

**Course Name- Product Design
Thinking Framework**

**Collage Name- Quantum
University**

Batch Number- 01

Week 5, Task 3

Reference Article For “Net Banking Frauds”:

One significant problem associated with net banking is the increasing incidence of cyber scams and fraudulent activities targeting online banking users. A pertinent article that delves into this issue is titled "Who should foot the bill for cyber scams?" published by the Financial Times.

This article discusses the complexities surrounding financial responsibility for cyber scams, especially given the advancements in artificial intelligence and the prevalence of quick payment networks. It highlights cases where individuals have fallen victim to sophisticated scams, resulting in significant financial losses. The piece also explores the ongoing debates and legal battles concerning who should bear the financial burden in such scenarios—banks, governments, or technology companies.

The article underscores the need for collaborative measures among financial institutions, tech firms, and regulatory bodies to protect consumers and mitigate losses due to cyber fraud. It also points out the challenges in defining liability and implementing effective protections in the rapidly evolving landscape of digital banking.

This reference provides valuable insights into the challenges and considerations surrounding cyber scams in the context of net banking, making it a relevant resource for understanding the complexities of this issue.

Key Issues Identified:

1. Rising Cyber Fraud in Net Banking

- With the growth of AI-powered fraud tactics, scammers have become more sophisticated in deceiving users.

- Phishing attacks, social engineering, and identity theft have led to major financial losses for individuals and businesses.
- The rise of instant payment networks has made it difficult to reverse fraudulent transactions, amplifying financial risks.

2. Accountability & Liability Debates

- A key question raised in the article is: Who should bear the financial burden of cyber fraud?
- Banks argue that users must take responsibility for their security, while consumers feel financial institutions should provide stronger fraud protections.
- Governments and regulators are stepping in to define liability laws and ensure fair compensation mechanisms.

3. Regulatory and Legal Challenges

- Different countries have varying legal frameworks for cyber fraud compensation, creating inconsistencies in customer protection.
- Some jurisdictions hold banks accountable for reimbursing victims, while others place the burden on consumers.
- The lack of uniform global regulations makes tackling cyber scams more complex.

4. Emerging Solutions & Preventive Measures

- Financial institutions are investing in AI-driven fraud detection systems to monitor and flag suspicious transactions.
- Multi-factor authentication (MFA) and biometric verification are being implemented to enhance security.
- Public awareness campaigns are needed to educate users on recognizing and avoiding scams.

Flowchart:



