

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4542

ANSWERED ON:20.08.2010

COMPLAINTS AGAINST CREDIT/DEBIT CARD PLAYERS

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**Will the Minister of FINANCE be pleased to state:**

(a) whether the Government has received complaints against credit/ debit card players for their various fraudulent activities including card cloning and transactions from stolen cards;

(b) if so, the details thereof for the last three years and the current financial year along with the reasons therefor; and

(c) the corrective steps taken/being taken by the Government in this direction?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): Department of Banking Supervision of Reserve Bank of India (RBI) has not received any complaint against credit/debit card players for their various fraudulent activities including card cloning and transactions from stolen cards. The number of debit/ credit card frauds and amount involved as reported by commercial banks to RBI for the last three financial years and the current financial year upto June 2010 is as under:-

(Rs. in Crores)

2007-08	2008-09	2009-10	2010-11	April-June
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No Amount	No Amount	No Amount	No Amount	
17447	41.10	17114	47.43	18925
				54.67
				2946
				7.05

(c): RBI has taken the following steps for prevention of credit card frauds:

(i) RBI has issued a Master Circular on 'Credit Card Operations of banks' dated 01-07-2010 advising all banks to set up internal control systems to combat frauds and to take pro-active fraud control and enforcement measures. They were also advised to ensure that credit card operations were run on sound, prudent and profitable lines as also fulfill 'Know Your Customer' requirements, assess credit risk of customers, specify terms and conditions in clear and simple language, ensure prompt dispatch of bills, maintain customer confidentiality, etc.

(ii) RBI had also issued a circular to all commercial banks in June, 2006, advising them to take various preventive measures to combat frauds relating to skimming or duplicating of credit cards. The circular had highlighted the fact that certain plastics used by the miscreants were not normal credit / debit cards but were telephone top-up cards issued by UK based telephone companies with magnetic strip. This magnetic strip was used to encode data belonging to original cards which were obtained by the fraudsters through skimming (copying of magnetic strip). The measures include educating customers through hoardings, advertisements, handouts and also posting cautionary messages in the website of card issuing banks.

(iii) The banks have also been advised to inform to customers not to reveal ATM PIN in response to requests received through e-mail, to periodically verify the transaction history to ensure its correctness and if any unauthorized transaction observed it should be immediately reported to the bank and inform the bank if the card is lost or stolen.

(iv) As operational / security measures, the banks were advised to post security guard and conduct inspection of ATM on regular basis by bank official. The banks were advised that the incidents of skimming should be immediately brought to the notice of local law enforcement authorities.