

Group Assignment

Prof. Nisarg Joshi

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19BCE192 - Preet Patel

19BCE214 - Priyal Palkhiwala

19BCE216 - Meet Rajkotiya

19BCE226 - Ansh Ray

19BCE245 - Aayush Shah

Debit Card

Financial Management

1. Executive Summary

Ok bye -preet

2. Introduction

Ok bye -preet

3. History of Debit card

Ok bye -priyal

4. Types of Debit card

Ok bye -priyal

5. How does a Debit card works

Ok bye -meet

6. Debit card vs Credit card

Ok bye -meet

7. Perks & Cons of Debit card

Ok bye -ansh

7.1. Perks

Ok bye -ansh

7.2. Cons

Ok bye -ansh

8. Future of Debit card

Debit cards will undoubtedly continue to be a popular method of payment. What the future holds for the debit card, on the other hand, is mainly dependent on how future cardholders like to conduct purchases. Let's look at these ways in which debit cards are already adjusting to the changing tastes of their cardholders.

8.1. Taking control

Because debit cards have direct access to a cardholder's bank account, keeping track of cash is critical. EMV (EuroPay, MasterCard, Visa) has reduced in-store fraud, but it hasn't stopped fraud in online transactions or other card-not-present scenarios. Card restrictions, which provide cardholders a better capacity to trace card use and monitor their spending, have proven to be useful in combating this form of fraud.

Cardholders can manage their cards immediately from their mobile device using advanced card control apps like MobiMoney. Cardholders can choose to get real-time transaction updates, which will notify them of every transaction done with their debit card. Allowing cardholders to set spending limits, specify use places and geographical boundaries, and even requiring mobile device proximity can reduce their exposure to both card-present and card-not-present fraud.

Cardholders, on the other hand, have immediate, uninterrupted access to "switch off" their card if their card is compromised, preventing additional damage to their account balance as well as the impact on their financial institution.

8.2.Going card-less

It may appear that eliminating the actual card from the payment equation spells the death of debit cards. However, integrating smartphone technologies with debit card functions could be the next step in its progression.

We've seen a gradual transition toward NFC technology that facilitates the use of mobile wallets in recent years. Cardholders are transforming their spending process and changing how shops take payments by using mobile wallets. Consumers are getting more comfortable coupling modern payment technology with sensitive personal information as they begin to use mobile wallets for convenience — as long as they believe their information is kept secure.

Mobile wallets are really more secure than EMV chip cards, contrary to popular belief. Built-in security features verify the user's identity, preventing fraudulent transactions before the mobile wallet is ever launched. In addition to the traditional PIN and signature components of debit card usage, cellphones offer tight user safeguards by combining the extra security of a fingerprint touch ID, six-digit passcode, and the device chip itself.

Debit cards linked to mobile wallets like Apple Pay, Samsung Pay, and Google Wallet are advancing the convenience of retail checkout in addition to the advanced security features of mobile payments. Mobile wallets facilitate quick and easy payments by requiring only a close proximity to a merchant's NFC-enabled point of sale terminal — a transaction that is faster than exchanging cash. Payment receipts can also be automatically emailed and stored to the device, eliminating the need for and inconvenience of generating multiple customer receipts.

8.3.Current situation with payment cards

These days, online transactions are acquiring even more clout, and apps like Apple Pay, Google Pay, Stripe, Klarna, and Amazon Pay make our lives easier and cashless. This miracle has been made possible in part by Near Field Communication (NFC), which successfully combines the payment function with the storage and protection of personal data. As a result, we're able to communicate the required information with the merchant's point of sale terminal right away. Despite the widespread opposition, this viral banking method is safer than regular chip cards such as EuroPay, MasterCard, and Visa (EMV). Virtual cards, for example, are frequently equipped with an in-built authentication mechanism that requires far more than the standard PIN required for debit card use: you can also strengthen access to your banking

system by using a fingerprint touch ID, a 6-digit passcode, a device chip, or strictly defined user log-in requirements. As you can see, mobile banking is thriving right now, and we're a part of it!

Furthermore, because clients' proximity to their mobile phone is less than 33 inches, banking providers are increasingly more concerned with phone centricity. That is why, not only do the majority of payment transactions take place through apps, digital wallets, and personal online accounts, but it is also the foundation for all marketing strategies. All special offers and other sorts of advertisements must be mobile-friendly; otherwise, they will not appeal to a large number of modern clients. Consider whether marketing is an important aspect of your brand's storey!

Apart from that, today's credit and debit card holders want to get greater personal control over their financial management. This demand is partially addressed by the option to set spending restrictions, change the PIN, block the card/account in the event of a report a loss' emergency, and other services available at your fingertips. In turn, depending on the user behaviour analysis, card issuers are continuously coming up with new useful features to try. Isn't it no surprise that online banking is so popular?

8.4. Ready for the future

Cardholders are finding inventive methods to improve the payment process, benefiting not only themselves, but also merchants and financial institutions, by connecting debit card information to mobile wallet applications on their mobile devices and using apps that monitor debit card usage. But don't be tricked into thinking that physical debit card payments would be phased out totally just because cardholders are switching to newer electronic modes of payment. Debit cards will continue to have a place in future purchases as long as consumers value the convenience and flexibility of a debit payment option - whether in the form of a physical card or a mobile wallet.

9. Conclusion

- Following this presentation, we discovered that there are numerous advantages to using a debit card; despite certain drawbacks, debit cards are advantageous and user-friendly.

- We can use our own money from our own account at any time by scratching a card, but the only condition is that the money is ours and we have a certain amount of money we can use from our account.
- We can also use a credit card instead of a debit card and gain perks, but we must pay interest.
- We can conclude that there are numerous benefits and drawbacks to using a debit card, but overall, debit cards benefit everyone when they want to use money directly from their account rather than using cash.
- With the most widespread use of debit cards, we can say that we can become cashless and transactions will run smoothly, and we can also stop the black market that is currently in operation.
- As long as consumers value the immediacy and flexibility of a debit payment option – whether in the form of physical card or mobile wallet – debit cards will continue to have a place in future transactions.

10. References

Future of the debit card