

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3746
ANSWERED ON:27.04.2012
POLICY ON PHONE BANKING QUESTION
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India (RBI) has formulated any policy on phone banking;
- (b) if so, the details thereof and the time by which the said policy is likely to be implemented;
- (c) whether the proposed policy envisages any provision for curbing the cases of misuse of credit cards; and
- (d) if so, the details thereof?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) & (b) :- The Reserve Bank of India (RBI) issued the guidelines for Mobile Banking transaction in October, 2008 which permit banks to provide mobile banking transactions. The guidelines also permit banks to extend this facility through their business correspondents. Complaints/grievances arising out of mobile banking facility are also covered under the Banking Ombudsman Scheme of RBI. The mobile banking guidelines were further relaxed in May, 2011 to permit mobile banking transactions without end to end encryption upto Rs. 5000/- and in December, 2011 to remove the transaction limit of Rs. 50,000/- per customer per day.

(c) & (d) The RBI has framed separate policy for curbing the cases of misuse of credit cards. This includes the requirement of additional factor of authentication for online transactions/interactive voice response (IVR) transactions, online alerts to the customers for all types of card transaction at all channels irrespective of the amount, mandatory pin validation after every successive transaction at ATMs.