

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3228  
ANSWERED ON:12.12.2014  
CHEATING BY BANK EMPLOYEES  
Joshi Shri Chandra Prakash

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has received complaints against the employees of Public and Private Sector Banks for cheating customers by using their confidential information;
- (b) if so, the details thereof along with the number of complaints received by the Government and action taken against the bank employees during the last three years and current year, bank and State wise; and
- (c) the steps taken by the Government to check such frauds in future?

**Answer**

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

(a) & (b) : Data furnished by the Public Sector Banks is at Annex.

(c) :The following measures initiated by Reserve Bank of India (RBI) to prevent frauds in future:

1. RBI issues advisories from time to time to Banks about the major fraud prone areas, safeguards required for prevention of frauds, details of unscrupulous borrowers and related parties to enable banks to put in place necessary safeguards / preventive measures. The various advisories are incorporated in the master circular on frauds classification and reporting published every year.
2. A working Group on "Information Security, Electronic Banking, Technology, Risk Management and Tracking of Cyber Frauds" set up by RBI in April, 2010 hadinter alia suggested that chip based cards may be used as an alternative to magnetic strip cards based as a measure to counter the risks of skimming of ATM Cards. Based on the various recommendations of the Working Group, suitable guidelines were issued by RBI vide circular dated April 19, 2011 advising the Banks to frame / create / fine-tune/modify their IT policies and implement procedures and technologies based on new developments and emerging concerns.
3. RBI vide its circular dated 22.9.2011 on "Security Issues and Risk Mitigation Measures related to Card Present (CP) transactions" advised banks to move to secure Card Not Present (CNP) transactions, making it mandatory for banks to put in place additional authentication /validation for all on-line/IVR/MOTO/recurring transactions etc. based on information available on the credit/debit/prepaid cards.
4. A circular was also issued by RBI to all commercial banks on "Phishing Attacks" giving details of the modus operandi of such attacks and minimum set of preventive / detective measures to tackle these attacks.