

The Emerging Trends of UPI Transactions in India

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Globally, the environment for digital transactions is changing due to the Unified Payments Interface (UPI) transactions rapid advancement. This abstract analyzes the changing patterns of UPI transactions, clarifying their significant influence on the economy, as well as a persuasive conclusion for their future. Developed by the National Payments Corporation of India (NPCI), it helps customers to establish a Virtual Payment Address (VPA), which facilitates sending and receiving money. Under one roof, UPI is a single platform that unifies different banking services and features. After being released in 2016, it has seen tremendous growth, with a steady increase in P2P (Peer to Peer) and P2M (Peer to Merchant) transactions, across the country [1]. It has witnessed incredible growth in India with daily transactions averaging over 300 million in volume and 480 billion in value during May 2023. Starting with 21 banks in 2016, the UPI ecosystem has today expanded to 458 banks (till June 2023), enabling billions of digital transactions each month [2]. The analysis reveals a consistent upward trend in the total number of digital transactions, indicating the increasing acceptance and adoption of digital payment methods. The financial year 2021-22 stood out with a significant surge in both transaction volume and value [3]. UPI offers unparalleled convenience, enabling users to initiate transactions from the comfort of their smartphones, saves money by doing away with the requirement for conventional banking middlemen and transaction costs. Additionally, it improves security and transparency by protecting sensitive financial data using encryption technologies. UPI transactions also present certain drawbacks. Cybersecurity and data privacy are major concerns that require strict security procedures to reduce possible hazards. In addition, UPI transactions presents challenges pertaining to incompatibility and technical glitches, necessitating continuous innovation. Examining new patterns in UPI transactions highlights how important they are to the global transformation of the financial sector. As highlighted through this abstract, UPI transactions face a number of obstacles, including technical incompatibility and cybersecurity issues, but they also provide simplicity and affordability. The trajectory of UPI transactions remains promising, with ongoing innovation and collaboration in driving inclusive economic growth and fostering financial empowerment.

Keywords: Unified Payment Interface, Virtual Payment Access, Transformative Potential, Financial Empowerment, P2P and P2M.

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