Govt pushes for fingerprint money transactions through Aadhaar Pay

Asks Banks To Popularise Mobile App

Mahendra.Singh
@timesgroup.com

New Delhi: Keen to push digital payments among the poor and illiterate in rural areas of the country, the government is pushing to popularise Aadhaar Pay which ensures financial transactions by just using fingerprint.
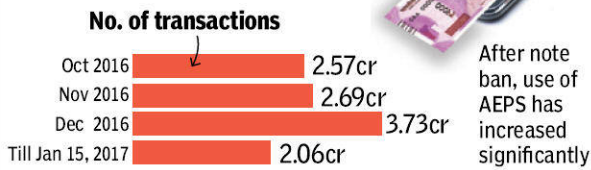
Aadhaar Pay, which is merchant version of the already in use Aadhaar-enabled payment system (AEPS), will become an alternative for all online and card transactions which require password and PIN.

The app facilitates merchants to take cashless payments from a customer who is only required to give his Aadhaar number, name of the bank (from where the money is to be deducted) and finger print for authentication.

Unique Identification Authority of India (UIDAI) CEO A B Pandey said AadhaarPay works on any android-based phone, even a low cost one, with an attached finger biometric device. "This ensures digital transactions which are cardless, PINless... There is no need of smartphone for the customers," he added.

In order to popularise the use of Aadhaar Pay among merchants, the government has asked banks to enrol 30-40 merchants per branch so that they are able to take cashless payments from customers.

At present five banks — Andhra Bank, IDFC Bank, IndusInd Bank, State Bank of India and Syndicate Bank — have gone live over Aadhaar Pay and several banks are in the process of launching pilots on the app.

A senior official said the plan is to identify Aadhaar Pay transactions separately and to incentivise merchants for long-term sustainability and scalability of the system.

As it needs a biometric device costing about Rs 2,000, the government is also working on an incentive model so that cost of the device is amortised over time and the merchants are encouraged to use it.

Rejecting security concerns over AEPS, the UIDAI CEO said transactions using Aadhaar Pay are much more secure than any other digital mode of transaction, both in terms of technology and process. Besides the merchant using the app being enrolled in the bank and the customer's bank account linked to Aadhaar, he said the biometric data get encrypted leaving little scope for any misuse.

"Fingerprints cant be copied as it get encrypted. Even if any merchant or customer tries to misuse the fingerprints, he will be caught immediately as the location of merchants using the app is known to the bank," he explained.

The AEPS platform, launched in December 2012, enabled people to carry out banking transactions over hand-held devices (microATM) using the Aadhaar number and fingerprints.

The Andhra Pradesh government has launched cashless payments at most of the fair price shops (FPS) and Gujarat, in partnership with CSC e-governance, has launched cashless payments using AEPS platform at over 3000 fair price shops.

HELPING MERCHANTS GO CASHLESS

At present, five banks have gone live with the app | **Andhra Bank, IDFC Bank, IndusInd Bank, SBI and Syndicate Bank**

As on Jan 15, 2017 over **33.72cr transactions** had taken place using AEPS. AadhaarPay is the merchant version of AEPS

No. of transactions

Oct 2016	2.57cr
Nov 2016	2.69cr
Dec 2016	3.73cr
Till Jan 15, 2017	2.06cr

After note ban, use of AEPS has increased significantly

➤ Andhra govt has launched cashless payments at most fair price shops using the AEPS platform

➤ Gujarat, in partnership with CSC e-governance, has launched cashless payments using the AEPS platform at over 3,000 fair price shops.

AEPS: Aadhaar-enabled payment system