

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 435
TO BE ANSWERED ON: 03-02-2021

GOOGLE PERSONAL LOAN APPLICATION

435. SHRI KANAKMAL KATARA:

Will the Minister of Electronics & Information Technology be pleased to state :

- (a) the number and the details of complaints received by the Government against Google Personal Loan Applications along with action taken by the Government thereon till date; and
- (b) whether Google personal Loan Applications are not complying with the local laws and rules and if so, the reaction of the Government thereto?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI SANJAY DHOTRE)

(a): Ministry of Electronics & Information Technology (MeitY) has received a number of public grievances against frauds and the malpractices by few online instant loan applications available on Internet including on Google Playstore. The complaints are mainly related to high interest rates, alleged collection of personal data and its misuse, fraudulent and unlawful practices of physical threats and use of other coercive methods for recovery of loan. Few cases have also been filed in the courts.

‘Police’ and ‘Public order’ are State subjects as per the Constitution of India and States/UTs are primarily responsible for prevention, detection, investigation and prosecution of crimes including misuse of social media through their law enforcement machinery. The Law Enforcement Agencies take legal action as per provisions of law against the cyber crime offenders.

A National Cyber Crime Reporting Portal (www.cybercrime.gov.in) operated by Ministry of Home Affairs facilitates public to report all types of cybercrime incidents. The incidents/complaints reported on this portal are routed automatically to the Law Enforcement Agencies of respective States/UTs based on the information provided by the public.

Ministry of Electronics and Information Technology has also taken up the matter with Google for prevention, detection and removal of such fraudulent Apps from their Playstore.

Reserve Bank of India has issued a press release dated 23 December 2020 stating that legitimate public lending activities can be undertaken by banks, NBFCs registered with RBI and other entities who are regulated by the State Governments under appropriate statutory provisions such as Money Lending Acts. Members of public were cautioned not to fall prey to such unscrupulous activities and were requested to verify the antecedents of the company/ firm offering loans online or through mobile apps.

(b): As conveyed by Google, personal loan applications available on the Google Play Store are bound by the Play Store’s terms of the “Google Play Developer Distribution Agreement”, which *inter alia*, requires app developers to use the Play Store only for purposes that are permitted by applicable law, regulation, or generally accepted practices or guidelines in the relevant jurisdictions.

As per the “Google Play Developer Policy”, financial services apps that offer personal loans are required to disclose key information such as minimum and maximum periods of repayment, maximum annual percentage rate, and a representative example of the total loan cost. To help further ensure that users are not subject to unfair terms, only personal loan apps with full repayment required in greater than or equal to 60 days from the date the loan is issued are permitted.

Upon being notified by law enforcement agencies of the availability of certain money lending apps that were possibly not in compliance with the applicable legal and regulatory framework, Google has already removed about 100 such Apps since December 2020 till 20th January 2021.
