

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

UNSTARRED QUESTION No. 1221

ANSWERED ON MONDAY, DECEMBER 06, 2021/AGRAHAYANA 15, 1943 (SAKA)

Digital Frauds

1221. SHRIMATI JASKAUR MEENA

Will the Minister of FINANCE be pleased to state:

- (a) the details of efforts made/being made in the direction of digital payment and whether as a result of these efforts the number of digital payments is increasing every year;
- (b) if so, the details thereof;
- (c) whether the Government is also aware that the cases of digital fraud are also increasing in the country due to increasing use of digital payment; and
- (d) if so, the details thereof along with the corrective steps taken by the Government in this regard?

Answer

The Minister of State in the Ministry of Finance

(DR BHAGWAT KARAD)

(a) to (d) Reserve Bank of India (RBI) has taken various steps to enhance security of digital payments transaction including card transaction and to control frauds. These also include various benefits in terms of increased safety of transaction, efficiency in grievance redressal mechanism etc. being provided to customers. Some of the steps/initiatives taken by RBI along with the circulars/guidelines issued to banks are as under:

- i. To ensure all active cards by them are EMV Chip and Pin-based.
- ii. RBI has issued Master Direction on Digital Payment Security Controls on 18.02.2021 wherein banks have been prescribed security controls including card payment security such as:
 - a. Regulated Entities (REs) to follow various payment card standards prescriptions for comprehensive payment card security.
 - b. Secure their card payment infrastructure.
 - c. Security controls to be implemented at Hardware Security Modules (HSM)

- iii. Circular on 'Control measures for ATMs – Timelines for compliance' dated 21.6.2018 advises banks to implement various control measures within a time bound manner, including implementation of anti-skimming, white listing solution, up-gradation of software and to closely monitor the compliance.
- iv. Caution advice on SIM Swap Frauds dated 03.08.2020.
- v. 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.
- vi. RBI is running the awareness campaign under the banner of 'RBI Kehta Hai' on safe digital banking which inter-alia include:
 - Not to share password/pin/OTP received through SMS.
 - Act swiftly on alerts received on transactions, which customer have not initiated or not authorized.
 - Practicing safe mobile banking, such as, awareness on benefits of registering mobile number with bank for instant alerts.
 - Not storing important banking data in mobile.
 - Use only verified, secure and trusted website.
 - Avoid banking transactions on free networks,
 - Change PIN regularly.
 - Blocking ATM card, Credit Card and prepaid card immediately if it is lost or stolen.

As a result of the various initiatives taken, the number of digital payments in volume terms have increased over the last three financial years (FY) as illustrated below:

Financial Year	Volume (in lakhs)
2018-19	2,32,602
2019-20	3,40,025
2020-21	4,37,445
2021-22 (till Oct'21)	3,68,284

Also, the number of frauds in the category "Card/Internet – Debit cards, Credit Cards and Internet Banking" as per date of occurrence of frauds has declined from 73,306 in 2019-20 to 69,410 in 2020-21.