

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2932
ANSWERED ON:26.11.2010
DATA THEFT FROM ATM CARDS
Shanavas Shri M. I.

Will the Minister of FINANCE be pleased to state:

(a) the details of the data theft from ATM cards during the last three years and the current financial year alongwith the action taken thereon; and

(b) the steps taken/being taken by the Government for better safety features in credit cards?

Answer

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

(a) and (b):As per information compiled by Reserve Bank of India, data on frauds involving ATM cards are as below:

(Amt in Rs. Crore)

Year	2007	2008	2009	2010-11 (April to Sept.30,2010)
------	------	------	------	---------------------------------

No.of cases	Amt cases	No.of cases	Amt cases	No.of cases	Amt cases	No.of cases	Amt cases
-------------	-----------	-------------	-----------	-------------	-----------	-------------	-----------

Total	153	2.65	153	2.46	296	2.79	204	2.12
-------	-----	------	-----	------	-----	------	-----	------

Out of the above cases, in a few cases the data from the genuine ATM cards were stolen and separate ATM cards had been created. Using such cards, money had been withdrawn from the accounts of the original ATM card holders.

RBI has taken following steps :

1. RBI had issued a circular on 26.6.2006 listing out various measures that could be initiated by the banks including measures to educate customers through handouts, e-mails, display at ATM terminals, websites etc. and operational and security measures to be taken by the banks to prevent fraudulent withdrawal from ATMs and misuse of credit/debit cards.

2. To avoid ATM frauds, RBI vide its Master Circular dated July 1,2010 had advised the following :

2(i) With a view to reduce the instances of misuse of lost/stolen cards, Banks/NBFCs may consider issuing (i)cards with photographs of the card holders

(ii) Cards with Pin and (iii) signatures laminated cards and any other advanced methods that may evolve from time to time.

2(ii) RBI had issued a Circular dated February 18, 2009 on `Security issues and risk mitigation measures relating to on-line card transactions using credit/debit cards, advising banks to put in place a system of providing for additional authentication/validation based on information not visible on the cards for all on-line card not present transactions with effect from August 01, 2009 and a system of `Online Alerts` to the cardholder for all card not present` transactions of the value of Rs.5000/- and above,

2(iii) Banks have been advised to block a lost card immediately on being informed by the customer and formalities, if any, including lodging of FIR can follow within a reasonable period.

2(iv) Banks has also been advised to consider introducing, at the option of the customers, an insurance cover to take care of the liabilities arising out of lost cards.