

# UPI Banking: UPI 2.0 will bolster the digital payments advance

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The second variant of the United Payments Interface, UPI 2.0, has been launched. UPI today powers banking applications like iMobile and the likes of [WhatsApp](#) Pay and [Google's](#) Tez. With UPI transactions' total value registering a more than three-fold increase since the turn of the year, rising from Rs 13,144 crore in December 2017 to Rs 45,845 crore in July 2018, the popularity and penetration of UPI-based payments has been phenomenal. Despite the volume of such transactions having fallen

between June and July of this year., the average value of a UPI transaction has also increased from Rs 1,025 in January to Rs 1,945 in July.

UPI 2.0 doubles the transaction cap to Rs 2,00,000. The new version is set to provide for linking of overdraft (OD) accounts, along with enabling blocking the transaction amount agreed to in a customer's account till the service being offered in exchange is fully provided. For instance, UPI 2.0 will allow an Uber to block the fare amount in a customer's mobile wallet being used to avail of its services till the ride is complete. UPI 2.0 is geared to incorporate more merchant-to-peer transactions—today, this accounts for just 10% of the total UPI transactions, as per Business Standard.

With more merchants able to transact with you via UPI, chances are your usage of UPI will also go up. The launch of UPI in August of 2016 led to the more than three-fold rise in the volume of transactions conducted via mobile banking applications (from below 100 million in August 2016 to above 300 million as of June 2018). However, UPI still doesn't have a crucial feature—allowing an intended receiver of money the option to refuse a payment.

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