GOVERNMENT OF INDIA
MINISTRY OF FINANCE
RAJYA SABHA
UNSTARRED QUESTION NO-2925
ANSWERED ON – 29/3/2022

FINANCIAL LOSS CAUSED DUE TO CYBER CRIMES

2925. DR. ASHOK BAJPAI:

Will the Minister of Finance be pleased to state:

(a) the total amount of financial loss caused due to cyber crimes to individuals having accounts in nationalized banks, mainly SBI and private banks during the last two years, year-wise;

(b) the details of the policy, if any, of Government to reimburse the financial loss suffered by an individual due to cyber crimes; and

(c) the details of the initiatives taken by Government to create awareness against cyber crimes and to recover the proceeds of money lost due to such crimes?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a): The Reserve Bank of India (RBI) is the regulator and supervisor of the banking system. RBI had apprised that it does not maintain data on financial loss caused due to cyber-crimes to individuals having accounts in banks. RBI has further informed that the year-wise extent of loss in frauds in the category "Card/Internet – ATM/Debit Card, Credit Card and Internet Banking", based on the date of reporting by Public Sector Banks (which consist of nationalised banks and the State Bank of India) and private sector banks, for the last two financial years, is as below:

In crore Rupees

Financial year 2019-20		Financial year 2020-21	
Amount involved	Extent of loss	Amount involved	Extent of loss
194.39	58.61	195.8	63.40

(b): RBI has issued instructions providing for zero liability of a customer, if she or he informs the bank regarding an unauthorised electronic transaction within three working days of receipt of information in respect of the transaction from the bank and for the bank to credit the amount involved in such transaction to the customer's account in such cases, it further provides that maximum liability of the customer shall range from Rs. 5,000 to Rs. 25,000 if she or he reports the unauthorised electronic transaction within four to seven working days, and if she or he reports after seven days, the liability shall be determined as per the bank's Board-approved policy. RBI has also advised banks to ensure that complaints in this regard are resolved and the liability of the customer, if any, is established within such time as may be specified in the bank's Board–approved policy, not exceeding 90 days.

(c): To spread awareness against cyber-crimes, several steps have been taken. These include, *inter alia*, dissemination of messages on cyber-crime through short message service (SMS), radio campaigns, publicity on prevention of cyber-crime and cyber safety tips through social media accounts of the Indian Cybercrime Coordination Centre (I4C), publishing of a handbook for adolescents/students, publishing of Information Security Best practices for government officials, organising of cyber safety and security awareness weeks in association with States and Union territories, conducting of electronic-banking awareness and training (e-BAAT) programmes by RBI focussed, *inter alia*, on awareness about frauds and risk mitigation. As per RBI's Master Directions on Frauds, banks are required to conduct an annual review of the frauds and place a note before the Board of Directors/Local Advisory Board for information, and this include, *inter alia*, amount recovered. Banks are also required to constitute a Special Committee of the Board for monitoring and follow up of cases of frauds (SCBF) involving amounts of Rs. 1 crore and above, which, *inter alia*, monitors progress of CBI/Police investigation and recovery position in such fraud accounts.

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