



OTHER INTERESTING NEWS

Worst over, funding crunch eases for start-ups

Bajaj Allianz rolls out three new digital services

Flipkart invites rival Amazon India to fight a bigger foe

MoneyTap raises \$9 million from Sequoia in Series A

Samsung to bring Samsung Pay to more affordable devices

Today's View

The Gray Side of Digital Payments

Quick adoption of any new technology, generally comes with (under the radar) issues of customer support not scaling up commensurately.

The digital transactions have seen a massive increase with the volume of UPI transactions growing from 0.3 million as of November, 2016 to 6.9 million as of April, 2017 and IMPS transactions jumping by 160% with 67 million transactions in March against 26 million a year earlier.

With such jumps in e-payments across newer modes, the number of failed transactions and refund requests are also increasing which are not getting resolved at an equivalent pace.

Currently, there isn't a separate grievance redressal system for digital payments exclusively. For making a complaint for a failed digital transaction, the same mechanisms used for general complaints are employed.

The RBI has set timelines for reconciling failed ATM transactions according to which the Banks need to reconcile failed ATM transactions within seven working days after a customer has lodged a complaint. Else, there's a penalty of Rs 100 each day of delay.

For PPI instruments, draft guidelines were issued in the month of March which mentions that PPI Issuers shall put in place a formal, publicly disclosed customer grievance redressal framework, including designating a nodal officer to handle the customer complaints / grievances, the escalation matrix and turn-around-times for complaint resolution. But when it comes to newer method of payments like UPI or Bharat QR code, no such guidelines are in place.

In this backdrop, the rise in the use of digital payments could also lead to mounting discontent among customers about how their grievances are being handled. To find a remedy, the Government along with NPCI is working on a mechanism to provide a common number 14442, where customers of all digital payments platform, including

OTHER INTERESTING NEWS

Worst over, funding crunch eases for start-ups

Fundraising scenario could be easing for start-ups. If you leave out the year 2015, which was an aberration, fundraising could be returning to levels seen earlier.

Jan-May	Seed		Series A		Series B	
	No. of deals	Amount (\$mm)	No. of deals	Amount (\$mm)	No. of deals	Amount (\$mm)
2012	26	13	54	360	14	80
2013	32	11	47	219	24	143
2014	31	15	60	0	31	369
2015	64	39	89	272	32	357
2016	85	37	72	291	36	190

Source: Venture Intelligence

Between April and May 2017, start-ups raised \$538 million from 138 venture capital deals, marginally lower than the \$565 million they raised from 200 deals during the same period in 2016.

Source- Business Standard

[READ MORE](#)

Date- 15th June 17

mobile wallets, Unified Payments Interface and BHIM, will be able to register their complaint.

This is not the first helpline to be setup vis-a-vis digital payments. The government earlier has been running a toll free number 14444 with IT industry body NASSCOM but it is only limited to creating awareness about the digital payments and not for grievances redressal.

While these teething issues are expected with the quick adoption of any new technology, we hope these don't become the Achilles heel of digital payments.

Today's News

Norms to protect e-fraud victims soon

The Reserve Bank of India will soon issue final guidelines on customer protection pertaining to unauthorized electronic transactions, according to S S Mundra, Deputy Governor.

RBI issued the draft circular in August and the final guidelines will spell out timelines for reporting fraudulent transactions, customer's liability in case of unauthorised transactions and bank's responsibilities in such instances.

Source- Indian Express

[READ MORE](#)

India's 'BankChain' Consortium

A blockchain consortium in India centered around banking applications has unveiled a new system for sharing information about customers.

Dubbed 'ClearChain', the project is being spearheaded by the BankChain consortium, which was launched in February with the backing of institutions like the State Bank of India (SBI) and ICICI Bank, among others. The group is working with Primechain Technologies, a Mumbai-based startup, as well as IBM and Microsoft on the software side.

Source- Coin Desk

[READ MORE](#)

Yes Bank partners with TerraPay for faster international remittance

Private sector lender Yes Bank has partnered with mobile payments switch TerraPay to enable real time money transfer to bank accounts in India.

Powered by TerraPay's global clearing and settlement service, the partnership will make it faster and convenient for consumers to send money to any bank account. TerraPay has partnered with Yes Bank in a Rupee Drawing Arrangement which enables TerraPay's network partners to make instant cross-border money transfer to bank accounts in India.

Source- The Economic Times

[READ MORE](#)

For quicker settlement, Bajaj Allianz rolls out three new digital services

Bajaj Allianz General Insurance Company launched three digital initiatives on Wednesday aimed at simplifying the customer experience and changing the perception about delays in claims settlement.

With this objective, the company aims to quicken the settlement process and initiate the process of payment before a customer even lodges a claim, Tapan Singhel, MD and CEO of Bajaj Allianz General Insurance, said. The turnaround time for settling claims could come down to twenty minutes from seven days now.

Source- Business Line

[READ MORE](#)

Flipkart invites rival Amazon India to fight a bigger foe

As part of its Gridlock Hackathon aimed at addressing the traffic woes of the city, Flipkart has sent out an invite to leading technology companies to participate with solutions.

The Gridlock Hackathon launched earlier this month has opened its platform to crowdsourced technology solutions for solving Bengaluru's traffic congestion.

Source- The Economic Times

[READ MORE](#)

This News Letter has been prepared with the assistance of Pankaj Tadas and Aparna Anand

Urgent need to recognize retail e-commerce exports as an industry

Recognizing the immense potential of retail ecommerce exports from India, a FICCI report allows Indian MSMEs to explore prospects in B2C ecommerce retail export.

As per the study, the total potential for B2C ecommerce exports is estimated at approximately USD 26 billion, of which USD 3 billion can be achieved in the next three years from 16 product categories.

Source-Business Standard

[READ MORE](#)

Money2India app features biometrics for convenience

ICICI, India's biggest private sector bank, has launched a new mobile app for remittance transfers that features biometric security.

The app is called Money2India, or M2I, and is aimed at non-resident Indians (NRIs). It's designed to let users perform money transfers in just a few clicks for frequent transactions, and it also allows for bill payments with more than 100 organizations including phone, insurance, and mobile services providers.

Source Find Biometrics

[READ MORE](#)

mPoS devices to soon have sound-based contactless payment option

In a move aimed at offering new solutions to increase the adoption of digital payments, sound-based contactless payments will soon be introduced as an option on mobile point of sale (PoS) devices.

A mobile PoS is a smartphone, tablet or wireless device which performs the same function as that of an electronic PoS terminal. For using mobile PoS, the merchant has to download a mobile app and attach the device to a card reader to carry out transactions.

Source- Mint

[READ MORE](#)

Digital payments approaching universal acceptance

The continuous growth in digital channel use has impacted basic banking transactions the most, including checking balances, paying a bill, transferring money and even depositing a check.

Over time, the paying of bills through online and mobile channels has approached universal acceptance, with 74% of online banking users taking advantage of online bill pay, and 65% of mobile bankers using mobile bill pay.

Source- The Financial Brand

[READ MORE](#)

MoneyTap raises \$9 million from Sequoia in Series A

Fintech startup MoneyTap has raised \$9 million in its Series A round from Sequoia India along with existing investors New Enterprise Associates (NEA) and Prime Venture Partners.

The fresh capital will be used to enhance technology, especially to incorporate India Stack features such as the unified payments interface and e-sign, and to expand to 50 cities from the current count of 14 by the end of this year.

Source- The Economic Times

[READ MORE](#)

Samsung to bring Samsung Pay to more affordable devices

Handset maker Samsung will expand its mobile payments service, Samsung Pay, to more affordable devices in its portfolio in India over the next few weeks.

The service, which was launched in March this year in India, allows users to just tap and pay using the debit/credit cards and wallets stored on their mobile devices. Samsung Pay is available for users of flagship devices like Samsung S8, Samsung S7 Edge, S7 and S6 Edge Plus among others.

Source- The Economic Times

[READ MORE](#)

Disclaimer: The views expressed in this newsletter are personal views of the author and do not necessarily reflect the views of Bank of Baroda. Nothing contained in this publication shall constitute or be deemed to constitute an offer to sell/ purchase or as an invitation or solicitation to do so for any securities of any entity. Bank of Baroda and/ or its Affiliates and its subsidiaries make no representation as to the accuracy; completeness or reliability of any information contained herein or otherwise provided and hereby disclaim any liability with regard to the same. Bank of Baroda Group or its officers, employees, personnel, directors may be associated in a commercial or personal capacity or may have a commercial interest including as proprietary traders in or with the securities and/ or companies or issues or matters as contained in this publication and such commercial capacity or interest whether or not differing with or conflicting with this publication, shall not make or render Bank of Baroda Group liable in any manner whatsoever & Bank of Baroda Group or any of its officers, employees, personnel, directors shall not be liable for any loss, damage, liability whatsoever for any direct or indirect loss arising from the use or access of any information that may be displayed in this publication from time to time.