Unified Payments Interface (UPI)

The demonetisation wave has ushered in a new change in the way India functions. From buying groceries to paying utility bills, we are relying more and more on digital modes of payment. The launch of the Unified Payments Interface (UPI) by the National Payments Corporation of India (NPCI), set up with the guidance and support of the Reserve Bank of India (RBI) has further facilitated this. It focuses on bringing better security and more convenience to customers and merchants alike.

What is UPI?

Unified Payments Interface (UPI) is a next-generation payments platform that facilitates instant transfer of funds from person to person and person to merchant using a smartphone. It powers multiple bank accounts into a single mobile application (of any participating bank), merges several banking features, seamless fund routing and merchant payments under one umbrella. It also caters to the 'Peer-to-Peer' collect request which can be scheduled and paid as per requirement and convenience.

What?	Next-gen payment platform, facilitating account to account fund transfer (up to ₹100,000) instantly.
How?	Funds can be transferred (Push) or requested (Pull) from the other party through a mobile app, using a Virtual Payment Address (VPA).
Why?	UPI is available 24 x 7 x 365, with real-time credit and confirmation. It is fast, convenient and secure channel for payment.

How is it unique?

- Immediate money transfer through mobile device round the clock 24 x 7 and 365 days
- Single mobile application for accessing different bank accounts
- Single Click 2 Factor Authentication from security perspective – aligned with the regulatory guidelines, yet provides for a very strong feature of seamless single click payment
- Usage of Virtual Payment Address (VPA) provides for incremental security. There is no need to enter the details such as card no., account number, IFSC, etc., at the time of transaction initiation or authorisation
- Payments can be done through any bank UPI App having accounts of multiple banks linked to the same UPI App
- Payments can be initiated from the customer or the merchant. Merchant initiated payments will appear as a collect request in the customer's UPI App for authorisation
- Raising complaint/dispute from mobile app directly

What are the benefits for end customers?

- Convenient and secured mode for authorising payments
- Access to multiple bank accounts via a single UPI App
- Options available to select the Bank account through which the payment needs to be done
- Transfer funds anytime - 24 x 7 x 365 availability
- Raise complaint/dispute from UPI App directly instead of visiting the Bank branches

What are the benefits for merchants?

- Instant fund collection from customers
- Easier reconciliation using unique transaction reference number
- Secure and cost effective mode of payment compared to cash collection and other payment modes
- Elimination of the Cash on Delivery (COD) collection problem

HSBC ◆

Salient Features and Benefits

24 x 7 x 365 availability

- Option to authorise payment round-the-clock
- Real-time credits; practically within a few seconds

Mobile-app based

- Easy-to-use payment mechanism and can be accessed anywhere
- Notification will be received on customer's mobile device for viewing and authorising the collect-to-pay request initiated by merchant. The VPA of the payee will be displayed on the UPI App of the customer

Bank Agnostic

- Can be operated through any bank's UPI App including BHIM App which is promoted by NPCI
- Customer accounts in multiple banks can be linked to the same UPI App against a common VPA

Privacy and Security

- Only VPA needs to be shared with merchant. Account no.'s not required to be shared for payment
- Two-factor authentication, i.e. registered mobile device and UPIN required to approve the payment request

What are the different modes through which you can access UPI?

MODES

ONLINE **IN-APP** **RECURRING PAYMENTS** **FACE-TO-FACE PAYMENTS**

Payer shares Virtual Payment Address and confirms CollectPay request on the App
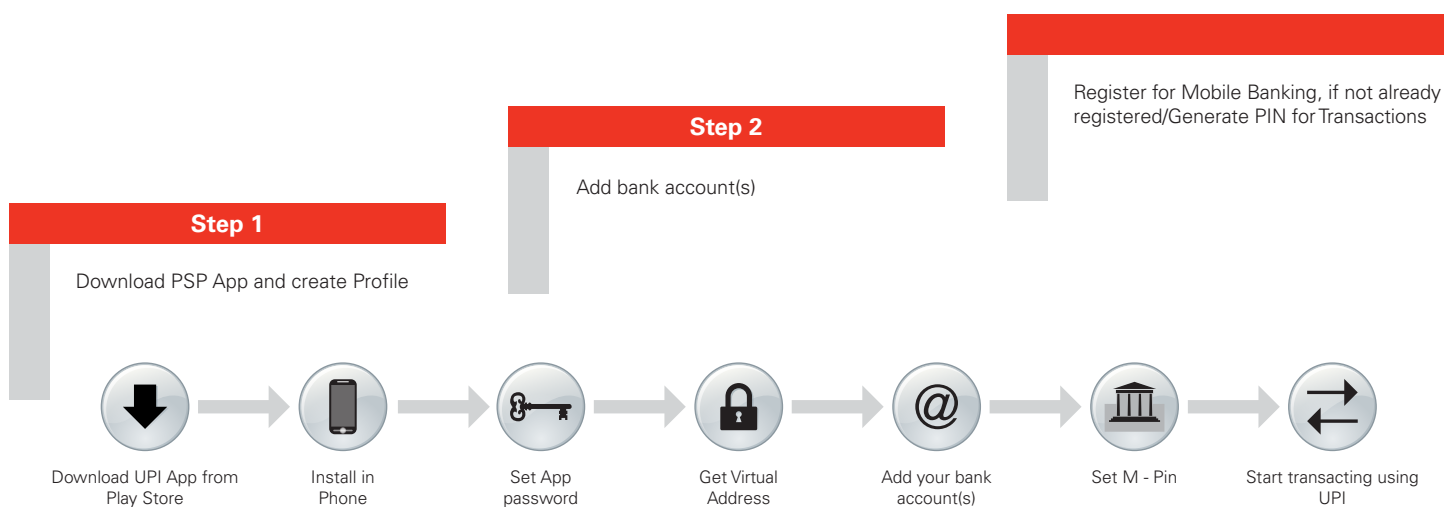
Payer scans QR Code and transfer funds on the App

APPLICABLE FOR

- Asset Management
- Financial Services
- Media
- Power and Utilities

- Automotive Capital Goods
- Hospitality and Travel
- Oil and Gas
- Retail

- Consumer Products and Healthcare
- Logistics and Transport
- Technology
- Telecom ... and many more

How does it work?

- Customer to create VPA and share with merchant
- Merchant to initiate collect-to-pay requests via UPI solution provided by HSBC
- Customer to authorise the payment request on their UPI App installed on their mobile devices
- Merchant and customer receives confirmation of payment instantly
- Instant credit posted in merchant account

How to create a Virtual Payment Address (VPA)

Step 1
Download PSP App and create Profile

Step 2
Add bank account(s)

Register for Mobile Banking, if not already registered/Generate PIN for Transactions

| Download UPI App from Play Store | Install in Phone | Set App password | Get Virtual Address | Add your bank account(s) | Set M - Pin | Start transacting using UPI |

Steps for Registration:

- Customer downloads the UPI Application from the Google Play Store
- Customer installs UPI Application on phone
- Customer creates his/her profile by entering details like name, Virtual Payment Address (VPA), password, etc.
- Customer goes to 'Add/Link/Manage Bank Account' option and links the Bank and account number with the VPA
- Customer selects the Bank account from which he/she wants to initiate the transaction
- Customer enters last 6 digits of debit card number and expiry date and sets up a preferred numeric UPIN and clicks on Submit
- After clicking Submit, customer gets the successful notification

Customers need to remember the following points for operating UPI

- Smart phones with internet connectivity are needed
- The mobile number used for UPI is linked to the Bank account
- Debit card will be required at the time of linking bank account with VPA
- Transaction received on the UPI App should be authorised within 5 days; post this, the transactions will auto-expire
- A 12-digit transaction reference number will be available on the UPI App that can be used for any queries

Please refer to the NPCI website (http://www.npci.org.in/UPI_Livemembers.aspx) for the latest list of banks that are live on UPI solution as an 'issuer only' or 'issuer & PSP' (Payment Service Provider)