**Digital credentials** are the digital equivalent of paper-based [credentials](https://en.wikipedia.org/wiki/Credentials). Just as a paper-based credential could be a [passport](https://en.wikipedia.org/wiki/Passport), a [driver's license](https://en.wikipedia.org/wiki/Driver%27s_license), a membership certificate or some kind of ticket to obtain some service, such as a cinema ticket or a public transport ticket, a digital credential is a proof of qualification, competence, or clearance that is attached to a person. Also, digital credentials prove something about their owner. Both types of credentials may contain personal information such as the person's name, birthplace, birthdate, and/or biometric information such as a picture or a finger print.

The main idea behind anonymous digital credentials is that users are given cryptographic tokens which allow them to prove statements about themselves and their relationships with public and private organizations anonymously. This is seen as a more privacy-friendly alternative to keeping and using large centralized and linkable user records.[[2]](https://en.wikipedia.org/wiki/Digital_credential#cite_note-2) Anonymous digital credentials are thus related to [privacy](https://en.wikipedia.org/wiki/Privacy) and [anonymity](https://en.wikipedia.org/wiki/Anonymity).

***RISK***

A **credit risk** is the risk of [default](https://en.wikipedia.org/wiki/Default_(finance)) on a debt that may arise from a borrower failing to make required payments In the first resort, the risk is that of the lender and includes lost [principal](https://en.wikipedia.org/wiki/Principal_sum) and [interest](https://en.wikipedia.org/wiki/Interest), disruption to [cash flows](https://en.wikipedia.org/wiki/Cash_flow), and increased [collection costs](https://en.wikipedia.org/wiki/Collection_cost). The loss may be complete or partial. In an efficient market, higher levels of credit risk will be associated with higher borrowing costs. Because of this, measures of borrowing costs such as [yield spreads](https://en.wikipedia.org/wiki/Yield_spread) can be used to infer credit risk levels based on assessments by market participants.

Losses can arise in a number of circumstances for example:

* A consumer may fail to make a payment due on a [mortgage loan](https://en.wikipedia.org/wiki/Mortgage_loan), [credit card](https://en.wikipedia.org/wiki/Credit_card), [line of credit](https://en.wikipedia.org/wiki/Line_of_credit), or other loan.
* A [company](https://en.wikipedia.org/wiki/Company) is unable to repay asset-secured fixed or [floating charge](https://en.wikipedia.org/wiki/Floating_charge) debt.
* A business or consumer does not pay a [trade invoice](https://en.wikipedia.org/wiki/Trade_credit) when due.
* A business does not pay an employee's earned [wages](https://en.wikipedia.org/wiki/Wage) when due.
* A business or government [bond](https://en.wikipedia.org/wiki/Bond_(finance)) issuer does not make a payment on a [coupon](https://en.wikipedia.org/wiki/Coupon_(bond)) or principal payment when due.
* An insolvent [insurance company](https://en.wikipedia.org/wiki/Insurance_company) does not pay a policy obligation.
* An insolvent [bank](https://en.wikipedia.org/wiki/Bank) won't return funds to a depositor.
* A government grants [bankruptcy](https://en.wikipedia.org/wiki/Bankruptcy) protection to an [insolvent](https://en.wikipedia.org/wiki/Insolvency) consumer or business.

To reduce the lender's credit risk, the lender may perform a [credit check](https://en.wikipedia.org/wiki/Credit_check) on the prospective borrower, may require the borrower to take out appropriate insurance, such as [mortgage insurance](https://en.wikipedia.org/wiki/Mortgage_insurance), or seek [security](https://en.wikipedia.org/wiki/Security_(finance)) over some assets of the borrower or a [guarantee](https://en.wikipedia.org/wiki/Guarantee) from a third party. The lender can also take out insurance against the risk or on-sell the debt to another company. In general, the higher the risk, the higher will be the [interest rate](https://en.wikipedia.org/wiki/Interest_rate) that the debtor will be asked to pay on the debt. Credit risk mainly arises when borrowers are unable to pay due willingly or unwillingly.

***BENEFITS***

General benefits of smart cards are:

* Portability
* Increasing data storage capacity
* Reliability that is virtually unaffected by electrical and magnetic fields.

***POTENTIAL IMPACT***

The Digital Economy is worth three trillion dollars today. This is about 30% of the S&P 500, six times the U.S.’ annual trade deficit or more than the GDP of the United Kingdom. What is impressive is the fact that this entire value has been generated in the past 20 years since the launch of the Internet.

It is widely accepted that the growth of the digital economy has widespread impact on the whole economy. Various attempts at categorizing the size of the impact on traditional sectors have been made.

[The Boston Consulting Group](https://en.wikipedia.org/wiki/The_Boston_Consulting_Group) discussed “four waves of change sweeping over consumer goods and retail”, for instance.

In 2012, [Deloitte](https://en.wikipedia.org/wiki/Deloitte) ranked six industry sectors as having a “short fuse” and to experience a "big bang” as a result of the digital economy.

Telstra, a leading Australian telecommunications provider, describes how competition will become more global and more intense as a result of the digital economy

***Ten digital credit providers***

1) [Airtel Money](http://www.airtel.in/money):

With the Airtel Money app, users can easily recharge prepaid accounts or pay postpaid bills. You can also shop online if your digital wallet has cash loaded in it. It’s also extremely safe as every transaction or payment you make requires a secret 4-digit mPin.

2) [Citi MasterPass](https://wallet.masterpass.com/Wallet/CitibankIndia/en-in/):

Citi MasterPass, a free digital wallet, helps make checking out while online shopping a speedier process. Once you’ve stored all your payment and shipping details in your Citi Wallet, simply click on the MasterPass button and it will take care of the rest.

3) [Citrus Pay](http://www.citruspay.com/):

Citrus Pay, one of the top e-wallets in India, it offers a Citrus wallet for customers as well as payment solutions to businesses. With a strong base of 800 million customers, it has definitely earned its spot as one of the best mobile wallets in India.

4) [Ezetap](http://corp.ezetap.com/):

Ezetap, a Bangalore based digital payment solution founded in 2011, offers business owners solutions to accept card payments via electronic devices. It also send customers e-receipts through an SMS or email.

5) [Freecharge](https://freecharge.in/):

Freecharge, one of the most famous names right now when it comes to digital payment in India, has been known to target the youth in all their promotions. With equivalent amount of coupons given for every recharge you make, it’s a great option to save while paying your bills online.

6) HDFC PayZapp:

HDFC PayZapp, making digital payment in India simplified with one click payments, is one of the top online wallets in India. Users can easily compare flight and hotel tickets and even buy music or pay bills with the app. Simple connect your debit/credit card once and [forget to worry](https://www.sumhr.com/importance-benefits-hris-organization/) about making payments.

7) [ICICI Pockets](https://www.icicibank.com/Personal-Banking/insta-banking/internet-banking/pockets/index.html):

While you might find a Pocket card redundant, considering you’re opting for an e-wallet app to avoid using a card, they do have a pretty neat wallet app. It’s VISA powered and can be used on any Indian website, or to transfer money to email ids, WhatsApp contacts, and also just tap and pay your friends easily.

8) [JioMoney](https://www.jio.com/en-in/apps/jio-money):

JioMoney, launched recently in 2016 by Jio, is a digital payment app. With JioMoney, one can receive great discounts and offers. Users can also bookmark their frequently visited retailers so shopping can be made quicker than usual.

9) [Juspay](https://juspay.in/):

JusPay Safe is a payment browser with over 650+ transactions in a day. They offer a browser with which users can make payments quickly via cards with 2 clicks.

10) [LIME](https://play.google.com/store/apps/details?id=com.app.lime&hl=en):

LIME, launched by AXIS in 2015, was the first mobile app in India to integrate wallets, shopping, payments, and banking. Apart from the usual features like making payments, they also let you analyze what you spend. With a cool feature that rounds up all your change and invest in a deposit and a shared wallet tool, they’ve definitely earned their spot in the top list of mobile wallets in India.