

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO 2965

ANSWERED ON TUESDAY, 19 AUGUST, 2025/ 28 SRAVANA, 1947 (SAKA)

REGULATION OF P2P LENDING

2965 SHRI SUJEET KUMAR:

Will the Minister of FINANCE be pleased to state:

- (a) the steps Government has taken to regulate the rapidly growing Peer-to-Peer (P2P) lending sector, particularly with respect to ensuring fair lending practices, borrower protection, and effective risk management;
- (b) whether Government has identified challenges in maintaining transparency and accountability among P2P lending platforms, and if so, the measures being undertaken to address these concerns; and
- (c) the initiatives being implemented to promote digital financial literacy among underserved populations, especially in rural and semi-urban areas, to ensure responsible and informed participation in P2P lending?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) and (b) The Peer-to-Peer (P2P) lending is regulated as per Reserve Bank of India (RBI) Master Directions - Non-Banking Financial Company – Peer to Peer Lending (NBFC-P2P) Platform (Reserve Bank) Directions, 2017 last updated on February 27, 2025. These Directions provide a framework to regulate the functioning of P2P lending platforms in India, ensuring fair lending practices, borrower protection, and effective risk management.

The compliance to aforesaid guidelines is examined during the Supervisory Assessment of the Non-Banking Financial Companies (NBFCs) and any non-compliance observed during such assessment are taken up for rectification besides initiating supervisory/ enforcement action. A scrutiny of NBFC-P2P platforms conducted in 2023 highlighted certain violations of abovementioned RBI Master Direction. Based on these supervisory findings, RBI had imposed monetary penalty on seven NBFC-P2P platforms in August, 2024, March, 2025 and May, 2025.

(c) To promote digital financial literacy, including awareness against unethical digital lending platforms, the Government has been taking various initiatives from time to time which *inter alia* include setting up of Financial Literacy Centers (FLCs) by Lead Banks, RBI's multi-media, multilingual public awareness campaign, titled "RBI Kehta Hai", National Centre for Financial Education (NCFE) in collaboration with Centre for Financial Literacy (CFL) is regularly conducting Financial Education (FE) programmes. Further, RBI has been conducting Financial Literacy Week (FLW) every year since 2016 to propagate financial education messages on various themes among members of public across the country.
