GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 147
ANSWERED ON THE MONDAY, 20 JULY, 2026/ASHADHA 29, 1948 (SAKA)

Fintech Regulation and Consumer Protection

147. MS. PRANITI SUSHILKUMAR SHINDE:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has undertaken any recent assessment of the rapid growth of the fintech sector in the country, particularly digital lending platforms and payment aggregators, if so, the details thereof;
(b) the regulatory measures currently in place to safeguard consumers from predatory lending practices, data breaches, and unauthorized digital transactions in the fintech ecosystem;
(c) whether the Government proposes to introduce a comprehensive regulatory framework specifically tailored for fintech companies to ensure transparency, accountability, and financial stability, if so, the details thereof; and
(d) the steps taken or proposed to strengthen coordination between the Reserve Bank of India and other regulatory bodies in overseeing fintech operations?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) to (d): The Government has been constantly engaging with the financial sector regulators and other concerned stakeholders to review the issues related to fintech ecosystem including digital lending platforms and payment aggregators in the country. Based on such review assessment, various regulatory and supervisory interventions have been taken from time to time which, inter-alia, includes the following:

i. The Reserve Bank of India (RBI) has issued the “Framework for Self-Regulatory Organisation(s) in the FinTech Sector” (SRO-FT framework) on 30.05.2024 for establishing and enforcing regulatory standards, promoting ethical conduct, ensuring market integrity, resolving disputes, and fostering transparency and accountability among its members.

ii. RBI has issued Master Directions on Digital Payment Security Controls in February, 2021 to combat web and mobile app threats. These guidelines mandate the banks to implement a common minimum standards of security controls for various payment channels like internet, mobile banking, card payment etc. Additionally, National Payment Corporation of India (NPCI) provides a fraud monitoring solution to all the banks to generate alerts and decline transactions by using Artificial Intelligence (AI)/Machine Learning (ML) based models for Unified Payments Interface (UPI) transactions.

iii. The Ministry of Electronics and Information Technology (MeitY) has notified the Digital Personal Data Protection Act, 2023 (DPDP Act) and DPDP Rules 2025 to protect personal data of individuals.

iv. Further, RBI has introduced an enabling framework for Regulatory Sandbox in August 2019 which allows testing of new innovative financial products/services in a controlled regulatory environment with or without regulatory relaxation.

In addition to the above, for safeguarding the interests of consumers and facilitate citizens to report cyber incidents, including illegal loan apps, the Ministry of Home Affairs (MHA) has launched the National Cybercrime Reporting Portal (www.cybercrime.gov.in) and a National Cybercrime Helpline number “1930”. The banks through the public facing platform ‘SACHET’ portal and the State Level Coordination Committee (SLCC) facilitate the citizens for lodging of any complaints against specific entity related to deposit/ collection of money illegally. RBI and Banks have been taking up awareness campaigns 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 on awareness about frauds and risk mitigation.

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