

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
LOK SABHA
UNSTARRED QUESTION NO-631
ANSWERED ON- 24/07/2023

FRAUDS THROUGH ONLINE LOAN APPS

631. SHRI RAJENDRA DHEDYA GAVIT

Will the Minister of FINANCE be pleased to state:-

- (a) whether the Government has tracked the increasing number of frauds being committed through online loan apps;
- (b) if so, the details of the reported cases between Financial Year 2020-21 to 2022-23;
- (c) whether the Government has come out with any rules to regulate the functioning of online loan apps;
- (d) if so, the names of the apps against which action was taken and being taken in the last one year because of non-compliance; and
- (e) the details of steps taken/being taken to ensure constant monitoring of potential defaulters for non-compliance?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (e): Complaints against regulated entities (REs) regarding online loan apps/digital lending are being lodged with RBI as per RBI-Integrated Ombudsman Scheme, 2021. Also, there is a portal named as “Sachet” established under State Level Coordination Committee mechanism for registering complaints by public. As per inputs received from RBI and National Crime Records Bureau (NCRB), the information on increasing number of frauds being committed through online loan apps is not available with them. However, as per NCRB, total number of cyber fraud cases which includes, *inter alia*, frauds committed through online apps are 14,007 in 2021 (latest published data pertains to the year 2021).

The number of complaints related to ‘digital lending apps’ received by the Offices of the RBI Ombudsman (ORBIOs) against REs under Reserve Bank – Integrated Ombudsman Scheme, 2021 (RB-IOS) from November 12, 2021 till March 31, 2023 is as under:

Period	No. of complaints
November 12, 2021 to March 31, 2022	263*
April 01, 2022 to March 31, 2023	1,062

*Data prior to November 12, 2021 is not available

RBI has issued regulatory guideline on digital lending *vide* circular dated 2.9.2022 aimed at firming up the regulatory framework for digital lending while enhancing customer protection and making the digital lending ecosystem safe and sound. This regulatory framework is based on the principle that lending business can be carried out only by entities that are either regulated by it or entities permitted to do so under any other law.

All the REs are required to comply with the said guidelines on digital lending. Compliance to these guidelines are examined on sample basis during supervisory assessment and any non-compliance observed is taken up for rectification apart from initiating supervisory/enforcement action, as deemed fit. The Enforcement Department, RBI has not imposed any monetary penalty on REs for non-compliance of guidelines on Digital Lending issued on September 09, 2022.
