

"Any New Technology That Comes up Replaces the Old One"

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2
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The CEO of government's ambitious Unique Identification Authority of India (UIDAI) project - Dr Ajay Bhushan Pandey hints towards the dead end in sigh and card businesses even as talking of level playing field for all.

You call wallets as collaborators not competitors. Why?

All channels of digital payments are collaborators not competitors because they are complimentary to each other. Some people may find cards to be convenient, some may find wallets to be useful, some may switch to UPI, and others may find fingerprint to be convenient. We need to push all these forms of digital payment.

But, don't you think the impact on wallets seems certain?

Definitely because for certain section of users who are comfortable using a smartphone and an app, UPI would be much more convenient. So they may choose BHIM app as compared to wallets and cards. The burden of loading wallets with cash from their bank accounts and then doing the transactions is no more the long run wallets have to stand on their own merit without discounts as people then might move to more convenient options.

What about PoS and card businesses?

I believe any new technology that comes up replaces the old one. UPI and Aadhaar are technologies that will cause disruption in the ecosystem. So any competing infrastructure which is less efficient, more burdensome, costlier, and riskier will soon begin to disappear until they continue to innovate.

How do you weigh BHIM against existing UPI apps?

BHIM app is one generation ahead of them. The earlier version of the UPI technology was actually led by banks which were trying to add specific features whereas UPI in itself is an umbrella system. Now this banks-led UPI model has been replaced by a common app – BHIM. Users don't need to use a specific app to get on to the UPI.

What possibilities you are looking for Aadhaar Pay?

Once Aadhaar Pay comes on to the BHIM app, the sender wouldn't even need an app. He/she can use the fingerprint on the receiver's app to make payment. It is a major breakthrough particularly for those who don't have a smartphone or initially aren't conversant with it. But it will be important to see if the merchant is digitally and financially literate to offer the facility to those who cannot install app or don't have access to debit/credit cards etc. There are around 20 crore people with smartphones but given that they have Aadhaar, they can use their fingerprints for payments.

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