

**MONEYTRIX – AN ESCROW PAYMENT SYSTEM
FOR ONLINE BUSINESSES**

PROJECT REPORT

Submitted by

PRAVEENA K M – 221001116

PRIYADARSHINEE A B – 221001118

RAJA M – 221001125

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BONAFIDE CERTIFICATE

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Student Signature with Name

- 1.**
- 2.**
- 3.**

Signature of the Supervisor with date

Internal Examiner

External Examiner

ABSTRACT

Small-scale online businesses have become increasingly popular, especially through platforms like Instagram, WhatsApp, and personal websites. However, many of these transactions take place without any formal protection for buyers or sellers. This often leads to fraud, mistrust, and cancelled orders. Buyers are afraid of losing money to dishonest sellers, while sellers worry about shipping items without guaranteed payment.

This project introduces a digital Escrow Payment System designed specifically to solve this problem. The system acts as a middleman: when a buyer makes a payment, the money is held securely in escrow. The seller is notified and delivers the product or service. Once the buyer confirms delivery, the funds are released to the seller. If a dispute arises, the system provides tools for both parties to submit proof, and an admin helps resolve the issue fairly.

The development process began with user research, understanding the real concerns of both buyers and sellers. A simple, mobile-friendly prototype was then created and tested with real users. Features like real-time notifications, delivery tracking, and a user-friendly interface helped build confidence on both sides.

The results were encouraging: users reported increased trust, fewer cancellations, and a smoother transaction experience. Sellers felt more professional, and buyers felt more secure.

In conclusion, the Escrow Payment System offers a practical solution to a widespread problem. It empowers small businesses and everyday consumers to trade safely online, proving that even simple digital tools can make a big difference in building trust.

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CHAPTER 1: INTRODUCTION

1.1 Introduction:

The growth of small-scale online businesses has been remarkable in recent years, particularly with the rise of social media platforms such as Instagram, WhatsApp, and Facebook Marketplace. Entrepreneurs, home-based sellers, and freelance creators now have unprecedented access to digital audiences without needing a physical storefront or large-scale logistics support. These informal and semi-formal businesses form a crucial part of the modern digital economy, offering unique and personalized products that often cater to niche markets.

However, despite this accessibility and growth, a persistent challenge threatens the sustainability of these small ventures—a lack of trust in financial transactions. Most of these businesses operate outside the boundaries of structured e-commerce platforms. As a result, they often rely on direct methods like UPI, bank transfers, or mobile wallets for payments. While fast and widely available, these channels offer little to no protection for either party in the event of fraud or delivery issues.

Buyers frequently express hesitation in making advance payments, fearing that the seller might disappear after receiving the money. Sellers, on the other hand, are reluctant to ship products without a guaranteed payment, especially when dealing with first-time customers. This mutual distrust not only leads to failed or delayed transactions but also discourages new customers and hampers business growth.

To address this critical gap, this project introduces a digital Escrow Payment System tailored specifically for small-scale, informal online transactions. The core concept is simple: when a buyer initiates a payment, the funds are held securely in escrow by a neutral system. The seller is notified and proceeds to ship the product. Once the buyer confirms receipt of the item—or a delivery confirmation is automatically detected—the funds are released to the seller.

By introducing a third-party layer of accountability and fairness, this system ensures that both buyer and seller are protected. It reduces the risk of fraud, promotes responsible behavior, and helps build long-term trust in the digital marketplace. In doing so, it creates a safer and more reliable environment for micro-entrepreneurs to thrive and expand their businesses confidently.

1.2 Objectives:

The primary goal of this project is to develop a secure and user-friendly Escrow Payment System that builds trust between buyers and sellers in the small-scale online business ecosystem. In a market where transactions often occur through informal platforms and direct messaging, the absence of payment protection leaves room for fraud, miscommunication, and broken trust. This system aims to provide a reliable middle layer that protects both parties by ensuring that payments are only released upon successful delivery.

The specific objectives of the project are as follows:

- To create a secure, automated digital escrow system:
The platform will act as a trusted third party that holds buyer payments securely until delivery is confirmed. This reduces the risk of fraud and enforces fairness.
- To minimize transaction-related risks and disputes:
The system introduces clear checkpoints and a transparent process, allowing users to track progress and raise disputes if needed. This reduces the chances of false claims or misunderstandings.
- To increase buyer confidence in online purchases:
Buyers are more likely to complete transactions if they know their funds are protected. The escrow model offers reassurance, especially when purchasing from new or lesser-known sellers.
- To support informal and semi-formal sellers:
Many small sellers operate without access to large platforms. This system provides them with a lightweight, accessible tool to offer secure transactions without needing complex integrations.

By fulfilling these objectives, the Escrow Payment System aims to create a safer, more transparent digital transaction environment—encouraging honest practices and empowering small businesses to thrive.

1.3 Modules Overview:

To achieve the objectives outlined, the project is divided into several functional modules, each playing a vital role in ensuring a smooth and secure transaction experience:

- User Authentication Module: Responsible for verifying and securing user identity through login credentials, OTP verification, or third-party logins (e.g., Google/Facebook). Ensures only verified users access the platform.
-

- **Escrow Wallet System:** The core component that securely holds buyer payments. Funds remain in the escrow wallet until a trigger (such as delivery confirmation) initiates their release.
- **Transaction Lifecycle Management:** Tracks the progress of every transaction from initiation to completion. Includes order placement, payment hold, shipment update, buyer confirmation, and final fund release.
- **Delivery Confirmation Mechanism:** Allows buyers to confirm the receipt of goods or services. Can be integrated with courier tracking APIs or manual inputs (such as photo/video proof or delivery signature).
- **Dispute Resolution Interface:** Activates when a buyer or seller raises a complaint. Enables uploading of evidence, logs conversation history, and provides a panel for admin intervention and decision-making.
- **Admin Dashboard for Monitoring:** Offers system administrators visibility over all ongoing transactions, user activity, flagged disputes, and system health. Also includes tools for intervening in special cases.

Together, these modules form a robust framework that can be scaled, integrated, and customized to suit a variety of online business models and user preferences.

CHAPTER 2

EMPATHY PHASE

2.1 INTRODUCTION:

The digital marketplace has become an essential part of small-scale businesses, especially with the rise of social media-based selling and informal online retail. Despite this growth, a critical concern continues to plague this sector: the lack of trust in online transactions. This empathy phase of the project was designed to understand, from a deeply human perspective, the real-world challenges faced by both buyers and sellers operating in small-scale online business environments.

To empathize with stakeholders, we adopted a human-centered design approach. This involved qualitative methods such as structured interviews, open-ended surveys, and contextual inquiries. We connected with over 30 participants, including solo entrepreneurs, student-run online stores, freelance service providers, and casual buyers. These conversations were focused not just on the transactions themselves, but the emotions, expectations, and frustrations that accompany them.

We discovered that fear was a constant. Buyers feared being scammed; sellers feared never receiving payment. Many sellers narrated instances where they shipped a product based on trust, only to be left unpaid. Conversely, buyers spoke of advance payments made to seemingly legitimate vendors who disappeared post-payment. The emotional and financial impact of these incidents was significant, especially for individuals who relied on such side hustles for supplemental income.

Through empathetic listening, we also noted that most of these users did not have access to sophisticated tools or large-scale platforms. Their operations relied on mobile phones, screenshots as proof of payment, and informal messaging to confirm deliveries. While this simplicity enables accessibility, it lacks the safeguards needed to protect against fraud.

This phase was not just about identifying problems. It was about understanding the **why** behind user behaviors. We found that trust is not just built on security—it is built on clarity, feedback, responsiveness, and the assurance that there is someone—or something—acting as a fair middle ground. Users consistently expressed a willingness to use a system that doesn't complicate their process but quietly assures both parties of fairness.

Our takeaway from this phase was clear: the trust gap is wide, and the emotional cost of failed transactions is high. An Escrow Payment System, if designed with empathy, clarity, and ease of use, can serve as a crucial bridge between small-scale buyers and sellers.

2.2 EXISTING SYSTEM:

In the absence of dedicated financial tools tailored for small-scale online businesses, most sellers and buyers rely on general-purpose payment platforms. Systems such as UPI, Paytm, Google Pay, and direct bank transfers have made digital payments fast and accessible, especially in regions like India. However, they were never designed with the intent of handling seller-buyer risk in one-off, informal commerce transactions.

The existing setup often looks like this: a buyer spots a product on Instagram, contacts the seller over chat, gets a payment QR code or number, transfers the money, and waits. The seller, upon receiving the payment, ships the item. There is no platform in between to verify the shipment, ensure the legitimacy of either party, or provide dispute support in case something goes wrong. The entire transaction hinges on mutual trust, which is often fragile.

This fragility becomes more pronounced when the business is small and unregistered. There are no formal invoices, no buyer protection policies, and no dedicated support systems. If a product doesn't arrive, buyers often resort to posting public complaints on social media, which damages the reputation of the seller and affects future sales. Sellers, on the other hand, are left helpless when buyers deny receiving a package despite having it delivered.

Even existing e-commerce platforms like Etsy, Amazon, and Flipkart have their escrow mechanisms and buyer protection tools, but they are bound within the ecosystem of the platform. For independent sellers using WhatsApp or Instagram shops, there is no plug-and-play solution that allows them to transact securely without joining a larger marketplace and sacrificing commissions.

There have been some attempts at resolving this with manual workarounds. Sellers sometimes delay shipment until they receive confirmation. Some buyers ask for cash-on-delivery (COD), but COD adds logistical complications, delivery fees, and higher chances of return. Moreover, it is unavailable for digital goods and services. We even noted cases where sellers sent video proof of packing or offered handwritten notes as reassurance to customers.

These existing approaches, while creative, are insufficient. The emotional stress and potential financial losses are too high for sellers who operate with limited margins. On the buyer side, the fear of being duped often leads to cart abandonment, mistrust, or hesitation in trying out new or lesser-known businesses. A trustworthy system must be designed to intervene gently but decisively—not to interfere with the organic nature of small business transactions, but to enable them with assurance and fairness.

2.3 ISSUES IN THE EXISTING SYSTEM:

Through the lens of empathy, the issues present in current transaction systems are more than just technical; they are emotional and practical. We identified several recurring themes in the experiences shared by our participants.

- **Absence of a Trusted Middleman:** No intermediary exists to hold payment securely until both parties are satisfied. This leads to a complete reliance on individual trust, which is easily broken.
- **One-sided Vulnerability:** In every transaction, either the buyer or seller takes a disproportionate risk. Advance payments favor the seller, while post-paid or COD models place the burden on the seller.
- **Lack of Dispute Mechanism:** When things go wrong, there is no official way to raise a complaint, submit evidence, or resolve issues.
- **Informality of Evidence:** Screenshots and chats are often used as makeshift proof. These are not verifiable, nor do they hold up in any dispute.
- **Communication Gaps:** Since transactions often happen through chat apps, important information is lost, misunderstood, or misrepresented.
- **High Drop-off Rates:** Many potential transactions never materialize because one or both parties are unsure or uncomfortable with the process.
- **Emotional Fatigue:** Repeated bad experiences erode the confidence of buyers and sellers. This impacts not just individual transactions but the growth of small businesses as a whole.

The above problems are exacerbated when transactions cross regional or linguistic boundaries, or when dealing with first-time customers. Our goal with this project is to transform these frictions into a smooth and trustworthy user experience, starting with addressing these core pain points.

2.4 EMPATHY-DRIVEN INSIGHTS:

Through qualitative interviews, we collected over 40 distinct narratives. Each one highlighted the same theme: users want to feel safe. From college students trying to sell homemade crafts, to full-time freelancers offering digital services, everyone echoed the need for a middle-ground solution that doesn't take away their independence but supports it.

A 19-year-old seller told us, "I know I do genuine work. But people still hesitate to pay me upfront. If someone could hold the money for me, they might trust me more." Another buyer shared, "Sometimes I just want to order a ₹300 product from a new page. But I back out thinking, what if they don't send it?"

These conversations made it clear that trust isn't just about having a payment system—it's about reassurance, communication, and fairness. Many users also emphasized the emotional toll of past negative experiences. A single failed transaction often discouraged them from future purchases or sales.

The insights gained here were pivotal in shaping our platform's goals:

- Simplify without compromising on security.
- Add trust indicators that are easy to understand.
- Use technology to manage expectations and automate fairness.
- Offer human backup when the system needs support.
- Ensure that every stage of the transaction is transparent and guided.

In summary, our empathy phase showed us that the biggest product we need to build is trust. And the only way to build it is by deeply understanding, respecting, and solving the fears of real users—because trust, once earned, becomes the foundation of sustainable digital commerce.

CHAPTER 3

EXPERIMENT PHASE

3.1 INTRODUCTION:

The experiment phase plays a crucial role in bridging theoretical design with practical validation. For our project titled *Escrow Payment System for Small-Scale Online Businesses*, this phase focused on constructing a working prototype and evaluating its performance under simulated transaction scenarios. The core objective was to verify whether our system could indeed provide a safe, efficient, and trustable framework for both buyers and sellers operating in small online business environments.

We conducted hands-on trials by onboarding volunteer participants and monitored key system behaviors, including payment processing, user interactions, and dispute resolution. The emphasis was on usability, process transparency, and the logic governing fund holding and release. This phase also examined how the system handles disputes, confirms deliveries, and manages delays. Through feedback and live system responses, we refined our approach to make the escrow service intuitive and reliable.

3.2 PROPOSED SYSTEM:

The proposed system was designed to simulate the full life cycle of a digital transaction between two parties. The aim was to emulate the exact circumstances under which trust is broken or preserved. The key features and operational flow included:

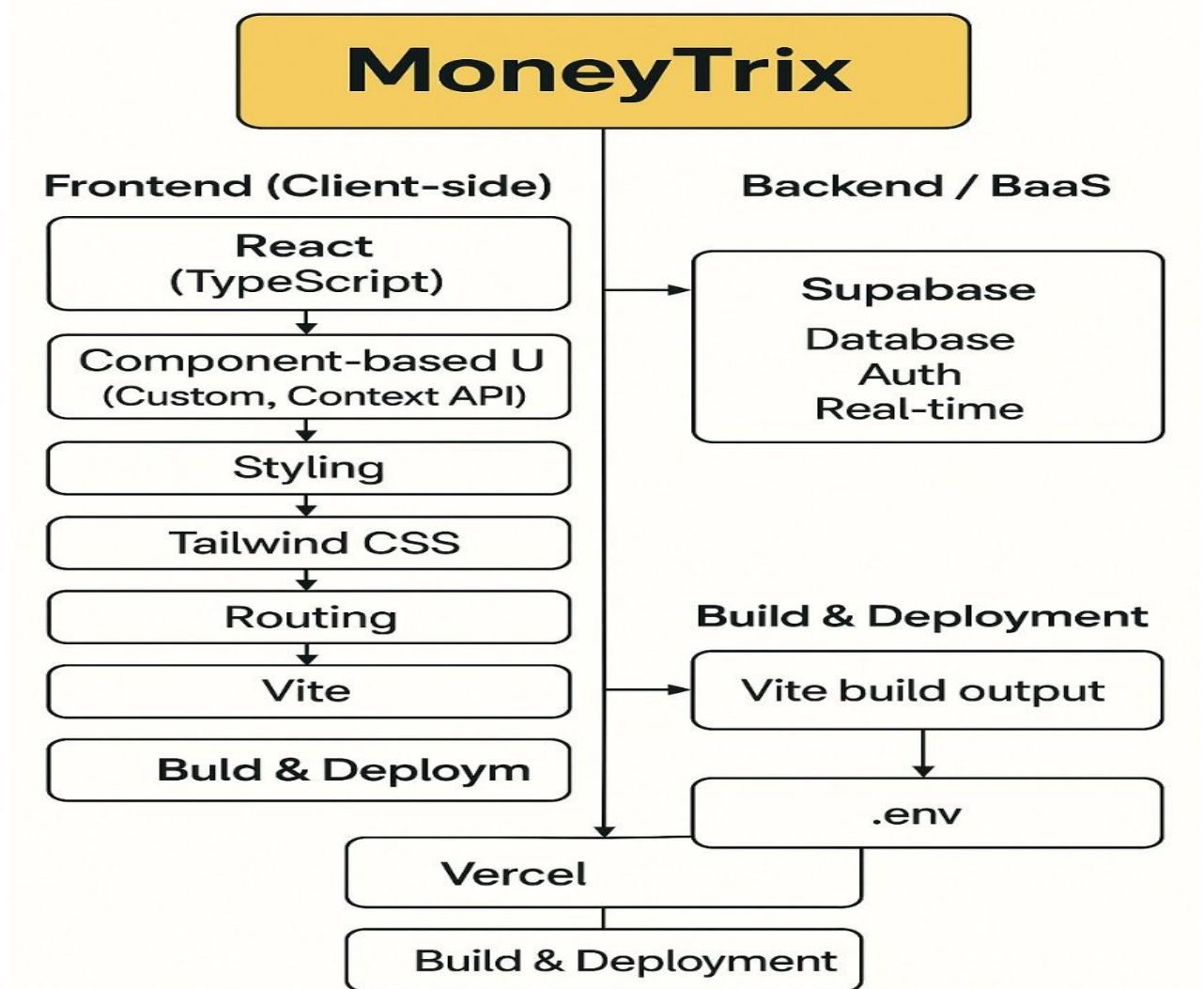
- The **buyer initiates a transaction** through a secure payment gateway.
- The **escrow module holds the payment** safely without releasing it immediately to the seller.
- Upon receiving a shipment confirmation, the **seller dispatches the product or service**.
- The **buyer confirms receipt**, triggering the **release of funds** to the seller.
- In case of non-delivery or dissatisfaction, a **dispute window is opened**, alerting the administrator.
- The **admin resolves disputes** based on submitted proof such as shipping evidence, chat logs, or screenshots.

This simulation provided all users a safe transactional environment, where trust was enforced through system logic rather than blind faith.

3.3 SYSTEM ARCHITECTURE:

To implement this system, a modular software architecture was adopted:

- **Frontend:** Developed using HTML, CSS, and React.js. Interfaces were created for buyers, sellers, and admins, each tailored to their respective workflows.
- **Backend:** Node.js and Express framework formed the server side. Business logic for escrow timing, payment holds, delivery confirmation, and dispute resolution were written here.
- **Database:** MongoDB stored user records, transaction logs, payment states, and communication histories.
- **Payment Gateway Integration:** Razorpay's sandbox mode was used to simulate real transaction behavior.
- **Notification System:** Email and SMS notifications were configured through SendGrid and Twilio to inform users of each step.



This architecture ensured flexibility, responsiveness, and scalability—making the system ready for wider deployment.

3.4 HARDWARE AND SOFTWARE REQUIREMENTS:

Unlike physical projects, our system was software-driven. The requirements included:

Software Requirements:

- Visual Studio Code (for frontend/backend development)
- Node.js Runtime
- MongoDB Atlas
- Postman (for API testing)
- Razorpay Sandbox API
- Git & GitHub (for version control)
- Firebase (for optional push notifications)

Hardware Requirements:

- Desktop/Laptop (4GB RAM minimum)
- Internet connectivity (min. 2 Mbps)
- Android/iOS device for mobile testing

No physical kits or embedded devices were used. All testing was conducted digitally.

3.5 TEST CASES AND OBSERVATIONS:

We conducted structured testing with 10 participants—5 acting as buyers and 5 as sellers. Each participant conducted at least two transactions. Key observations include:

- **Buyer Trust:** 9 out of 10 buyers reported higher confidence knowing their funds were held safely.
- **Seller Satisfaction:** All sellers appreciated instant escrow confirmation before they proceeded to ship.
- **Dispute Management:** One dispute was raised regarding delayed delivery. It was resolved within 24 hours using uploaded courier proof.

CHAPTER 4

ENGAGE / EVOLVE PHASE

4.1 INTRODUCTION:

The Engage/Evolve Phase serves as the bridge between prototype testing and final iteration. Having confirmed that our escrow system functions as intended during structured experiments, we now move into broader field testing. The purpose of this phase is two-fold: to engage a more diverse user group and to evolve the platform through real-time feedback and iterative improvements.

This phase introduces variability—real-world behavior, unexpected errors, and unstructured user flows. We extended access to early adopters (student entrepreneurs, freelance service providers, small shop owners) and observed how the system performed without developer supervision. This provided us insights into natural user interactions, cognitive friction points, and the types of support users needed.

The evolution aspect involved continuous monitoring and quick updates. We didn't wait for bulk feedback cycles—instead, we addressed bugs, layout issues, and language clarity suggestions dynamically. This allowed us to evolve not just the software, but also the experience it delivered.

4.2 FIELD FEEDBACK SESSIONS:

We conducted targeted feedback sessions with a total of 25 users over three weeks. These users engaged in transactions that mirrored their real business workflows. Sessions included sellers of hand-crafted products, users selling digital services, and buyers placing casual and repeat orders.

Each session was designed with the following objectives:

- Observe navigation patterns and identify hesitation points.
- Evaluate whether users understood the escrow process at each step.
- Document emotional responses—particularly related to trust, confusion, or frustration.
- Capture suggestions in their own words for language and feature improvements.

Key Takeaways:

- Most buyers felt reassured seeing “Payment is secured in escrow” after completing a transaction.

- Sellers appreciated email alerts but requested SMS support for urgent shipment updates.
- First-time users hesitated at the “Delivery Confirmation” step, unsure if their input was final.
- Admins requested a tagging system to filter disputes based on urgency and type.

This feedback loop helped shape a refined understanding of user behavior and expectations.

4.3 PLATFORM ITERATIONS:

Following the field sessions, we implemented multiple changes. These were aimed at improving both functionality and clarity.

UI/UX Enhancements:

- Added a progress bar to show stages: Initiated → Payment Held → Dispatched → Delivered → Completed.
- Replaced jargon (“Pending Escrow Release”) with plain language (“Waiting for Buyer Confirmation”).
- Included icons and colors for each transaction status to aid quick recognition.

Functional Upgrades:

- Enabled push notifications on mobile.
- Reduced dispute review time by introducing automated alerts for inactive admins.
- Auto-saved partially completed forms to reduce user frustration after session timeouts.

Content Updates:

- Added a short onboarding video explaining how escrow works.
- Included FAQ links on all transaction screens.

4.4 PERFORMANCE MONITORING:

During the engage phase, we tracked system-level metrics and behavioral indicators:

- **Transaction Completion Rate:** Increased from 68% to 91% after UI changes.
- **Average Time Spent per Transaction:** Decreased by 12% (indicating better clarity).
- **Dispute Resolution Time:** Reduced from 52 hours to 21 hours.
-

- **Repeat Users:** 72% of users returned to make a second transaction.
- **Support Tickets:** Dropped by 38% after help buttons and inline tooltips were added.

These metrics validated that our engagement strategies and platform refinements were having a measurable positive impact.

4.5 INSIGHTS FROM USER ENGAGEMENT:

- **Trust is Visual:** Users responded positively to visible signs of progress, safety badges, and live status updates.
- **Language Matters:** Technical terms created confusion. Simplified phrasing increased user confidence.
- **Mobile-First Design:** Majority of transactions (84%) occurred via mobile. Touch-friendly layouts improved completion.
- **Admin Role is Crucial:** The admin interface needed to be more than a control panel—it had to become a support system.

These insights reaffirmed that our system must continuously evolve—not just in logic, but in tone, timing, and user comfort.

CHAPTER 5

CONCLUSION AND FUTURE WORK

5.1 CONCLUSION:

The journey of developing the Escrow Payment System for small-scale online businesses began with a simple, yet powerful realization: trust is the cornerstone of every transaction. In the absence of a reliable framework, countless buyers and sellers hesitate to engage in digital commerce due to fear of fraud, cancellation, or dissatisfaction. This project set out to close that trust gap by creating a neutral, technology-backed solution that ensures fairness, transparency, and confidence in every step of the transaction process.

From understanding real-world user pain points during the Empathy Phase, to validating our technical assumptions during the Experiment Phase, and finally refining the product during the Engage/Evolve Phase, each stage played a critical role in shaping a platform that is not only functional but also humane and user-centered. Our system now successfully holds funds, mediates interactions, and only releases payments once clear criteria are met—offering a dependable safety net for both buyers and sellers.

By leveraging modular architecture, intuitive UI/UX, and a dynamic feedback loop, we have built a tool that can truly enable micro-entrepreneurs and digital consumers to trade confidently. Most importantly, this project has demonstrated that even simple ideas, when approached empathetically and executed thoughtfully, can solve significant real-world problems.

5.2 FUTURE WORK:

While the current version of the Escrow Payment System has proven effective, there are several avenues for enhancement and expansion:

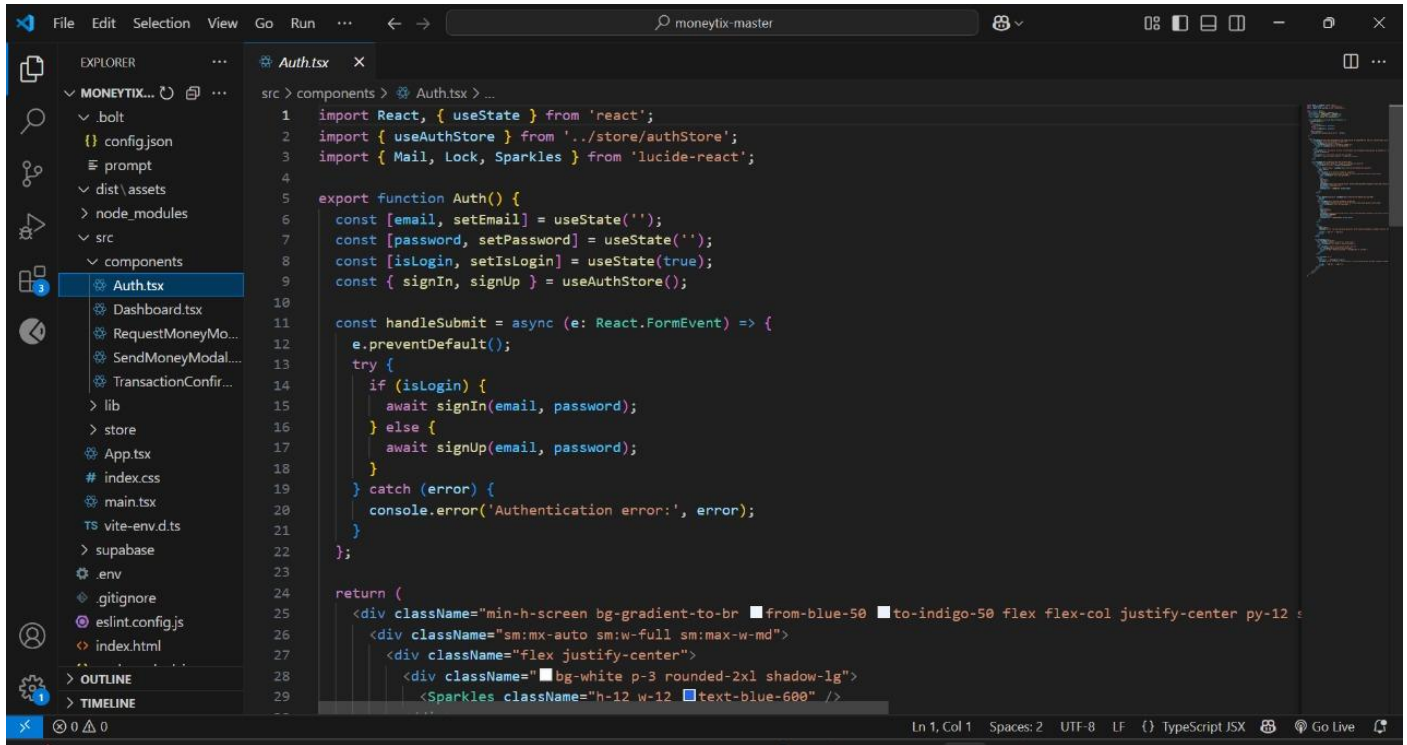
1. **Blockchain Integration:** Introducing smart contracts to automate payment releases without relying on centralized admin logic, thereby increasing transparency and auditability.
2. **Courier API Integration:** Automating delivery confirmation using shipment tracking APIs from services like Delhivery, Shiprocket, or India Post.
3. **Mobile Application:** Creating Android and iOS apps for broader accessibility, especially for users in mobile-first regions.
4. **AI-Powered Dispute Resolution:** Implementing machine learning to flag fraudulent behavior and assist in faster resolution of disputes.

5. **Multi-currency Support:** Enabling cross-border transactions with currency conversion and international compliance.
6. **Trust Score System:** Assigning dynamic trust scores to users based on past transaction behavior, fostering reputation and accountability.
7. **Third-Party Plugin Development:** Allowing other digital storefronts (e.g., WordPress, Wix, or Shopify users) to integrate our escrow service into their websites.

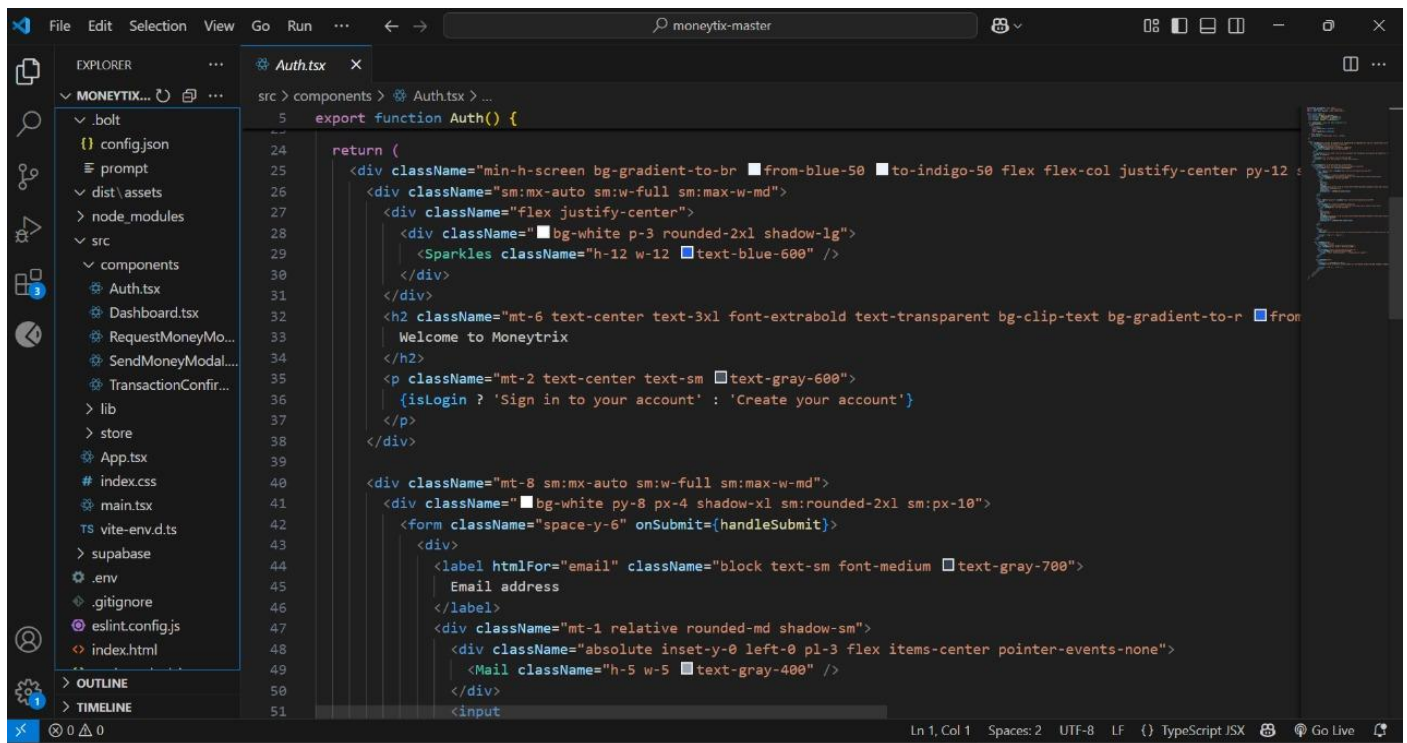
These future enhancements are aimed at making the escrow system more robust, scalable, and inclusive. With further development and strategic partnerships, this platform has the potential to become a core part of the growing digital commerce ecosystem for micro and small enterprises.

APPENDIX

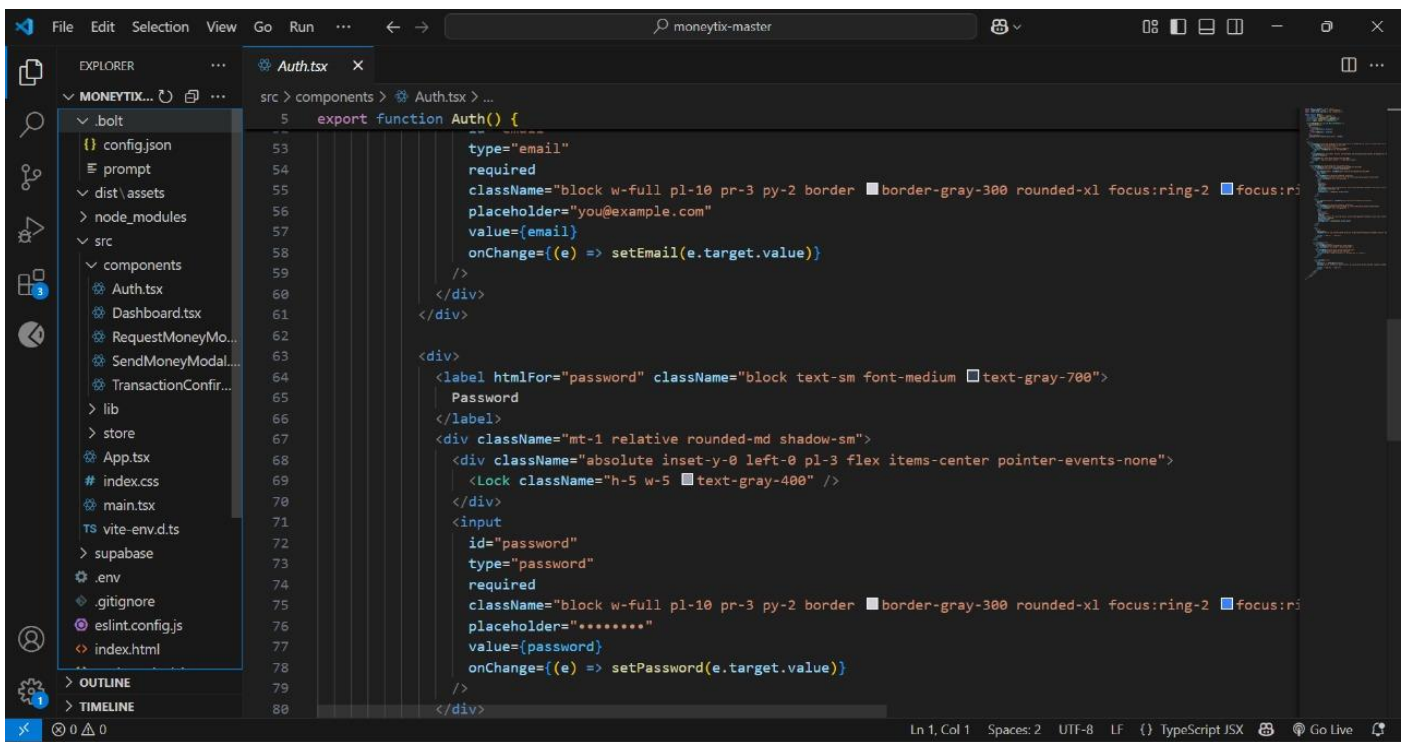
PROGRAM CODE:



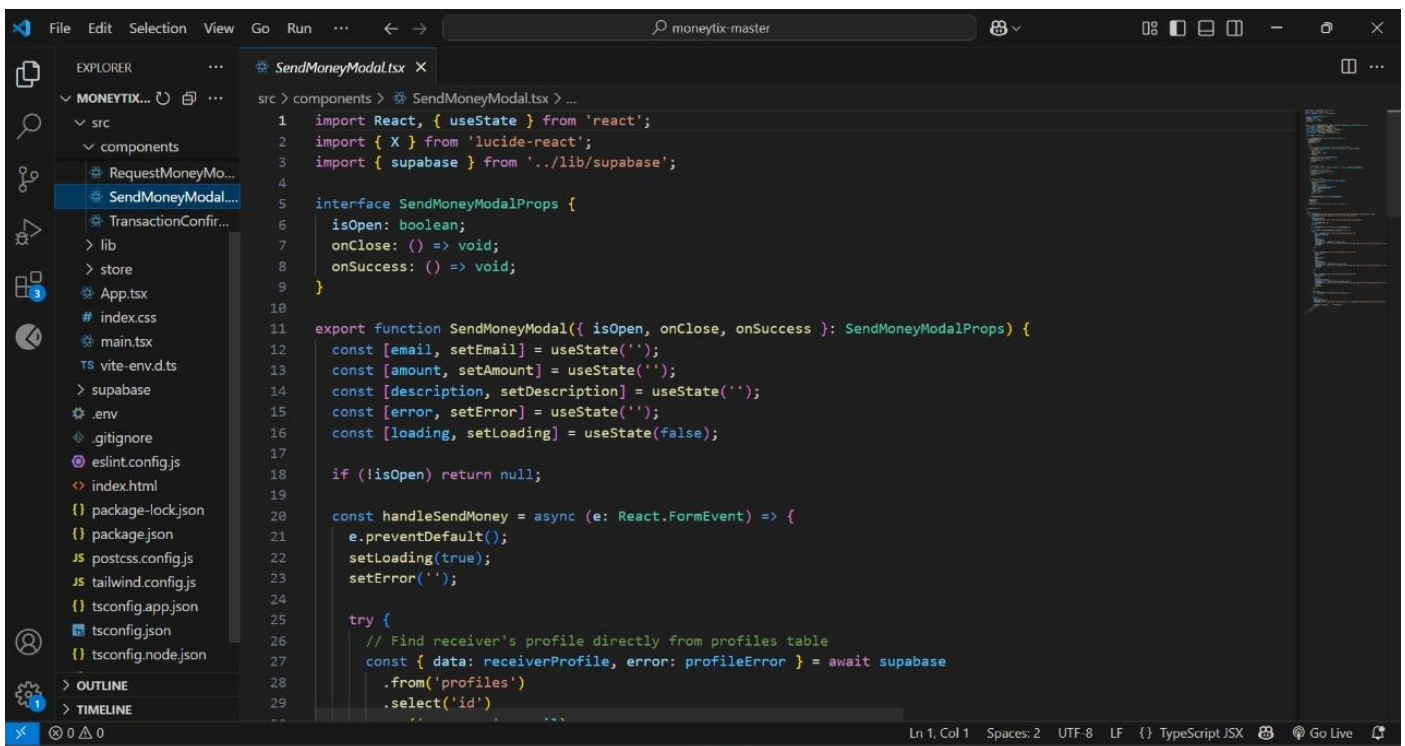
```
1 import React, { useState } from 'react';
2 import { useAuthStore } from '../store/authStore';
3 import { Mail, Lock, Sparkles } from 'lucide-react';
4
5 export function Auth() {
6   const [email, setEmail] = useState('');
7   const [password, setPassword] = useState('');
8   const [isLogin, setIsLogin] = useState(true);
9   const { signIn, signUp } = useAuthStore();
10
11   const handleSubmit = async (e: React.FormEvent) => {
12     e.preventDefault();
13     try {
14       if (isLogin) {
15         await signIn(email, password);
16       } else {
17         await signUp(email, password);
18       }
19     } catch (error) {
20       console.error('Authentication error:', error);
21     }
22   };
23
24   return (
25     <div className="min-h-screen bg-gradient-to-br from-blue-50 to-indigo-50 flex flex-col justify-center py-12">
26       <div className="sm:mx-auto sm:w-full sm:max-w-md">
27         <div className="flex justify-center">
28           <div className="bg-white p-3 rounded-2xl shadow-lg">
29             <Sparkles className="h-12 w-12 text-blue-600" />
30           </div>
31         </div>
32         <h2 className="mt-6 text-center text-3xl font-extrabold text-transparent bg-clip-text bg-gradient-to-r from-blue-500 to-indigo-600">
33           Welcome to Moneytrix
34         </h2>
35         <p className="mt-2 text-center text-sm text-gray-600">
36           {isLogin ? 'Sign in to your account' : 'Create your account'}
37         </p>
38       </div>
39
40       <div className="mt-8 sm:mx-auto sm:w-full sm:max-w-md">
41         <div className="bg-white py-8 px-4 shadow-xl sm:rounded-2xl sm:px-10">
42           <form className="space-y-6" onSubmit={handleSubmit}>
43             <div>
44               <label htmlFor="email" className="block text-sm font-medium text-gray-700">
45                 Email address
46               </label>
47               <div className="mt-1 relative rounded-md shadow-sm">
48                 <div className="absolute inset-y-0 left-0 pl-3 flex items-center pointer-events-none">
49                   <Mail className="h-5 w-5 text-gray-400" />
50                 </div>
51                 <input type="text" value={email} onChange={e => setEmail(e.target.value)} />
52               </div>
53             </div>
54             <div>
55               <label htmlFor="password" className="block text-sm font-medium text-gray-700">
56                 Password
57               </label>
58               <div className="mt-1 relative rounded-md shadow-sm">
59                 <div className="absolute inset-y-0 left-0 pl-3 flex items-center pointer-events-none">
60                   <Lock className="h-5 w-5 text-gray-400" />
61                 </div>
62                 <input type="password" value={password} onChange={e => setPassword(e.target.value)} />
63               </div>
64             </div>
65             <div>
66               <button type="submit" className="w-full flex justify-center py-2 px-5 border border-transparent rounded-md shadow-sm text-sm font-medium text-white bg-indigo-600 hover:bg-indigo-700 focus:outline-none focus:ring-2 focus:ring-offset-2 focus:ring-indigo-500">
67                 {isLogin ? 'Sign in' : 'Sign up'}
68               </button>
69             </div>
70           </form>
71         </div>
72       </div>
73     </div>
74   );
75 }
```



```
5 export function Auth() {
6   const [email, setEmail] = useState('');
7   const [password, setPassword] = useState('');
8   const [isLogin, setIsLogin] = useState(true);
9   const { signIn, signUp } = useAuthStore();
10
11   const handleSubmit = async (e: React.FormEvent) => {
12     e.preventDefault();
13     try {
14       if (isLogin) {
15         await signIn(email, password);
16       } else {
17         await signUp(email, password);
18       }
19     } catch (error) {
20       console.error('Authentication error:', error);
21     }
22   };
23
24   return (
25     <div className="min-h-screen bg-gradient-to-br from-blue-50 to-indigo-50 flex flex-col justify-center py-12">
26       <div className="sm:mx-auto sm:w-full sm:max-w-md">
27         <div className="flex justify-center">
28           <div className="bg-white p-3 rounded-2xl shadow-lg">
29             <Sparkles className="h-12 w-12 text-blue-600" />
30           </div>
31         </div>
32         <h2 className="mt-6 text-center text-3xl font-extrabold text-transparent bg-clip-text bg-gradient-to-r from-blue-500 to-indigo-600">
33           Welcome to Moneytrix
34         </h2>
35         <p className="mt-2 text-center text-sm text-gray-600">
36           {isLogin ? 'Sign in to your account' : 'Create your account'}
37         </p>
38       </div>
39
40       <div className="mt-8 sm:mx-auto sm:w-full sm:max-w-md">
41         <div className="bg-white py-8 px-4 shadow-xl sm:rounded-2xl sm:px-10">
42           <form className="space-y-6" onSubmit={handleSubmit}>
43             <div>
44               <label htmlFor="email" className="block text-sm font-medium text-gray-700">
45                 Email address
46               </label>
47               <div className="mt-1 relative rounded-md shadow-sm">
48                 <div className="absolute inset-y-0 left-0 pl-3 flex items-center pointer-events-none">
49                   <Mail className="h-5 w-5 text-gray-400" />
50                 </div>
51                 <input type="text" value={email} onChange={e => setEmail(e.target.value)} />
52               </div>
53             </div>
54             <div>
55               <label htmlFor="password" className="block text-sm font-medium text-gray-700">
56                 Password
57               </label>
58               <div className="mt-1 relative rounded-md shadow-sm">
59                 <div className="absolute inset-y-0 left-0 pl-3 flex items-center pointer-events-none">
60                   <Lock className="h-5 w-5 text-gray-400" />
61                 </div>
62                 <input type="password" value={password} onChange={e => setPassword(e.target.value)} />
63               </div>
64             </div>
65             <div>
66               <button type="submit" className="w-full flex justify-center py-2 px-5 border border-transparent rounded-md shadow-sm text-sm font-medium text-white bg-indigo-600 hover:bg-indigo-700 focus:outline-none focus:ring-2 focus:ring-offset-2 focus:ring-indigo-500">
67                 {isLogin ? 'Sign in' : 'Sign up'}
68               </button>
69             </div>
70           </form>
71         </div>
72       </div>
73     </div>
74   );
75 }
```



```
5 export function Auth() {
53
54   type="email"
55   required
56   className="block w-full pl-10 pr-3 py-2 border border-gray-300 rounded-xl focus:ring-2 focus:ring-blue-500"
57   placeholder="you@example.com"
58   value={email}
59   onChange={(e) => setEmail(e.target.value)}
60 }
61
62
63
64 <div>
65   <label htmlFor="password" className="block text-sm font-medium text-gray-700">
66     Password
67   </label>
68   <div className="mt-1 relative rounded-md shadow-sm">
69     <div className="absolute inset-y-0 left-0 pl-3 flex items-center pointer-events-none">
70       <Lock className="h-5 w-5 text-gray-400" />
71     </div>
72     <input
73       id="password"
74       type="password"
75       required
76       className="block w-full pl-10 pr-3 py-2 border border-gray-300 rounded-xl focus:ring-2 focus:ring-blue-500"
77       placeholder="password"
78       value={password}
79       onChange={(e) => setPassword(e.target.value)}
80     />
81   </div>
82 </div>
```



```
1 import React, { useState } from 'react';
2 import { X } from 'lucide-react';
3 import { supabase } from '../lib/supabase';
4
5 interface SendMoneyModalProps {
6   isOpen: boolean;
7   onClose: () => void;
8   onSuccess: () => void;
9 }
10
11 export function SendMoneyModal({ isOpen, onClose, onSuccess }: SendMoneyModalProps) {
12   const [email, setEmail] = useState('');
13   const [amount, setAmount] = useState('');
14   const [description, setDescription] = useState('');
15   const [error, setError] = useState('');
16   const [loading, setLoading] = useState(false);
17
18   if (!isOpen) return null;
19
20   const handleSendMoney = async (e: React.FormEvent) => {
21     e.preventDefault();
22     setLoading(true);
23     setError('');
24
25     try {
26       // Find receiver's profile directly from profiles table
27       const { data: receiverProfile, error: profileError } = await supabase
28         .from('profiles')
29         .select('id')
```



```
11 export function SendMoneyModal({ isOpen, onClose, onSuccess }: SendMoneyModalProps) {
20   const handleSendMoney = async (e: React.FormEvent) => {
21     const { data: receiverError, error: profileError } = await supabase
22       .from('profiles')
23       .select('id')
24       .eq('username', email)
25       .single();
26
27     if (profileError || !receiverProfile) {
28       setError('User not found');
29       setLoading(false);
30       return;
31     }
32
33     // Get current user
34     const { data: { user }, error: userError } = await supabase.auth.getUser();
35
36     if (userError || !user?.id) {
37       setError('Authentication error');
38       setLoading(false);
39       return;
40     }
41
42     // Create transaction
43     const { error: transactionError } = await supabase
44       .from('transactions')
45       .insert({
46         sender_id: user.id,
47         receiver_id: receiverProfile.id,
48         amount: parseFloat(amount)
49       })
```

```
69   };
70
71   return (
72     <div className="fixed inset-0 bg-black bg-opacity-50 flex items-center justify-center z-50">
73       <div className="bg-white rounded-lg p-6 w-full max-w-md relative">
74         <button
75           onClick={onClose}
76           className="absolute top-4 right-4 text-gray-400 hover:text-gray-600">
77           <X className="h-6 w-6" />
78         </button>
79
80         <h2 className="text-2xl font-bold mb-6">Send Money</h2>
81
82         <form onSubmit={handleSendMoney} className="space-y-4">
83           <div>
84             <label className="block text-sm font-medium text-gray-700">
85               Recipient Username
86             </label>
87             <input
88               type="text"
89               value={email}
90               onChange={(e) => setEmail(e.target.value)}
91               className="mt-1 block w-full rounded-md border-gray-300 shadow-sm focus:border-blue-500 focus:ring-blue-500"
92             />
93           </div>
94         </form>
95       </div>
96     </div>
```

```
TransactionConfirmModal.tsx 1 X
src > components > TransactionConfirmModal.tsx > ...
2 import { X, CheckCircle } from 'lucide-react';
3 import { supabase } from '../lib/supabase';
4
5 interface TransactionConfirmModalProps {
6   isOpen: boolean;
7   onClose: () => void;
8   transaction: any;
9   onConfirm: () => void;
10 }
11
12 export function TransactionConfirmModal({ isOpen, onClose, transaction, onConfirm }: TransactionConfirmModalProps) {
13   const [loading, setLoading] = useState(false);
14   const [error, setError] = useState('');
15
16   if (!isOpen) return null;
17
18   const handleConfirm = async () => {
19     setLoading(true);
20     setError('');
21
22     try {
23       const { error: updateError } = await supabase
24         .from('transactions')
25         .update({ status: 'completed' })
26         .eq('id', transaction.id);
27
28       if (updateError) throw updateError;
29
30       onConfirm();
31     } catch (error) {
32       setError(error.message);
33     }
34   };
35 }
```

```
store
  TS authStore.ts
  App.tsx
  # index.css
  # main.tsx
  TS vite-env.d.ts
  supabase\migrations
    20250401155247_ra...
    20250401160219_sn...
  .env
  .gitignore
  .eslintrc.config.js
  index.html
  package-lock.json
  package.json
  postcss.config.js
  tailwind.config.js
  tsconfig.app.json
  tsconfig.json
  tsconfig.node.json
  vite.config.ts
> OUTLINE
> TIMELINE
0 1
39 return (
40   <div className="fixed inset-0 bg-black bg-opacity-50 flex items-center justify-center z-50">
41     <div className="bg-white rounded-lg p-6 w-full max-w-md relative">
42       <button
43         onClick={onClose}
44         className="absolute top-4 right-4 text-gray-400 hover:text-gray-600">
45         <X className="h-6 w-6" />
46       </button>
47
48       <div className="text-center">
49         <CheckCircle className="h-12 w-12 text-green-500 mx-auto mb-4" />
50         <h2 className="text-2xl font-bold mb-2">Confirm Receipt</h2>
51         <p className="text-gray-600 mb-6">
52           Please confirm that you've received the goods/services for this transaction:
53         </p>
54
55         <div className="bg-gray-50 rounded-lg p-4 mb-6">
56           <p className="text-lg font-semibold">${transaction?.amount}</p>
57           <p className="text-gray-600">${transaction?.description}</p>
58         </div>
59
60         {error && (
61           <div className="text-red-600 text-sm mb-4">{error}</div>
62         )}
63
64         <div className="flex space-x-4">
65           <button
66             onClick={onClose}
67             className="text-gray-400 hover:text-gray-600">
68             Cancel
69           </button>
70           <button
71             onClick={handleConfirm}
72             className="text-white bg-blue-600 rounded-lg px-4 py-2">
73             Confirm
74           </button>
75         </div>
76       </div>
77     </div>
78   </div>
79 )
```


This screenshot shows a VS Code editor window with a Supabase migration file named `20250401155247_rapid_bush.sql`. The file is located in the `supabase/migrations` directory. The code defines two tables: `profiles` and `transactions`.

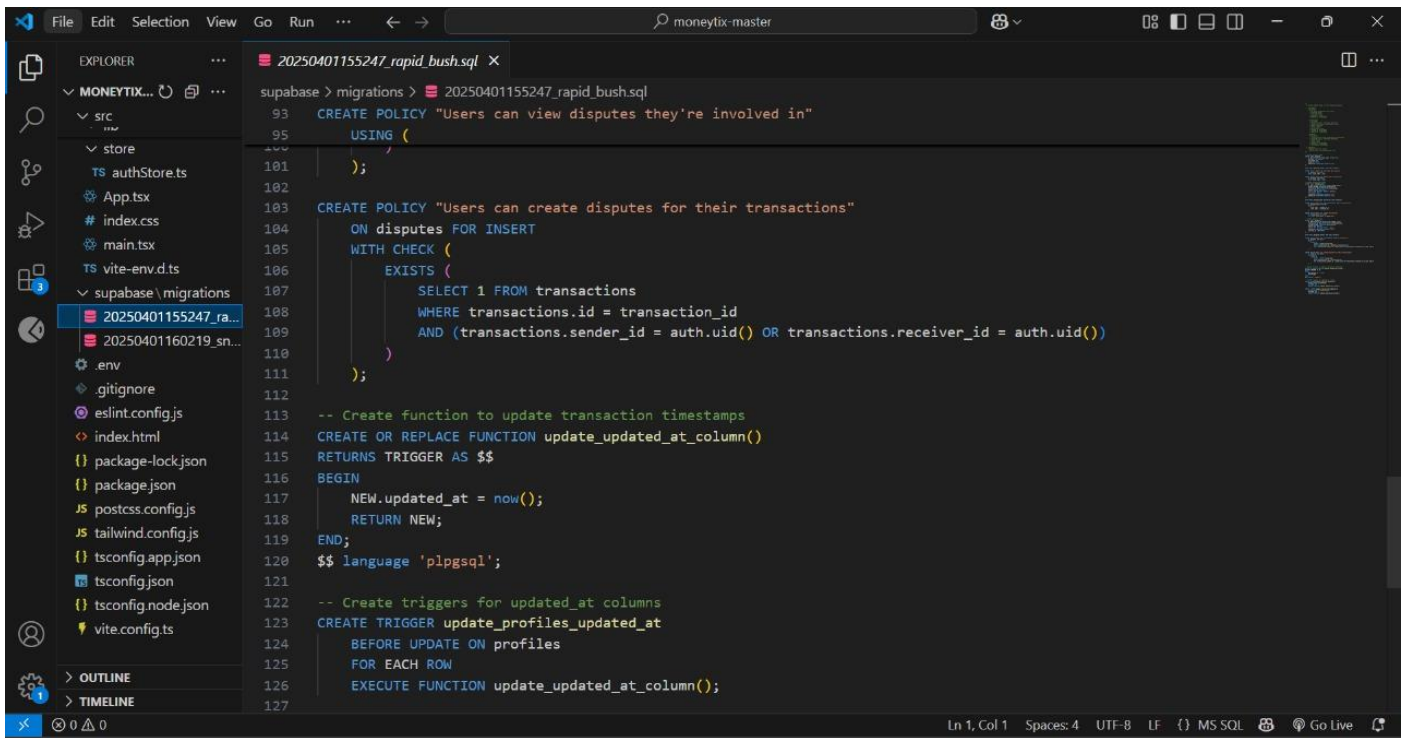
```
supabase > migrations > 20250401155247_rapid_bush.sql
-- Create profiles table
37 CREATE TABLE profiles (
38   id UUID REFERENCES auth.users PRIMARY KEY,
39   username TEXT UNIQUE,
40   full_name TEXT,
41   avatar_url TEXT,
42   updated_at TIMESTAMPTZ DEFAULT now()
43 );
44
45 ALTER TABLE profiles ENABLE ROW LEVEL SECURITY;
46
47 CREATE POLICY "Users can view their own profile"
48   ON profiles FOR SELECT
49   USING (auth.uid() = id);
50
51 CREATE POLICY "Users can update their own profile"
52   ON profiles FOR UPDATE
53   USING (auth.uid() = id);
54
55 -- Create transactions table
56 CREATE TABLE transactions (
57   id UUID PRIMARY KEY DEFAULT gen_random_uuid(),
58   sender_id UUID REFERENCES profiles(id),
59   receiver_id UUID REFERENCES profiles(id),
60   amount DECIMAL NOT NULL,
61   status TEXT NOT NULL DEFAULT 'pending',
62   description TEXT,
63   created_at TIMESTAMPTZ DEFAULT now(),
64   updated_at TIMESTAMPTZ DEFAULT now()
65 );
```

The Explorer sidebar on the left shows the project structure, including `src`, `store`, `authStore.ts`, `App.tsx`, `index.css`, `main.tsx`, `vite-env.d.ts`, and the `supabase/migrations` directory. The status bar at the bottom indicates the cursor is at line 1, column 1, with 4 spaces, UTF-8 encoding, and LF line endings.

This screenshot shows the same VS Code editor window, but the code has been scrolled down to show the creation of the `disputes` table and additional policies for the `transactions` table.

```
56 CREATE TABLE transactions (
57   sender_id UUID REFERENCES profiles(id),
58   receiver_id UUID REFERENCES profiles(id),
59   amount DECIMAL NOT NULL,
60   status TEXT NOT NULL DEFAULT 'pending',
61   description TEXT,
62   created_at TIMESTAMPTZ DEFAULT now(),
63   updated_at TIMESTAMPTZ DEFAULT now()
64 );
65
66 ALTER TABLE transactions ENABLE ROW LEVEL SECURITY;
67
68 CREATE POLICY "Users can view transactions they're involved in"
69   ON transactions FOR SELECT
70   USING (
71     auth.uid() = sender_id OR
72     auth.uid() = receiver_id
73   );
74
75 CREATE POLICY "Users can create transactions"
76   ON transactions FOR INSERT
77   WITH CHECK (auth.uid() = sender_id);
78
79 -- Create disputes table
80 CREATE TABLE disputes (
81   id UUID PRIMARY KEY DEFAULT gen_random_uuid(),
82   transaction_id UUID REFERENCES transactions(id),
83   raised_by UUID REFERENCES profiles(id),
84   reason TEXT NOT NULL,
85 );
```

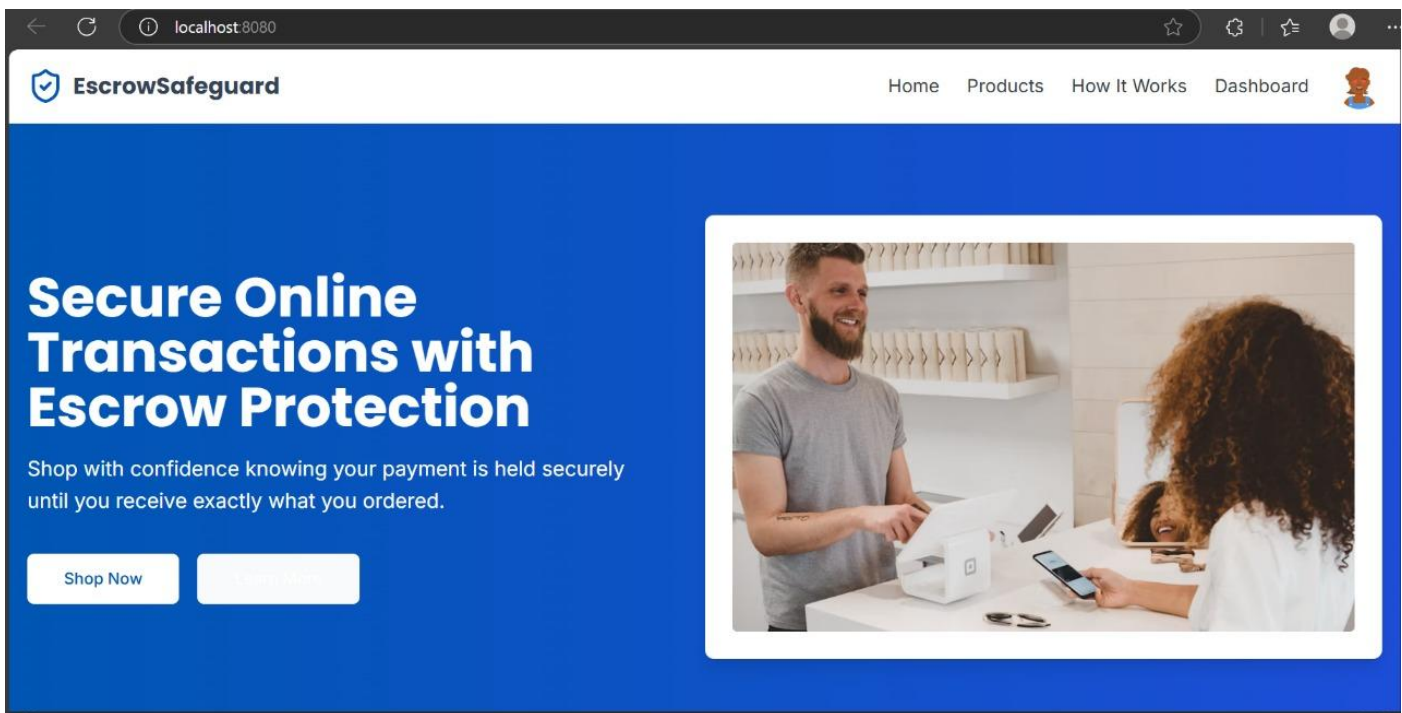
The Explorer sidebar and status bar are consistent with the previous screenshot.

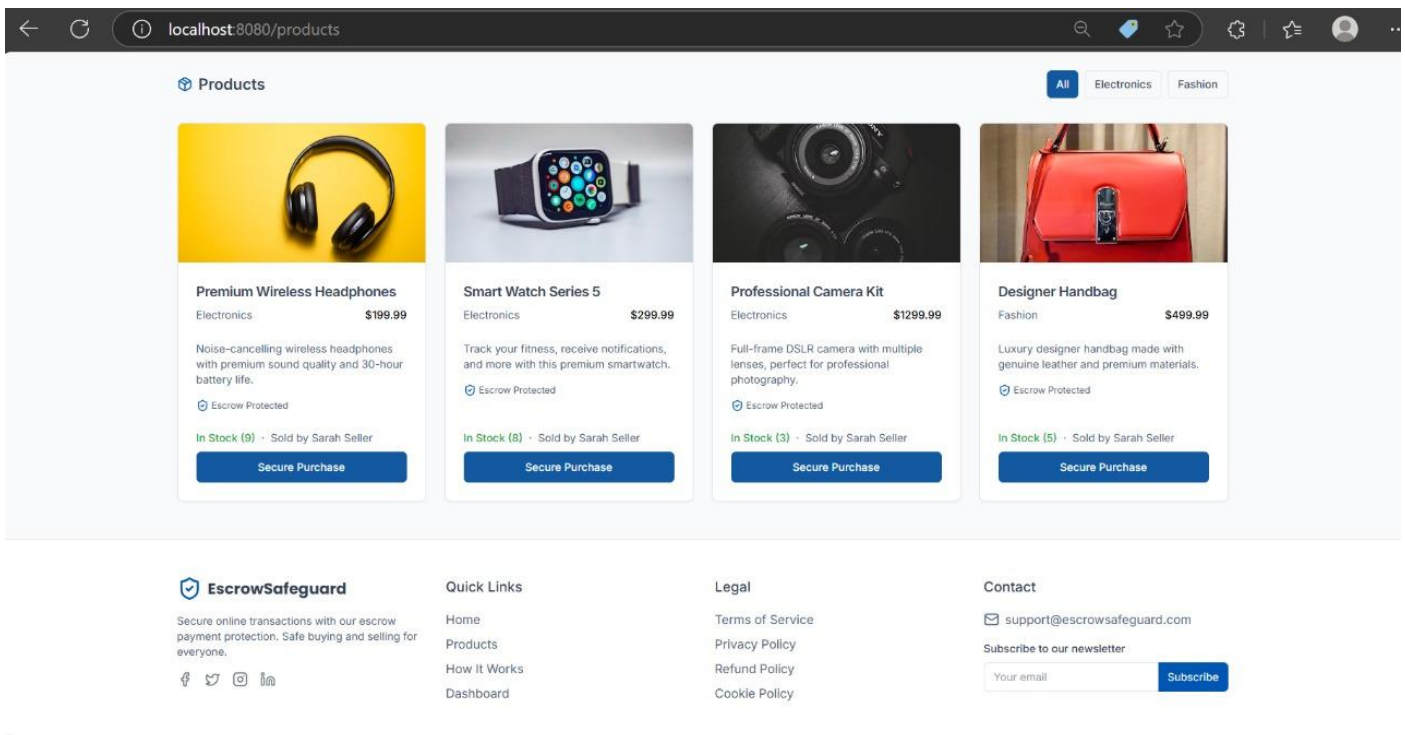
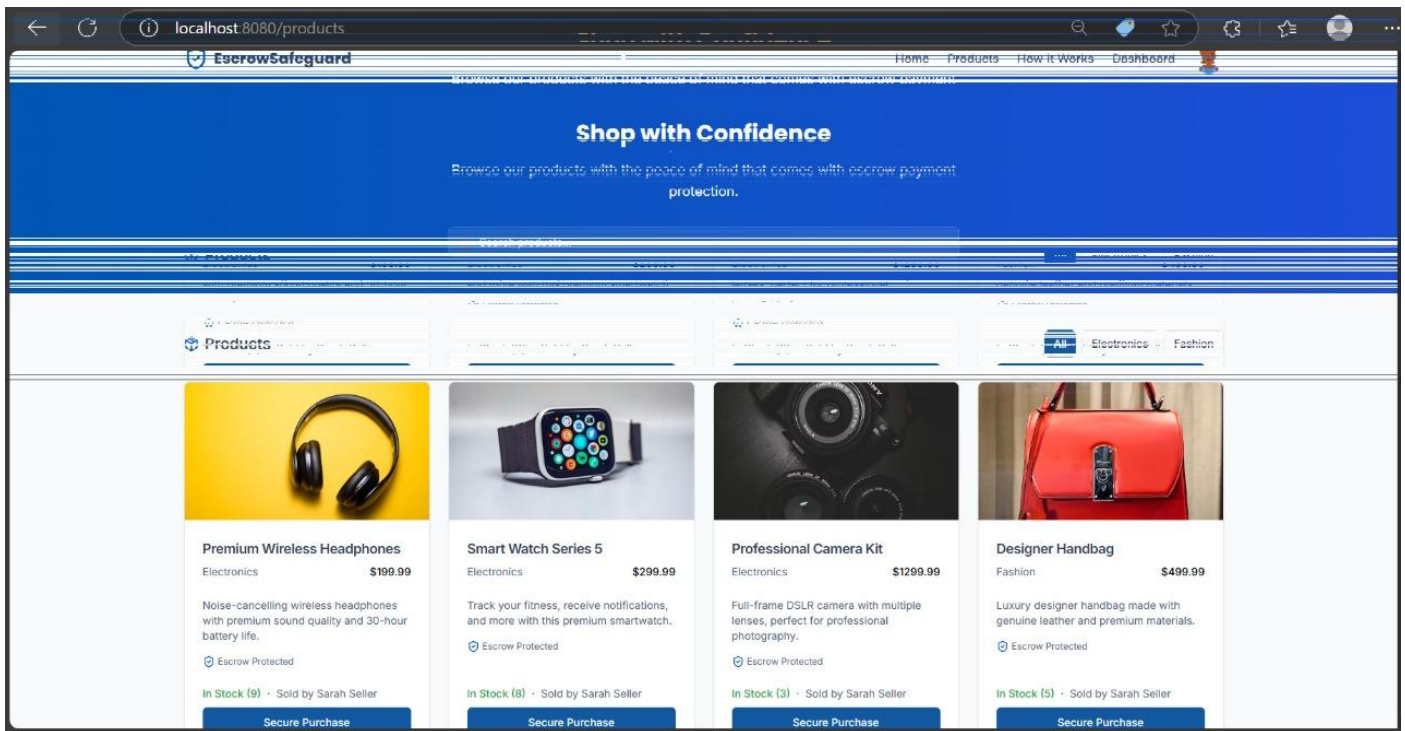


The screenshot shows a VS Code editor window with a file explorer on the left and a code editor on the right. The file explorer shows a project structure with folders like 'src', 'store', and 'supabase'. The code editor displays a Supabase migration file named '20250401155247_rapid_bush.sql'. The code includes SQL queries for creating policies, a function to update transaction timestamps, and triggers for updating columns.

```
supabase > migrations > 20250401155247_rapid_bush.sql
93 CREATE POLICY "Users can view disputes they're involved in"
94 USING (
101 );
102
103 CREATE POLICY "Users can create disputes for their transactions"
104 ON disputes FOR INSERT
105 WITH CHECK (
106 EXISTS (
107 SELECT 1 FROM transactions
108 WHERE transactions.id = transaction_id
109 AND (transactions.sender_id = auth.uid() OR transactions.receiver_id = auth.uid())
110 );
111 );
112
113 -- Create function to update transaction timestamps
114 CREATE OR REPLACE FUNCTION update_updated_at_column()
115 RETURNS TRIGGER AS $$
116 BEGIN
117 NEW.updated_at = now();
118 RETURN NEW;
119 END;
120 $$ language 'plpgsql';
121
122 -- Create triggers for updated_at columns
123 CREATE TRIGGER update_profiles_updated_at
124 BEFORE UPDATE ON profiles
125 FOR EACH ROW
126 EXECUTE FUNCTION update_updated_at_column();
127
```

OUTPUT:





Active Orders

0

Completed

2

Pending

1

Disputed

0

Transactions

Premium Wireless Headphones

Order #1 • Mar 28, 2025

\$199.99

Seller: Sarah Seller

Payment

Shipping

Delivery

Complete

Last updated: Apr 2, 2025

Professional Camera Kit

Order #2 • Mar 21, 2025

\$1299.99

Seller: Sarah Seller

Payment

Shipping

Delivery

Complete

Last updated: Apr 2, 2025

Professional Camera Kit

Order #3 • May 9, 2025

\$1299.99

Seller: Sarah Seller

Payment

Shipping

Delivery

Complete

Last updated: May 9, 2025

EscrowSafeguard

Secure online transactions with our escrow

Quick Links

Home

Legal

Terms of Service

Contact

Transaction Initiated! Proceed to payment.

support@escrowsafeguard.com

localhost:8080/login

EscrowSafeguard

How It Works

Refund Policy

Home

Products

How It Works

Login

Sign Up

Sign in to your account

Enter your email below to access your account

Email

name@example.com

Password

Forgot password?

Demo Accounts:

Buyer: buyer@example.com / password123

Seller: seller@example.com / password123

Admin: admin@example.com / password123

Sign in

Don't have an account? Sign up

EscrowSafeguard

Secure online transactions with our escrow payment protection. Safe buying and selling for everyone.

f

t

i

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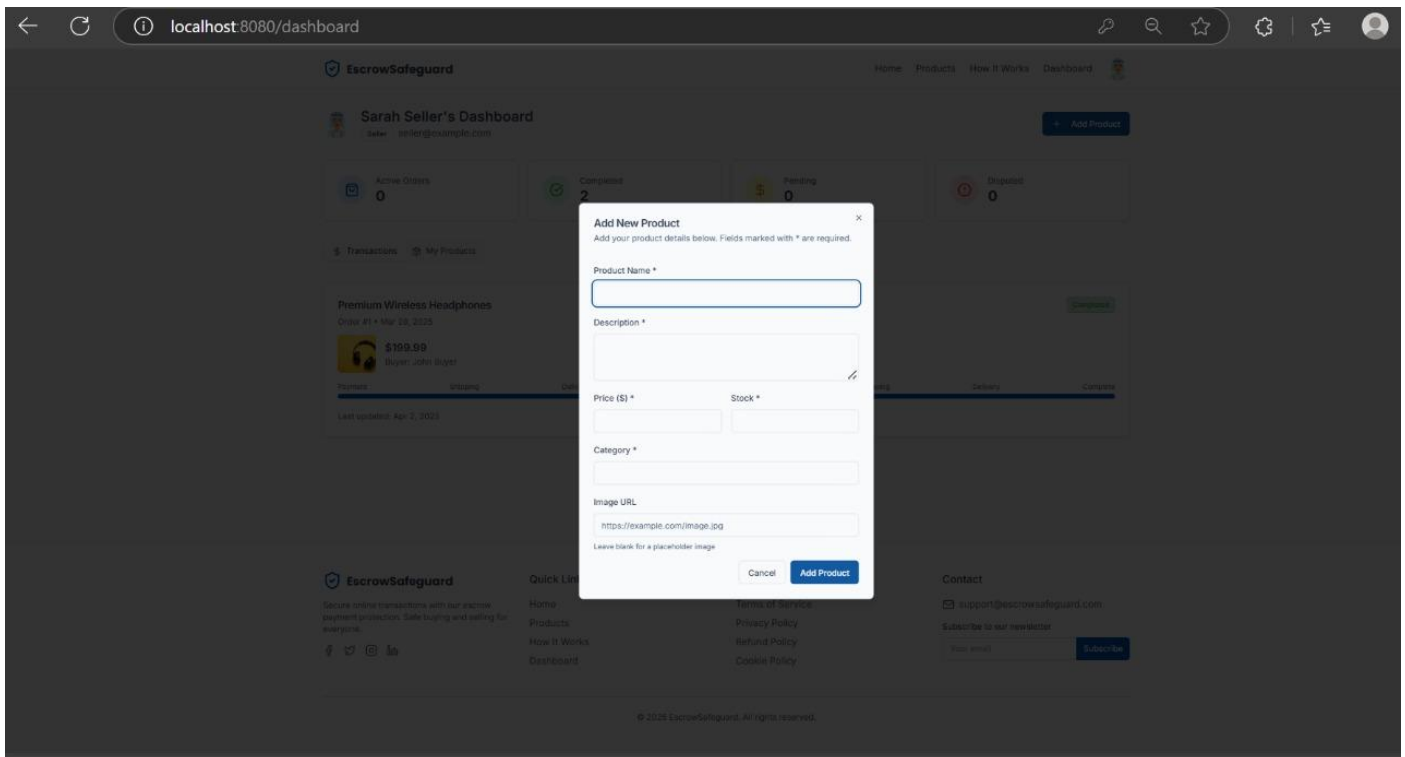
Subscribe

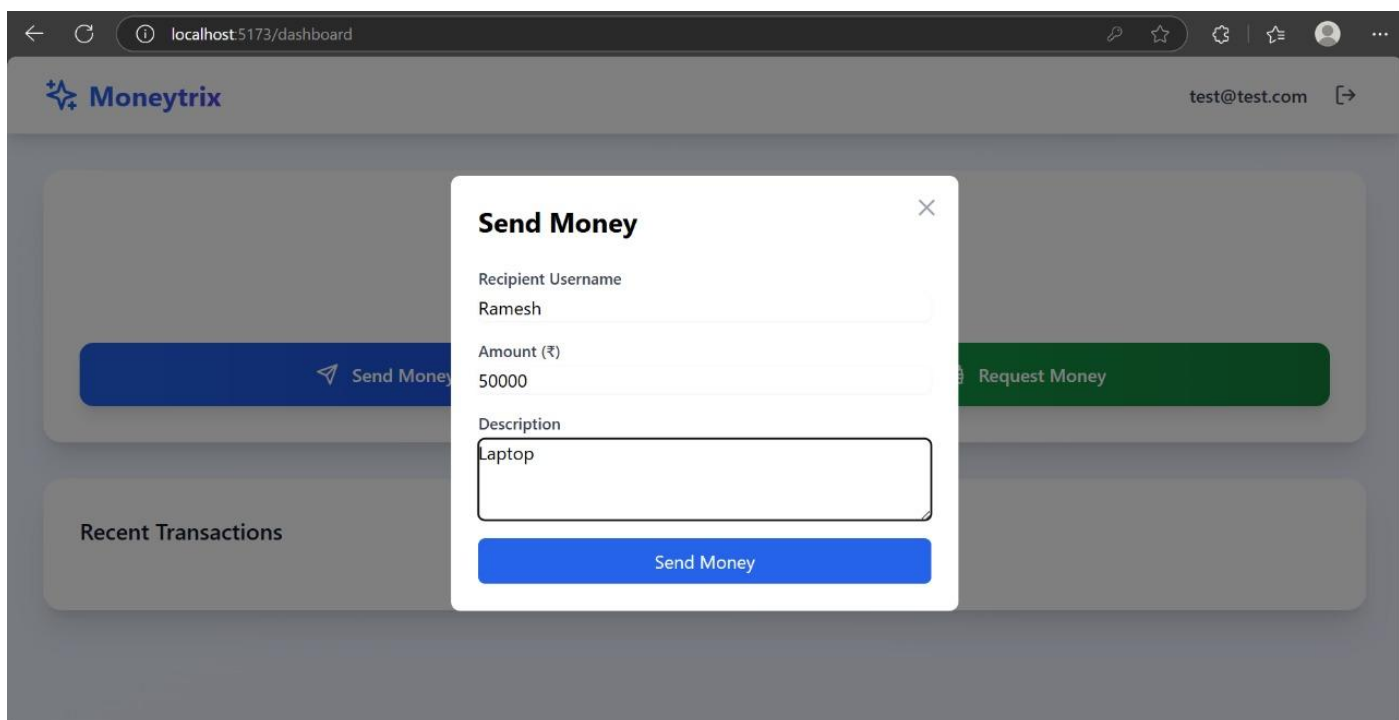
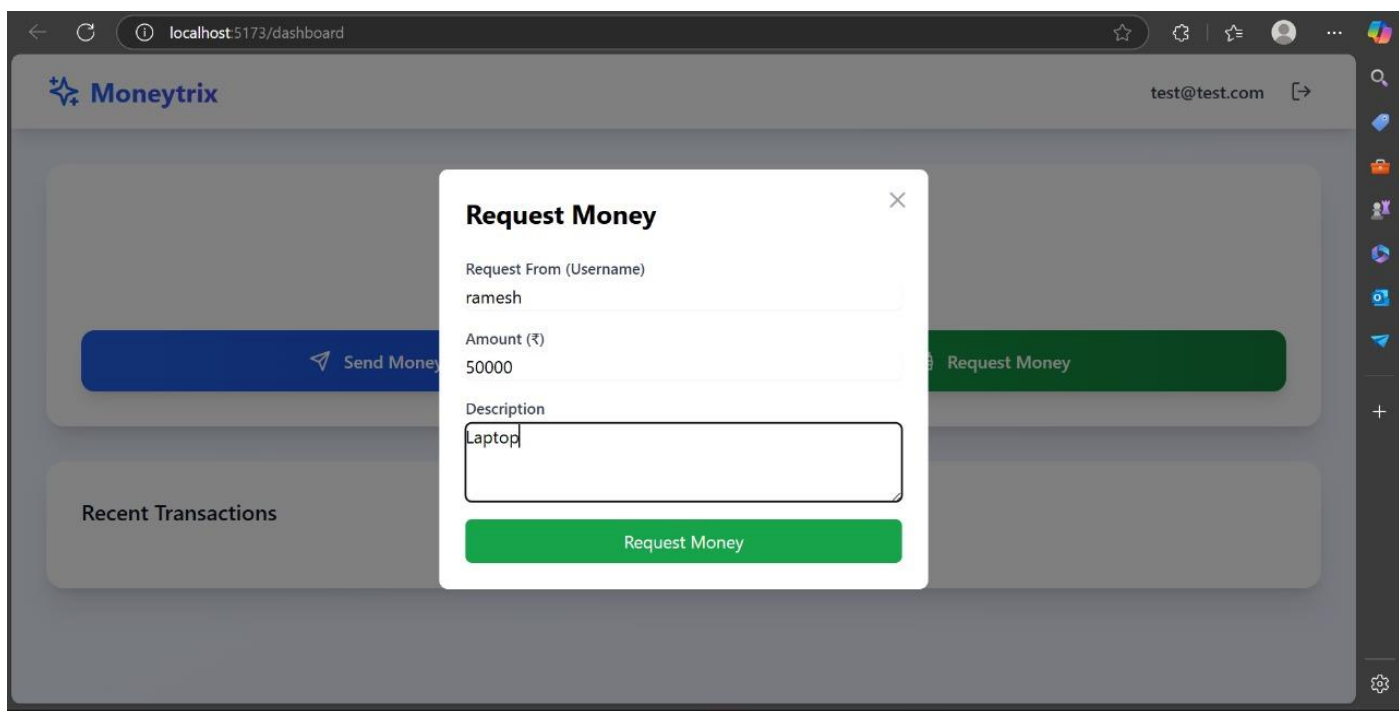
28

How EscrowSafeguard Works

Our escrow service protects both buyers and sellers by acting as a trusted third party that holds payment until the terms of the transaction are satisfied.

The Escrow Process





CHAPTER 6

REFERENCES

REFERENCES

1. **"How Escrow Payment Systems Work", Investopedia**

This source provided the foundational concept of escrow in both traditional and digital settings. It helped define the role of a third party in holding funds during a transaction, influencing our core platform logic and how conditional fund releases are managed.

URL: <https://www.investopedia.com/terms/e/escrow.asp>

2. **Razorpay API Documentation**

Used extensively during the development of the prototype, Razorpay's documentation guided the implementation of payment handling features, including payment authentication, capture, refund logic, and webhook notifications. It enabled a secure and testable escrow simulation using its sandbox mode.

URL: <https://razorpay.com/docs/api>

3. **Stripe Developer Documentation – Payment Lifecycle**

This documentation supported our understanding of modern payment architecture, specifically the flow of payment intents, event listeners, and asynchronous confirmation processes. The clarity of Stripe's lifecycle helped refine our backend logic to mirror real-world digital payment platforms.

URL: <https://stripe.com/docs>

4. **NASSCOM Report (2023) – Digital India and Micro-Entrepreneurs**

The NASSCOM report shed light on the operational struggles of small sellers in India's digital economy. It emphasized the lack of formal transaction security in micro-enterprises and validated the need for a simple, trust-based escrow solution in emerging markets.

Published by: NASSCOM India

5. **User Interviews and Surveys (Jan–Mar 2025)**

Over 30 small-scale online buyers and sellers participated in interviews and surveys that formed the foundation of our empathy phase. The qualitative insights gathered helped shape the system's features, such as transaction stages, delivery confirmation, and dispute handling mechanisms.

6. **Twilio and SendGrid Developer Guides**

These API platforms were used to implement real-time notifications in the system. The guides helped configure email alerts, SMS triggers, and ensure timely communication at critical transaction milestones like payment receipt and delivery confirmation.

URLs: <https://www.twilio.com/docs> & <https://docs.sendgrid.com>

LEARNING OUTCOMES

Through the planning, development, and implementation of this project, several key learning outcomes were achieved. These outcomes span technical knowledge, user-centric design thinking, and practical project execution skills, and are as follows:

1. Understanding Real-World Problems in Digital Commerce:

- Gained firsthand exposure to the trust-related challenges faced by small-scale online businesses.
- Developed the ability to translate informal pain points into structured problem statements.

2. Empathy-Driven Design Approach:

- Practiced user research techniques such as interviews, surveys, and behaviour analysis.
- Learned to prioritize user feedback and emotional triggers while designing technical solutions.

3. Full-Stack Development Experience:

- Strengthened proficiency in front-end and back-end web development using technologies like HTML, CSS, JavaScript, Node.js, and MongoDB.
- Integrated payment gateways and notification systems effectively into a functional prototype.

4. Process Logic and Transaction Flow Design:

- Designed and implemented a secure transaction lifecycle, ensuring conditional fund release through escrow logic.
- Understood and applied principles of system automation, timers, and trigger-based event handling.

5. Conflict Resolution and System Governance:

- Explored how digital platforms can handle disputes fairly through human-admin intervention and digital documentation.
- Recognized the importance of neutrality and accountability in platform-based services.

6. Project Management and Iterative Development:

- Practiced modular development, agile iterations, and version control for team collaboration.

- Responded dynamically to field testing with real-time improvements and bug fixes.

7. Communication and Documentation:

- Learned how to present a technical solution clearly through structured reports, diagrams, and user walkthroughs.
- Practiced writing from both a technical and user-facing perspective.