



Product Audit and Friction Analysis

1. PRODUCT AND FLOW SELECTION

1.1 Product Name- PhonePe

1.2 One-line description- PhonePe is India's leading digital payment platform builds on UPI (Unified Payments Interface) network.

1.3 Why I picked this product- I picked PhonePe because it holds massive share of UPI transaction and easy to use and have very diverse user base.

1.4 User flow selected- Group Bill Generation, Intelligent Expense Splitting, and Settlement.

1.5 Why this flow matters to the business and to users-

To business- It increases the DAU/MAU and took users deeper into the PhonePe wallet and bank ecosystem.

To users- Easy way to handle group expenses that has to be split, and also eliminate financial anxiety.

2. TARGET USER SEGMENT

2.1 The typical user of this flow- The Urban Millennial & Gen-Z age between 18 to 35 residing in Tier-1 or Tier-2 cities in India. They are college students, young working professionals, or flatmates sharing living spaces and group travellers.

2.2 User Goal in This Flow- Split their expenses and manage it automatically that remove the "awkwardness" of asking for money back. This will make their easy handling of spending money.

2.3 User context (device, environment, urgency)-

- **The Device-** user can use it in android and apple mobile with normal internet connectivity even in 3G/4G/5G and can also use in low battery.
- **The Environment-** user can use it anywhere, in any environment it will easy to use. No messy steps to do.
- **The Urgency level (Low to High)-**
 - High-** If user want his money just after trip or party so he can ask for it and it is going to easy to settle this.
 - Medium-** If user want it in one or two days.
 - Low-** If user want to manage monthly wise or want to settle at the end of month.

2.4 What success looks like for User in this flow- There are many types of success that user can see after using this flow-

- **functional success-** user can easily maintain, add or edit his expenses which spent among group.
- **Cognitive success-** users mind will be free from manual or mental process of expenses.

2.5 Key pain points for the user in this flow- The split option is hard to find; dividing a bill item-by-item is manual and pushes users into an external calculator; receivers get a bare amount with no bill context; taxes and service charges must be apportioned by hand; and repeatedly chasing friends for money feels socially awkward.

3. USER-FLOW MAP

Walk through the flow step-by-step- (Screen shots are attached to next page)

Phase A — Discovery & Entry

1. Home Screen — User opens PhonePe and looks for the bill-split option among the app's many features.
2. Send Money Menu — User enters the payments menu where the "Split Expenses" option sits.
3. Split Landing — User opens the Split Expenses screen to start a new group split.
4. Contact Picker — User selects the friends/flatmates to include from their contacts.

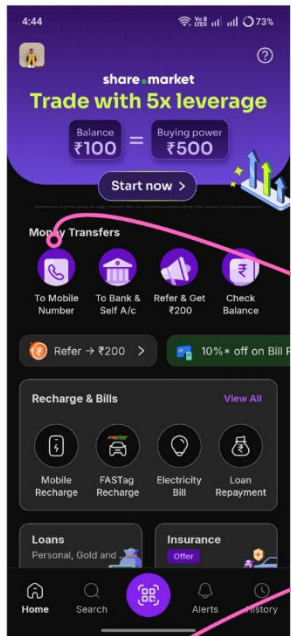
Phase B — Group & Expense Entry

5. Group Creation — User creates a named group (e.g., "IIT Project") for the shared expense.
6. Expense Entry — User enters the total bill amount (e.g., ₹250) to be divided.
7. Division Matrix — User picks how to divide it (equally / by share / custom) and manually assigns amounts.
8. Group Ledger — User views who owes what after the split is applied.

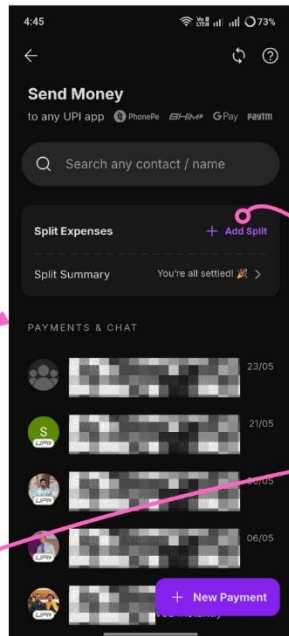
Phase C — Settlement & Tracking

9. Settle Terminal — Members settle the amounts they owe within the group.
10. Verification — User verifies the settlement and confirms the payment details.
11. Updated Ledger — The ledger updates to show cleared balances.
12. Chat Timeline — The group timeline records the transaction and any reminders for pending dues.

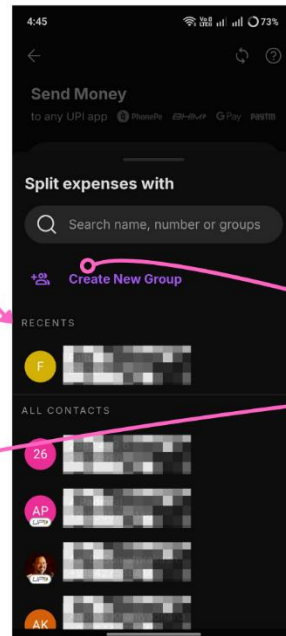
HOME SCREEN



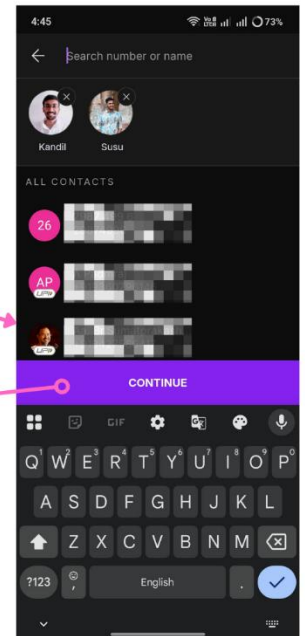
SEND MONEY MENU



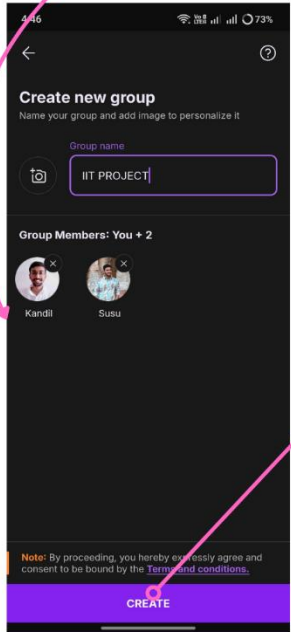
SPLIT LANDONG



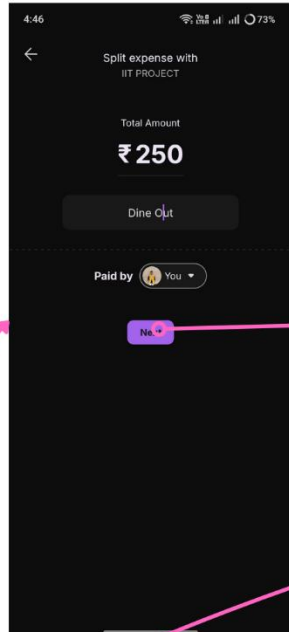
CONCACT PICKER



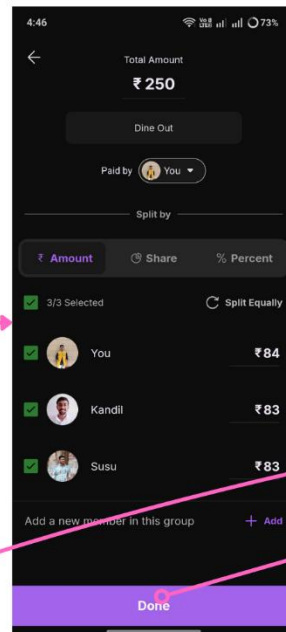
GROUP CREATION



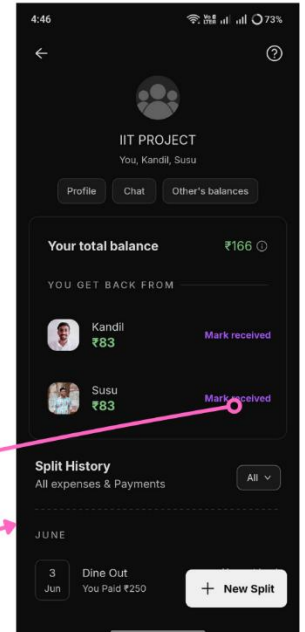
EXPENSE ENTRY



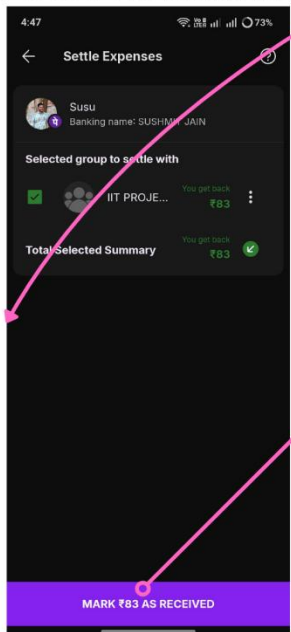
DIVISION MATRIX



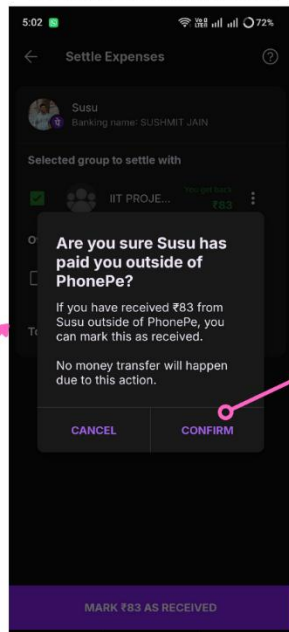
GROUP LEDGER



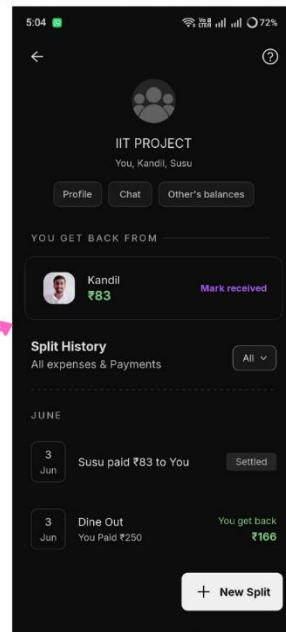
SETTLE TERMINAL



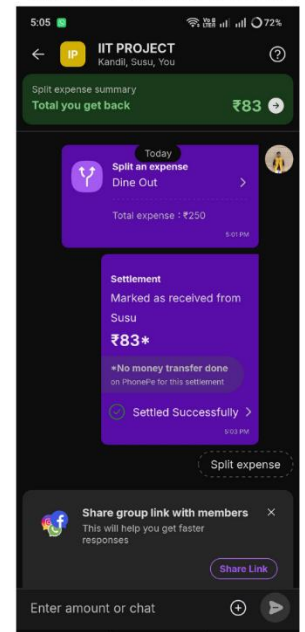
VERIFICATION



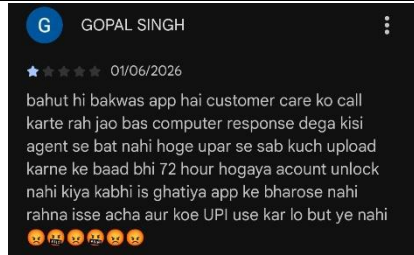
UPDATED LEDGER



CHAT TIMELINE



4. VOICE-OF-CUSTOMER MINING

VoC No.	Review	Platform	Link/Attached Picture	Themes or clusters
1.	Incorrect Split Calculation – Amount Not Split Equally	LinkedIn	https://www.linkedin.com/posts/sudhakaran-s-finacle_phonepe-phonepe-support-phone-pe-bug-report-activity-7436277805174251520-4ehE	Amount Distribution
2.	a bug after 4–5 months of use where group pages "opened right where I left off"	LinkedIn	https://www.linkedin.com/posts/rudraprasad-mohapatra-392832208_uxmatters-mobiledev-devthoughts-activity-7320664764446035968-VmEI	Bug in Group creation
3.	"the 'split with friends' feature in GPay, Paytm, and PhonePe uses overall shares, percentages, or manual entries... focuses more on the exact items that they want to share"	Twitter/X	https://x.com/rishhhhabhhh/status/1808825307719479688	Lack of Itemized Splitting / Manual Entry
4.	bahut hi bakwas app hai customer care ko call karte rah jao bas computer response dega kisi agent se bat nahi hoge upar se sab kuch upload karne ke baad bhi 72 hour hogaya acount unlock nahi kiya kabhi is ghatiya app ke bharose nahi rahna isse acha aur koe UPI use kar lo but ye nahi	Play Store		Customer Support AI call Agent
5.	Bhaisahab kis duniya mai ho notification se dost pese denge gaali dene par toh dete nhi hai	YouTube	https://www.youtube.com/watch?v=YcRVbJds9os	Customer real time facing
6.	Mujhe kisi ne 50 rupay diya tha. Lekin bank balance mai 50 rupay kam dikha raha hai? Jub screenshot dekha uha par split or phone pe likha tha.	YouTube	https://www.youtube.com/watch?v=YcRVbJds9os	Transaction related Problem
7.	split-type features are hard to find in PhonePe, contrasting Paytm's clearer "Split Bill" banner.	LinkedIn	https://www.linkedin.com/posts/jithin-johnny_paymentapps-uxdesign-userexperience-activity-7258720601702375424-MP3G	Discoverability complaint
8.	A user who tried PhonePe's split feature found it limited enough that they built/sought alternatives.	Reddit	https://www.reddit.com/r/developersIndia/comments/1nhdw64/fed_up_with_splitwise_limits_popups_so_i_built_a/	Limited Functionality

Because itemised group-splitting is a relatively new and under-served feature, public reviews specific to it are limited. The quotes below are real and verbatim, sourced from LinkedIn, X (Twitter), Reddit, YouTube and the Play Store — each capturing genuine user frustration with PhonePe's current splitting experience and a strong opportunity to redesign this flow.

5. FIVE FRICTION POINTS

Friction	Where in the Flow	Evidence (Quote or Observation)	Who It Hurts Most
1. Poor Utility Discoverability	Phase A: Entry Point (Send Money Menu)	Quote: "split-type features are hard to find in PhonePe, contrasting Paytm's clearer 'Split Bill' banner." (LinkedIn User Review)	High risk: Casual users defaulting to WhatsApp.
2. Manual Itemization & Math Bottleneck	Phase B: Division Matrix (Split by Custom Amount)	Quote: "PhonePe uses overall shares, percentages, or manual entries... focuses more on the exact items that they want to share." (@rishhabh on X)	The Group Planner (the person who paid the bill and now has to mentally calculate who ate what).
3. Lack of Visual Context & Bill Proof	Phase B: Expense Entry Screen	Observation: When a user sends a split request, the payee receives a naked number (e.g., "Pay ₹450") with no ability to view the original physical receipt to verify what they are paying for.	The Request Receivers who suffer from "context amnesia" and delay paying until they see the bill.
4. Inability to Auto-Split Proportional Taxes	Phase B: Division Matrix	Observation: If a user manually calculates item shares, they must open an external calculator to proportionally distribute the 18% GST and 10% service charge across individual items.	Budget-Conscious Gen-Z Users who want exact mathematical fairness, not rough estimates.
5. The Social Awkwardness of Reminders	Phase C: Settle Terminal & Group Ledger	Quote: "Bhaisahab kis duniya mai ho notification se dost pese denge gaali dene par toh dete nhi hai" (YouTube Reviewer highlighting that automated nudges lack social weight).	Conflict-Averse Users who hate the awkwardness of repeatedly asking friends for money.

6. IMPACT-VS-EFFORT PRIORITISATION

Criteria used for prioritisation:

Impact = how many users in this flow are affected, the severity of the pain, and the business value at stake (flow drop-off, DAU/MAU, deeper wallet/bank usage, and trust). Rated High when it blocks the core job of splitting fairly and recurs on almost every use.

Effort = engineering and design complexity, whether new AI/ML capability and data pipelines are required, and time to ship. Simple UI/copy changes are Low; anything needing receipt understanding, OCR/NLP or new computation is High.

Impact vs Effort Matrix (2×2)

	LOW EFFORT	HIGH EFFORT
HIGH IMPACT	QUICK WINS F1 — Poor Discoverability F5 — Awkward Reminders	BIG BETS F2 — Manual Itemization & Math F4 — Proportional Tax Split
LOW / MED IMPACT	INCREMENTAL F3 — Lack of Bill Proof	DEPRIORITISE (none)

Friction selected to fix with AI: F2 — Manual Itemization & Math Bottleneck

(The AI receipt-scanning feature that solves F2 also resolves F4 — proportional tax split — and F3 — bill proof — as by-products, since all three depend on understanding the original bill.)

Why this friction? It sits at the heart of the flow's core job — splitting fairly — and recurs on almost every use, unlike one-time frictions. VoC evidence shows users abandoning PhonePe for exactly this: "PhonePe uses overall shares, percentages, or manual entries" instead of itemised splitting (@rishhabh on X), and a Reddit user was "fed up" enough to build their own alternative. It is also the highest cognitive-pain point for the Group Planner, who today must open an external calculator to divide items and taxes.

Why AI is the right tool (not just a UI fix)? Itemised splitting is an understanding problem, not a layout problem. OCR reads the photographed receipt, NLP maps free-text claims like "I had the pizza and one coke" to the right line items and people, and the model proportionally distributes GST and service charge across each item automatically. A rules-based UI cannot read an arbitrary restaurant bill or interpret natural language — only AI (pattern recognition + NLU) can turn a messy photo into an accurate, fair, per-person split in seconds.