

Spare

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO.†641

TO BE ANSWERED ON THE 18th November, 2016/ Kartika 27, 1938 (SAKA)

Cloning of Credit / Debit Cards

QUESTION

†641. SHRI JANARDAN MISHRA:
SHRI KUNWAR PUSHPENDRA SINGH CHANDEL:
SHRI NAGAR RODMAL:
SHRI OM PRAKASH YADAV:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has received complaints regarding cloning of debit / credit cards in the recent past;
- (b) if so, the details thereof along with the cases filed for cloning of ATM cards during the last three years and current year;
- (c) whether the Government has taken any measures to check such frauds in future and if so, the details thereof;
- (d) whether the Government is reviewing the operating hours of ATMs and if so, the details thereof; and
- (e) whether the Government proposes to encourage plastic money along with ATM and if so, the details thereof along with the steps taken by the Government in this regard?

ANSWER

The Minister of State in the Ministry of Finance

(SHRI SANTOSH KUMAR GANGWAR)

(a) to (e): Data on frauds related to ATM / Credit / Debit cards & Net banking related frauds reported by the banks during last three years and current year, as informed by RBI is given below:

(Amount in Rs. Crores)

Area of operation	April 2013-March 2014		April 2014- March 2015		April 2015- March 2016		April 2016 - 15 November 2016	
	No. of Cases	Amount (Rs. in crore)	No. of Cases	Amount (Rs. in crore)	No. of Cases	Amount (Rs. in crore)	No. of Cases	Amount (Rs. in crore)
Credit Cards	7890	55	10382	42	9849	46	2138	13
ATM/Debit Cards	1307	8	2498	14	6585	31	1643	21

The measure initiated by RBI to prevent such frauds is given below:

RBI has issued circular dated June 26, 2006 on 'Skimming of ATM/Debit/Credit Cards', advising banks to take various preventive measures to combat frauds relating to skimming or duplicating of credit cards. The banks, inter alia, were also advised to inform to customers not to reveal PIN in response to requests received through e-mail, to periodically verify the transaction history to ensure its correctness and if any unauthorized transaction observed it should be immediately reported to the bank and inform the bank if the card is lost or stolen.

(ii) RBI has issued instructions to banks and Authorized Payment Networks that all cards issued after Jan.31, 2016 are to EMV Chip and PIN. For Cards issued under PMJDY/BSBDA only EMV Chip and PIN cards are to be issued after Sept.30, 2016. The existing Magstripe cards are to be migrated to EMV Chip and PIN by Dec.31,2018.

(iii) RBI has issued instructions to banks/ WLAs and Authorized Payment Networks that all existing ATMs installed and operated by them are enabled for processing of EMV Chip and PIN by Sept. 30, 2017. All new ATMs shall necessarily be enabled for EMV Chip and PIN processing from inception.

(iv) RBI has issued instructions to banks regarding un-bundling of charges (Merchant Discount Rates Structure) for different categories of cards at the time of acquisition. This will also lead to increase in acceptance of card transactions at POS.

(v) RBI has also issued instructions to banks on Sept.29, 2016 for Aadhaar based authentication for card present transactions wherein the banks were advised that all new card present infrastructure has to be enabled for both EMV Chip and PIN and Aadhaar (biometric validation) acceptance. It will also lead to higher use of cards at acquiring infrastructure (POS).

(vi) ATM facility is available to customers round the clock generally excepting the places were hit on low / high risk which remain closed during night hours.
