



UPI123Pay and Digisaathi

Why in News

The Reserve Bank of India (RBI) has launched new UPI services for feature phones called **UPI123Pay** for non internet users to make digital payments, also launched a 24x7 helpline for digital payments called 'Digisaathi'.

- 'Digisaathi' has also been set up by the [National Payments Corporation of India \(NPCI\)](#) to provide users with automated responses on information related to digital payment products and services. Presently it is available in English and Hindi language.

What is Unified Payments Interface (UPI)?

- It is an **advanced version of Immediate Payment Service (IMPS)**- round-the-clock funds transfer service to make cashless payments faster, easier and smoother.
- UPI is a system **that powers multiple bank accounts into a single mobile application (of any participating bank)**, merging several banking features, seamless fund routing & merchant payments into one hood.
- UPI is currently the biggest among the [National Payments Corporation of India \(NPCI\) operated systems](#) including National Automated Clearing House (NACH), Immediate Payment Service (IMPS), Aadhaar enabled Payment System (AePS), Bharat Bill Payment System (BBPS), RuPay etc.
- The top UPI apps today include PhonePe, Paytm, Google Pay, Amazon Pay and [BHIM](#), the latter being the Government offering.

What is UPI 123 Pay?

▪ About:

- It will work on simple phones that do not have an internet connection.
 - As of now, the UPI features are mostly available only on smartphones.
- The UPI service for feature phones will leverage the [RBI's regulatory Sandbox](#) on Retail Payments.
 - A **regulatory sandbox** usually refers to live testing of new products or services in a controlled/test regulatory environment for which regulators may permit certain regulatory relaxations for the limited purpose of the testing.
- The UPI service will enable digital transactions through a mechanism of **'on-device' wallet in UPI applications.**
- The users will be able to undertake a host of transactions **based on four technology alternatives including-** IVR (interactive voice response) number, missed call-based approach, app functionality in feature phones and proximity sound-based payments..

▪ Benefits:

- The new service for feature phones **will enable individuals to make direct payments to others without smartphones and internet.**
- Users can initiate payments to friends and family, pay utility bills, recharge the FAST Tags of their vehicles, pay mobile bills and also allow users to check account balances.
- It will allow customers to use feature phones for almost all transactions except scan and pay.
- UPI123Pay will benefit an estimated 40 crore feature phone users and enable them to undertake digital payments in a secure manner. This will bring non-smartphone users under the digital payment system.

Source: IE

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