

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

UNSTARRED QUESTION NO. 2418

TO BE ANSWERED ON THE 13TH DECEMBER 2021/ AGRAHAYANA 22, 1943 (SAKA)

Online Lending Apps

2418. SHRI V.K. SREEKANDAN:
SHRI RAVNEET SINGH BITTU:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that according to the findings of the working group of the Reserve Bank of India (RBI), 600 illegal loan apps are operating in India;
- (b) if so, whether it is also true that these apps, mostly used to dupe unsuspecting people, are available on several app stores for Android users in the country, if so, the details thereof, year and State-wise;
- (c) whether it is a fact that the RBI has received many thousands of complaints from January, 2020 to till date in this regard, if so, the details thereof year and State-wise;
- (d) whether majority of the complaints pertain to lending apps promoted by entities not regulated by the RBI as companies other than NBFCs, unincorporated bodies and individuals; and
- (e) if so, the details thereof and the corrective action taken by the Government in this regard?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(DR. BHAGWAT KARAD)

(a) and (b): Yes Sir. As per the findings of RBI's Working Group on digital lending, the number of illegal lending apps stood at approximately 600 from 1.1.2021 to 28.2.2021 and number of these apps are available on app stores in the country.

(c) to (e): As per RBI, "Sachet", a portal established by RBI under State Level Coordination Committee mechanism for registering complaints by public has received approximately 2,562 complaints against digital lending apps from 1.1.2020 to 31.3.2021. Details of these complaints year and state-wise are at Annex. Also, as per findings of the RBI's Working Group on digital lending, majority of the complaints pertain to lending apps promoted by entities not regulated by the RBI such as companies other than Non-Banking Financial Companies, unincorporated bodies and individuals. Major concerns

raised in such complaints were issues of exorbitant interest and charges levied by digital lending apps, and harassment of customers for loan repayments. On Sachet portal, complaints against lending apps promoted by entities not regulated by RBI are sent to concerned Registrar of companies for Ministry of Corporate Affairs registered entities, and to Economic Offences Wing of complainant's state for unincorporated bodies and individuals. Further, *vide* press release dated 23.12.2020, RBI had cautioned the general public not to fall prey to unscrupulous activities of unauthorised digital lending platforms/Mobile Apps and verify the antecedents of the company/ firm offering such loans. RBI has also issued advisories to State Governments to keep a check on unauthorised digital lending platforms/Mobile Apps through their respective law enforcement agencies. Following the due process specified in Information Technology (Procedure and Safeguards for Blocking for Access of Information for Public) Rules, 2009 notified under section 69A of Information Technology Act, 2000, MeitY blocked 27 unlawful loan lending apps.

**Lok Sabha Unstarred Question no. 2418 for 13.12.2021 regarding
“Online Lending Apps”**

**State wise number of complaints received since January 2020 to
March 2021**

Maharashtra	572
Karnataka	394
Union Territory of Delhi	352
Haryana	314
Telangana	185
Andhra Pradesh	144
Uttar Pradesh	142
West Bengal	138
Tamil Nadu	57
Gujarat	56
Other States and UTs	208
Total	2,562

Source: RBI

Year wise Total complaints

January 2020 to December 2020	1,259
January 2021 to March 2021	1,303
Total	2,562

Source: RBI
