

BBPS – A brief

BBPS stands for **Bharat Bill Payment System**. The Bharat bill payment system is a RBI mandated system which acts as a one-stop payment solution for all bills across India “Anytime Anywhere”. It is intended to provide an interoperable and accessible bill payment services to all customers across India with certainty, reliability and safety of transactions.

BBPS will have multiple modes of payment like debit card, credit card, net-banking, pre-paid wallets, IMPS, UPI, AEPS etc. and will also provide instant confirmation of payment via a SMS or receipt. BBPS offers myriad bill collection categories like electricity, telecom, DTH, gas, water bills etc. through a single window. RBI expects to widen these categories going forward. An effective mechanism for handling consumer complaints is also set to support consumer regarding any bill related problems using BBPS.

The system participants are entities authorised by Reserve Bank of India (RBI) thereby providing assurance to the customer for a trusted experience between the service providers and billers.

Different Payment Modes

BBPS facilitates myriad payment modes enabling bill payments. The payment modes options facilitated under BBPS are Cash, Cards (Credit, Debit & Prepaid), IMPS, Internet Banking, UPI, Wallets & AEPS.

Different Payment Channels

BBPS transaction can be initiated through multiple payment channels like Internet, Mobile, POS (Point of Sale terminal), MPOS (Mobile Point of Sale terminal), KIOSK, ATM, Bank Branch, Agents and Business Correspondents.

About Bharat Bill Payment Central Unit

National Payments Corporation of India (NPCI) has been authorized by RBI as the Bharat Bill Payment Central Unit (BBPCU), which will be responsible for setting business standards, rules and procedures for technical and business requirements for all participants.

The BBPCU will also undertake clearing and settlement activities related to transactions routed through BBPS.

About Bharat Bill Payment Operating Unit

Bharat Bill Payment Operating Unit aka BBPOU is the entity that is authorized by Reserve Bank of India. It can be a Bank or a Non-Bank. BBPOU may choose to integrate either with the customers (COU: Customer OU) or with the billers (Biller OU) or may wish to participate as both – which mean such BBPOU will be integrated with customers as well as billers.

Biller

Billers are the service providers who shall receive payments from customers for services rendered. By participating in the BBPS scheme, the biller will be able to receive payments from third party channels for the services provided to the customer.

Category of Billers in BBPS:

The category of billers eligible to participate in BBPS will be specified from time to time by Reserve bank of India (RBI). The current categories specified are as follows:

1. Electricity
2. Telecom (post-paid, prepaid and broadband)
3. DTH,
4. Gas
5. Water

Over a period of time other categories like school/university fees, insurance, municipal taxes etc. would be accepted.

How is a biller connected? The biller is not directly connected to Bharat Bill Payment Central Unit (BBPCU). Billers will be on-boarded by the BBPOUs, who in turn will be connected to the BBPCU.

Every Biller has a Default OU: The Biller has to appoint a default BBPOU for BBPS, through which an OFF-US transaction will be routed. A Biller can choose backup Biller BBPOUs that will be made active in case a biller chooses to do so & will be an offline process.

Major Benefits:

- Access to wider bill connection network through BBPS outlets which could include Bank Branches, Business Correspondents, Customer service points, Retail agents of aggregators, ATMS, Kiosks etc. Any customer will be able to pay bills of the billers enrolled in the BBPS system at any BBPS outlet.
- Assurance of dealing with stable entities like banks and non-banks i.e. prominent bill aggregators who have been duly authorised by RBI to operate as BBPOU. Billers will now have plug and play connection options with flexibility
- Guaranteed settlement cycles would assure the billers of funds in their account as per defined turnaround time. This obviates the need for vetting and securing advance deposits and guarantees.
- Instant Confirmation: BBPS mandates instant confirmation of payment made via a payment receipt/confirmation message. The receipt could be in the form of SMS/email/print out as desired by the customer. The same would reflect in the settlement cycle ensuring funds in the biller account.
- Centralized Complaint and Settlement Dispute management for easier resolution of customer complaints and grievances.
- Low entry barriers for small billers or ones confined to small geographies
- Standardized processes for MIS/reporting. Consolidated reports; reduction in intensive manual processes

Key Responsibilities

- ☑ Biller must ensure that an agreement is put in place with the Biller BBPOU appointing it as default operating unit as this is required for on-boarding of BBPS
- ☑ Ensure that the communication between the BBPOU and Biller happens over a secure channel
- ☑ Billers must update the consumers account on a real time basis on receipt of payment success message received from Biller BBPOU. Billers are mandated to credit the customer account on the same day when customer pays the bill
- ☑ Billers must reconcile the funds remitted by the Biller OU on a daily/regular basis
- ☑ Work with BBPOU to resolve the complaints and disputes within prescribed TATs
- ☑ Billers should provide key necessary response parameters as part of messaging system.

Thus, key benefit that the system disseminates is seamless and standardised ecosystem of transactions. The Billers are assured of system stability and efficiency. The customers connect to the BBPS brand with a sense of security assured of timely settlement of transactions and complaint redressal mechanism.