

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**

**UNSTARRED QUESTION NO-†1718  
ANSWERED ON 31<sup>st</sup> JULY, 2023 / SRAVANA 9, 1945 (SAKA)**

**FRAUDS IN DIGITAL MARKETING AND BANKING SECTOR**

†1718. SHRI RAHUL KASWAN

Will the Minister of FINANCE be pleased to state:-

- (a) whether the Government has conducted any survey of the frauds/irregularities taking place in digital marketing and banking sectors so as to provide financial facilities to the people;
- (b) if so, the details thereof;
- (c) whether the Government is contemplating to formulate any new policy to check the frauds/irregularities taking place in digital marketing and banking sectors; and
- (d) if so, the details thereof?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (d): Reserve Bank of India (RBI) has apprised that it has not conducted specific survey in regards to the frauds/irregularities taking place in digital marketing and banking sectors. However, an expert group was constituted by Ministry of Home Affairs (MHA) in 2014 to study the gaps and challenges, prepare a roadmap for effectively tackling cybercrimes in the country, and give suitable recommendations on all facets of cybercrime. As per specific recommendations of the expert group, the Indian Cyber Crime Coordination Centre (I4C) was established to provide a framework and ecosystem for law enforcement agencies (LEAs) to deal with the cybercrimes in a comprehensive and coordinated manner. The I4C through its different components, provides, *inter alia*, a platform for analysing all aspects of cybercrimes, coordinated action against key cybercrime threats and targets, and facilitate reporting of all types of cybercrime incidents such as banking frauds, unauthorised card transactions, online transactions etc. In

addition, a toll-free number '1930' has also been operationalised for lodging online cyber complaints, including in respect of frauds pertaining to banking transactions. Also, an online searchable database of frauds reported by banks, in the form of Central Fraud Registry and a dedicated database for reporting of payment frauds in the form of Central Payments Fraud Information Registry, has been set up by RBI for control and mitigation of frauds/irregularities in the banking sector. It has compiled various incidents of frauds reported and complaints received, including, *inter alia*, frauds perpetrated through digital channels and issued communications to members of public to increase awareness about frauds/irregularities taking place in the banking sector, including through digital channels.

Comprehensive steps taken in order to strengthen security of digital transactions and to stop cyber-fraud including, *inter alia*, the following –

- (i) RBI has issued a comprehensive circular in June' 2016 on Cyber Security Framework in Banks. As per this circular, banks were advised to put in place a board-approved cybersecurity policy elucidating the strategy containing an appropriate approach to combat cyber threats given the level of complexity of business and acceptable levels of risk.
- (ii) RBI has issued Master Direction on Digital Payment Security Controls on 18.2.2021. As per this direction, banks have been advised to put in place necessary controls to protect the confidentiality and integrity of customer data, and processes associated with the digital product/services offered by them.
- (iii) The Indian Computer Emergency Response Team (CERT-IN) under the Ministry of Electronics and Information Technology issues alerts and advisories regarding latest cyber threats and countermeasures on regular basis to ensure safe usage of digital technologies, and is working in coordination with service providers, regulators and LEAs to track and disable phishing websites and facilitate investigation of fraudulent activities.
- (iv) A toll-free number has also been operationalised to get assistance in lodging online complaints regarding cybercrimes.

Further, RBI has already put in place Master Directions on frauds – classification and reporting by commercial banks and select financial institutions, to provide a framework to banks enabling them to detect and report frauds early and taking timely consequent actions like reporting to the Investigative agencies so that fraudsters are brought to book early, examining staff accountability and do effective fraud risk management. It also aims to enable faster dissemination of information from RBI to banks to enable them to introduce necessary safeguards/preventive measures by way of appropriate procedures and internal checks to check the frauds/irregularities taking place in the banking sector.

\*\*\*\*\*