

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UN-STARRED QUESTION No. 1956

TO BE ANSWERED ON 21 DECEMBER 2018 (FRIDAY)/AGRAHAYANA 30, 1940 (SAKA)

Investigation of ATM Frauds

1956. SHRI RAVINDRA KUMAR PANDEY: SHRI NISHIKANT DUBEY: SHRI RAJESH PANDEY:

Will the Minister of FINANCE be pleased to state:

- (a) whether the ATM fraud cases are increasing in the country;
- (b) if so, the details thereof and the cases registered, investigated and the action taken during the last two years and the current year;
- (c) whether the Government has developed any policy/taken steps to check such frauds; and
- (d) if so, the details therefor?

Answer

The Minister of State in the Ministry of Finance
(SHRI SHIV PRATAP SHUKLA)

(a) to (d) As apprised by Reserve Bank of India (RBI), specific information on ATM fraud is not available. However, number of Debit card related ATM frauds (amount involved of Rs. 1 lakh and above) during last three financial year and current financial year (upto 30th September, 2018), as reported by RBI is provided below:

Number of Debit Card related ATM Frauds reported during the last 3 years and the current year (Amount involved Rs 1 lakh and above)			
2015-16	2016-17	2017-18	2018-19 (Upto 30 Sept 2018)
563	724	911	507

Further, *vide* RBI's Master Circular on 'Frauds-Classification and Reporting', dated 1.7.2015, concerned banks are advised to examine the fraud cases and report them to law enforcement agencies, examine staff accountability, complete proceedings against the erring staff expeditiously, take steps to recover the amount involved in the fraud, claim insurance wherever applicable and streamline the system as also procedures so that frauds do not recur.

As per RBI's circular on 'Customer Protection – Limiting Liability of Customers in Unauthorised Electronic Banking Transactions' dated 6.7.2017, in case of unauthorised transactions occurring due to contributory fraud/negligence/deficiency on the part of the bank and due to third party breach with customer notifying the bank within three working days of receiving communication from the bank regarding the unauthorised transaction, the customer is entitled to zero liability.

RBI, *vide* its circular dated 21.6.2018 on 'Control measures for ATMs – Timeline for compliance', has advised banks to initiate immediate action to implement the control measures for ATM, including up-gradation of software in a time bound manner and to closely monitor the compliance.

Further, RBI, *vide* its circular dated 27.8.2015 on 'Security and Risk Mitigation Measures for Card Present and Electronic Payment Transactions – Issuance of EMV Chip and PIN Cards', has advised banks to ensure that by December 31, 2018 all active cards issued by them are EMV Chip and Pin-based.

Vide the circular of RBI dated 6.7.2017 as mentioned above, banks are advised to provide customers with 24x7 access through multiple channels (at a minimum, via website, phone banking, SMS, e-mail, IVR, a dedicated toll-free helpline, reporting to home branch, etc.) for reporting unauthorised transactions that have taken place and/ or loss or theft of payment instrument such as card, etc.
