

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**RAJYA SABHA**  
**UNSTARRED QUESTION NO: 2471**

ANSWERED ON THE TUESDAY, 17 DECEMBER, 2024/ 26 AGRAHAYANA, 1946 (SAKA)

**LOSS DUE TO FINANCIAL FRAUDS**

**2471 # SHRI SANJAY SINGH:**

Will the Minister of Finance be pleased to state:

- (a) the percentage increase in financial loss due to cyber financial frauds during the last five years, the details thereof, year-wise and State-wise;
- (b) whether Government has any assessment available on the progress of measures implemented to prevent such frauds;
- (c) the average time period for disposal of cyber financial fraud complaints and changes seen in this regard, over the last five years; and
- (d) the average loss incurred by each bank account holder due to cyber financial fraud?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) to (d): With increasing digital payment transactions in the country, incidences of fraudulent practices including digital financial frauds have also gone up in the last few years. The Reserve Bank of India (RBI) has informed that they have implemented a Central Payments Fraud Information Registry (CPFIR), a web-based payment related fraud reporting tool since March 2020. All the Regulated Entities (RE) are required to report the payment related frauds in the said CPFIR. As informed, the State-wise 'Extent of Loss' in ₹ Crore reported by Commercial Banks and all India Financial Institutions under the category "Cards/internet - credit cards, ATM/debit cards and internet banking" and year-on-year percentage change in Extent of Loss during the FY 2018-19 to FY 2024-25 (till Sep'24) is placed at Annex.

In order to prevent payment related frauds, various initiatives have been taken by the Government and RBI. These, inter alia, includes Master Directions on Digital Payment Security Controls issued by RBI in February, 2021 to combat web and mobile app threats. These guidelines mandate the banks to implement a common minimum standards of security controls for various payment channels like internet, mobile banking, card payment etc. RBI and banks have also been taking up awareness campaigns through short SMS, radio campaign, publicity on prevention of 'cyber-crime' etc

To help customers recover loss on account of fraudulent transactions, RBI has issued instructions to banks on limiting the liability of customers in cases of unauthorised electronic banking transactions. The salient features are as under:

(i) Zero Liability: A customer need not bear any loss if the deficiency is on the part of the bank and in cases where the fault lies neither with the bank nor with the customer but lies elsewhere in the system and the customer notifies the bank within three working days of receiving the communication about the unauthorized transaction.

(ii) Limited Liability:

- Where the loss is due to the customer's negligence, the customer has to bear the entire loss until the customer reports the unauthorized transaction to the bank; and
- Where the fault lies neither with the customer nor with the bank and lies elsewhere in the system and the customer reports between four to seven working days of the unauthorized transaction, the maximum liability of the customer ranges from ₹5,000 to ₹25,000, depending on the type of account/ instrument.

(iii) Liability as per Board approved policy: If the unauthorized transaction is reported beyond seven working days, the customer liability shall be determined as per the bank's Board approved policy.

The burden of proving customer liability in case of unauthorized electronic banking transactions shall lie on the bank.

As per RBI, the average Fraud-to-Sales Ratio (FTS) in FY 2023-24 and FY 2024-25 (till October, 2024) is as under:

FY	One in every X payment transaction fraudulent (Average)	FTS (Fraud / Payment Value * 10000) (Average)
2023-24	61722.59	0.17
2024-25(Till October)	73716.37	0.19

\*\*\*\*\*

**Annex**

**State-Wise 'Extent of Loss in ₹ Crore reported by Commercial Banks and All India Financial Institutions, under the category "Cards/internet - credit cards, ATM/debit cards and internet banking" and Year-on-Year % change**

State	FY 2018-19	FY 2019-20	% change (YoY)	FY 2020-21	% change (YoY)	FY 2021-22	% change (YoY)	FY 2022-23	% change (YoY)	FY 2023-24	% change (YoY)	FY 2024-25 (till Sept'24)
Andaman & Nicobar Islands	0.11	0.07	-37%	0.00	-98%	0.00	-100%	0.00		0.00		0.00
Andhra Pradesh	0.15	1.30	797%	0.72	-45%	0.29	-59%	3.30	1022%	1.76	-0.47	0.77
Arunachal Pradesh	0.01	0.05	566%	0.38	720%	0.00	-99%	0.00	7%	0.00	-1.00	0.01
Assam	0.81	2.39	195%	1.68	-30%	1.04	-38%	0.25	-76%	0.74	1.95	0.06
Bihar	0.34	0.63	85%	1.09	73%	2.08	90%	1.20	-42%	0.39	-0.67	0.42
Chandigarh	0.20	0.14	-27%	0.12	-19%	0.43	269%	0.18	-57%	0.05	-0.73	0.21
Chhattisgarh	0.25	0.30	22%	0.21	-29%	0.55	157%	3.84	602%	1.50	-0.61	0.02
Dadra and Nagar Haveli and Daman and Diu		0.01		0.02	271%	0.02	-27%	0.00	-87%	0.12	57.25	0.01
Goa	0.36	0.31	-15%	0.30	-4%	0.30	1%	0.10	-68%	0.04	-0.55	0.00
Gujarat	0.69	0.47	-31%	1.27	169%	3.23	155%	3.32	3%	7.73	1.33	1.25
Haryana	16.86	11.66	-31%	16.24	39%	10.31	-37%	13.01	26%	29.57	1.27	8.81
Himachal Pradesh	0.14	0.39	180%	0.78	98%	0.34	-56%	0.14	-61%	0.07	-0.46	0.06
Jammu & Kashmir	0.06	0.17	199%	0.36	113%	0.14	-61%	0.22	57%	0.15	-0.33	0.21
Jharkhand	0.45	0.38	-16%	0.25	-35%	0.19	-21%	0.08	-59%	1.16	13.55	0.05
Karnataka	2.76	12.94	368%	6.57	-49%	11.50	75%	3.51	-69%	6.61	0.88	34.80
Kerala	0.75	1.74	132%	1.66	-5%	0.93	-44%	2.62	182%	30.42	10.62	0.46
Ladakh		0.00		0.06		0.01	-88%	0.00	-100%	0.00		0.00
Lakshadweep												0.00
Madhya Pradesh	0.42	1.22	191%	2.21	81%	1.72	-22%	0.95	-45%	2.57	1.71	0.26
Maharashtra	12.25	13.76	12%	14.07	2%	25.08	78%	13.28	-47%	42.54	2.20	15.79
Manipur	0.07	0.02	-77%	0.07	333%	0.00	-100%	0.01		0.01	-0.04	0.00
Meghalaya	0.05	0.13	154%	0.09	-36%	0.02	-82%	0.02	30%	0.97	47.64	0.14
Mizoram	0.01	0.06	720%		-100%	0.00		0.01	25%	0.00	-0.02	0.00
Nagaland	0.02	0.06	156%	0.08	39%	0.00	-100%	0.00		0.00		0.00
NCT of Delhi				6.06		13.93	130%	6.94	-50%	5.96	-0.14	1.58
New Delhi	9.34	8.05	-14%		-100%							
Odisha	0.47	2.15	361%	0.46	-79%	4.96	983%	0.61	-88%	1.00	0.64	0.08
Puducherry	0.05	0.02	-61%	0.01	-28%	0.01	-40%	0.00	-95%	0.01	23.25	0.14
Punjab	0.55	1.56	182%	1.96	26%	2.27	16%	1.53	-33%	1.33	-0.13	2.77
Rajasthan	1.12	1.87	67%	2.14	14%	3.07	44%	6.63	116%	6.32	-0.05	0.38
Sikkim		0.05		0.01	-82%	0.02	95%	0.00	-100%	0.05		0.02
Tamil Nadu	21.88	14.36	-34%	18.14	26%	16.27	-10%	5.18	-68%	10.26	0.98	3.54
Telangana	1.43	0.85	-40%	2.00	134%	7.41	271%	6.02	-19%	4.73	-0.21	5.33
Tripura	0.01	0.07	738%	0.10	51%	0.01	-88%	0.00	-63%	1.23	265.74	3.25
Uttar Pradesh	3.32	3.15	-5%	3.06	-3%	6.91	126%	9.56	38%	29.23	2.06	18.89
Uttarakhand	0.45	0.24	-46%	0.75	206%	0.14	-81%	0.12	-15%	0.09	-0.28	0.05
West Bengal	16.92	1.94	-89%	4.23	117%	2.20	-48%	2.63	20%	3.34	0.27	2.19
<b>Total</b>	<b>92.29</b>	<b>82.51</b>	<b>-11%</b>	<b>87.13</b>	<b>6%</b>	<b>115.35</b>	<b>32%</b>	<b>85.26</b>	<b>-26%</b>	<b>189.95</b>	<b>123%</b>	<b>101.53</b>

\*Source - RBI