GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO: 1827

ANSWERED ON THE TUESDAY, DECEMBER 16, 2025/ 25 AGRAHAYANA, 1947 (SAKA)

ONLINE FINANCIAL FRAUD

1827 # DR. BHIM SINGH:

Will the Minister of Finance be pleased to state:

(a) whether there is a continuous rise in cases of online financial fraud in the country, affecting citizens' savings, the security of digital transactions and trust in the financial system, if so, whether any high-level review has been conducted to examine the causes, methods and misuse of new technologies in this regard; and

(b) the concrete measures implemented to combat online financial fraud, take action against international cyber networks and strengthen citizens' digital security, whether a clear target has been set to reduce complaints and financial losses through these measures?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a)&(b): The cyber incidence including online financial fraud as reported by the citizens indicates an increasing trend over the years. Accordingly the Government has been constantly engaging with the Reserve Bank of India (RBI) and other concerned regulators / stakeholders to check the rise in online financial frauds. The matter is also regularly discussed and monitored in the meetings of Financial Stability and Development Council (FSDC), an inter-regulatory forum. The Government has constituted an Inter-Ministerial Group for formulation of a Financial Sector-specific cyber security strategy as recommended by FSDC.

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.

To help customers recover the loss on account of fraudulent transactions, RBI vide circular dated 6th 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.

In the context of Indian nationals being trafficked to work in scam centers in Myanmar-Thailand border run by International Crime Syndicates engaged in cyber scamming, Government of India has issued regular advisories cautioning Indian nationals against accepting fraudulent job offers and to exercise caution regarding unauthorised recruiting agents. Most of the victims were trafficked under false job offers and coerced into cyber scam activities under harsh and exploitative conditions. The Government of India has also emphasized the need to verify employer credentials through Indian Missions in the respective countries. The Government has consistently taken up the matter with the Government of Myanmar at various levels.

In order to facilitate the citizens to report any cyber incidents including financial frauds, Ministry of Home Affairs (MHA) has also launched a National Cybercrime Reporting Portal (www.cybercrime.gov.in) as well as a National Cybercrime Helpline Number ”1930”. Similarly, Department of Telecommunications has launched Digital Intelligence Platform (DIP) and ‘Chakshu’ facility on Sanchar Saathi portal (https://sancharsaathi.gov.in). ‘Chakshu’ facilitates citizens to report suspected fraud communication received over call, SMS or WhatsApp with the intention of defrauding like KYC expiry or update of bank account, etc.

******