

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA

UNSTARRED QUESTION NO. 23

TO BE ANSWERED ON THE 11TH DECEMBER 2018/ AGRAHAYANA 20, 1940 (SAKA)

Frauds in saving bank accounts of PSBs

23. SHRI SAMBHAJI CHHATRAPATI:

Will the Minister of FINANCE be pleased to state:

- (a) whether Government has any mechanism to investigate frauds reported by the saving bank account holders of fraudulent transaction due to negligence of bank employees in the country;
- (b) if so, the details thereof, public sector bank-wise;
- (c) how many such cases have been reported during the last three years and in how many cases the banks have initiated investigations to nail culprits of find flaws in the system; and
- (d) whether Government intends to initiate action to safeguard the interest of the genuine account-holders?

ANSWER

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

(a) to (d): Details of the number of fraud cases of Rupees one lakh and above reported by Public Sector Banks (PSBs) to the Reserve Bank of India (RBI), along with the amount involved in fraud in the Area of Operation – ‘Deposit – Savings’, as reported during the last three years, are at Annexure.

As per Reserve Bank of India’s Master Directions on Frauds – Classification and Reporting, banks refer (i) cases of fraud/embezzlement with amount involved of Rs. 10,000 and above but below Rs. 1 lakh, if committed by staff, to State Police, (ii) cases of Rs. 10,000 and above but below Rs. 3 crore to the State Criminal Investigation Department / Economic Offences Wing of the State concerned, and (iii) cases of Rs. 3 crore and above to the Central Bureau of Investigation. RBI has apprised that it does not have information on investigations by banks in this regard. RBI has further apprised that it has set up a Central Fraud Registry, based on Fraud Monitoring Returns filed by banks and select financial institutions as a searchable online central database for use by banks, and that it also issues caution advices detailing names of fraudsters and their *modus operandi*. Further, in order to protect the interest of customers, RBI has issued instructions to banks limiting the customer’s liability in unauthorised/fraudulent electronic transactions.

“Rajya Sabha USQ No. 23 for 11.12.2018 regarding “Frauds in Saving Bank accounts”

Frauds reported by Public Sector Banks in the Area of Operation – “Deposit-Savings”
where the amount involved is Rs 1 lakh and above

Bank	2015-16		2016-17		2017-18	
	No. of frauds*	Amount involved (In crore Rs.)	No. of frauds*	Amount involved (in crore Rs.)	No. of frauds*	Amount involved (in crore Rs.)
Allahabad Bank	3	0.40	10	1.23	7	2.11
Andhra Bank	3	0.45	16	2.04	4	0.10
Bank of Baroda	10	3.11	6	0.36	1	0.08
Bank of India	24	2.36	20	2.37	37	50.93
Bank of Maharashtra	9	1.31	7	27.77	6	0.91
Canara Bank	14	2.01	6	0.58	3	0.21
Central Bank of India	17	1.03	13	1.20	17	1.35
Corporation Bank	11	0.64	7	3.67	1	0.10
Dena Bank	2	0.10	2	0.92	0	0.00
IDBI Bank Limited	5	0.22	9	0.73	9	3.79
Indian Bank	10	2.57	3	0.42	15	1.81
Indian Overseas Bank	11	1.26	14	3.20	12	1.67
Oriental Bank of Commerce	4	0.42	4	0.68	12	2.64
Punjab and Sind Bank	2	0.33	1	0.12	0	0.00
Punjab National Bank	20	15.76	35	11.04	9	0.88
State Bank of India	130	9.03	152	22.64	170	122.21
Syndicate Bank	14	0.50	17	2.35	11	2.09
UCO Bank	16	1.73	8	6.04	43	4.76
Union Bank of India	2	0.06	4	0.13	4	0.28
United Bank of India	20	1.78	8	1.35	5	0.78
Vijaya Bank	0	0.00	1	0.18	2	0.16
Total	327	45.07	343	89.02	368	196.84

*Fraud data is by the year of reporting and not the year of occurrence of fraud which may be of an earlier period.

Source: Reserve Bank of India
