



KAMARAJ IAS ACADEMY
Only IAS Academy by Grandson of "Per. unthalaivar Kamarajar"

RBI mandates 2FA for UPI & Card Payments (Effective April 1, 2026)

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The Reserve Bank of India (RBI) has made Two-Factor Authentication (2FA) mandatory for all digital payment transactions (UPI, debit/credit cards, wallets) from 1 April 2026 to enhance payment security.

Key Highlights

2FA mandatory for all transactions – every payment must use at least two authentication factors.

OTP alone will not be sufficient anymore.

Authentication methods may include:

OTP + PIN/password

Biometric (fingerprint/face ID)

Token/device-based verification

Risk-based authentication introduced:

Low-risk/small payments ? smoother

High-value/new device ? stricter checks

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Applies to:

UPI payments

Card payments

Mobile wallets

Reason Behind the Move

Rising cases of:

Phishing attacks

SIM swap frauds

OTP-only systems were found vulnerable to cyber fraud.

Impact on Users

Transactions may become slightly slower due to extra verification.

Improved security and trust in digital payments.

Familiar devices may still allow smooth transactions.

Bank & Platform Responsibility

Banks/payment apps must comply with security norms.

In case of fraud due to system failure, banks may compensate customers.

Additional Key Facts

Based on RBI framework: “Authentication Mechanisms for Digital Payment Transactions Directions, 2025”.

At least one authentication factor must be dynamic (e.g., OTP).

Cross-border (international) transactions will also follow similar rules by October 2026.

India has one of the fastest-growing digital payment ecosystems (UPI-led).