

PAYTM PAYMENTS BANK ONBOARDING BAN: USERS CAN REGISTER FOR UPI ON PAYTM

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

Amidst the temporary halting of onboarding of new customers on [Paytm Payments Bank Limited](#) ("PPBL"), the parent One97 Communications assures that the development will not impact any existing customers of payment banks. However, users can not, until further notice sign up for the payment bank's services. Meanwhile, existing customers can continue to do their transactions as usual on the Paytm platform.

On March 11, RBI directed PPBL to halt its onboarding of new customers after noticing certain material supervisory concerns. The central bank directed the PPBL to also appoint an IT audit firm to conduct a comprehensive System Audit of its IT system. No new customers can join PPBL without specific permission granted by RBI after reviewing IT auditors' reports.

"The bank is taking immediate steps to comply with RBI directions, including the appointment of a reputed external auditor to conduct a comprehensive System Audit of its IT systems. PPBL remains committed to working with the regulator to address their concerns as quickly as possible," One97 said in a statement.

As per the company's filing on exchanges, it is ensured that "this does not impact any existing customers of PPBL, who can continue to use all banking and payment services without interruption."

Existing users of [Paytm](#) UPI, Paytm Wallet, Paytm FASTag, and bank accounts can continue to use these instruments, including debit cards and net banking, for payments.

Also, new users can sign up on the Paytm app, and transact. The users will have to create UPI handles and then link them to their bank accounts. They can also use third-party payment instruments, for transactions on the Paytm app.

However, users can not, until further notice, sign up for new PPBL wallets or PPBL savings or current accounts, One97 directed.

Talking about the temporary stoppage on new customers, the parent said, "Paytm believes that the measures imposed upon PPBL will not materially impact Paytm's overall business."

Further, the company outlines that RBI's direction does not have an impact on the services that Paytm provides in partnership with other financial services institutions.

On Monday, One97 stock will be in focus following the RBI direction. Last week, on Friday, the stock closed at 774.80 apiece marginally down on BSE.

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