GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO. 1032
ANSWERED ON TUESDAY, 28 JULY 2026/ SHRAVANA 6, 1948 (SAKA)

AI FOR PREVENTION OF DIGITAL PAYMENT FRAUDS

1032 SHRI JAGGESH:

Will the Minister of FINANCE be pleased to state:

(a) whether Government has launched or approved an Artificial Intelligence based pilot through the National Payments Corporation of India (NPCI) to detect and prevent digital payment frauds before funds are siphoned off;
(b) whether the AI-based fraud detection system is designed to identify suspicious transactions, mule accounts and fraudulent fund flows in real time and enable timely intervention by banks and NPCI;
(c) whether Government proposes to scale up the AI-based fraud detection framework across banks and digital payment platforms after completion of the pilot; and
(d) if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d) The Government has been constantly engaging with the Reserve Bank of India (RBI), National Payments Corporation of India (NPCI) and the banks to assess the rising incidents of digital payment frauds and to formulate appropriate mitigation strategy by leveraging advanced technologies such as Artificial Intelligence (AI)/ Machine Learning (ML). As a part of these co-ordinated efforts, the Reserve Bank Innovation Hub (RBIH) has developed AI based mule accounts identification solution namely ‘MuleHunter.AI’. This MuleHunter.AI has been onboarded by 29 banks. It utilizes transaction data, customer profile and ecosystem learning to provide risk scores to accounts.

Similarly, RBIH has also launched a collaborative technology driven framework Digital Payments Intelligence Platform (DPIP) to strengthen the fraud risk management in the digital payment ecosystem. As a pilot, seven banks have been onboarded on DPIP for sharing data and train AI/ML models that can flag anomalous transactions.

Additionally, NPCI provides a fraud monitoring solution to all banks to generate alerts and decline transactions using AI/ML based models and facilitating banks to take actions.

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