

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**  
**UNSTARRED QUESTION NO- 111**

ANSWERED ON MONDAY, JULY 21, 2025/ASHADHA 30, 1947 (SAKA)

**INCREASE IN BANK FRAUDS**

111. SMT. RACHNA BANERJEE

Will the Minister of FINANCE be pleased to state:-

- (a) whether the number of bank frauds witnessed a significant increase recording an eightfold jump during the first half of the current fiscal year;
- (b) if so, the details thereof including the number of cases reported by public and private sector banks and the amount involved, bank-wise; and
- (c) the steps taken by the banks to strengthen customer onboarding and transaction monitoring system including coordination with law enforcement agencies?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) and (b): No. As per Reserve Bank of India (RBI) data on frauds in commercial banks and all India financial institutions, based on the date of occurrence, the number of fraud cases for the FY 2023-24 was 3,22,473 whereas for the FY 2024-25, it was 1,25,293. Thus, there is a decline in number of frauds by 61.15 % on YoY basis.

(c): RBI's Master Direction on Know Your Customer (KYC) mandates that all Regulated Entities (REs), including banks to have in place Board-approved KYC Policy, which covers, *inter alia*, customer onboarding and transaction monitoring processes. Further, REs have been mandated to put in place a robust software capable of generating alerts when the transactions are inconsistent with risk categorization and updated profile of the customers as part of an effective identification and reporting of suspicious transactions process. Compliance to these regulations is continuously monitored by RBI. RBI has also mandated the banks to have robust internal audit and controls, Early Warning Signals (EWS) and Red Flagging of Accounts (RFA), timely reporting to Law Enforcement Agencies (LEAs), Data Analytics and Market Intelligence Unit for strengthening risk management systems.

Further, REs are required to report suspicious transactions as well as transactions specified under the PML Rules, 2005 to the Financial Intelligence Unit (FIU). FIU, in turn, shares such information with national intelligence / law enforcement agencies, national regulatory authorities and foreign FIUs. It also coordinates and strengthens collection and sharing of financial intelligence through an effective national, regional and global network to combat money laundering and related crimes.

\*\*\*\*\*