

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**RAJYA SABHA**  
**UNSTARRED QUESTION NO 1186**

ANSWERED ON TUESDAY, 10 FEBRUARY, 2026 / 21 MAGHA, 1947 (SAKA)

**INCREASING DIGITAL FRAUD IN FINTECH ECOSYSTEM**

1186 SMT. SANGEETA YADAV:

Will the Minister of Finance be pleased to state:

- (a) whether Government has taken note of Reserve Bank of India Governor's recent observation that increasing digital fraud has emerged as a major challenge in fintech ecosystem of the country;
- (b) the steps taken so far to strengthen data integration, consumer protection and fraud prevention mechanisms in digital financial platforms, including UPI and Unified Lending Interface (ULI); and
- (c) whether Government proposes to introduce additional regulatory, technological or awareness-based measures to curb digital fraud and ensure safe and inclusive access to digital financial services for all citizens, particularly senior citizens and digitally less-literate users?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) to (c) The Government has been constantly engaging with the financial sector regulators and other concerned stakeholders to review the issues related to fintech ecosystem including digital financial frauds in the country. Based on the review assessment, various regulatory and supervisory interventions have been taken from time to time. These inter-alia include the following:

- i. Reserve Bank of India (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.
- ii. RBI has also issued regulatory guidelines on digital lending in September, 2022, which aims at enhancing customer protection and making digital lending ecosystem safe and sound.
- iii. RBI has issued the "Framework for Self-Regulatory Organisation(s) in the FinTech Sector" (SRO-FT framework) on 30.05.2024 for establishing and enforcing regulatory standards, promoting ethical conduct, ensuring market integrity, resolving disputes, and fostering transparency and accountability among its members.
- iv. RBI has launched an Artificial Intelligence (AI) based tool 'MuleHunter' for identification of money mule and advised the banks and financial institutions for its uses.
- v. Additionally, National Payment Corporation of India (NPCI) provides a fraud monitoring solution to all the banks to generate alerts and decline transactions by using AI/ ML based models for UPI transactions.

- vi. In order to facilitate citizens to report all types of cyber fraud including financial fraud, Ministry of Home Affairs (MHA) has launched the National Cyber Crime Reporting portal (<https://cybercrime.gov.in>) as well as a National Cybercrime Helpline Number "1930. Department of Telecommunications has also launched Digital Intelligence Platform (DIP) and 'Chakshu' facility. '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.
- vii. Also, RBI and Banks have been taking up awareness campaigns 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.

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