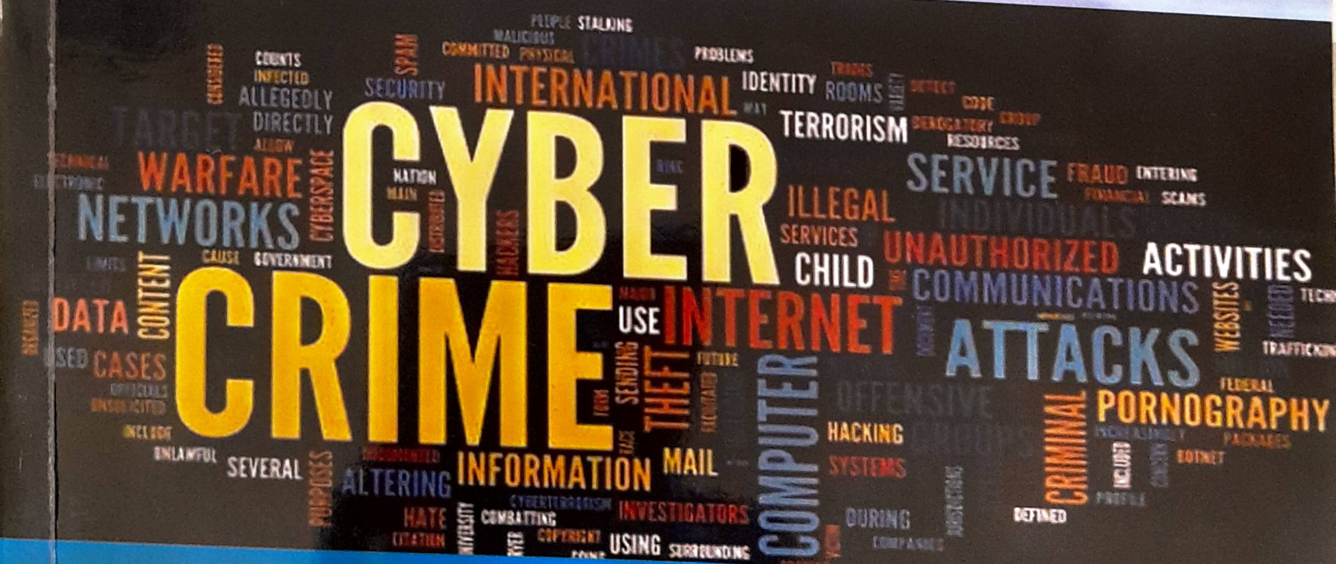
DIGITAL TRANSACTIONS AND CYBER CRIMES



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DIGITAL PAYMENT METHODS –PROBLEMS AND PROSPECTUS

***Dr. V. MASULAMANI**
Lecturer in Commerce, PVKN Govt. College(A), Chittoor, A P.

****Sri. J. KRISHNA MURTHY**
Lecturer in Commerce, NTR Govt. College, Vayalpadu

ABSTRACT

Digital payments are payments which the money transferred from one account to another Digitally. Digital payment services are the entities that provide transactions via digital or online modes, with no physical exchange of money involved. This means that both parties, the payer and the payee, use Digital mediums to exchange money.

India's digital payments market led by Google pay Paytm, PhonePe, Pine Labs, Razorpay, Bharat Pe, and others has surged during the pandemic even as incentives such as cash backs, rewards, and offers have helped businesses to attract more customers.

Cashless payments increasing from the Carona pandemic .In India, more than 80 million adults made their first digital merchant payment after the start of the pandemic, while in China over 100 million adults did. In low and middle-income economies, over 40% of adults who made merchant in-store or online payments using a card, phone, or the internet did so for the first time since the start of the pandemic. The same was true for more than a third of adults in all low- and middle-income economies who paid a utility bill directly from a formal account. After the launch of Cashless India, we currently have ten methods of digital payment available in India. Some methods have been in use for more than a decade, some have become popular recently, and others are relatively new.

The digital payment wave in India is not going anywhere. With financial literacy and financial accessibility on everyone's mind, online payments are going to grow exponentially. As a business and a professional, right now is the right time to onboard the digital payment wagon and enable your customers to transact online securely. This article highlights the problems and prospects of digital payments in India.

Keywords: Digital , Phonepe, Pandemic, Prospects

1.Introduction

COVID-19 has imposed significant limitations on people's lives. The lockdown period in India, lasting few months of 2020, has altered how India pays, driven by lifestyle changes. While the top and middle segment household people were largely at home, the bottom segment faced numerous challenges in fulfilling their needs.

Digital payment is a subset of transaction to include Digital payment or buying and selling goods or services offered through the internet.Digital payments as referring to online transaction on the internet , there are actually many forms of Digital payments . As technology developing, the range of devices and processes to transact Digitalally continues to increase while the percentage of cash and check transactions continues to decrease.

Digital payment system is a mode of payments over an Digital network such as the internet . in other words we can say that e- payment is a method in which a person can make online payments for his purchase of goods and services without physical transfer of cash and cheques , irrespective of time and location . Digital payments system are becoming central to online business process innovations as companies look for ways to serve customers faster and at lower cost .

2. Objectives Of The Study

1. To know the importance of digital payments in India.
2. To identify the methods of digital payment and benefits of payments

3. Methods Of Digital Payments

Digital payment method is replaced in place of Traditional payment . The foll types of digital payments are most common today . it is important to realize that new paymen are continual being discovered and there are additional methods that exist or are being deve continuously .

3.a.Debit/Credit Cards : Credit cards, debit cards and prepared cards currently represent the common form of Digital payments . for all 3 types of cards the consumer or the business most uses a plastic card . commonly with a magnetic stripe . the cardholder gives his or her card or number to a merchant who swipes the card through a terminal or enter the data to a PC . the ter transmit data to his or her bank , the acquirer . the acquirer transmit the data through association to the card issuer who makes a decision on the transaction and relays it back merchant . who gives goods or services to the cardholder Funds flow later for settlement with cards and are debited immediately for debit or pre-paid cards .

3.b.Unstructured Supplementary Service Data(USSD)

USSD was launched for those sections of India's population which don't have acc proper banking and internet facilities. Under USSD, mobile banking transactions are po without an internet connection

3.c. Unified Payments Interface (UPI):UPI is a payment system that culminates numerous accounts into a single application, allowing the transfer of money easily between any two parties compared to NEFT, RTGS, and IMPS, UPI is far more well-defined and standardized across ban

3.c.Mobile payment : Mobile phones are currently used for a limited number of Digital transac however, the percentage seems likely to increase as mobile phone manufacturers enable the chip software on the phone for easier Digital commerce .Consumers can use their mobile phone to for transaction in several ways . consumers may send an SMS message , transmit a PIN number WAP to make online payments .

3.d.Internet Banking: Internet Banking, also known as e-banking or online banking, allows customers of a particular bank to make transactions and conduct other financial activities via bank's website. E-banking requires a steady internet connection to make or receive payments access a bank's website, which is called Internet Banking.

3.e.Aadhaar Enabled Payment System (AEPS) :AEPS is a bank-led model for digital paym that was initiated to leverage the presence and reach of Aadhar. Under this system, customers can their Aadhaar-linked accounts to transfer money between two Aadhaar linked Bank Accounts. A February 2020, AEPS had crossed more than 205 million as per NPCI data.

3.f.Real-Time Gross Settlement(RTGS): The term real-time gross settlement (RTGS) refers t funds transfer system that allows for the instantaneous transfer of money and/or securities. RTG the continuous process of settling payments on an individual order basis without netting debits w credits across the books of a central bank. Once completed, real-time gross settlement payments final and irrevocable. In most countries, the systems are managed and run by their central banks

3.g. National Digital Funds Transfer (NEFT) is a mode of online funds transfer that is introdu by the Reserve Bank of India (RBI). It quickly transfers money between banks throughout India bank branch must be NEFT-enabled for a customer to be able to transfer the funds to another par

Prospects

3. RTGS and NEFT volumes increase adoption of digital payment the system.

4. Debit and credit card are shows as usual to make transaction but it is increasing trend from Demonetization of money in 2016.
5. The India banking sector is one of the best sector in India and it changes as per the requirement of the India country
6. There are large scope of digital payment system in India because of it is increasing trend. The growth in volume and value of transactions using payment issued banks entities has been significant.
7. Several banks are in adaption of Digital banking and NPCI also promoted Adhar enabled payment system to involve all Indian in digital transaction.
8. UPI system the best system to make digital transaction and it is expected to give a progress in digital payment transactions
9. With increasing mobile banking services, growth in e-commerce and use of mobile payment applications, the use of cash will decrease.
10. The government of India is focus on digital infrastructure and it can encourage digital transactions culture in India there are almost every persons have Jan dhan yojana account and Adhar card.

5.Advantages Of Digital Payments :
Following are advantages of digital payments

1.Time savings : Money transfer between virtual accounts usually takes a few minutes , while a wire transfer or a postal one way take several days . also , users will not waste their time waiting in lines at a bank or post office .

2.Expenses control : The virtual account contains the history of all transactions indicating the store and the amount you spent . Users can used check it anytime they want this advantage of Digital payment system is pretty important in this case .

3.Convenience: All the transfers can be performed at anytime, anywhere.Its enough to have an access to the Internet.

4.User friendly: Every service is designed to reach the widest possible audience , so it has the intuitively understandable user interface. In addition , there is always the opportunity to submit a question to a support team, which often works 24/7 . Anyway user can always get an answer using the forums on the subject.

5.Reducced transactions costs : While there are no additional charges for making a cash payment , trips to the store typically cost money , and checks also checks also need postages . on the other hand , there are usually no fee –or very small ones –to swipe your card or pay online .in the long runs , e-payment could save both individual and businesses hundreds to thousands of dollars in transaction fees .

6.Increased speed and convenience : Digital payment is very convenient compared to traditional payment methods such as cash or cheque . since user can pay for goods or services online at any time of day or night , from any part of the world ,and don't have to spend time queuing in banks or merchant offices waiting for their turn to transact . digital payment also eliminates the security risks that come with handling cash money .

5.Problems of digital payments

1.Lack of usability :Digital payment system requires large amount of information from end users or make transactions more difficult by using complex elaborated websites interfaces. For example credit card payments through a website are not easiest way to pay as this system requires large amount of personal data and contact details in web form.

2.Lack of security : Online payment system for the internet are an easy target for stea money and personal information . customers have to provide credit card and payment account d and other personal information online . this details sometimes transmitted in an un-secured w providing these details by mail or over telephone also entails security risks .

3.Issues with E-cash: The main problem of e-cash is that it is not universally accep because it is necessary that the commercial establishment accepted it as payment method . An problem is that when we makes payment by using e-cash , the client and the salesman have acc in the same bank which issues e-cash . the payment is not valid in other banks .

4. Lack of trust : Digital payment have a long history of fraud , misuse and how and reliability as well as it is new system without established positive reputation . potential custo often mention this risk as the key reason why they do not trust a payment services and therefo not make internet purchases .

5. Lack of awareness: Making online payment is not an easy task . even educated pe also face problems in making online payments . therefore , they always prefer traditional wa shopping instead off online shopping . sometimes there is a technical problem in server custo tried to do online payments but they fails to do . As a result they avoid it .

6. Online payments are not feasible in rural areas : The population of rural areas is very literate and they are also not able to operate computers . As they are unaware ab technological innovations , they are not interested in online payments . so he online payment sys are not feasible for villagers .

6. Conclusion

It Conclude that digital payments increased due to awareness of digital literacy . Th awareness and adoption of digital payments has increased and benefits associated with it e.g. Safe Convenience. Digital payments for the first time during lockdown, delighted to have an affirmat of the universal nature of the adoption across all segments. The humble SMS has held its own a reiterated how integral SMS communication is to deliver confidence and safety to the user. Curren more payments are paid on digital mode only.

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ABOUT THE AUTHOR

T.Vinila obtained a Ph.D. from Andhra University, Visakhapatnam Department of Commerce and Management Studies and completed a Postgraduate Degree and Master of Philosophy on campus, qualified UGC NET in 2005 and 2006,and was appointed as a Degree lecturer through APPSC in 2008, and is currently employed as an Assistant Professor of Commerce in Smt. N.P. Savithramma Government Degree College for Women . There are 11 research Publications, 8 Training programmes, 7 Workshops, 6 Conferences, and 26 Seminars, both National and International and had a membership in Indian Commerce Association.(ICA).

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ABOUT THE AUTHOR

[illegible] obtained a Ph.D. from Andhra University, Visakhapatnam, Department of Commerce and Management Studies, and completed a Postgraduate Degree and Master of Philosophy [illegible] qualified [illegible] in [illegible] and [illegible] and was appointed as a Degree [illegible] through APPSC in [illegible] and is currently employed as an Assistant Professor of Commerce in [illegible] Government Degree College for Women. [illegible] publications, [illegible] training programmes, [illegible] Workshops, [illegible] Conferences and [illegible] Seminars [illegible] National and International and has a membership in Indian Commerce Association (ICA).

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