

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
LOK SABHA

UNSTARRED QUESTION No. 1005

TO BE ANSWERED ON Friday, February 8, 2019/Magha 19, 1940 (Saka)

ATM Frauds

1005. SHRI KUNDARIYA MOHAN BHAI KALYANJI BHAI:

SHRI RAJESHBHAI CHUDASAMA:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken note of the recent spurt/increase in cases of Automated Teller Machine (ATM) frauds in the country, if so, the number of such cases reported/registered, investigated and action taken during the last three years, State/UT-wise particularly Gujarat;
- (b) whether the Government has formulated a policy to check such frauds, if so, the details thereof; and
- (c) if not, the measures being taken by the Government in this regard including steps to strengthen safety and security at ATMs particularly in secluded areas?

Answer

The Minister of State in the Ministry of Finance (SHRI SHIV PRATAP SHUKLA)

(a) to (c) As apprised by Reserve Bank of India (RBI), specific information on ATM fraud is not available. However, State/UT-wise data on 'ATM/Debit Card' frauds (Amount involving Rs. 1 lakh and above) during the last three years as provided by RBI is Annexed.

Further, *vide* RBI's Master Circular on 'Frauds-Classification and Reporting', dated 1.7.2015, concerned banks are advised to examine the fraud cases and report them to law enforcement agencies, examine staff accountability, complete proceedings against the erring staff expeditiously, take steps to recover the amount involved in the fraud, claim insurance wherever applicable and streamline the system as also the procedures so that frauds do not recur.

As per RBI's circular on 'Customer Protection – Limiting Liability of Customers in Unauthorised Electronic Banking Transactions' dated 6.7.2017, in case of unauthorised transactions occurring due to contributory fraud/negligence/deficiency on the part of the bank and due to third party breach with customer notifying the bank within three working days of receiving communication from the bank regarding the unauthorised transaction, the customer is entitled to zero liability.

RBI, *vide* its circular dated 21.6.2018 on 'Control measures for ATMs – Timeline for compliance', has advised banks to initiate immediate action to implement the control measures for ATM, including up-gradation of software in a time bound manner and to closely monitor the compliance.

Further, RBI, *vide* its circular dated 27.8.2015 on 'Security and Risk Mitigation Measures for Card Present and Electronic Payment Transactions – Issuance of EMV Chip and PIN Cards', has advised banks to ensure that by December 31, 2018 all active cards issued by them are EMV Chip and Pin-based.

*Vide* circular of RBI dated 6.7.2017 as mentioned above, banks are advised to provide customers with 24x7 access through multiple channels (at a minimum via website, phone banking, SMS, e-mail, IVR, a dedicated toll-free helpline, reporting to home branch, etc.) for reporting unauthorised transactions that have taken place and/ or loss or theft of payment instrument, such as, card, etc.

\*\*\*\*\*

Annexure as referred in the part (a) to the Lok Sabha Unstarred Question No. 1005 to be answered on 8.2.2019 regarding "ATM Frauds"

ATM/Debit Card Frauds Reported by Schedule Commercial Banks and selected financial institutions during last three years (Amount involving Rs. 1 lakh and above)

State	2015-16	2016-17	2017-18
	No.of Frauds	No.of Frauds	No.of Frauds
Andhra Pradesh	28	20	3
Arunachal Pradesh			2
Assam	1	2	68
Bihar	4	4	5
Chandigarh	3	6	3
Chhattisgarh	3	1	2
Delhi	47	115	132
Goa	6		2
Gujarat	26	13	16
Haryana	27	54	45
Himachal Pradesh	1	1	2
Jammu & Kashmir			6
Jharkhand	2	9	2
Karnataka	63	94	80
Kerala	2	8	10
Madhya Pradesh	5	2	10
Maharashtra	179	223	242
Meghalaya			1
Nagaland			2
Orissa	6	1	4
Pondicherry	1	2	1
Punjab	3	2	23
Rajasthan	3	8	12
Tamil Nadu	97	102	131
Telangana			31
Tripura			1
Uttar Pradesh	30	31	37
Uttaranchal	3	5	10
West Bengal	10	15	20
Overseas	13	6	8
<b>Grand Total</b>	<b>563</b>	<b>724</b>	<b>911</b>

Source: Reserve Bank of India (RBI)