GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO 1836
ANSWERED ON TUESDAY, AUGUST 4, 2026/ 13 SHRAVANA, 1948 (SAKA)

FRAUDS RELATED TO ELECTRONIC BANKING TRANSACTIONS

1836 # SMT. SANGEETA YADAV:

Will the Minister of Finance be pleased to state:

(a) the status of fraud related to electronic banking transactions in Scheduled Commercial Banks (SCBs);
(b) the details of the security available to customers affected by fraud related to electronic banking transactions;
(c) the recourse available to a customer in case they are dissatisfied with the compensation offered by the bank or the bank does not provide compensation;
(d) whether there is any further recourse available in the event of an unsatisfactory decision by the RBI Ombudsman; and
(e) the consequences thereof in case the complaint is not covered under the Integrated Ombudsman Scheme?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) and (b): As per the Reserve Bank of India (RBI), the detail of frauds reported by Commercial Banks and All India Financial Institutions (AIFIs), for FY 2023-24 to FY 2025-26 is enclosed as Annex.

In order to secure electronic banking transactions by customers, RBI has issued various directions to banks which inter-alia include:

(i) Banks have been advised to mandatorily register for SMS alerts and wherever available, register for e-mail alerts, for electronic banking transactions.

(ii) Banks must provide customers with 24x7 access through multiple channels (via website, phone banking, SMS, e-mail, IVR, a dedicated toll-free helpline, reporting to home branch, etc.) for reporting unauthorised transactions.

(iii) Further, a direct link for lodging the complaints, with a specific option to report unauthorised electronic transactions shall be provided by banks on the home page of their website.

(iv) Banks have been advised to ensure that a complaint is resolved and liability of the customer, if any, established within such time, as may be specified in the bank's Board approved policy, but not exceeding 90 days and the customer is compensated.

(v) Banks have also been advised to formulate/ revise their customer relations policy, with approval of their Boards, which shall be displayed on the bank's website along with the details of grievance handling/ escalation procedure.

In order to facilitate the citizens to report cyber incidents, Ministry of Home Affairs (MHA) has launched a National Cybercrime Reporting Portal (www.cybercrime.gov.in) as well as a National Cybercrime toll-free number "1930".

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. Further, the RBI has recently issued revised directions on Compensation for Small Value Fraudulent Electronic Banking Transactions, introducing a one-time reimbursement facility of up to ₹50,000 for eligible customers who become victims of digital payment frauds, subject to 85 percent of their net loss or Rs. 25,000, whichever is lower. The revised framework seeks to provide prompt financial relief to customers while strengthening consumer confidence in digital payment systems.

(c): Under the Reserve Bank – Integrated Ombudsman Scheme, 2026, when a customer alleges a deficiency in service on the part of a Regulated Entity(RE), the customer must first make a complaint to the concerned RE. Thereafter, a complaint may be lodged with the RBI Ombudsman where:

(i) no reply is received from the RE within 30 days from the date on which it received the complaint, or within the time prescribed by the Reserve Bank, the National Payments Corporation of India or the applicable Card Network guidelines, if any, whichever is higher; or

(ii) the complainant is not satisfied with the reply or resolution provided by the RE.

(d): A complainant who is aggrieved by an Award passed by the RBI Ombudsman may prefer an appeal before the Appellate Authority within 30 days from the date of receipt of the Award. The Appellate Authority may allow a further period not exceeding 30 days where sufficient cause for the delay is established.

The extant Scheme does not provide an appeal against other orders of closure or rejection. However, the complainant remains free to pursue such other remedies as may be available under the applicable law before the appropriate court or forum.

(e): In case the complaint is against an RBI Regulated Entity (RE) which is not covered under the Reserve Bank – Integrated Ombudsman Scheme, depending on the nature of the entity and grievance, they may be dealt with by the Consumer Education and Protection Cells of Reserve Bank, wherever applicable.

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Annex

ANNEXURE REFERRED TO IN PART(a) AND (b) OF THE RAJYA SABHA UNSTARRED QUESTION NO. 1836 ON 'FRAUDS RELATED TO ELECTRONIC BANKING TRANSACTIONS' FOR ANSWER ON 04.08.2026.

The data on Digital Frauds reported by Commercial Banks and AIFIs during FY 2023-24 to FY 2025-26 based on 'date of reporting'

	2023-24		**2024-25**		**2025-26**	
Row Labels	**Number of Frauds**	**Amount Involved in Crores**	**Number of Frauds**	**Amount Involved in Crores**	**Number of Frauds**	**Amount Involved in Crores**
Digital Payments-Credit cards	118106	812.89	66106	336.07	1692	20.16
Digital Payments-Debit/ATM Cards	37106	189.06	18882	67.86	521	1.65
Digital Payments-Internet Banking	138027	1058.80	59337	412.52	7	0.19
Digital Payments-UPI			141	0.64	355	1.73
Digital Payments-Wallet/ Prepaid cards			5	0.01	9	0.02
Digital Payments-IMPS/NEFT/RTGS			12	3.37	74	5.55
Digital Payments-AEPS/Other Aadhaar related frauds			366	0.32	3319	2.19
Digital Payments-Other (Please Specify)			6	1.09	20	4.37
Grand Total	**293239**	**2060.75**	**144855**	**821.88**	**5997**	**35.86**
Note: Post issuance of revised Master Directions on Fraud Risk Management dated July 15, 2024, the banks are reporting only those payment system related transactions which are concluded as fraud committed on bank(s), through Fraud Monitoring Return. However, the banks are required to report all payment system related disputed / suspected or attempted fraudulent transactions to Central Payments Fraud Information Registry (CPFIR) of Department of Payment and Settlement System, RBI						

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