Coordinated Efforts of Government, RBI and NPCI Accelerate Growth in Digital Payments

UPI emerges as world's largest real-time retail payment system, accounting for 81% of retail digital payments in FY 2024-25

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The digital payment transactions have grown exponentially in the last few years due to coordinated efforts of the Government, Reserve Bank of India (RBI) and National Payments Corporation of India (NPCI). The total retail digital payment transactions including its growth rate during the last four financial years are given below:

Financial Year	Retail Digital Payments		Growth in Percentage	
	Volume (in Crore)	Value (in Lakh Crore)	Volume	Value
FY 2021-22	7176.90	457.44	-	-
FY 2022-23	11369.56	587.39	58.42%	28.41%
FY 2023-24	16416.02	719.37	44.39%	22.47%
FY 2024-25	22167.90	849.12	35.04%	18.04%

Of the total retail digital payment transactions, the Unified Payments Interface (UPI) accounts for 81% in FY2024-25 and has emerged as the largest real-time retail payment system in the world. The specific data on demographic or geographic segments-wise contribution in digital payments is not maintained. The growth in retail digital payments, including UPI, is driven by several factors such as smartphone penetration, Aadhaar-enabled authentication, e-KYC, wider financial inclusion and expansion of merchant acceptance infrastructure across both urban and rural areas. The digital public infrastructure has supported inter-operability and simplified on-boarding processes, contributing to wider adoption across user groups. The initiatives such as the Incentive Scheme for Promotion of Digital Payments, Payment Infrastructure Development Fund (PIDF), etc. have also facilitated the continued expansion of digital payments.

The increase in digital payments has posed certain challenges such as cyber security risk, digital adoption, literacy and awareness, network issue, etc. However, no such specific challenges related to Maharashtra and Andhra Pradesh have been reported.

To address the digital financial frauds, various initiatives have been taken up by the Government, RBI and NPCI. These, inter alia, include device binding between the customer's mobile number and device, two-factor authentication through PIN, daily transaction limits and restrictions on certain use cases. NPCI provides an AI/ML-based fraud-monitoring solution to all banks for generating alerts and declining suspicious transactions. RBI and banks have also been conducting awareness campaigns through short SMS, radio campaigns and other publicity material for prevention of cyber-crime.

Further, to facilitate citizens in reporting cyber incidents including financial frauds, Ministry of Home Affairs (MHA) has launched National Cybercrime Reporting Portal (www.cybercrime.gov.in) and National Cybercrime Helpline Number "1930". Similarly, Department of Telecommunications (DoT) has launched Digital Intelligence Platform (DIP) and "Chakshu" facility, which enables citizens to report suspected fraudulent communication received through calls, SMS or WhatsApp.

To support the deployment of payment infrastructure in the rural and interior areas, PIDF was set up by RBI. Approximately 5.80 crore digital touch points and about 56.86 crore QR codes have been deployed under the scheme.

To facilitate users in low connectivity areas and for feature-phone users, NPCI has launched UPI 123PAY (enabling payments through Interactive Voice Response (IVR) and sound-based proximity payments), and Hello UPI (enabling conversational payments).

Further, steps have been taken for greater financial awareness & literacy and safe usage of digital payments. A total of 2421 Centre for Financial Literacy (CFL) have been set up across the country as on 31 March 2025, with one CFL covering three blocks. Financial Literacy Week has been conducted annually since 2016 to disseminate financial education among citizens.

This information was given by Union Minister of Finance Smt Nirmala Sitharaman in Lok Sabha today.

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