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*INDRANIL BOSE, SUPARNA DHAR*

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## MANAGING DIGITAL WALLET FRAUD AT XETAPAY

The temperature at Gurgaon was swelling this April afternoon in 2019. The heat of the discussion inside the XetaPay board room was also rising. Sandeep Khanna (CEO), Kamini Balraj (CTO) and Amit Tiwari (CISO) were meeting to discuss the company's strategy after two fraudulent transactions were reported on XetaPay's XAPP digital wallet. Khanna, an IIT Kharagpur graduate with a MBA from IIM Calcutta received a message from Tiwari the previous evening that a second fraudulent transaction report was received from a gentleman based in Meerut. Though the fraud amount was INR 8000, a relatively small financial impact, Khanna was worried that the positive branding XAPP digital wallet had created since its launch in October 2018 would receive a setback. Tiwari repeated for the third time in the meeting that the incident would become a serious compliance issue due to the guideline published by the Reserve Bank of India in January 2019. Balraj expressed her concern about the technology changes needed in the project 'interop' for the next big enhancement of the XAPP digital wallet.

The digital wallet space was crowded. Wallets such as Paytm, MobiKwik and others were jostling to get a bigger pie of the market segment. These wallets offered many advanced features compared to XAPP, which was still taking baby steps. The initial version of XAPP offered limited features. Khanna was keen to take XAPP to the next level of maturity. He was worried that the fraud incidents will divert the company's focus and effort from the next release to security issues. The company could even face notice from the regulators at the RBI. The fraud incidents had financial implications and they created negative branding for XAPP. The blow could be too hard for XetaPay, not only jeopardizing the next launch but also threatening its very existence. The fraudsters were invisible enemies and could strike again. How should Khanna manage this risky situation and steer XetaPay to the launch of the next big version of XAPP as scheduled?

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*Prof. Indranil Bose of the Indian Institute of Management Calcutta and Suparna Dhar developed this case study as the basis for class discussion rather than to illustrate the effective or ineffective running of an organization.*

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