

ATM: NO CARDS NEEDED. SCAN QR CODES ON UPI APP AND WITHDRAW MONEY, HOW IT WORKS

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Banking, NPAs and RBI

NCR Corporation, the maker of automated teller machines (ATMs) said that it has launched the first interoperable cardless cash-withdrawal (ICCW) solution based on the Unified Payments Interface (UPI) platform. City Union Bank has joined hands with NCR to install this new facility, the lender said. The bank has already upgraded its 1,500 ATMs to allow QR code-based interoperable cardless cash withdrawal facility.

"This a forward step from using UPI app on the mobile phone to any ATM but sans any cards, Navroze Dastur, managing director for India and regional vice-president for South East Asia at NCR Corporation, told *PTI*.

"We have partnered with NCR to deliver ICCW solution that will enable us to deliver this next-generation solution to our customers which will allow them card-less cash withdrawal using UPI QR code at our ATMs," N Kamakodi, managing director of City Union Bank told *PTI*.

How it works:

This new facility allows customers to withdraw cash using their mobile with any UPI enabled app such as BHIM, Paytm, GPay etc. There is no need to swipe or carry card while visiting the UPI-enabled ATMs. An user needs to scan the QR code on the screen and authorise cash withdrawal through his or her mobile phone. To make the transactions more safe and secure, the QR code will be changed constantly.

At present, the withdrawal limit is capped at 5,000. "Since it is UPI-based it does not need any additional regulatory permission as it is an extension of the UPI app only," said Dastur.

"What we have done is that we upgraded the existing software to allow this mode of transaction on existing ATMs of City Union Bank. There is no hardware upgrade or change," he mentioned.

Is it safe?

From a security perspective, this is the most secure facility yet given that since there is no need to swipe the card leave alone carry the card physically, there is no way your card can be skimmed for one, Dastur said. Secondly, since the transaction is based on a dynamic QR code, unlike in UPI App, there is no way that one can copy the QR code as with each transaction the code changes, hence it is called dynamic QR code, he explained.

With this dynamic QR code-based interoperable cardless cash withdrawal facility, one can take out money from any ATM of any bank if they are upgraded, he further added.

On future plans, Dastur said, NCR and National Payments Corporation (NPCI) are in final stage of discussions with some public and private sector banks and a formal association with them will be announced shortly.

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