

Digital Transaction through Unified Payments Interface (UPI) Wallets

S V Subhaschandrabose,
Second Year B.Com. Student,
Dr.NGP Arts and Science College, Coimbatore.

Abstract:

If we want to purchase a product, we need to make the payment. At the same time, for already utilized products or services, we need to pay. In this scenario, we can pay our amount through various channels like direct cash, cheque payment, NEFT transfer or UPI wallet etc. In this connection now unified payments interface is being a major part of money transaction. It helps us lot including immediate transfer of the payment. Also, we need not visit to the bank or vendor place for paying money. For this type of activity today a smart phone with internet connection is very enough. So, we will see the benefit of the digital payment transaction through unified payment interface system like Google pay, Phonepe, Mobikwik, Paytm, Bajaj Finserv App etc.

Key words: UPI, Wallet, payment, cash, bank

Introduction:

In the current trend, now we are going fully with the path of digital revolution and in future more than 70% transaction will be processed by digital payment only. It helps us for bringing cash to the transaction and we need not go to ATM for withdrawing money and pay to the bankers or vendors. A digital payment method is an electronic environment that allows customers to make the payment for their purchase like utility bills. For example we can pay gas bill, landline bill, mobile bill etc. Our central government has taken various steps to use digital payment system and it believes that based on these type of transactions, black money will not be in future. At present around 60 percent of transactions in India are being paid through digital payments only. We will explain about what the benefits of UPI payment are and how it is reducing customers' valuable time.

This discusses only about digital payment features since it is not considering about cash transaction, physical instrument transaction like Cheque, demand draft etc. Also, digital payment is one part of the financial transactions only and it is not providing more details about future payment details etc.

Some important and largest banks in India:



The above picture shows about some important banks in India. It has both of public and private sector banks.

Our Central Bank of India is Reserve bank of India. It is controlling all the banks in India like all commercial banks, scheduled banks, Non-banking financial companies etc. It is called as banker to bankers also. We can segregate banks as public-sector banks and private sector banks. State Bank of India, Bank of India, Punjab National Banks are some examples for public sector bank. Kotak Mahindra Bank, YES Bank, HDFC Bank and ICICI banks are examples for private sector banks. Some foreign banks also working in our country like Standard Chartered and HSBC bank. Apart from this we have Regional Rural Banks, Cooperative Banks in state and district level.

Reason for connecting banks here:

All the UPI payments are made with the help of bank account only. If we want to tell it clearly, mobile wallets are a tool only for transferring amount from one bank to another bank or making payment from our account to any vendor like JIO for mobile phone payment etc. In this connection, if we transfer a money for any purpose through payment wallet, it is being processed with the help of bank account only. For example, phonepe is having the connection with YES bank. All the payments, which is processed through phonepe, it is processed by them with the help of YES bank only. So, banks are very important for the digital payment transactions.

Digital Payment Wallets for UPI payments:

Digital payment wallet is doing amazing role now. If we take this facility most of the wallets are doing transaction with very successfully.

Major digital payment wallet at below:

Google Pay (A) G Pay

PhonePe

Mobikwik

Bajaj Finserv App

Pay TM

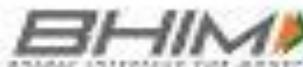
BHIM Axis Pay

Amazon Pay

HDFC PayZapp

ICICI Pockets

Details of UPI digital Wallets with Logo:



The above picture shows about some digital payment wallets, which is used for making digital payments.

Now we can do more transactions through digital payment wallets through mobile phone itself.

Some important transaction is available in digital wallets are:

Electricity Bill payment: We can pay our electricity bill through these digital wallets. Most of the wallets are having the tie-up with all state electricity board. For example, Pay TM, Bajaj Wallet, Phonepe is having tie-up with Tamilnadu Electricity board, Electricity department of Chandigarh, Goa electricity department etc.

Credit Card Bill Payment: We can pay credit card bill payment by using of these wallets within a minute. This is very comfort way for making our payment. Within 24 hours, payment is being credited in credit card holders account. Most of the banks including standard chartered, HDFC bank, ICICI banks have the tie up with most of the wallets for their credit card customers.

Insurance company's premium renewal payment: Customers can use these wallets and make the renewal premium for Life Insurance Corporation of India, Bharti AXA Life Insurance, Bajaj Alliance Life Insurance, Bajaj Alliance General Insurance etc. We can pay for both of life insurance and general insurance premiums.

Education Fee payment: Students can pay their school education fee through this wallet. For example, in Coimbatore Kovai public school, The PSSB Millennium School, Sri Chaitanya Techno school is having the tie up with various wallets including phonepe. In Erode, Sri Chaitanya school is having the tie up with phonepe wallet.

Land Line phone bill: Customers can pay their land line bill like BSNL, Airtel etc. for their land line phone connection. This is very easy method for the payments.

Pre-paid Mobile phone recharge: We can use this method and recharge of pre-paid mobile connection. Earlier customers visited some grocery shop or medical shop for receiving recharge voucher. Now it is being paid through this method and it is very easy to them.

Post-paid Mobile bill: Customers are using this method for paying their post-paid bill amount. It is very easy method for paying bill now.

DTH (direct-to-home) renewal payment: Customers can make the recharge by using these wallets and renew their subscription. For example, Airtel, Tata Play and Sun Direct are some DTH service providers in our country. We can use these wallet facilities and renew our subscription.

Loan Repayment: If we availed any loans from Non-Banking financial companies, we can make the repayment by using these wallets. Some companies like Aditya Birla Housing Finance Limited, Bajaj Finance Limited, Muthoot Finance Limited, Tata Capital Financial Services Limited etc are having tie up with most of the wallets.

FASTag Recharge: Now FASTag is being a mandatory for four-wheeler and above category vehicles for passing Toll Plaza. So, we can use this facility through mobile wallets and renew our account.

PhonePe, Google pay and Pay TM are playing major role in this digital payment system.

Suggestions:

All the bank and non-banking financial companies must encourage their customers to pay the amount through digital channel only and customers can give the priority for these UPI wallets payments.

If customers use this channel at right way, most of the cash transactions can be avoided.

If any transaction failed when doing fund transfer, amount to be returned to the payer account immediately. Now it is taking 48 hours.

Conclusion:

Wallet payment system is reducing customers' valuable time since they need not go to the vendors place directly for doing payments.

Almost 60% peoples are using this digital payment channel including all type of digital payment system including internet banking and mobile phone banking facility but mobile wallets are dominating more in various payment transaction.

PhonePe, Google pay and Pay TM are major player in this wallet payment transactions in our country if compare with other wallets like Airtel wallet and Amazon Pay.

These wallets payments method is very important and comfort for the customers for making payment.

References:

1. Liu, S., Zhuo, Y., Soman, D., and Zhao, M., (2012), "The Consumer Implications of the Use of Electronic and Mobile Payment Systems", Rotman School of Management, University of Toronto, Toronto.
2. Sanghita Roy, and Indrajit Sinha, (2014), "Determinants of Customers' Acceptance of Electronic Payment System in Indian Banking Sector-A Study", International Journal of Scientific & Engineering Research, 5(1):pp.177-187.
3. Dr.M.Somasundaram, CHALLENGES AND IMPACT OF MODERN BANKS, INDIAN JOURNAL OF APPLIED RESEARCH: Volume-8 | Issue-5 | May 2018
4. Dr.M.Somasundaram, (2020), "A study on perception of consumers towards digital payment". Mukd Shabd Journal, Volume IX, Issue VI, pp. 2246-2255.