

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
RAJYA SABHA
UNSTARRED QUESTION NO-3103
ANSWERED ON- 28/03/2023

CYBER CRIMES

3103. DR. ASHOK BAJPAI

Will the Minister of FINANCE be pleased to state:-

- (a) the details of the total amount of financial loss caused to the nationalized and private banks due to cyber crimes during the last three years, year-wise;
- (b) the details of the policy, if any, of Government to reimburse the financial loss suffered by an individual due to cyber crimes;
- (c) the details of the initiatives taken by Government to create awareness against cyber crimes and also to make the condition of such crimes to be difficult; and
- (d) whether Government has initiated for insurance cover for reimbursement of the loss suffered due to cyber crime, if so the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (d): As per RBI, the amount of loss to the bank due to cyber frauds for the last three financial years are as under –

Amounts in crore Rs.

Financial Year (FY)	Amount of loss for the bank
FY 2020-21	100.31
FY 2021-22	41.99
FY 2022-23 (April 2022- till date)	17.16

To help customers recover loss sustained on account of fraudulent transactions, RBI has issued instructions on limiting the liability of customers in cases of unauthorised electronic banking transactions. In cases where the deficiency lies with the bank, customer will not bear any loss. Customers will have to bear the loss where the deficiency lies with them. In cases where the deficiency lies neither with the bank nor with the customer but elsewhere in the system and customer reports it to the bank within three working days of receiving information of unauthorised electronic transaction, customer shall not bear any loss. If the customer reports unauthorised electronic transaction within 4-7 working days where deficiency lies neither with the bank nor with the customer but elsewhere in the system, liability of the customer shall range from Rs. 5,000 to Rs. 25,000

depending on the type of account. If customer reports unauthorised electronic transaction beyond 7 working days, the liability of customer shall be determined as per the banks' Board approved policy. In cases where the loss is due to negligence by a customer, any loss occurring after the reporting of the unauthorised transaction shall be borne by the bank. Further, the burden of proving customer liability in case of an unauthorised electronic banking transaction is on the bank.

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 regulated entities 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.

Cyber insurance is currently being offered by all the major insurance companies and bought by banks and corporates. These cyber insurance products cover first and third-party losses.
