

Money Today Scan To Shop

Date: 08/3/2017 | Edition: National | Page: 26 & 27 | Source: Priyadarshini Maji

PAYMENTS | DIGITAL

SCAN TO SHOP

The government's
BharatQR code enables
customers to shop without
carrying cash and cards.

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he government is leaving no stone unturned in its ambitious goal of making cashless payments the norm in the country. After launching its mobile wallet app – the UPI-based BHIM – the government has introduced BharatQR code which eliminates the need to carry cash or cards in your wallets to make payments.

Here's everything you need to know about it.

WHAT IS BHARATQR CODE?

Before getting to BharatQR code, here's a low-down on what a QR (quick response) code is. It is a 2D barcode contained in a square, which is machine-readable and contains information about the item to which it is attached. QR codes are used for a lot of things – product tracking, item identification, to open website links, tickets, contact information, document management, and general marketing. A QR code, black squares arranged in a square grid on a white background, can be read by any smartphone as all of them come equipped with a barcode scanner.

BharatQR has been developed by payment networks MasterCard, Visa

and NPCI (National Payments Corporation of India). Manoj Adlakha, CEO, American Express Banking Corporation, says, "BharatQR is a path-breaking initiative to bring quick, easy and affordable payments to both merchants and consumers."

Mobile apps of multiple banks supporting BharatQR can be used on one smartphone. It is also possible to map multiple cards of the same bank for this service within the bank's mobile app.

BharatQR's interoperability is distinct from mobile wallets which are largely closed-loop systems. Under closed-loop system, both the sender and the receiver have to be on the same payment app. "Even a

virtual card mapped to an account can be used to complete the transaction; hence this adoption can leapfrog physical card distribution," says, T.R. Ramachandran, Group Country Manager, India & South Asia, Visa.

HOW TO USE IT

BharatQR promises a simplified mobile payment experience to cardholders. Consumers will be able to make card payments without physically carrying/ using their cards. To make payments through BharatQR, the user needs to go to his bank's mobile app, select the scanning option within the app (for instance, the updated version of ICICI's Pockets app has the 'BharatQR' option to scan the code), scan the BharatQR code provided by the merchant and get the payment processed. All transactions on BharatQR require authentication using an MPIN, which make them safe and secure.

"The cardholder simply has to scan the merchant's QR code using his smartphone, and enter the pin and amount to be paid. Since the card is not swiped, the chances of card loss, theft, or fraud are slim, thereby offering better control and security to the cardholder," explains Vijay Jasuja, CEO, SBI Card.

BharatQR is the common interface for Visa, MasterCard, American Express, and RuPay platforms that does away with this problem of different QR codes for different firms. "With BharatQR code, consumers will not be required to scan different QR codes at the same merchant provided by different payment networks. The merchants will only need to display one QR code at the storefront or through the acquiring bank's mobile application," Adlakha adds.

BharatQR is available on smartphones with Android and iOS operating systems. Places where payments

CRACK THE CODE

On your smartphone, download the bank app that is compatible with the BharatQR code.

Log in to the respective mobile banking app

Select the option to scan QR codes

Scan the QR code provided by the merchant and enter the transaction amount

Select from where the payment needs to be made - bank a/c, credit or debit card

Put in the MPIN to complete the transaction

through cards are not possible, and small merchants who do not have physical PoS machines will be able to accept card payments via BharatQR code. Scanning the code and making a payment eliminates the need to enter ID, phone number or other details, which most wallets ask for. So, it's a fairly simple way of transacting.

HOW IT IS DIFFERENT

BharatQR is an all-in-one form of QR code scanning for accepting payments. It is not a wallet; cardholders simply have to use the BharatQR-compatible mobile app of their bank or card issuer, without worrying

about acceptance issues. To make transactions using wallets, both the payee and the receiver need to have the same wallet. For example, a Paytm wallet cannot be used to make payment to Ola Money or FreeCharge wallet; whereas with BharatQR, the mobile app of multiple banks supporting QR code scanning can be used on any smartphone.

IS IT SECURE?

Payments made or received using BharatQR are backed by operational rules provided by the four networks - Visa, MasterCard, American Express, and RuPay. If a mobile phone is lost or stolen, the account holder can have his payment account immediately deactivated by contacting the respective banks. "Since all major payment networks have come together to enable the BharatQR platform, resolving the interoperability issues, card payments using BharatQR is a convenient option compared to mobile wallets," Jasuja states.

Moreover, customer data does not rest on the mobile phones; all bank payment apps supporting BharatQR have authentication controls in place for identifying users. Banks follow KYC norms for customer and merchant acquisition, which makes BharatQR a safe, secure and robust payment method.

FOR USERS WITHOUT SMARTPHONES

An option with the USSD code *99# is under process to support non-smartphone users. With about 700 million feature phone users in India and over 750 million debit card holders, this option together with financial literacy programmes could significantly help achieve digital inclusion in semi-urban and rural areas. ♦

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