

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2442

ANSWERED ON:23.08.2013

CYBER FRAUDS

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Will the Minister of FINANCE be pleased to state:

- (a) whether the number of incidents of fraudulent withdrawal of money using cloned debit/credit/ATM cards have been reported in the country;
- (b) if so, the details of such incidents reported during each of the last three years and the current year along with the amount involved therein, bank and State/UT-wise;
- (c) the action taken against the erring officials/persons in such cases, bank-wise; and
- (d) the steps taken by the Government to keep a check on such incidents?

Answer

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

(a)&(b) : As per data reported by Banks to Reserve Bank of India (RBI) on incidents of fraudulent withdrawal of money using cloned debit/credit/ATM cards for last three year and till June 2013, bank-wise and State/UT-wise details are as per Annex-I and Annex-II respectively.

(c): RBI has informed that banks have not reported involvement of staff in any of the case.

(d): The measures initiated by RBI to strengthen security arrangements are as under-

(i) RBI has issued two circulars viz;

(i) `Security arrangements for ATMs of bank` dated February 22, 2006 and

(ii) `Skimming of ATM/Credit Cards` dated June 26,2006 advising banks to take various preventive measures to combat frauds relating to skimming or duplicating of credit cards. The preventive measures include educating customers through cautionary messages posted on the web-s.ite of card issuing banks, informing customers not to reveal PIN in response to requests received through e-mails, to periodically verify the transaction history, immediate reporting to the bank, if any unauthorized transaction is observed, and inform the bank if the card is lost or stolen.

(ii) RBI vide its Master Circular dated July 01, 2013, on `Credit Card Operation of Banks` advised banks to set up internal control systems to combat frauds and to take pro-active fraud control and enforcement measures.

(iii) All Commercial Banks have also been cautioned by RBI vide letter dated. 16.02.2006 on phishing attacks which contained details of the modus-operandi on such attacks and minimum set of preventive/detective measures to tackle phishing attacks.

(iv) RBI vide Circular dated September 2011 on `Security Issues and Risk mitigation measures related to Card Present (CP) transactions` has advised the banks to move to secure Card Not Present (CNP) transactions, making it mandatory for banks to put in place additional authentication / validation for al on-line / IVR / MOTO / recurring transactions etc. based on information available on the credit / debit / prepaid cards.

(v) RBI vide Circular dated February 28, 2013 on `Security Issues and Risk Mitigation Measures for Electronic Payment Transactions` have advised banks to convert all existing Meg Stripe cards to EMV Chip card for all customers who have used their cards internationally at least once (for / through E-commerce / ATM / POS).