

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:256
ANSWERED ON:29.08.2012
THEFT FROM ATMS QUESTION
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Will the Minister of FINANCE be pleased to state:

- (a) whether cases of thefts from ATMs of banks have been reported and if so, the details of such cases during the last three years and the current year, State-wise and bank-wise;
- (b) whether the flawed design of ATMs of banks has been one of the reasons for such thefts;
- (c) if so, the details thereof; and
- (d) the steps taken/being taken by the Government/banks in this regard?

Answer

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM)

(a) to (d): A statement is laid on the table of the House.

Statement as referred in reply to part (a) to (d) of Lok Sabha Starred Question No.256 for 29th August, 2012 regarding `Thefts from ATMs`.

(a):The information as compiled by Reserve Bank of India (RBI), in respect of theft cases at ATMs from Scheduled Commercial Banks during last three years and upto June 30 in current year and amount involved (Rs. One lakh and above) is as below:

(Rupees in lakhs)

Sr. No.	Calendar Year	Total cases reported	Amount involved
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1.	2009	143	328.30
2.	2010	229	564.55
3.	2011	271	551.55
4.	2012 (upto June 30th)	185	385.91

Bank-wise as well as State-wise details along with arrests made in the case is as per Annexure 1 and 2 respectively.

(b) and (c): Some of the frauds are taking place at ATMs as the fraudster picks up major part of the amount and leaves a few notes in the bin which are retracted by the machine after cut-off-time. These transactions are marked as unsuccessful transactions and amount is credited to drawer's account. There is no mechanism in ATMs to count the retracted notes by the ATMs.

RBI has quoted Federal Bank Ltd.'s report dated May 30, 2012 stating that ATM frauds containing 874 incidents were noticed across India involving an amount of Rs. 83.35 lakhs. As per the report, few persons have defrauded the bank by taking part of withdrawal amount and allowing balance to be taken back by ATM; however, full transaction of withdrawal was not accounted for in their account.

(d) : With regard to change in design in ATMs, the following action has been taken by :

RBI has given approval to the National Payment Corporation of India (NPCI), the operator of National Financial Switch (NFS) which is the largest ATM Network in the country, to disable cash retraction feature in ATM machines so that frauds due to partial withdrawal of cash may be stopped.

NPCI has reported that cash retraction feature had been disabled at only 39,169 ATMs out of 99,995 ATMs as on June 30, 2012.

RBI vide, letter dated July 27, 2011 has advised NPCI that cash retraction feature should be disabled in all ATMs August 31, 2012.