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## Mobile banking platform for basic feature phones in works; telcos told to support tech

By [Sugata Ghosh](#), ET Bureau | Updated: Dec 05, 2016, 12:55 AM IST

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MUMBAI: As New Delhi salvages the story of 'Digital India' out of the pain and chaos of [demonetisation](#), [telecom](#) companies have been categorically told to support an inexpensive technology that allows [mobile banking](#) with ordinary feature phones having no internet connection.

After letting it languish for years, the government is now pushing for the rollout of unstructured supplementary service data (USSD) which can be used to carry out simple banking transactions like account balance enquiry and small fund transfers.

At a meeting with Energy Minister Piyush Goel on Saturday, it was decided in the presence of representatives from banking, telecom and payments industries, that the government would back all efforts for the proliferation of the USSD channel while telecom companies would have to ensure that the service was given the right priority.

# Smart Moves

**USSD CHANNEL** is a messaging system that can be used by a phone user to reach out to his/her bank

▶ **TYPICAL TRANSACTIONS:** balance enquiry, details of last five transactions, fund transfers of up to ₹5,000

▶ **NPCI WORKING** on USSD platform to make it more user-friendly. Expected to be ready by month-end or early Jan

The channel is a simple interactive text messaging system that can be used by a mobile phone subscriber to reach out to his/her bank. Of the 900 million handsets in India, about 600-650 are basic feature phones which lack the advanced functionality of a smartphone.

A key feature of the [Digital India](#) drive would be to encourage users of such elementary handsets to try out mobile banking, said a source.

National Payments Corporation of India (NPCI), the umbrella organisation for all retail payments systems in India, is working on the USSD platform to make it more user-friendly — so that commands are simpler, names of banks and beneficiaries can be saved on the handset and payments to utilities are feasible. Visa, one of the world's largest payment companies, is keen to be included in the menu that a customer making a USSD mobile banking transaction is asked to select from. But, this is yet to be accepted by NPCI.

Although there are 5 lakh USSD transactions per day, the number of successful financial transactions is only 10,000-15,000. "The service is slow. Telecom companies have never been keen to co-operate. The government has lowered the charge from ₹1.50 to 50 paise per transaction, but it has to push telcos which are a formidable lobby. So far they have resisted. Some of the telcos choose to prioritise more lucrative services than USSD, which slows down the service.

As a technology, USSD would have caught on long ago had the telcos agreed to co-operate...hope it's more than a lip service this time,"

said a person familiar with the subject. The USSD stakeholders, backed by the govt, may rope in a top movie star or a sports person to endorse the product.

The typical transactions in USSDbanked mobile banking are: enquiry of balance fund, obtaining the details of last five transactions and fund transfers of up to ₹5,000 (using the account number and IFSC code of the recipient).

According to a source, the updated mobile banking platform is expected to be ready by month-end or early January. "The aim is to make the USSD user and smartphone operator on another mobile banking platform to interact and transact with each other," said the person.

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