

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
**RAJYA SABHA**

**UNSTARRED QUESTION NO. 2296**

ANSWERED ON TUESDAY, MARCH 21, 2023 / PHALGUNA 30, 1944 (SAKA)

**UPI frauds**

2296. SHRI KARTIKEYA SHARMA:

Will the Minister of FINANCE be pleased to state:

- (a) how many countries of the world have adopted UPI invented by India;
- (b) the total transaction value of rupees registered by UPI in the country in the last three years, the details thereof, year-wise;
- (c) whether UPI is able to protect its customers from online fraud; and
- (d) if not, the number of cases of online fraud through UPI registered in the last three years, the details of the data related to it, State-wise and year-wise?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(DR BHAGWAT KARAD)

(a) NPCI International Payments Limited (NIPL), a wholly owned subsidiary of National Payments Corporation of India (NPCI) is devoted for internationalisation of UPI. NIPL has undertaken various initiatives across nations to enable cross-border acceptance of BHIM UPI QR at merchant establishment. These partnerships facilitate Indian travellers to make payments using the BHIM UPI QR for all their retail purchases at international merchant establishments.

As informed by NPCI, currently, BHIM UPI QR has gained acceptance in Singapore, UAE, Mauritius, Nepal and Bhutan.

(b) The details of total value of UPI transactions in the country, year-wise, during the last three years is as under—

Financial Year	UPI
	Value (in lakh crore)
2020 - 21	41.03
2021 - 22	84.17
2022 - 23 (till Feb)	125.10

Source: NPCI

(c) & (d) As informed by NPCI, steps have been taken to safeguard customers from UPI fraud as under –

- UPI is a single click two factor authentication enabled using Device Fingerprint/Passcode as the first factor & UPI PIN as second factor of authentication;
- UPI has a concept of device binding wherein the mobile number of a user is bound with his mobile device thereby making it impossible for anyone to interject. Additionally, the user requires his debit card credentials and finally an OTP for UPI PIN creation to facilitate linkage with his/her bank account to the UPI app;
- UPI apps provide an In-app intimation if a user is initiating payment to an unknown beneficiary. It also verifies the end beneficiary name (as per banking records) to the remitter while making payment thereby giving a clear indication to whom the money is being transferred. The pin page of UPI also prominently displays a message that by entering UPI pin, he/she is transferring money to someone else; and
- Further, customer awareness is being carried out by multiple stakeholders in the Payment Ecosystem. Government has also come up with the National Cyber-crime reporting portal wherein a user can register his grievance instantly by calling on 1930. This helps in holding payments at the beneficiary Banks' end, if reported instantly.

NPCI has informed that though UPI ecosystem has inbuilt security features, miniscule percentage of users get cheated over social engineering calls. Details of such UPI frauds in the last three years are as under:

<b>Mode of Digital Payment - UPI</b>		
<b>Financial Year</b>	<b>Count of cases</b>	<b>Fraud to Sales Ratio (value terms)</b>
2020-21	77,299	0.0017%
2021-22	84,274	0.0016%
2022-23* (upto Feb'23)	95,402	0.0015%

*Source: NPCI*

As the UPI digital transaction platform is a Pan India platform with a facility of “anytime anywhere” banking, the data is captured only at the National level.

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