

Which Digital Payment Method to Use? Here's How to Choose

Taruna Nair@timesintrenline.in

Since November 8, every Indian has only one thing on mind: the dilemma of choosing a safe, secure, convenient and cashless payment option. Currently available cashless payment systems include credit/debit cards, e-wallets such as Paytm, Unified Payment Interface (UPI), IMPS, USSD, RTGS, and NEFT. Which one should you use and for what kind of transactions? Here's how you can decide. We have compared them all on eight different parameters to help you choose what suits you best:

- Time taken to complete a transfer/payment.
 - The maximum amount you can transfer.
 - The financial details/information (e.g. account number etc) that you need to complete the transfer.
 - How is the transaction validated/authenticated?
 - Whether you will earn interest on the money kept in reserve in the payment system?
 - Whether you need to specify who the money is being transferred to in advance, i.e. register the beneficiary (recipient) of the money (beneficiary registration)?
 - What infrastructure/technical support is a must for the transfer to happen?
 - And lastly, what are the costs involved?
- There is no single 'best' payment option for everyone and all transactions. However, you could try to pick a payment option suitable for your purpose. Below is an overview of the comparison analysis.

	RTGS	NEFT	IMPS	UPI	USSD	DEBIT/CREDIT E-WALLETS
TIMINGS	24x7	24x7	24x7	24x7	24x7	24x7
TIME TAKEN TO COMPLETE A TRANSACTION	3-10 mins	3-10 mins	3-10 mins	3-10 mins	3-10 mins	3-10 mins
MAXIMUM TRANSACTION LIMIT	₹1 lakh	₹1 lakh	₹1 lakh	₹1 lakh	₹1 lakh	₹1 lakh
INFORMATION REQUIRED	Account Number & IFSC Code	Account Number & IFSC Code	VA of recipient & MPIN	MPIN/QR/QR Code	MPIN/QR/QR Code	For Peer-to-Peer: For online and Number CVV, Expiry date
AUTHENTICATION	2 Factor Authentication	2 Factor Authentication	2 Factor Authentication	2 Factor Authentication	2 Factor Authentication	2 Factor Authentication
INTEREST EARNED	Yes	Yes	Yes	Yes	Yes	Yes
BENEFICIARY REGISTRATION	Yes	Yes	Yes	Yes	Yes	Yes
TECHNICAL REQUIREMENT	Internet connectivity	Internet connectivity	Smartphone or feature phone with internet connectivity	Smartphone or feature phone with internet connectivity	Smartphone or feature phone with internet connectivity	Smartphone or feature phone with internet connectivity
USB	Commonly use Virtual Transfer System	Instant transfer	Instant transfer	Instant transfer	Instant transfer	Instant transfer
High Value Transactions	Yes	Yes	Yes	Yes	Yes	Yes

one for high-value transactions and other for small value transactions. You could divide the payment solutions into two categories and choose from RTGS/NEFT/debit and credit cards for transactions of over, say, ₹10,000 and from IMPS/UPI/USSD/e-wallets for payments below ₹10,000. However, the value of transaction is not the only deciding factor: safety and ease of use are some of the other important parameters.

AUTHENTICATION
In terms of authentication, standard security procedures, which is two-factor authentication, is followed in case of all these alternatives. It refers to login ID and password set up by you, coupled with something that only you can provide—a PIN or an OTP (normally sent to your registered mobile number or email address). In the upcoming versions of UPI, an additional layer of authentication, i.e. biometric authentication (using your smartphone scanner) is poised to be introduced.

NETWORK SAFETY
Apart from this, how safe your transaction is would also depend upon where and which network (public/private Wi-Fi or mobile data) you are using to make the payment transfer. Most people have several apps installed on their smartphones and almost all phone apps require access to various information/data stored on your phone. In such instances, smartphones could be more susceptible to hacking. Internet viruses malware etc depending on the type of threat installed on them.

Consequently, it would be wise to restrict using your smartphone to make money transfers to smaller amounts. The Reserve Bank of India has already limited the maximum amount that can be transferred via e-wallets and USSD to smaller values—₹20,000 per month and ₹500 per transaction, respectively. Transaction limit for UPI is slightly

higher than these but still limited in comparison to NEFT/RTGS etc.

TECHNICAL REQUIREMENTS FOR MAKING THE DIGITAL TRANSACTION
All the digital and cashless payment alternatives mentioned above require internet connectivity except for USSD—the only payment system usable on smartphones or feature phones without internet connection. National Unified USSD Platform (or NUUP) is a mobile banking service based on USSD technology launched by NPCI, NUUP or 999#, as it is commonly called, is perhaps more suitable for the population with limited or no internet connection at

minimal charges that are capped by TRAI at ₹0.50 per transaction.

PRESENCE OF THIRD PARTY OR INTERMEDIARIES
Paying through an e-wallet means presence of a third party between the payer and the payee. One should keep in mind that regulations governing e-wallet providers are different from those governing banks. However, there is an added advantage in case of e-wallets, i.e. they provide an e-commerce platform as well (e-wallets such as Paytm and Freecharge also sell goods and services online just like Amazon and Flipkart), which is not the case with any other alternative discussed here.

The sudden cash crunch due to demonetisation of ₹1000 and ₹500 notes required a payment platform that was used by all. In our case, e-wallets such as Paytm and Mobikwik were quick to grab this opportunity.

Paytm currently has over 160 million users and is accepted by around 15 lakh merchant locations, as reported on December 13, 2016. These figures are huge in comparison to the user base of similar solutions provided by National Payments Corporation of India (NPCI) such as Unified Payment Interface and USSD-based National Unified USSD Platform (those figures are in lakhs and thousands).

Sharing financial credentials on Virtual platforms tends to always share some inherent risk. Cybercrimes in India have surged around 350% between 2011 and 2014, according to a joint study by ASSOCHAM and PwC released in August 2016. Requirement of the hour is robust and resilient security protocols coupled with minimum amount of credentials shared on these platforms.

Unified Payment Interface, or UPI, provided by various banks could be considered safer than other modes in this respect. In case of UPI, one needs to enter only the Virtual Payment Address, or VPA, of the recipient, which is more secure and easy than sharing credentials such as account numbers and IFSC codes.

How it Works
In UPI, money directly goes to and from your bank account kicking out the intermediary, i.e. e-wallet operators. Money stays in your account until the transaction is complete, which means you earn interest on it. To make a transaction on this platform, a Virtual Payment Address, or VPA, is generated, which can be unique for all your linked bank accounts on the interface or only one account—your choice. In case you want to have a different VPA for every account, be ready to remember all of them. All you are sharing with other people/merchants is your virtual ID. Instead of important credentials, I am linked with a bank, this e-payment

tool is yet to gain popularity. In the already congested digital payments market, one reason may be that it has been taken as just another app for digital payments by users. Once the flexibility of this application is better understood, its user base is expected to go through the roof, dealing e-wallets.

Costs
Due to demonetisation, the government has been frequently slashing fees or commissions charged by various e-payment solution providers to encourage a cashless economy. As of date, these are the maximum fees/commission your bank/intermediary could charge to transfer virtually.

However, charges for online payments of up to ₹20,000 are capped at 0.75% and for payments above ₹20,000 are capped at 1%. Transaction charges on credit cards average around 2.5%.

As for e-wallets, currently there are no charges for transactions. However, fees could be charged if you transfer money back from your wallet to your bank account. As of now, there are no such charges. The objective of having no charges in case of UPI and e-wallets such as Paytm is capturing user base. Once a substantial chunk of the market is captured and sustained by them, these payment systems could increase their fees gradually, although such an increase is unlikely before the cash crunch is over.

In terms of ease for instant digital payments up to ₹1 lakh, UPI and e-wallets seem to be better option and above ₹1 lakh, NEFT is cheaper, but there is trade off with the time taken to complete the transaction.

टीआर के जटिले दूर की जाए किसानों की नफ़दी की सुक़ार्या

■ नई दिल्ली ।

एसोचैम ने नोटबंदी की वजह से खेती, मुर्गी पालन तथा बागावानी से जुड़े लोगों को नफ़दी की किल्लत ख़त करने के लिए भारतीय खाद्य निगम

(एफसीआई) नॉफ़ेड तथा अन्य केंद्रीय एवं राज्य प्रतिष्ठानों को फसल के बदले हस्तांतरणीय रसीद (टीआर) जारी करने की सलाह दी है।

एसोचैम ने कहा कि सरकार को एफसीआई तथा नॉफ़ेड जैसी अन्य केंद्रीय

एजेंसियों को निर्देश देना चाहिए कि वे फसल खरीदकर किसानों को टीआर जारी करें और यह टीआर कृषि उत्पाद संबंधी सभी स्टोरेज पर मान्य होने चाहिए।

उसका कहना

है कि ये टीआर एप्टीएम की तरह भुगतान का एक जरिया बन सकते हैं जिन्हें बाद में

फिसी एक नोडल एजेंसी द्वारा संकलित किया जाना चाहिए। एसोचैम ने इस नोडल एजेंसी के

रूप में एफसीआई को प्राथमिकता देने की भी वकालत की है। उद्योग संगठन ने कहा है

सिमा 50,000 रुपए तक रखी जा सकती है। यदि टीआर एफसीआई के स्तर से जारी होंगे

■ सरकारी एजेंसियों से लिया जाए टीआर जारी करने का काम

■ यह एजेंसियां किसानों की फसल खरीदकर उन्हें टीआर देगी

■ इसके जरिये बीज, खाद व अन्य सामान खरीद सकेंगे किसान

■ एप्टीएम की तरह भुगतान का नया जरिया बना सकता है टीआर

कि राज्य सरकारों की मदद से इन टीआर के माध्यम से बिना फिसी परेशानी के व्यापार की अनुमति दी जानी चाहिए। इसकी

तो केंद्र सरकार के लिए पुराने नोटों को बदलने में इनके दुरुपयोग को रोकना भी आसान होगा। संगठन ने कहा, इसी तरह

टी बोर्ड, मत्स्य बोर्ड, जूट बोर्ड तथा रबर बोर्ड जैसी एजेंसियां भी टीआर जारी कर सकती हैं और कुछ रिटेल चैन स्टोर से इन टीआर को मायता देने के लिए समझौता किया जा सकता है।

संगठन ने कहा कि एसटीसी जैसी कंपनियां भी इसमें जुड़ सकती हैं और एमएमटीसी, जो

खाद आयात से भी जुड़ा है, वह सीधे या सहकारी भंडारों के जरिये यूरिया तथा खेती से जुड़े अन्य पोषक तत्व किसानों तक पहुंचाने में मददगार साबित हो सकता है।

■ चर्चा

टीआर से खत्म होगी किसानों की परेशानी : एसोचैम

एजेंसी | नई दिल्ली

उद्योग संगठन एसोचैम ने नोटबंदी की वजह से खेती, मुर्गी पालन तथा बागवानी से जुड़े लोगों को नकदी की किल्लत से हो रही समस्या के निदान के लिए भारतीय खाद्य निगम (एफसीआई) नैफेड तथा अन्य केंद्रीय एवं राज्य प्रतिष्ठानों को फसल के बदले हस्तांतरणीय रसीद (टीआर) जारी करने की सलाह दी है।

एसोचैम ने रविवार को जारी वक्तव्य में कहा कि सरकार को एफसीआई तथा नैफेड जैसे अन्य केंद्रीय एजेंसियों को निर्देश देना चाहिये कि वे फसल खरीदकर किसानों को टीआर जारी करें और यह टीआर कृषि उत्पाद संबंधी सभी स्टोरों पर मान्य होने चाहिये। उसका कहना है कि ये टीआरए पेटीएम की तरह भुगतान का एक जरिया बन सकते हैं जिन्हें बाद में किसी एक नोडल एजेंसी द्वारा संकलित किया जाना

चाहिये।" एसोचैम ने इस नोडल एजेंसी के रूप में एफसीआई को प्राथमिकता देने की भी वकालत की है। उद्योग संगठन ने कहा है कि राज्य सरकारों की मदद से इन टीआर के माध्यम से बिना किसी परेशानी के व्यापार की अनुमति दी जानी चाहिये। इसकी सीमा 50,000 रुपये तक रखी जा सकती है। यदि टीआर एफसीआई के स्तर से जारी होंगे तो केंद्र सरकार के लिए पुराने नोटों को बदलने में इनके दुरुपयोग को रोकना भी आसान होगा। वैसे भी, अब 500 और एक हजार रुपये के अधिकतर नोट बैंकिंग तंत्र में वापस आ गये हैं और मुख्य परेशानी नये नोटों की कमी की है।

संगठन के महासचिव डी.एस. रावत ने कहा, "इसी तरह टी बोर्ड, मत्स्य पालन बोर्ड, जूट बोर्ड तथा रबर बोर्ड जैसी एजेंसियां भी टीआर जारी कर सकती हैं और कुछ रिटेल चैन स्टोर से इन टीआर को मान्यता देने के लिए समझौता किया जा सकता है।

