

ONDC told to come up with grievance redress system

Govt wants it in place to build trust before making network available to public

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New Delhi, 12 September

The government has asked Open Network for Digital Commerce (ONDC) to work on a robust grievance redressal system — on a par with top e-commerce companies — before launching the network for select public users.

The ONDC team is working on a detailed plan to build trust in the network before making it available to the public.

A strategy will be devised and submitted to the government by the end of this month, a senior government official said.

“A few years ago, not many people wanted to shop on e-commerce platforms. However, because of the systems that companies in this space built, such as ease of returning products and a plethora of choices available to customers, these platforms became very popular. When ONDC is launched, it will be judged and benchmarked against these platforms,” the official told *Business Standard*.

ONDC's pilot launch started in April across five cities — Bengaluru, New Delhi, Bhopal,



Top e-commerce companies became popular due to the ease of returning products and plethora of choices being made available to customers

Shillong and Coimbatore — with a closed user group. Thereafter, the pilot was expanded to 15 more cities. The next step is to test on select public users, before a full-fledged launch.

ONDC is an initiative of the Department for Promotion of Industry and Internal Trade (DPIIT). ONDC aims to promote open networks for all aspects of exchange of goods and services over digital or electronic networks.

A private sector-led non-profit company — ONDC — was established in December last year to enable interoperability in digital commerce.

The government has now asked ONDC to figure out all possible scenarios, detailed processes, and responsibility for each and every stakeholder involved in a transaction.

“Each and every ‘edge case’ is being worked out. We want to make ONDC more robust, based on feedback. Before test-

ing it on the public, ONDC will have to prepare an entire framework and put it on public domain by the end of this month for eliciting comments from all stakeholders,” the official said. In July, a Parliamentary panel had pointed out that there is no clarity regarding liability on the ONDC network in case a consumer faced issues related to transactions and delivery of products. Apart from that, local businesses will find it extremely challenging to compete with the discounts and sales offered by e-commerce behemoths. This may result in local businesses being squeezed out in the long run. The committee has told the industry department to give clarity on these issues.

In a review meeting last month, Commerce Minister Piyush Goyal had emphasised that the basic purpose of ONDC is to assist small and undigitised traders. They should also be able to avail opportunities offered by the network, he said.

He also called for transparent policies for return, refunds and cancellations. These must be on a par with the practices of e-commerce companies.