

Government mulls insurance cover for digital transaction frauds

NEW DELHI: The government is "very seriously" considering the recommendations of the Chandrababu Naidu committee on digital payment security, including insurance cover for the victims of fraudulent digital transactions, a union minister said on Friday.

In response to a question by [Samajwadi Party](#) MP Naresh Agrawal, Union Electronics and Information Technology Minister Ravi Shankar Prasad told the Rajya Sabha that the number of digital transactions in the country was rising and hence the concern for their security.

"The government is very seriously considering the recommendations made by the Chandrababu Naidu committee. And I am in principle for it (idea of insurance)," Prasad said.

The Committee of Chief Ministers on Digital Payment, chaired by Chief Minister of Andhra Pradesh [N. Chandrababu Naidu](#), has in its interim report suggested several measures for digital payment security, including an insurance scheme to cover losses incurred in digital transactions on account of fraud, etc.

The report suggests that in order to address the apprehension of the general public in adopting digital payments, the scheme should target low-ticket transactions to cover the vulnerable sections like small merchants, farmers etc.

Prasad said the number of fraudulent digital transactions in comparison to the total number of digital transactions was negligible and the government was taking steps to curb those frauds.

"Around 1,200 crore digital transactions take place annually in the country. Of these, between 0.005 per cent and 0.007 per cent are fraudulent transactions," he said.

As per data presented by the minister before the House, the number of cases of frauds involving [credit cards](#), ATM/debit cards and Internet banking during 2015-16 was 16,468 and in 2016-17 it was 13,653.

He said that for prepaid payment instruments, including [e-wallets](#), the [Reserve Bank of India](#) (RBI) has started maintaining provisional data of fraudulent transactions.

According to the data for March, April and May 2017, the number of fraudulent transactions is between 0.005 per cent and 0.007 per cent of the total number of transactions.

"As per incidents reported to the Indian Computer Emergency Response Team (CERT-In), 40 phishing incidents affecting 19 financial organisations and 10 incidents affecting ATMs, Point of Sale (POS) systems and [Unified Payment Interface](#) (UPI) have been reported during November 2016 to June 2017," Prasad said.

"As part of promotion of digital payments, the government is taking several steps to ensure that frauds are minimised and even when an incident of this nature takes place, corrective action is immediately taken," he added.

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