

## e-shoppers are back as they adapt to new safety feature

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After a temporary blip, purchase of goods and services online is picking up fast with the introduction of additional safety measures.

According to bankers, the number of online transactions has gone up both in terms of volume and value in the past few months.

The customers now feel more comfortable with the additional authentication rule introduced in August 2009. Ticket size of the transactions or value/transaction has also gone up. This, in the long term, will translate into even higher volumes, a senior banker said.

The Reserve Bank of India has made it mandatory for banks to introduce an additional password for online transactions. This was done to prevent fraudulent transactions as apart from the details printed on the credit card, the cardholder had to fill additional information known only to him or her. However, initially this had led to a dip in online transactions as customers took time to adapt to the new system and register passwords with their banks.

An ICICI Bank spokesperson said, "Volumes have not only picked up but exceeded our expectations. In addition, customers are more comfortable with the process and we are seeing very large number of registrations."

Mr Subrat Pani, Business Head for Cards, Kotak Mahin-



dra Bank, said with all banks making the additional password norm a must for online transactions, customers realise that whichever card they use they will have to go through that extra step.

The transactions are now back to normal levels. However, the increase post-August is probably more to do with seasonality, he said.

Credit card spends in 2008-09 were Rs 65,356 crore. This year, spends between April and October 2009 amounted to Rs 34,994 crore, according to RBI data. Online transactions are less than 10 per cent of the total credit card spends, said an official.

The additional security feature has also prompted some payment processors firm to offer it as a payment gateway to their merchants. "Earlier, we offered only net banking facility at our payment gateway. We did not offer online credit card due to a high number of fraudulent transactions. But with the additional security feature, we have started offering the facility to our merchants," said Mr Mahesh Nayak, Vice-President and Head: Online Payment Services and Business Solutions, TechProcess Solutions.  
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