

UNIT 2 - Aadhaar Pay- Benefits and Limitations



Introduction

The government is coming up with an 'Aadhaar Payment App' that could silence digital payments problem. The new app would do away with plastic cards and the point of sale machines once believed to be essential for a less-cash society. There are many payment apps present in the market. These are the UPI apps, SBI Pay, Paytm, Phonepe, Freecharge, mobile wallets etc. But, the Aadhaar Payment App is special. It will make our life very easy.

The Aadhaar Payment App uses your fingerprints for the authentication. The Aadhaar Payment app is all set to be launched that will use individual's Aadhaar card details and their linked bank account details along with biometric scans to authenticate transactions. In this process there is no need of wallet apps. Users can directly make transactions and purchases directly using their Aadhaar card number with the help of Unified Payment Interface (UPI). Using Aadhaar payment app user can easily make payments without internet connection, mobile phone and credit/debit cards as well. Users can download the Aadhaar Payment app from online and perform transactions using it.

Benefits of Aadhaar payment App

Now you are aware about the ease of the Aadhaar Payment app. It is easy to customer as merchants. The benefits of the Aadhaar Payment app are as follows.

- Customers need not to have an android phone or any other technology to make payments.
- No service tax or any other extra charge on the payments using Aadhaar payments app.
- There is no need to carry debit card or credit card.
- No need to remember PIN or passwords.
- Instant Payments through Aadhaar bridge system this is similar to Aadhaar Enabled Payment system (AEPS).
- Affordable payment solution for merchants as well as customers.

Requirements

The Aadhaar payment app requirement for customer and merchant as follows:

- Customers Requirement
- Your Aadhaar number
- A bank account linked with Aadhaar
- Clean Fingers
- Merchants Requirements
- Smartphone
- Reliable Internet connection
- Aadhaar Payment App
- Fingerprint scanner
- Bank account

Installing Biometric Reader

- Download the Aadhaar payment app and integrate it with biometric machine which is installed on your shop, store etc.
- For the integration purpose enter required details of the machine in download payment applications.
- Enter your bank account details through which you want to make all the transactions.

Payment using Aadhaar Payment App

It is very easy to pay using Aadhaar card Payment app. There is no need to make use of internet connection, credit/debit card to use this app from customer side. Steps on how to use the app as follows:

- Enter your UDIAI Aadhaar card number.
- Select your bank.

- Scan your finger on the biometric sensor. Your finger scan will help as a password and the transaction will be performed.

Limitations

- A retailer will have to pay a few thousand rupees to get the proper fingerprint scanner ready. Also, it can work in traditional POS device although it might not be the only thing that can be used in a place to make it work.
- This is not available for transactions between individual people. It works only for transactions from the customer to the retailer.
- It is not designed for moving money to people between each other.
- This also works only with online connections. It will be difficult to use if there is problems with the online coverage signals in an area.

Conclusion

The main reason behind the failure is their charges. The merchants used to charge around 2-3% with the card payments. Card companies like MasterCard and Visa used to charge 2% of the amount. But with Aadhaar Payment app, you do not to worry about any charges. The payments with Aadhaar Payment app do not have any extra charges. Hence this method is supposed to be accepted broadly by merchants as well as customers. These are basic information of Aadhaar Payment app “Aadhaar Pay”.