

General

R transactions are financial transactions differing from the default flow. This means either a fail at some point of financial process (due to e.g. technical error, missing information or insufficient permissions), cancellation or return of the transaction. The following chapter list some of the possible R transactions per transaction type.

Credit Transfers

The table below summarizes the R transactions as described in EPC SCT Scheme rulebook v.6.0. The rulebook can be found from [here](#).

R type	Description	Reporting
Reject	<ol style="list-style-type: none"> 1. A 'Reject' occurs when a credit transfer is not accepted for normal execution before interbank Settlement. If the rejection is at the point at which the Originator instructs the Originator Bank, for the purposes of the Scheme, the Originator Bank need only inform the Originator of the reason. 2. If the 'Reject' occurs in the CSM (Clearing and Settlement) must CSM send the 'Reject' message to the Originator Bank at the latest on the next Banking Business Day following rejection. Unless the Originator Bank is able and is willing to repair and resend the payment instruction within the Execution Time, the Originator Bank must inform the Originator that the instruction has been rejected and credit the Originator's account according to the timing agreed with the Originator. 	Bank reports to Customer
Return	<p>A 'Return' occurs when a credit transfer is diverted from normal execution after interbank Settlement, and is sent by the Beneficiary Bank to the Originator Bank for a credit transfer that cannot be executed for valid reasons such as wrong account number or account closed with the consequence that the Beneficiary account cannot be credited on the basis of the information contained in the original credit transfer message.</p> <p>The Return procedure must not be used in cases where the Beneficiary's account has already been credited and the Beneficiary wishes to return the funds. Instead, the procedure of initiating a new Credit Transfer applies.</p>	Bank reports to Customer
Recal	A ' Recall ' occurs when the Originator Bank realizes the need to	Happens between

R type	Description	Reporting
	recall SCTs and requests to cancel a SEPA Credit Transfer. The Recall procedure can be initiated only by the Originator Bank, which may do it on behalf of its customer.	banks. No reporting to customer by default. If recall is made by customer request, the request may be rejected by the bank.

Direct Debit

Rejects, Returns and Refunds of Collections must be cleared and settled via the CSM used for the Clearing and Settlement of the initial Collection, unless otherwise agreed between banks. A process for Reject, Return and Refund must be offered by any CSM which is to offer services relating to the Scheme.

The table below summarizes the R transactions as described in EPC SDD Scheme rulebook v.6.0. The rulebook can be found from [here](#).

R type	Description	Reporting
Reject	<p>Rejects are Collections that are diverted from normal execution, prior to inter-bank Settlement, for the following reasons:</p> <ul style="list-style-type: none"> • Technical reasons detected by the Creditor Bank, the CSM, or the Debtor Bank, such as invalid format, wrong IBAN check digit • The Debtor Bank is unable to process the Collection (e.g. account closed, Customer deceased, account does not accept direct debits). • The Debtor made a Refusal request to the Debtor Bank. The Debtor Bank will generate a Reject of the Collection being refused. 	
Refusal	<p>Refusals are claims initiated by the Debtor before Settlement, for any reason, requesting the Debtor Bank not to pay a Collection. This Refusal must be handled by the Debtor Bank in accordance with the conditions agreed with the Debtor. If the Debtor Bank agrees to handle the claim prior to inter-bank settlement, the Refusal results in the Debtor Bank rejecting the associated Collection.</p> <p>(Note: In addition to this ability to refuse individual transactions, the Debtor has the right to instruct the Debtor Bank to prohibit any direct debits from his bank account). When handled after</p>	

R type	Description	Reporting
	Settlement, this Refusal is referred to as a Refund claim. (See description underneath in the Refund section).	
Return	Returns are Collections that are diverted from normal execution after inter-bank Settlement and are initiated by the Debtor Bank.	
Reversal	Reversals: When the Creditor concludes that a Collection should not have been processed a Reversal may be used after the Clearing and Settlement by the Creditor to reimburse the Debtor with the full amount of the erroneous Collection. The Rulebook does not oblige Creditor Banks to offer the Reversal facility to the Creditors. For Debtor Banks, it is mandatory to handle Reversals initiated by Creditors or Creditor Banks. Creditors are not obliged to use the Reversal facility but if they do so, a Reversal initiated by the Creditor must be handled by the Creditor Bank and the Debtor Bank. Reversals may also be initiated by the Creditor Bank for the same reasons. Debtor Banks do not have to carry out any checks on Reversals received.	
Revocation	Revocations are requests by the Creditor to recall the instruction for a Collection until a date agreed with the Creditor Bank. This forms part of the bilateral agreement between Creditor and Creditor Bank and is not covered by the Scheme.	
Request for cancellation	Requests for cancellation are requests by the Creditor Bank to recall the instruction for a Collection prior to Settlement. This forms part of the bilateral agreement between Creditor Bank and CSM and is not covered by the Scheme.	
Refund	Refunds are claims by the Debtor for reimbursement of a direct debit. A Refund is available for authorised as well as for unauthorised direct debit payments in accordance with the rules and procedures set out in the Rulebook. A request for a Refund	

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	<p>must be sent to the Debtor Bank after Settlement and within the period specified in section 4.3.</p> <p>The Debtor Bank has the right to receive compensation, called the Refund compensation, from the Creditor Bank for the related interest loss incurred by the Debtor Bank. See PT-04.16 for the detailed description.</p>	