

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO-375
ANSWERED ON – MONDAY, FEBRUARY 5, 2024/MAGHA 16, 1945 (SAKA)

LOSSES DUE TO CYBER CRIMES

375. SHRI BHOLANATH (B.P. SAROJ):

Will the Minister of FINANCE be pleased to state:

- (a) the details of the total amount of financial loss caused to the nationalised and private banks due to cyber crimes during each of the last three years and the current year;
- (b) the details of the policy of the Government to reimburse the financial losses suffered by an individual due to cyber crimes, if any;
- (c) the details of the initiatives taken by the Government to create awareness against cyber crimes and also to make the condition of such crimes to be difficult; and
- (d) whether the Government has initiated for insurance cover for reimbursement of the loss suffered due to cyber crimes and if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a): The Reserve Bank of India(RBI) has informed that they maintain data on financial frauds under the category – “Cards/internet - credit cards, cards/internet - debit cards and cards/internet - internet banking”. As per the reporting by banks, the extent of loss (in cases involving ₹1 lakh and above) during last three Financial Years(FY) and Current Half Year(HF) is given below:

Reporting Period	Extent of Loss(₹ in crores)
FY 2020-21	50.10
FY 2021-22	80.33
FY 2022-23	69.68
HY 2023-24	36.26

(b): To help customers recover loss on account of fraudulent transactions, RBI has issued instructions on limiting the liability of customers in cases of unauthorised electronic banking transactions. In cases where the deficiency lies with the bank, customer will not bear any loss if the customer reports such incident to the bank within three working days. However, customers will have to bear the loss where the deficiency lies with them. In cases where the deficiency lies neither with the bank nor with the customer but elsewhere in the system and customer reports it to the bank within three working days of receiving information of unauthorised electronic

transaction, customer will not bear any loss. If the customer reports unauthorised electronic transaction within 4-7 working days where deficiency lies neither with the bank nor with the customer but elsewhere in the system, liability of the customer shall range from Rs. 5,000 to Rs. 25,000 depending on the type of account. If customer reports unauthorised electronic transaction beyond 7 working days, the liability of customer shall be determined as per the banks' Board approved policy. In cases where the loss is due to negligence by a customer, any loss occurring after the reporting of the unauthorised transaction shall be borne by the bank. Further, the burden of proving customer liability in case of an unauthorised electronic banking transaction is on the bank.

(c): In order to facilitate the citizens to report any cyber incidents including financial frauds, the Ministry of Home Affairs(MHA) has launched a National Cybercrime Reporting Portal (www.cybercrime.gov.in) as well as a National Cybercrime Helpline Number "1930". Further, customers can also report financial frauds on the official customer care website or branches of the banks.

To spread awareness against cyber-crimes, the Government has been taking various initiatives from time to time. These, *inter alia*, includes cyber safety tips through social media accounts, publishing of handbook for adolescents/students, publishing of 'Information Security Best Practices' for the benefit of government officials, organizing cyber safety and security awareness weeks in association with States/Union Territories etc.

In addition to these, RBI and Banks have also been taking awareness campaigns through dissemination of messages on cyber-crime 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, *inter alia*, awareness about frauds and risk mitigation.

(d): Insurance Regulatory and Development Authority of India (IRDAI) has informed that currently all major insurance companies are offering cyber insurance products to commercial entities (including banks) and individual customers.
