GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO 231

ANSWERED ON TUESDAY, 21 JULY, 2026 / 30 ASHADHA, 1948 (SAKA)

RISING CASES OF FRAUDULENT LOAN APPS IN RURAL AREAS

231 SHRI MASTHAN RAO YADAV BEEDHA:

Will the Minister of Finance be pleased to state:

(a) whether Government has taken cognizance of increasing cases of fake/illegal loan apps and digital-lending frauds, specially in rural-areas;
(b) if so, the details regarding number of complaints received and cases registered against fake loan apps during the last five years, year-wise and State-wise, particularly in Nellore-district;
(c) the details regarding the number of loan apps/websites blocked or taken down during the last five years and total amount of money defrauded, recovered and steps taken to provide relief to victims; and
(d) whether Government has undertaken awareness campaigns to curb fake-loan apps in rural areas, if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) The Government has been constantly engaging with the Reserve Bank of India (RBI) and other concerned Regulators/stakeholders to curb the operations of fake/illegal loan apps in the country. For public information, RBI has operationalized a directory ‘Digital Lending Apps (DLAs)’ on its website with effect from 01.07.2025, including DLAs engaged by Regulated Entities (REs) of RBI. The directory aims to aid the customers in verifying the claim of a DLA’s association with a RE.

(b) Police’ and ‘Public Order’ are State subjects as per the Seventh Schedule of the Constitution of India. The States/UTs are primarily responsible for the prevention, detection, investigation and prosecution of crimes including illegal mobile applications through their Law Enforcement Agencies (LEAs). The Central Government supplements the initiatives of the States/UTs through advisories and financial assistance under various schemes for capacity building of LEAs

(c) & (d) Ministry of Electronics and Information Technology (MeitY) has so far blocked a total of 87 illegal loan lending applications under section 69A of the Information Technology Act 2000 after following the due process. Additionally, sectoral regulators have been authorised to issue directions for blocking of information for public access under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2025, notified on 22.10.2025

Further, the Government and RBI have been taking up various initiatives from time to time to protect citizens from exploitation by fake/illegal loan apps. These inter-alia, includes:

i. RBI has issued Reserve Bank of India (Digital Lending) Directions, 2025 on May 8, 2025. These directions have detailed provision regarding recovery, data privacy, and customer grievance redressal mechanisms which are mandatory for the REs, the Lending Service Providers (LSPs) engaged by them and the Digital Lending Apps (DLAs).
ii. The Government and RBI have been proactively engaging with the major internet intermediaries and messaging platforms to review the operations of unauthorised loan apps.
iii. Indian Cyber Crime Coordination Centre (I4C), Ministry of Home Affairs (MHA) has been proactively analysing the digital lending apps. In order to facilitate the citizens to report cyber incidents including fake/illegal loan apps, MHA has launched a National Cybercrime Reporting Portal (www.cybercrime.gov.in) as well as a National Cybercrime Helpline number "1930".
iv. The banks through the public facing platform 'SACHET' portal and the State Level Coordination Committee (SLCC) facilitate the citizens for lodging of any complaints against specific entity related to deposit/ collection of money illegally.
v. 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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