

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
UNSTARRED QUESTION NO 2505
TO BE ANSWERED ON 16.03.2018

CASES OF FRAUD IN DIGITAL TRANSACTIONS

2505. SHRI HUSAIN DALWAI:

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state?

- (a) the details of cases of fraud along with amount of money lost as a result of fraud cases in digital transactions since November, 2016, month wise;
- (b) whether Government has put in place a system to monitor risks in digital transactions with respect to net banking, UPI, AEPS, BHIM, if so, the details thereof and if not, the reasons therefore; and
- (c) whether Government has proposed a mechanism for customers to file complaints in cases of fraud and guidelines for customers to claim compensation, if so, the details thereof, if not, the reasons therefore?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI K. J. ALPHONS)

(a): Yes, Sir. The details of fraud cases (Credit Card, ATM/ Debit Cards & Internet Banking fraud) during period Nov 2016- Dec 2017 are as below:

Month	No of frauds Credit Card, ATM/ Debit Cards & Internet Banking fraud cases (amount involved >= `1.00 Lakh)	Extent of losses in Rs lakhs
Nov-16	170	221.17
Dec-16	189	229.6
Jan-17	84	120.18
Feb-17	103	138.76
Mar-17	103	112.04
Apr-17	86	184.05
May-17	121	259.69
Jun-17	117	448.35
Jul-17	120	415.44
Aug-17	230	580.49
Sep-17	201	525.96
Oct-17	162	455.77
Nov-17	271	534.70

Dec-17	187	3373.23*
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* The extent of loss due to fraud in Dec 2017 appears to be high but as per the data available at RBI website, during Dec 2017, the value of card usage at ATMs and POS terminals was Rs 3469.97 Billion. Thus the extent of losses due to fraud in Dec 2017 is only 0.009% of the value of transactions.

(b): Yes, Sir. Reserve bank of India (RBI) is taking adequate measures for Risk Mitigation in online Payments. Some of the instructions on Risk and Mitigation Measures issued by Department of Payment and Settlement Systems (DPSS), RBI are as follows:

Banks and Payment System operators have been advised to enhance the security and risk mitigation measures for Card transactions (includes card based online transactions) by taking following measures-

- 1) Banks have been advised to provide online alerts for all card transactions (card present and card not present), vide RI circulars dated Feb 18, 2009 and March 29, 2011.
- 2) Banks have been advised, vide, circulars February 18, 2009 and December 31, 2010 to put in place a system of providing additional factor of authentication (2FA) for all card not present transactions using the information which is not available on the card.
- 3) Banks have also been advised, vide, circulars dated February 28, 2013 and June 24, 2013 or securing electronic (online and e-banking) transactions, to introduce additional security measures.

(c): Given the customer centric focus of payment system developments in the country, the policy guidelines, instructions, etc, also addresses the customer grievance redressal aspects of these payment systems as highlighted below:

- 1) Prepaid Payment Instruments (PPIs): para 16 of the Master Direction (MD) issued on October 11, 2017 deals with "Customer Protection & Grievance Redressal Framework" to be put in place by PPI issuers.
- 2) Mobile banking Transactions: Para 11.1 of the operative guidelines of Master Circular on Mobile Banking issued on July 1, 2016 deals with "Customer Protection & Grievance Redressal"
- 3) Further, various payment systems operated by NPCI with the approval of RBI also have the necessary feature of dispute resolution mechanism arising from customer grievances.
- 4) As per RBI circular on "Customer Protection – Limiting Liability of Customers in Unauthorized Electronic Banking Transactions" dated 06.07.2017, liability of the customer along with burden of proof and reversal timelines have been defined.
