

Digital Payment or e- payment

Digital payments are payments done through digital or online modes, with no exchange of hard cash being involved. Such a payment, sometimes also called an electronic payment (e-payment), is the transfer of value from one payment account to another where both the payer and the payee use a digital device such as a mobile phone, computer, or a credit, debit, or prepaid card. The payer and payee could be either a business or an individual. This means that for digital payments to take place, the payer and payee both must have a bank account, an online banking method, a device from which they can make the payment, and a medium of transmission, meaning that either they should have signed up to a payment provider or an intermediary such as a bank or a service provider. A digital payment transaction can happen both on the internet and in person to the payee. For example, if a buyer pays via UPI on an e-commerce website or buys from his local grocer and pays him through UPI while purchasing at the store, both are digital payment transactions. There are various modes of digital payments, including UPI, NEFT, AEPS, mobile wallets, and PoS terminals. UPI is the most preferred mode, having crossed the milestone of \$1 trillion in the value of transactions.

They are also known as online payment systems. Normally e-payment is done via debit, credit cards, direct bank deposits, and e-checks, other alternative e-payment methods like e-wallets, bitcoin, cryptocurrencies, bank transfers are also gaining popularity.