

IDFC Aadhaar Pay launched; Now transact with fingerprint as digital identity



Photograph Caption (L-R): Mr. Ajay Bhushan Pandey- CEO, UIDAI, Dr Rajiv Lall - Founder MD & CEO, IDFC Bank, Mr. Amitabh Kant, CEO, NITI Aayog and Ms. Aruna Sundararajan Secretary, Ministry of Electronics and IT

- **Mr. Amitabh Kant, CEO, NITI Aayog and Ms. Aruna Sundararajan Secretary, Ministry of Electronics and IT, launch IDFC Aadhaar Pay**
- **IDFC Aadhaar Pay to enable the phone-less and feature phone population to make payments digitally**
- **Individuals with savings accounts in any bank can transact on IDFC Aadhaar Pay using fingerprint as digital identity to make cashless payments at merchant points**
- **IDFC Bank targets reach of 50,000 – 75,000 merchant points in the next two years**

Delhi/Mumbai, March 7, 2017: IDFC Aadhaar Pay, India's first Aadhaar-linked cashless merchant solution, was officially launched today, following successful pilots across 16 states.

In the pilot phase, spanning three months, over 1500 merchants have enabled digital transactions for customers of all banks, using IDFC Aadhaar Pay on their smartphones. Customers without a phone, or having a feature phone, in the cities as well as the hinterland, have made cashless payments using their fingerprint as a digital identity.

The Aadhaar-linked interoperable banking software application was launched by Mr. Amitabh Kant, CEO, NITI Aayog and Ms. Aruna Sundararajan, Secretary, Ministry of Electronics and IT, in the presence of senior government officials in New Delhi. The application has been developed by IDFC Bank under the guidance of the Ministry of IT, NITI Aayog, Unique Identification Authority of India (UIDAI) and National Payments Corporation of India (NPCI).

Dr. Rajiv Lall, Founder MD & CEO, IDFC Bank, said, "IDFC Aadhaar Pay proves that technology can revolutionise last mile payments. By using the fingerprint as digital identity, it empowers even individuals without a phone to pay electronically for small value transactions. The convenience of Aadhaar Pay is expected to encourage a behavioural shift towards digital payments."

The Bank is targeting a reach of 50,000 – 75,000 merchants in the next two years. These will be IDFC Bank's extended points-of-presence.

Mobile payments are fundamental to the spread of cashless payments in the country. As IDFC Aadhaar Pay rides on the JAM trinity (Jan Dhan-Aadhaar-Mobile), it is set to be a game changer in the financial ecosystem. It effectively does away with barriers to digital transacting i.e. it can be used by individuals without a phone, debit card, password or signature.

IDFC Aadhaar Pay first went live at a fair price shop in Andhra Pradesh in December 2016, and was subsequently introduced to merchants in Delhi and Bihar.

What is IDFC Aadhaar Pay

IDFC Aadhaar Pay app is made available on a merchant's smartphone. Customers can pay the merchant by selecting the Bank's name and filling only one field on the merchant's phone – the Aadhaar number. The customer's fingerprint is the password used to authenticate the transaction.

It is the simplest way to pay.

Customers need not use debit or credit cards, download mobile applications or even carry a mobile to make cashless transactions. The solution eliminates the hassles of remembering passwords, account numbers, or setting up of virtual payment addresses and using USSD codes to transfer money.

Merchant's experience

A merchant is on-boarded with IDFC Bank using e-KYC, within a short time span of an hour. An SMS link enables the merchant to download the IDFC Aadhaar Pay app on any basic smartphone. This phone is connected to a STQC certified Aadhaar biometric reader.

The merchant benefits from the medium – as this being a new AEPS payment railroad, it has no merchant discount rate (MDR) attached to it and can provide the service to customers without having to pay the bank a transaction fee.

In rural and semi-urban areas, where customers need 'assisted digital' banking formats, IDFC Bank's Aadhaar Merchant solution is a perfect fit.

IDFC Bank's network

IDFC Bank currently has over 7000 points of presence, spread across 19 states, serving 40,000 villages across the country. These points of presence include 76 branches, 1782 microATMs and over 3000 e-PDS outlets. Starting with no retail customers, the Bank has, within a year and a half, acquired an active customer base of 1.4 million.

IDFC Bank has been leading on the financial inclusion front by using technology for banking the unbanked. Its interoperable Aadhaar-based microATMs placed at kirana stores, chemists, dhabas, mandis, panchayat offices and other customer touch points, has cut the time and distance taken to access a bank's branch or an ATM. This initiative has significantly enhanced convenience to citizens in deep rural and semi-urban locations across the country.
