THE HINDU BusinessLine

How apps are making card machines redundant

Our Bureau

New Delhi, November 23:

Epaisa has done it, as has Trupay. And now Paytm has jumped on the bandwagon. You can now go to a shop that does not have a card-swiping machine and still make payments using your credit or debit card — as long as the shopkeeper has a Paytm account (you don't need to have one).

Thanks to a new feature launched by Paytm on its mobile wallet application, shopkeepers and other vendors will be able to accept payments through credit and debit cards via smartphones with internet connections.

"Paytm has updated its app to launch India's first APP POS, which will democratise digital payments. With this, any shopkeeper who has a smartphone and mobile internet can accept debit and credit card payments from customers," said Paytm founder-CEO Vijay Shekhar Sharma.

How it works

The updated app has an 'Accept Payment' icon, which shopkeepers and businesses can use to receive payments, the company said.

The shopkeeper generates a bill for items sold and hands over the phone to the customer, who enters his (debit or credit) card details and approves payment. The customer then gets a one-time password on his own phone, which he keys into the shopkeeper's phone to complete the transaction.

The details entered by the customer will not reside on the app itself but on the bank's website, making the process secure, Paytm said.

While other digital platforms such as Trupay and epaisa have launched similar features earlier, the facility has not taken off as the shopkeeper still needs a good internet connection, a smartphone and the app.

Currently, APP POS has been updated for Android devices and an iOS version is in the works, said Paytm. The app will be particularly useful for small shopkeepers without card-swiping machines, ensuring they do not lose out on business amid the ongoing cash crunch following demonetisation, said Sharma.

The new app will provide a further boost to Paytm, which has seen a surge in users after the government's demonetisation drive saw a spike in cashless transactions, said analysts.

(This article was published in the Business Line print edition dated November 24, 2016)