

Banks Leverage Bharat Billpay for Loan and Credit Card Repayments

Banks send EMI payment requests through BBPS in the absence of auto-debit mandates

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Bengaluru: Bharat Bill Payments (BBPS), the platform built by the National Payments Corporation of India (NPCI) to digitise the country's large utility bill payments market, is now increasingly being used for loan repayments and clearing credit card dues.

The way utility bills get generated for consumers every month, EMI (equated monthly installment) gets generated every month on a specific date for borrowers. The customer can use any mode of payment to clear the EMI due, and this is where the BBPS

Keeping Count

119m

transactions processed in October this year

38%

electricity bill payments



22.4%
Fastag payments

14.2%
loan repayments

platform is fast emerging as a popular tool. A bulk of the loan repayments—like home and auto loans—are being done through the mandate based system which 'auto-debits' the bank account on a specific day. But many small-ticket-size loans need manual repayments. Many users do not put their credit cards on auto-deb-

GEETANJALI it mandates as well, and it's this section of the population that is finding convenience in using the BBPS platform.

While non-banking finance companies (NBFCs) were the first ones to start using BBPS to send payment collection requests to consumers for

their monthly EMIs, now large banks are jumping on to this bandwagon. Data shows that private sector lenders like Axis Bank, ICICI Bank, IndusInd Bank and Kotak Mahindra Bank are using BBPS for loan recovery, interest payments and others. Many are using the platform for their credit card repayments too.

While these are very early days for credit card bill payments, some early traction is already being recorded. "Banks leverage the BBPS platform for their loan repayments, FASTag recharges, and now they are using us for credit card repayments too," said Noopur Chaturvedi, CEO, NPCI Bharat Billpay.