

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2044

ANSWERED ON:31.07.2015

Cyber Frauds

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Will the Minister of FINANCE be pleased to state:

- (a) whether the credit/debit/ATM fraud cases/cyber frauds have increased manifold in the country during each of the last three years and the current year;
- (b) if so, the details thereof and the reasons therefor along with the bank employees found involved in such cases, bank-wise and the action taken against them;
- (c) whether the Reserve Bank of India (RBI) has directed all banks to add security features on the said cards in view of the rise in cyber frauds and if so, the details thereof;
- (d) whether the cases of non-compliance of such directions by banks have come to the notice of the Government / RBI since issuance of the said directions; and
- (e) if so, the details thereof, bank-wise and the action taken by the Government against such banks along with the further action taken by the Government to such frauds?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)

(a) & (b): Reserve Bank of India (RBI) has informed that frauds related to ATM / Credit / Debit cards & Net Banking reported by the banks during the last three years is as follows:
(Rs. in Crore)

Sr.	No.	Financial Year	Total no cases reported	Amount involved
1.	2012-13		8765	68
2.	2013-14		9500	77.96
3.	2014-15		13083	80

Bank-wise details of Cyber Frauds cases of Rs. 1 lakh and above where there was involvement of staff of the bank is as follows:

Bank Name	2012-13	2013-14	2014-15	April 2015-	June 2015			
No. of Cases								
Amount								
(Rs. in lakh)	No. of Cases	Amount	No. of Cases	Amount	No. of Cases	Amount		
(Rs. in lakh)	No. of Cases	Amount	No. of Cases	Amount	No. of Cases	Amount		
(Rs. in lakh)	No. of Cases	Amount	No. of Cases	Amount	No. of Cases	Amount		
(Rs. in lakh)	No. of Cases	Amount	No. of Cases	Amount	No. of Cases	Amount		
Allahabad Bank	0	0	1	3.14	0	0	0	0
American Express Banking Corp.	0	0	0	0	0	1	2.11	
Andhra Bank	0	0	0	1	1.79	0	0	
Axis Bank Ltd.	0	0	0	1	7.52	0	0	
Citibank N.A.	1	6.93	1	1.02	0	0	0	0
HDFC Bank Ltd.	0	0	1	2.25	0	0	0	0
ICICI Bank Ltd.	0	0	3	5.38	2	3.22	0	0
IndusInd Bank Ltd.	0	0	1	2.24	0	0	0	0
Kotak Mahindra Bank Ltd.	0	0	1	4.05	0	0	0	0
Lakshmi Vilas Bank Ltd.	1	10	0	0	0	0	0	0
Standard Chartered Bank	0	0	3	17.96	0	0	1	3.49
Tamilnad Mercantile Bank Ltd.	1	1.49	0	0	0	0	0	0
UCO Bank	1	17.38	0	0	0	0	0	0
United Bank of India	1	19.57	0	0	0	0	0	0
Vijaya Bank	0	0	0	1	1.25	0	0	
Yes Bank Ltd	0	0	0	2	4.06	0	0	
Grand Total	5	55.37	11	36.04	7	17.84	2	5.6

Action is taken by the banks against the erring officials in line with the respective disciplinary framework of the Bank.

(c): (1) RBI has issued following instructions to Banks to deal with Cyber Frauds:

(i) Instructions have been issued on Credit/Debit card transactions-Security and Risk mitigation measures to enhance the security of card transactions (including card based online transactions) and Risk Mitigation measures for electronic payment transactions (including e-banking transactions).

(ii) Banks have been advised by RBI to provide online alerts for all card transactions, to put in place a system of providing additional factor of authentication / validation (2FA) for all card not present transactions using the information which is not available on the card.

(iii) All new debit and credit cards to be issued only for domestic usage unless international use is specifically sought by the customers.

(iv) Issuing banks should convert all existing MagStripe cards to EMV Chip card for all customers who have used their card internationally at least once, all the active MagStripe International cards used by banks should have threshold limit for international usage and PIN entry for each and every transaction, including balance enquiry transactions.

2.RBI has also issued circular No. DPSS(CO) PD No. 2112/02.14.003/2014-15 dated May 07,2015 by which banks and Authorized card Payment networks have been advised that with effect from September 01,2015 all new cards issued – debit and credit, domestic and international - by banks shall be EMV Chip and pin based cards. Regarding the migration plan for existing magnetic strip only cards will be framed in consultation with stake holders and time line will be advised in due course.

3.RBI had also issued a caution circular DBS CO IS Audit BC No. 3/31.02.03/2005-06 dated February 16, 2006 to all commercial banks on phishing attacks i.e. creating fake website of banks and collecting customer details such as user ID, password etc.

4.RBI has issued circular on 'Skimming of ATM/Credit Cards' (Circular dated June 26, 2006). RBI has advised banks to take various preventive measures to combat frauds relating to skimming or duplicating of credit cards.

5.RBI has updated Master Circular on "Frauds – Classification and reporting" vide RBI. DBS.CFMC.BC.No.1 / 23.04.001/2015 -16 dated July 01, 2015 containing all the details/aspects relating to frauds.

(d) & (e): No such information is available with RBI.
