs.10,000/- to opposite party No.2 bank account. The counsel for opposite party No.1 had contended that the transaction of Rs.10,000/- made by the complainant No.1 on 11/10/2017 was successful. It is only intermediately online platform to facilitate online transactions to its customers. Hence, there is no deficiency of service on their part and requested to dismiss the complaint with heavy cost. Counsel for opposite party No.3 had also contended that it is the bank where the complainant No.1 has his bank account from which the alleged amount of Rs.10,000/- was deducted. There is no deficiency of service on their part and prayed to dismiss the present complaint.
- 07.** The counsel for the complainants filed an affidavit in the form of evidence in chief and marked EX-P1 to EX-P7.

Counsel for opposite party No. 1 filed an affidavit in the form of their evidence in chief EX-R1 to EX-R6. The counsel for opposite party No.3 had filed an affidavit in the form of their evidence in chief and marked EX-R7. Opposite party No.3 did not lead the evidence.

08. The counsels for the complaints and opposite parties No.1 & 3 had filed their respective written arguments.
09. Heard the arguments.
10. The points that would arise for consideration are as under:
- i) Whether the complainant has proved the deficiency of service and unfair trade practice on the part of the Opposite Parties?
  - ii) If so, to what relief the complainant is entitled for?
  - iii) What order?
11. Our findings on the aforesaid points are as follows:
- Point No.1: In Affirmative**  
**Point No.2: Partly In Affirmative.**  
**Point No.3 :** As per the final order for the following;

#### **REASONS**

12. **POINT NO.1&2:** To avoid the repetition of facts we have discussed Point No.1 & 2 together. It is the case of the complainants who had filed it against deficiency of service and unfair trade practice of opposite parties. Complainant No.1 who has his bank account in opposite party No.3 which had been impleaded by an order of this commission on 23/04/2021. Complainant No.2 is the friend of the Complainant No.1. Complainant No.2 is having his bank

account in opposite party No.2. Opposite party No.1 is the Registered company engaged in providing online platform for payments to its customers by accepting payments by card, UPI services etc., The complainants have their own respective registered PhonePe accounts by adding their Bank account i.e. opposite party No.2 & 3. On October 11<sup>th</sup> 2017 the complainant No.1 had transferred the alleged amount of Rs.10,000/- to his friend the complainant No.2. The complainant No.1 received the message of successful transaction from the opposite party No.1 and also the said amount of Rs.10,000/- was deducted from his bank account which he maintained with opposite party No.3.

13. This being the fact, Complainants raised the said issue and requested for the refund of the alleged amount of Rs.10,000/- but of no use. Opposite party No.1 kept on telling the said transaction was successful. And opposite party No.3 also contended in their version and written arguments that the amount has been deducted from the account of complainant No.1 on 11/10/2017-UPI 728440100212: 88840158660@ybl(Unnikrishnan.B) for a sum of Rs.10,000/- i.e. EX-R7 and EX-P2-the A/c statement of complainant No.1. Opposite party No.2 also contended that the said alleged amount had not been credited to the account of the complainant No.2. The same is proved by the complainants by marking EX-P3 the account statement of complainant No.2.

14. The point to be noted here is that the amount is deducted from the complainant No.1 A/c maintained with opposite party No.3. As per EX-P2 but NOT credited to the A/c No. of Complainant No.2. Which is maintained with opposite party No.3, as per EX-P3. It is opposite party No.1 through which the said transaction was done through online where both complainants have registered their bank accounts. The opposite party no.1 as discussed above, is the registered company, is the payment platform built by National Payments Corporation of India that allows instant online payments between the Bank accounts of any two parties. **Opposite party No.1 is a TPAP-3<sup>RD</sup> PARTY APPLICATION PROVIDER-“IS AN ENTITY THAT PROVIDES THE UPI COMPLAINT APP(S) TO THE END USER CUSTOMERS TO FACILITATE UPI BASED PAYMENT TRANSACTIONS”.,AUTHORIZED BY NATIONAL PAYMENTS CORPORATION OF INDIA to facilitate payments through sponsor PSP banks Namely, YES Bank Ltd., and ICICI Bank Limited. PhonePe is the service provider in the UPI payment eco system and it participate in UPI through the PSP banks. PhonePe – opposite party No.1 in the capacity of TPAP is responsible for the said alleged transaction of Rs.10,000/-. We feel opposite party No.1 being the intermediary has to follow utmost diligence with regard to each and every transaction on its platform. We hold that opposite party No.1 is liable for it and also the act of not refunding the claimed amount of**



*Rs.10,000/- to the account of either complainants despite of many requests raised by both the complainant. It amounts to deficiency of service as enumerated U/s. 2 (g) and unfair trade practice as enumerated U/s as enumerated U/s. 2 (r) of C.P Act, 1986. Therefore, we feel the complainant No.1 is entitled for the refund of Rs.10,000/- with interest at the rate of 9% per annum from the date of alleged transaction on 11/10/2017 to substantiate this claim the complainant had produced and marked EX-P2-the bank statement of complainant No.1 P3- the bank statement of the complainant No.2 and EX-P4 letter dated 31/03/2018 sent by opposite party No.2 intimating that they have not received the alleged amount of Rs.10,000/- by opposite party No.1 to the account of complainant No.2 that is maintained with Opposite party No.2. In addition we feel both the complainants are together entitled for compensation of Rs.3,000/- towards mental agony and financial hardship and Rs.5,000/- towards the cost of the litigation . Hence, we answer Point No.1 in Affirmative and Point No.2 partly in Affirmative.*

**ORDER**

The complaint is allowed in part.

Opposite party No.1 is directed to refund a sum of Rs.10,000/- with interest at the rate of 9% per annum from the date of alleged transaction on 11/10/2017 till realization and to pay





Compensation of Rs.3,000/- towards mental agony and financial hardships and Rs.5,000/- towards litigation cost in together to both the complainants.

The opposite party shall comply the order within 45 days. In case, the opposite party fails to comply the order within the said period, the above said amount of Rs.8,000/- carries interest at the rate of 9% per annum from the date of order till realization.

Supply free copy of this order to both the parties and return extra copies of the pleading and evidence to the parties.

Applications pending, if any, stand disposed of in terms of the aforesaid judgment.

(Dictated to the Stenographer, typed by her, the transcript corrected, revised and then pronounced in the open Commission on **11th day of August , 2023**)

 11/08/2023

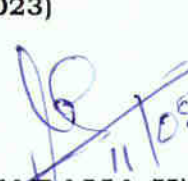
(REKHA SAYANNAVAR)

MEMBER



(CHANDRASHEKAR.S.NOOLA)

MEMBER

 11/08/2023

(SHIVARAMA.K)

PRESIDENT

## //ANNEXURE//

Witness examined for the complainant side:

- Nil -

Documents marked for the complainant side:


1. Certificate U/s 65(B) of Indian Evidence Act. EX-P1
2. Statement of Account of 1<sup>st</sup> complainant (Pg.No.7-15). EX-P2
3. Statement of Account of 2<sup>nd</sup> complainant (Pg.No.7-17). EX-P3
4. Reply of opposite party No.2 dt. 31.3.2018. EX-P4
5. Legal notice issued to opposite party No.1 dt.1-1-2018. EX-P5
6. 3 original postal receipts. EX-P5(a) to P5(c)
7. 3 original postal A/D. EX-P5(d) to P5(f).
8. Legal notice issued to opposite party No.2 dt.24.3.2018. EX-P6
9. Original postal A/D. EXP6 (a)
10. Confirmation message of opposite party No.1. EX-P7

Witness examined for the opposite parties side:

-Nil -

Documents marked for the Opposite Parties side:

1. Copy of website downloaded copy reg. standard terms & Conditions (11pgs). EX-R1
2. Certificate U/s 65(B) of Indian Evidence Act. EX-R2
3. Copy of computer downloaded letter of authorization. EX-R3
4. Certificate U/s 65(B) of Indian Evidence Act. EX-R4 (OPNo.1)
5. Computer downloaded e-mail communication b/n opposite party No.1 and complainant (11pgs). EX-R5
6. Computer downloaded roles & responsibilities of opposite party No.1 (2pgs). EX-R6

  
11/08/2023.

(REKHA SAYANNAVAR)  
MEMBER

  
11/08/23

(CHANDRASHEKAR.S. NOOLA)  
MEMBER

  
11/08/2023

(SHIVARAMA.K)  
PRESIDENT