

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO-1503**  
ANSWERED ON- 14/03/2023

**ILLEGAL DIGITAL LOAN APPS**

1503. SHRI VAIKO  
SHRI M. SHANMUGAM

Will the Minister of FINANCE be pleased to state:-

- (a) whether Government and RBI are receiving thousands of complaints about digital lending frauds through illegal digital loan apps which are available on several app stores in the country;
- (b) if so, the action taken by Government;
- (c) whether any working group has been constituted for studying this issue and whether it has suggested for enactment of separate legislation to prevent illegal digital lending through apps;
- (d) if so, the details thereof; and
- (e) whether Government has also considered launching public awareness programme to keep the innocent citizens safeguarded from such tricks, if so, the details thereof?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (e): As per Reserve Bank of India (RBI)-Integrated Ombudsman Scheme, 2021, complaints against Banks and Non-Banking Financial Companies (NBFCs) regarding digital lending are being lodged with RBI. Further, the Department of Supervision, RBI has been designated as the nodal department for dealing with complaints against unauthorized digital lending platform/Mobile Apps and a mechanism to handle specific references on unauthorized digital lending platforms/Mobile Apps has been laid down. Also, there is a portal named as “Sachet” established under State Level Coordination Committee mechanism for registering complaints by public.

RBI had constituted a working Group on digital lending including lending through online platforms and mobile apps to study all aspects of digital lending activities in the regulated and unregulated financial sector. Subsequently, RBI has also issued regulatory guideline on digital lending *vide* its circular dated 2.9.2022 aimed at firming up the regulatory framework for digital lending while enhancing customer protection and making the digital lending ecosystem safe and sound.

RBI has furnished the list of Digital Lending Apps (DLAs) being used by Regulated Entities (REs) of RBI to the Ministry of Electronics & Information Technology (MeitY), which in turn, has shared the list with respective intermediary (App Stores) and requested them to ensure that only the apps figuring in the list are hosted on their app stores.

Further, to spread awareness against cyber-crimes and to safeguard interests of citizens, several steps have been taken by Government, RBI and Banks which include, *inter alia*, dissemination of messages on cyber-crime through short message service(SMS), radio campaigns, publicity on prevention of cyber-crime and cyber safety tips through social media accounts of the Indian Cybercrime Coordination Centre (I4C), publishing of a handbook for adolescents/students, publishing of Information Security Best practices for government officials, organising of cyber safety and security awareness weeks in association with States and Union territories. RBI has also formulated conducting of electronic-banking awareness and training (e-BAAT) which has largely focussed on awareness about frauds and risk mitigation. Consumer Education and Protection Department (CEPD), RBI has formulated framework for financial education and have taken up for inclusion in the education curriculum of school students in coordination with the National Centre for Financial Education (NCFE) through the Financial Inclusion and Development Department (FIDD) of the Reserve Bank. A Nation-wide Intensive Awareness Programme (NIAP) was carried out in collaboration with the REs of RBI. RBI has also been conducting Financial Literacy Week (FLW) and Banks has been advised to conduct special camps through Financial Literacy Centres (FLCs) and rural branches.

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