

UPI support can help credit card startup Slice shake up India's digital payments market

Article

The news: India-based credit card startup [Slice](#) will enable the Unified Payments Interface (UPI), India's mobile bank-to-bank instant payments system, on its forthcoming app so users

can make UPI transactions, sources familiar with the matter told TechCrunch.

More on this: Unlike traditional card issuers, Slice uses proprietary underwriting tech to determine creditworthiness, which lets it tap into India's vast credit-hungry market. Its zero-annual-fee cards offer attractive perks like 2% cash-back rewards and bill pay installments.

These features have helped fuel growth for the startup: Slice issues about **400,000 cards a month**, sources told TechCrunch. **HDFC Bank**, one of India's largest banks, **averaged** roughly 316,600 cards monthly during the three months ending December 2021.

Why it's worth watching: UPI's near-ubiquity has made it an important feature for digital payment players to support.

As of February 2022, **more than 300 banks** were live on UPI and over 20 third-party apps were connected to the system. UPI recorded roughly 4.527 billion transactions that month, **up nearly 98% from February 2021**, **per** the National Payments Corporation of India.

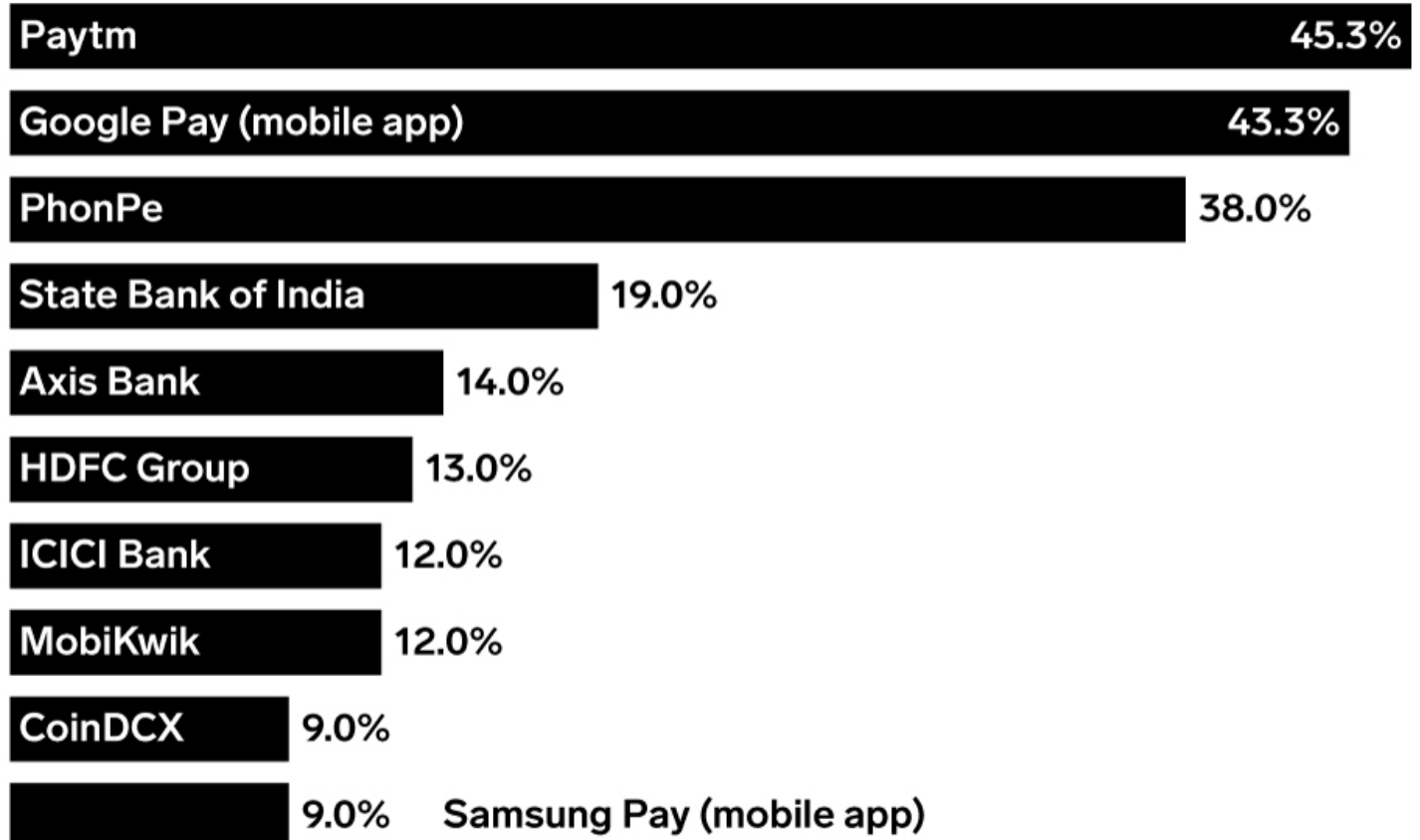
Underpinning UPI growth are government-led innovations like **UPI123Pay**, which **lets** users make UPI payments using non-smartphone mobile devices. As more consumers adopt UPI, digital payment providers have an opportunity to foster customer relationships.

The opportunity: Slice's UPI support can fuel growth and bring it closer to its **super app** goal.

- **Expand payment options.** Although Slice's core focus has been cards, the startup may be looking to expand its business to offer a wider range of payments options. UPI can benefit Slice's customers in cases where cards can't be used, such as with smaller merchants—helping strengthen the brand's value proposition. Adding UPI support might also help increase Slice's engagement and volume since users wouldn't have to switch to other payment apps to make UPI transactions.
- **Capture UPI market share.** Payment apps like **Google Pay** and **PhonePe** hold significant UPI market share—but that could change once the government begins enforcing a **30% market cap for apps operating on UPI** next year. This could make it easier for Slice to capture more UPI volume and expand its overall presence, which can set the foundation for adoption as the startup looks to become a super app, sources told TechCrunch.

Reach of Select Financial Services Platforms Among Internet Users in India, Nov 2021

% reach



Source: Comscore MMX Multi-Platform, "Digital Media Highlights: India 2021" Media-Highlights-India-2021, Jan 26, 2022

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