

# Unified Payments Interface (UPI)- Advantages and Challenges

**Aniket Chandrakant Godambe**

*Researcher Student, Department of Information Technology, B.K.Birla College of Arts, Science & Commerce Kalyan(Autonomous), Maharashtra, India.*

\*\*\*

**Abstract** - This paper seeks to describe Unified Payments Interface (UPI). Unified Payments Interface (UPI) is an instant real-time payment system developed by National Payments Corporation of India facilitating inter-bank transactions. How this form of digital payments works and makes an impact of day-to-day transactions. Ever since launch of UPI payment, it has become popular and easy way of making payments at the shops. Also, cashbacks provided by different UPI clients are also the main reason for people to switch to this new form of digital payments. Adoption of this category of payments has been a massive success, however there are certain challenges in terms of fraud prevention which are highlighted in this document.

**Key Words:** UPI, Digital Payments, Cashbacks, Frauds.



(img 1.1)

## 1. INTRODUCTION

This paper is about how UPI as a form of digital payment works, advantages and challenges which society face. Unified Payments Interface (UPI) is a system that powers multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, seamless fund routing & merchant payments into one hood. It also caters to the "Peer to Peer" collect request which can be scheduled and paid as per requirement and convenience. With the above context in mind, NPCI conducted a pilot launch with 21 member banks. The pilot launch was on 11th April 2016 by Dr. Raghuram G Rajan, Governor, RBI at Mumbai. Banks have started to upload their UPI enabled Apps on Google Play store from 25th August, 2016 onwards.

### 1.1 What is UPI

UPI stands for Unified Payment Interface (UPI). It allows transfer of money from one bank account to another instantly by one's mobile phone. Payments can be made by app on mobile device only. The money transfer via UPI works on 24x7 basis.

### 1.2 How UPI Payment Work?

Via UPI, user can send money to another user with an UPI id (eg. someone@upi, someone@paytm, someone@okaxis). User authenticates transaction with the unique code set at the time of setting up UPI ID. Upon successful transaction, money is transferred from senders linked bank account to receivers bank account.

## 2. WORKING OF UPI

### A] How to set up UPI

Once you have downloaded the chosen UPI app, then you will be required to choose the bank from the given options. To verify that it is your bank account, your bank will send you a one-time password (OTP). Once the OTP is verified, your virtual payment address (VPA) will be created.

Here is how you can set up a UPI account using the BHIM app:

Step 1: Download and install BHIM app from Google Play store or Apple App Store.

Step 2: Select your preferred language.

Step 3: Select the SIM which has your mobile number registered with your bank account.

Step 4: Set-up a four-digit login password. You need to enter this four-digit password to access the app.

Step 5: Select and link your bank account. Set your UPI PIN by providing last six digits and expiry date of your debit card.

### B] After Register

Your account is now registered and you can send or request for money to be transferred to your account. Remember, you cannot link your mobile wallet to UPI, only a bank account can be linked to UPI. You can link more than one bank account to UPI.

### 3. ADVANTAGES OF UPI

**3.1 Secure payment:-** Friends, This is the first pros of UPI payment. if you pay by UPI (Unified Payments Interface), without even giving your Unified Payments Interface PIN, you will be able to make the most secure payment. And this is a very safe medium, it just gives you a single PIN, through which you can transfer money.

**3.2 No charges:-** Friends, the second advantage of UPI. If you make any payments from UPI, you will not have to pay any charge as this is completely free by the Indian government. If you pay by IMPS or NEFT in the same way, you have to pay some money in the form of a tax but there is no such thing in the UPI payment. You will get free transactions for free.

**3.3.Real-time payment:-** Friends, the third [advantage](<https://topfaida.com/advantages-of-social-media/>) of upi.you get the biggest advantage in the UPI that you can also send any payment in one time or ask for it in your account. It deposits the money in your account in a few seconds or sends money to another account.

**3.4 Easy to use:-** The UPA payment is very simple, with the help of this, you can send money quickly and easily to another's account. All you need is the UPI id of the other UPI holder and as you put the Unified Payments Interface id in the Unified Payments Interface support app, putting the amount after you put your UPI pin and then the money goes into another's account.

**3.5 UPI maximum bank support:-** Friends UPI supports almost all banks. You can send payment to any Unified Payments Interface support bank, which is very easily without any charge, State Bank of Punjab National Bank and all other banks.

**3.6 Cashback Offers:-** This is the last pros of UPI payment. If you send any money to another account holder, then if you send the same payment through the Unified Payments Interface PI, then you are given some cash back in the form of cash in it, you can get a lot of benefit in it. This cashback gives you the support of the UPA support app such as Google Free Recharge on the phone and elsewhere in the UPI support app that gives cashback in addition to sending you the payment..

### 4. CHALLENGES IN UPI TRANSACTION

**4.1 Hack UPI account:-** Friends, This is the first cons of UPI payment. If you pay with First Time UPA or you do not know about it, please once will know about it once. How to pay with Unified Payments Interface. And do not tell your personal information such as the date of birth, the UPI PIN and any other information to any other person, so that your account will be safe. This is the bad disadvantages of UPI.

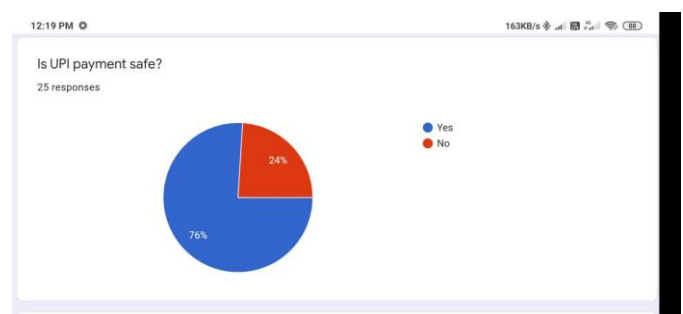
**4.2 Payment delay:-** Friends, the UPA is a very fast and safe medium, but sometimes it takes a lot of time to send the payment after the bank's server down. And sometimes it's time for more than 48 hours, so do not be afraid of your payment. Your payment will come back after some time or they will go into their account even if you do not get the payment, you can contact your bank.

**4.3. Mobile hang problem:-** Friends, if you want to pay by the UPA, then you do not need any UTI support app, which you have to install in your Android smartphone and if you are continuously using it, take your mobile's RAM too much. So that your mobile hangs or uses too much internet to avoid it, you can clear your app's cache and Aground data to users can also shut down.

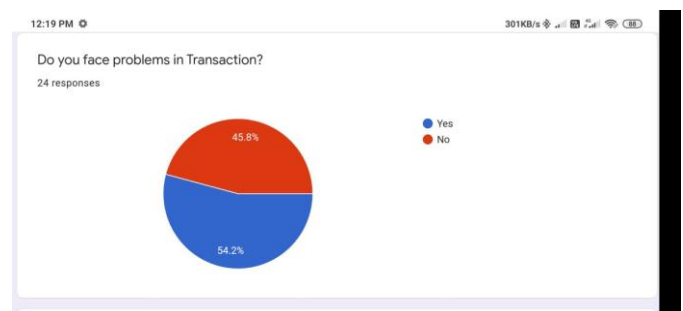
**4.4 One time Transfer Limit:-** Friends, if you want to transfer payments in the U.Pi, then you can transfer up to ₹ 100,000 as much as possible. If you have to transfer more than once, you can send it one by one.

**4.5 Not work on slow internet:-** Friends, if you are thinking of sending the payment to the UPA, then your wait should also be good because these people do not work on the Internet, if you try to send it, it will be stuck in the middle of your payment will not be compliant again. You may have to face a lot of difficulties.

**4.6 Low number PIN:-** This is the last cons of UPI payment. Friends, you must know that you have to transfer money from the Unified Payments Interface pin is also known as the UPI PIN and it is very small digit ie 4 or 6 digits while having a small digit, it is not safe, so make your payment carefully and its information do not let anyone else know.



(img 4.1)



(img 4.2)

## 5. CONCLUSION

UPI is easy to use and more secure than online bank payments. So, we better start using UPI and pay/receive payments instantly. We can leverage the simplicity of the UPI payments and make the businesses go digital.

## REFERENCES

[1] Rahul Gochhwal (2017) Unified Payment Interface—An Advancement in Payment Systems, : American Journal of Industrial and Business Management, 2017, 7, 1174-1191.

[2] Radhika Basavaraj Kakade<sup>1</sup>, Prof. Nupur A. Veshne<sup>2</sup> (2017) UNIFIED PAYMENT INTERFACE (UPI) - A WAY TOWARDS CASHLESS ECONOMY, : International Research Journal of Engineering and Technology (IRJET).

[3] Kalpesh Dinesh Mishra (june-2017) A Review on Unified Payment Interface [UPI], e-ISSN: 2395 -0056 edn., p-ISSN: 2395-0072: International Research Journal of Engineering and Technology (IRJET).

[4] Shivani Maheshwari (Apr-2019) UPI (Unified Payments Interface) - The Futuristic Payment Method, : INTERNATIONAL JOURNAL FOR INNOVATIVE RESEARCH IN MULTIDISCIPLINARY FIELD.