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After a dream launch with then [RBI Governor Raghuram Rajan](#) and Aadhaar founder Nandan Nilekani as far back as April, NPCI's United Payments Interface (UPI) was seen as the face of the new payments revolution in the country. It had full security and, most important, allowed you to mask your identity while also masking the details of your bank account—so, for instance, a person with an ICICI Bank account could use an HDFC UPI app and have an address XYZ@hdfcbank while linking the account to the ICICI account. Yet, as NPCI managing director AP Hota said on Tuesday, there are just about 10,000 daily transactions on UPI with an average value of around Rs 3,600. To be sure, the first few months were used in the banks testing the app and it was only this week that SBI got on to the platform—HDFC Bank joined a few weeks ago—but there is little doubt the pace of adoption is very slow, especially given that PayTM is at 5 million daily transactions and is talking of being on track to get Rs 24,000 crore of transactions this financial year.

funds. Not only is a lot of advertising required, generous cash-backs are required and other incentives are required to convince vendors. NPCI, which has done a great technical job in the payments space from IMPS to RuPay, however, does not have such deep pockets as the non-bank wallets seem to have. So, apart from the few advertisements it has put so far, or the three minutes of television time economic affairs secretary Shaktikanta Das gave UPI in his morning briefing on Tuesday, there is little UPI can do to actively canvass users. It is then up to the banks to push UPI but there is no certainty banks will push it given most have wallets which are competing products.

From the country's point of view, of course, it doesn't matter whether it is UPI that is used or bank or non-bank wallets—the important thing is to ensure that, once the cash crunch is over, Indians don't go back to using cash for most transactions. Apart from the fact that more taxes get paid when a transaction is not made in cash, as a recent Visa study points out, the common man loses over R150,000 crore (1% of GDP) due to the cash economy—had the money been kept in banks, it would earn interest—and SMEs lose another R90,000 crore since the bulk of top management time is spent on only looking after cash. While a large part of the cash economy will get checked once GST takes off and stabilises, the government also needs to do its bit. Visa talks of how, based on income and expenditure patterns, tax exemptions of around R60,000 crore over the next five years will go a long way in encouraging people to spend more by way of e-payments. Paying for PoS machines and creating funds/structures to promote e-payments and reasonable tax rates are critical if India is not to lose the momentum against cash created by the demonetisation.