

UNIT 7 - Bharat Bill Payment System- All You Need to Know



Origin

The term BBPS (Bharat Bill Payment System) originated in 2013 when the Committee under the chairmanship of RBI Executive Director G. Padmanabhan was set up to study the feasibility of implementation of Giro (payment transfer from one bank account to another bank account) in India. Bill payments form a major component of India's retail transactions constituting over Rs. 6223 billion each year merely in top 20 cities of the country and over 70% of these transactions were routed through cash or by cheque. With large number of billers and variety of payment options, need for a unified bill payment system offering interoperable and accessible bill payment services was felt.

BBPS is an economical, enhanced and convenient substitute to the existing system with additional features.

Scope

- Electricity bills
- Water/Municipality Bills
- Gas supply
- Telephone & DTH
- Institutional fees such as school fees, college fees, subscription etc.

- Other payments viz. for insurance, mutual funds, credit card bills etc.
- Government payments, charity etc are included in the future purview of the system.

Salient Features of BBPS

Complaint Management System

BBPS will put in place, an end to end standardized system for complaint management of both online and offline transactions. Two types of complaint may be lodged in by the customers- transaction based and service based.

Dispute Management System

There will be Dispute Management System in BBPS for raising and resolving disputes relating to transactions.

Standardized Process for entire System

BBPS will provide standardized processes for the entire system involving banks, non-banks, sponsors, agents, customers etc.

Integrated and Interoperable System

All the participants such as banks and non-banks, Billers, payment service providers, retail bill outlets will be integrated through a single platform with National Payments Corporation of India (NPCI) as authorized Bharat Bill Payment Central Unit (BBPCU). NPCI will set-up business standards, rules and procedures, business requirements and provide technical assistance to all the participants. NPCI, as the BBPCU, will also undertake clearing and settlement activities.

Benefits

- Integrated platform

- Timely and guaranteed settlements between parties
- Dispute Management and Complaint Management System
- Faster settlements will improve liquidity position of Billers
- Convenient and Time Saving System
- Reliable and transparent transactions
- Instant Payment Confirmation
- Enhancement of Customer's confidence and experience
- Multiple Payment Modes, Options and Channels
- Anytime Anywhere Payment option to customers
- Migration of Bill Payment from cash to electronic channel leading to cashless society.

Mode of Bill Payment under BBPS

- Online Mode using different modes of payment viz. Cash, Credit Cards, Debit Cards, IMPS, Net-Banking, NEFT, Wallets etc.
- Offline Mode with the help of network of agents.

BBPS will also provide different payment channels (Internet, Mobile, POS, MPOS, KOISK, ATM, Business Correspondents, Bank Branch and Agents) and payment options (full, minimum, excess, part, penalty, multiple etc.) to the customers.

Major Participants

- Customers
- Agents
- BBPOU (Bharat Bill Payment Operating Units)- Banks & Non-Banks (and their sponsors)
- BBPCU (Bharat Bill Payment Central Unit- NPCI)
- Billers
- Service Providers