

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA
UNSTARRED QUESTION NO-402
ANSWERED ON TUESDAY, FEBRUARY 6, 2024/ 17 MAGHA, 1945 (SAKA)

ILLEGAL LOAN APPS

402. SHRI RAJEEV SHUKLA:

Will the Minister of Finance be pleased to state:

- (a) whether the Ministry is aware of illegal loan apps trapping people leading to cycle of harassments;
- (b) if so, whether the Ministry has any data on the number of such loan apps;
- (c) the actual number of loan apps removed from mobile platforms during the last two years; and
- (d) the steps taken by the Ministry to sensitize general public on fraudulent loan apps?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (d): The Government is constantly engaged with Reserve Bank of India (RBI) and other concerned Regulators/stakeholders with the objective to control illegal loan apps. The objective is to remain proactive, maintain cyber security preparedness with constant vigil and take appropriate & timely action, to mitigate any such vulnerabilities in the Indian financial system. As part of this exercise, RBI vide letter dated 09.10.2022 and e-mail dated 19.01.2023 had shared a list of 442 unique digital lending apps used by the regulated entities with Ministry of Electronics & Information Technology (MeitY) for the purpose of whitelisting and the same was shared with Google. As per the information received from MeitY, during April 2021 - July 2022, Google had reviewed approximately 3500 to 4000 loan apps and suspended / removed over 2500 loan apps from its Play Store. Similarly, during September 2022 – August 2023, over 2200 loan apps were removed from the Play Store. Further, Google has updated its policy regarding enforcement of loan apps on the Play Store and only those apps are allowed on the Play Store which are published by Regulated Entities (REs) or those working in partnership with REs. It has also deployed additional policy requirements with strict enforcement actions for loan apps in India.

RBI has issued regulatory guidelines on digital lending, which aims at firming up the regulatory framework for digital lending, while enhancing customer protection and making digital lending ecosystem safe and sound. The Indian Cyber Crime Coordination Centre (I4C), Ministry of

Home Affairs (MHA) has been proactively analysing the digital lending apps on a continuous basis.

In order to facilitate the citizens to report cyber incidents including illegal loan apps, MHA has launched a National Cybercrime Reporting Portal (www.cybercrime.gov.in) as well as a National Cybercrime Helpline number “1930”.

To spread awareness against cybercrimes including by illegal loan apps, the Government has been taking various initiatives from time to time. which, inter-alia, includes cyber safety tips through social media accounts, publishing of handbook for adolescents/students, publishing of ‘Information Security Best practices’ for the benefit of government officials, organizing cyber safety and security awareness weeks in association with States/Union Territories etc.

In addition to these, RBI and Banks have also been taking cybercrime awareness campaigns through dissemination of messages on cyber-crime through short SMS, radio campaign, publicity on prevention of ‘cyber-crime’. Further, RBI has been conducting electronic-banking awareness and training (e-BAAT) programmes which focuses on awareness about frauds and risk mitigation.
