

BHIM 2.0 takes on Google Pay and PhonePe with fresh add-ons

Increased transaction limit, an option of applying for IPOs, linking multiple bank accounts, offers from merchants, a donation gateway and three additional regional languages are new additions

Hiral Thanawala
@thanawala_hiral

Recently, the National Payments Corporation of India (NPCI) rolled out a new version of its Unified Payment Interface (UPI) platform – Bharat Interface for Money (BHIM). This was done to compete with other UPI-based payment platforms such as Google Pay and PhonePe.

The new BHIM 2.0 has increased transaction limit, an option of applying for initial public offerings, linking multiple bank accounts, offers from merchants, donation gateway and three additional regional languages among other features.

Why the new features?

BHIM was launched in 2016 and brought UPI payments in India. However, it has not been able to achieve its full potential because of cash back offers, discounts from merchants, etc. offered by other UPI-based payments platform. Transactions on the BHIM platform have been low compared to those in other UPI payment platforms.

According to data from the NPCI, the number of transactions using BHIM deteriorated year-on-year. For instance, in September 2019, BHIM had recorded 1.72 crore transactions, which accounted for 1.8 per cent of the total UPI transactions. Similarly, a year back, in September 2018, BHIM had recorded 1.63 crore transactions, which accounted for 4 per cent of the total UPI transactions.

Ramaswamy Venkatachalam, Managing Director - Banking and Payments, FIS says, "Since the time of the launch of Google Pay, PhonePe, Paytm and other payments platform supporting the UPI technology, the usage of BHIM UPI had taken a hit and volumes dropped dramatically. To compete with new payment platforms, BHIM required additional features and a new interface."



Let's look at some of these new features and see how useful they are for consumers.

Adding value

BHIM consumers faced a cap of Rs 20,000 on merchant transactions. Therefore, many couldn't make big-ticket purchases at retail stores or online. So, the limit is now increased to Rs 1 lakh for verified merchants such as Amazon and Flipkart, as well as some retail stores. However, transaction limit remains same at Rs 40,000 for transfer to a person.

Going a step further, the BHIM 2.0 also offers discounts and cash back to consumers on purchases from portals such as Pappafry, Grofers, or travel merchants such as OYO, RailYatri. Consumer needs to copy the coupon code from offers in the BHIM app and use the same at the merchant website or the app while paying.

Rajesh Mirjankar,
Managing Director and CEO of InfracsoftTech
says,

“BHIM 2.0 should now be able to get increased volumes since it has enhanced transaction limits. Also, the offers from registered merchants will attract new users since it ensures similar benefits that consumers obtain from other UPI payment apps.”

BHIM allows you to send and receive money, pay at retail stores, and the option of checking the balance of the linked bank account. It has now added the functionality of bill payment through the Bharat Bill Payment System (BBPS) like other UPI payment apps. Users can now conveniently pay their utility bills such as those relating to electricity, water, gas and mobile postpaid on BHIM.

For equity investors applying to initial public offerings (IPOs), BHIM UPI has now introduced a payment option. So, users can now use this option while applying for an IPO. Says Ramaswamy, “This is a unique feature introduced by BHIM and one has to see how it evolves among investors.” This option is not available in other UPI payment platforms.

Earlier, the BHIM app allowed linking of only one bank account at a time. However, now the user can link more than one bank account and can select the preferred bank account while making payments.

BHIM also allows you to gift money. A consumer can choose the occasion, the amount to be gifted and the date. However, the receiver needs to have the BHIM UPI installed for receiving this money as a gift, which is credited to the bank account.

Consumers can also donate directly to entities such as the Prime Minister National Relief Fund and UNICEF India.



Dewang Neralla, CEO of payments solution company Atom Technologies says, “This is the first major upgrade being rolled out for BHIM UPI consumers which includes a new-interface and easy to use features one can look forward to use. Consumer needs to install / upgrade to 1.7 version of BHIM UPI for this features.”

With its availability in 16 regional languages digital payments through BHIM UPI is expected to have a wider reach.



CONTACT

Unit No 86 & 87, 1st Floor, SDF III, SEEPZ SEZ,
Andheri (East)
Mumbai - 400 096, India.

Tel: +91 22 6776 4000
Fax: +91 22 6776 4040
mktg@infracsofttech.com