

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**RAJYA SABHA**  
**UNSTARRED QUESTION NO: 239**

**ANSWERED ON THE TUESDAY, 4 FEBRUARY, 2025/ 15 MAGHA, 1946 (SAKA)**

**RISE IN DIGITAL PAYMENT FRAUDS**

**239 DR. MEDHA VISHRAM KULKARNI:**

Will the Minister of Finance be pleased to state:

- (a) whether the amount involved in digital payment frauds has increased from ₹ 227 crore in the previous fiscal to ₹ 1,457 crore in Financial Year 2024, showing a substantial increase;
- (b) the steps being taken to minimise the financial losses caused due to these frauds; and
- (c) whether any compensation mechanism exists for the victims of such frauds, if so, the details thereof?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) With increasing digital payment transactions in the country, incidences of fraudulent practices including digital payment frauds have also gone up in the last few years. As informed by the Reserve Bank of India (RBI), the details of frauds (amount involved ₹1 Lakh and above) reported by the commercial banks and all India financial institutions under the category 'Card / Internet and Digital Payments' during FY 2022-23 and FY 2023-24 are as below:

<b>FY</b>	<b>Number of Frauds</b>	<b>Total Amount Involved in Crore</b>
2022-23	6699	277.34
2023-24	29082	1457.05

(b) RBI has issued Master Directions on Digital Payment Security Controls 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. RBI has further launched an Artificial Intelligence (AI) based tool 'MuleHunter' for identification of money mule and advised the banks and financial institutions for its uses.

Further, in order to prevent frauds related to UPI transaction, NPCI has implemented device binding between mobile number and the device, two-factor authentications through PIN, daily transaction limit, limits and curbs on use cases etc. NPCI also provides a AI / Machine Learning (ML) based fraud monitoring solution to all the banks to generate alerts and decline transactions.

(c) To help customers recover the loss on account of fraudulent transactions, RBI vide circular dated 6<sup>th</sup> July, 2017 issued instructions to the banks on limiting the liability of customers (viz. Zero liability, Limited liability and Liability as per Board approved policy) in cases of unauthorised electronic banking transactions.

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