

# For fund transfer, use UPI, wallets and escape higher bank charges

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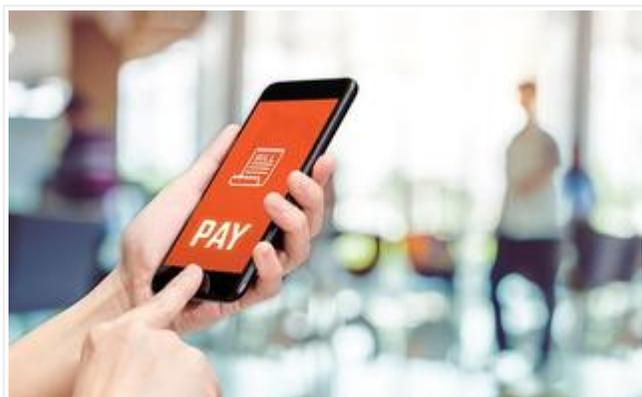
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The biggest advantage of UPI is that one does not need to have a different app for every bank account one uses  
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Many bank charges such as those on non-maintenance of minimum balance and cash deposits and withdrawals at branches and ATMs have increased post GST. These charges that attracted 15 per cent service tax, will now be charged 18 per cent GST, pinching customers more.

While you cannot escape the additional charges on these transactions, you can avoid shelling out extra on fund transfer by going the UPI (Unified Payment Interface) way.

While banks charge for fund transfers through Real Time Gross Settlement (RTGS), National Electronic Funds Transfer (NEFT) or Immediate Payment Service (IMPS), sending and receiving money through UPI is free, for now.

Transferring money through digital wallets offered by banks can also help you weather the GST impact better.

## Higher charges

There are a slew of electronic offerings by banks to facilitate transfer of money. While RTGS is meant for high-value transactions, NEFT is not real time as it is processed and settled in batches. An easier way to transfer money is through IMPS, facilitated through the National Payments Corporation of India (NPCI), that offers instant, 24x7, interbank electronic fund transfer through your mobile handset. IMPS scores both on convenience and speed.

But banks levy charges on transfer of money through all these routes.

The charges for IMPS vary across banks. In most banks, charges are similar across NEFT and IMPS transactions, except for small transactions. For transfers up to Rs. 10,000, NEFT carries lower charges than IMPS. For instance, ICICI Bank charges Rs. 2.5 plus GST for transfer up to Rs. 10,000 under NEFT. Under IMPS charges are Rs. 5 plus GST for up to Rs. 1 lakh. For amounts above Rs. 1 lakh up to Rs. 2 lakh, ICICI Bank charges Rs. 15 plus GST for both NEFT and IMPS. Under RTGS, charges for amounts above Rs. 2 lakh are Rs. 25-50 plus GST.

Earlier, each of these transfers was charged a similar amount but carried service tax of 15 per cent which has now been replaced by GST of 18 per cent. Hence, the cost of money transfer through these routes will be a tad higher.

## No charge

However, UPI, which is also built on IMPS, carries no charge as of now. While there were reports of a few banks looking to charge money transfer through UPI, it has not yet been implemented. Hence, sending or receiving money through UPI has not been affected by the higher GST rate.

UPI also remains a simpler way of transferring money between two different bank accounts by using a smartphone.

All you have to do is download one of the UPI apps from the Google Play store, verify your phone number, link your bank account and create your virtual payment address (VPA).

The VPA (Vivian@icici) is unique to you and can be used to send or receive money. The biggest advantage of UPI is that it is interoperable between banks — which means you don't have a different app for every bank account you use. Remember though that there is a transaction limit of Rs. 1 lakh under UPI.

**Wallet way**

Then there are various digital wallets offered by banks that allow fund transfer free of charge. For instance, transfer of money from one ICICI Bank's Pockets account to another or HDFC Bank's PayZapp, is not chargeable.

You can send money to anyone, receive money from anyone, book movie tickets, recharge your mobile, gift physical/e-vouchers, and pay bills, among others, with these digital wallets.

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