

CHALLENGES IN E-PAYMENT IN INDIA

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ABSTRACT

Needless to say, this era will be recorded in our children's history book for its one of the successful inventions of Internet. Internet can serve all the purpose that you hand, with more engagement in lives and imbalanced life of people due to overloaded work, Internet appears to be a game changer. From tip to toe, almost all stuff can be managed and sorted via Internet. But when it comes about the security of our money, going in banks and giving cash from your own hands was the only trusted option. But with the advancement, Nation is becoming cashless and people in their busy lives understand the importance of E-Payments. A small sized hard card called Debit and Credit cards are successfully helping in resolving the maximum payments. In few hours, any kind of money can be transferred and things are sorted for our loved ones. It's revolutionary to realize how great it is for our economy and how literate our Nation is becoming. With the use of e-Payments and cashless county, the transferring cost is drastically reduced. It's viable how the cost of services, paper, postage and many things are cut to zero. While the Internet is becoming cheaper day by day, the initiative of E-Payments is beneficial for both Business and Individuals. It's mandatory to notice that no matter how much India is developing, there are many non monetary cities which lack the facilities of E-Payment and thus face many challenges.

KEYWORDS: *E-Payments, Debit and Credit Cards, Hard Card, Non Monetary Cities.*

Introduction

E-Payment is unique payment system over electronic network like Internet. E-Payment is a mode where a person can purchase goods and services without handing over the hard cash physically and can purchase things via Online Payments. Irrespective on time, place and amount, a person can buy goods through the help of Internet and can easily manage his day to day functions which need hard cash. Types of E-Payment System:

- **Internet Based Payment System:**
 - E-Cash
 - Credit Card
 - Debit Card
 - Smart Card
 - Aadhar Card Based- Paytm, Bhim, etc.
- **Electronic Transaction Based Payment System**
 - Cyber Cash
 - Net Bill
 - Secure Electronic Transaction
 - First Virtual Holdings

Challenges Regarding E-Payment System

Ñ **Black Money:** Black Money is not accounted or recorded anywhere that is why the receiver and the sender both resist doing the transaction. The reason behind this is that they do not wish to account it anywhere in the records and wish to save themselves to be caught. This all is happening because still in

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this era, plenty of black money is being generated and used on daily basis. Urban People, who have huge unaccounted Black Money, wish to spend hard cash on Marriages, House Building sector, Hospitality sector, Conveyance and Transportation (Taxi, Petrol, etc.) Similarly, in rural areas the users fears to be caught by Government and fears of the Government Harassment. Especially in Illegal Activities, like Black Marketing and Illegal Trade, people cannot even think of using E-Payment System.

Ñ **Challenge of Usability:** A massive amount of information is needed to generate an account by the users. For a general transaction, a user has to understand all the complex websites and their mode and has to fill large amount of personal details on web to proceed further.

Ñ **Challenge of Security:** No matter how great the Invention is, E-Payments are no behind the frauds. Frauds and stealing of money via this medium is increasing day by day. By each passing day, users are made fool and their personal information and money is getting stolen. While doing a transaction, the user has to fill his entire card information and details and many times in this process the data gets transmitted to an unsecured medium and thefts happen.

Ñ **Trust Issues:** Because of the above mentioned risks and fraud, a large pool of consumer resist in using it. Believing a new way of spending hard earned money is the most difficult aspect and because of E-Payments infamous frauds and of money which is lost leads to their non-acceptance towards it. Also many times, the media in some way or the other plays a vital role in publicizing a very small incident of fraud in such way that new users start hesitating to use this system of E-Payments and through word of mouth, let others banish as well.

Ñ **Challenge with E-Cash:** E-Cash is not globally acceptable and thus it is one of the major problems. It is mandatory that the commercial establishment accept it as a payment method. Also the client and the salesman need to have their accounts in the same bank which is issuing the e-cash and then only the payment will happen.

Ñ **No Awareness:** A lot of potential consumer data is untouched with the awareness of E-Payments. Due to the complexity of understanding it, a large pool uses the traditional way for spending money instead of using the E-Payment service. The servers and technical problems are sometimes extremely tough and messy which raises the issue of its need.

Ñ **Challenge in Rural Areas:** Because of massive Illiteracy in rural area, a huge chunk of people is still untouched of this service. Uneducated people do not understand the technical aspects and the criticality. Not only uneducated, many educated people also lack the understanding of this complex system. The technology advancement is so far from them and the population in rural is so huge that making entire India digital is though not impossible but is way far to reach.

Ñ **Expensive:** In general only, the cost of E-Payments is too high and expensive as it includes huge set up cost, management cost, machine cost, error cost. Also the Government and Banks are introducing several types of charges and taxes on Banking System which directly will put more weight on its cost. We have to park a lot of ideal amount in our different E-Wallets and this clearly speaks how this particular money doesn't give any extra return to us.

Ñ **Consumes More Time:** It is impossible to deny, how much Time this process Includes. Instead the traditional way is much shorter and easy in process, E-Payments are complex and very time consuming. The entire data entry and every time filling and waiting for the web to transact the money consumes more time and makes it less feasible.

Ñ **Network Issues:** Because of crunch of smooth and high speed data, India faces a lot to implement this habit of using E-Payment in day to day life. Many times the server gets down or becomes slow and thus this leads in delay of the entire process. The telecom industry is no matter lowering down the prices and increasing the data amount, but still a good network is rare to find. Places like inside the metro or basements do not catch the network and thus many times leads to slow pace of the service.

Ñ **Non Monetary Area:** There is many places in India, where the transaction doesn't happen over the medium of money. There are still loads of hidden places, where the transactions happen over the medium of credits and kinds. For example, when a person pays his liability by giving his Livestock. Places like these where the money itself is very rarely used for buying things; here thinking of E-Payments is nearly impossible.

Ñ **Hesitation in Accepting new Ideas:** It is a human nature that we are always excited to see the changes around us but when it comes to implementation, we hesitate in changing our lifestyle and taking an effort for learning to adapt it. Same goes with E-Payments, since traditional way of using hard cash has been going on from so long that altogether shifting to new medium is extremely hard for any user.

Future Prospects

With the support of the above points, we can conclude that E-Payments are accepted in a very limited account. If we see the whole data of daily transactions taking place, a very little percentage involves the process by e-Payments. The more the people will get confidence over this system and the improving facilities, the more people will be attracted towards it. To make it popular, people need to know about the benefits of e-Payments and thus more crowds will get aligned by Word of Mouth. The network of e-Mitras in India can prove to be an amazing help in E-Payment system. Needless to say, in Developing India opportunities are bright in E-Payments.

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