

Market Illustration

UPI 123Pay Broadens Access to UPI Capabilities for Feature Phone Users in India

Country: India

Challenge: Women are more likely to use basic phones, which payment apps are not well-suited for.

Result: As a result of UPI 123Pay, more consumers can access the benefits of the UPI ecosystem regardless of the type of phone they use.

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Challenge

Women are more likely to use basic phones, which payment apps are not well-suited to.

Approach

UPI 123Pay allows users to make payments without internet connectivity, which allows more participants to benefit from the UPI system. This is particularly important for women since only 35% of Indian women own smartphones, compared to 51% of men, according to GSMA’s Mobile Gender Gap Report 2024.

The UPI 123Pay service was launched in March 2022 as an improvement on the previous *99# protocol, which users found cumbersome (pointing also to the need to collect feedback from end users to constantly improve the products offered).

UPI 123Pay works by enabling payments through the following mechanisms:

IVR Number	UPI 123Pay allows users to call an interactive voice response (IVR) number to set up their account and begin transacting
Feature Phone App	UPI 123Pay supports an app with a limited set of UPI functionality, developed specifically for feature phones by Gupshup in collaboration with Airtel Payments Bank and JioPay in collaboration with Jio Payments Bank
Missed Call	The missed call feature allows UPI 123Pay users to call an IVR number and receive a call back that facilitates account set up and payment (users have to pay to make a call but not to receive one, making this option more affordable)
Sound-Based Payment	The UPI 123Pay sound-based payment prompts users to call an IVR number and hold their phone to a merchant device which in turn emits a unique audio snippet that ensures that the payment is routed to the right place

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Sound-enabled payments are an increasingly important feature of the payments ecosystem in India. Merchants use soundboxes that play an audio notification to confirm a successful UPI transaction. In early 2025, 20 million such devices were deployed across the country. By 2029, that number is expected to rise to 54 million.

As shown below, UPI 123Pay allows basic phone users to call an IVR number and “listen” for a unique audio code emitted by the merchant’s soundbox on their phone. This ensures that customers pay the right merchant while limiting required user inputs; namely, you do not need to enter a long merchant identifier. The unique audio code essentially functions as a QR code for users whose phones do not have a functioning camera. The soundbox feature can be particularly helpful for women merchants who may have limited literacy.



Additionally, users can access UPI 123Pay services in a variety of local languages, allowing users across the country to access an equivalent level of functionality in a language they feel most comfortable using.

Result

As a result of UPI 123Pay, more consumers can access the benefits of the UPI ecosystem regardless of the type of phone they use.

Case and Image Source: [UPI 123Pay Product Overview](#), NPCI

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Works Cited

- “UPI 123Pay Product Overview,” NPCI, accessed August 25, 2025, <https://www.npci.org.in/what-we-do/upi-123pay/product-overview>.