

Ministry of Finance



RBI Strengthens Framework on Unauthorised Electronic Banking Transactions

Revised RBI Instructions introduce compensation mechanism, expand AI-driven fraud analytics and reinforce safeguards against mule accounts and cyber fraud, along with financial literacy drives

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The Reserve Bank of India (RBI) had issued the extant instructions on limiting liability of customers in unauthorised electronic banking transactions in 2017. However, in view of the rapid adoption of technology in the banking sector and payments systems, RBI reviewed its existing instructions. The revised instructions, including a compensation mechanism in case of small value fraudulent electronic banking transactions, have been issued for public / stakeholders' consultation on March 06, 2026. The same is available at: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62340

Indian Digital Payment Intelligence Corporation (IDPIC) has been incorporated as section 8 company, under the Companies Act, 2013 on 16/10/2025. Its primary mandate is to detect, prevent, and analyse fraud in India's rapidly expanding digital payments ecosystem in real time by leveraging cutting-edge technologies, including Artificial Intelligence (AI), Machine Learning (ML), and Big Data Analytics.

The Government has been constantly engaging with the Reserve Bank of India (RBI) and other concerned Regulators/ stakeholders. To curb the misuse of mule accounts for diversion and layering of funds in cyber frauds across the country, RBI has rolled out "MuleHunter.AI" an artificial intelligence/machine learning-based solution for mule account detection. The solution is currently live in 26 banks and is being scaled up further. RBI has also issued advisories delineating specific actions to be taken by the banks in mitigating the misuse of banking channel through robust systems and controls for the prevention and detection of cyber enabled frauds & suspected money mules.

Further, the banks have been advised to ensure deployment and adoption of robust software for real-time transaction monitoring and use of AI / ML tools in detecting suspicious and fraudulent transaction patterns as well as use of network analytics in identifying mule networks.

Several initiatives have been taken to disseminate cybersecurity awareness among citizens, including senior citizens. These, inter alia, include:

- i. The Centre for Financial Literacy (CFL) project has been initiated by RBI since 2017 with an objective to adopt community-led innovative and participatory approaches to financial literacy. A total of 2,421 CFLs have been set up across the country, as on March 31, 2025, with one CFL covering three blocks;
- ii. Financial Literacy Week (FLW) has been conducted every year since 2016 to propagate the message of financial education among citizens across the country;
- iii. RBI's multi-media and multilingual public awareness campaign, titled "RBI Kehta Hai" promotes financial literacy to create awareness among citizens on safe banking practices.
- iv. Securities and Exchange Board of India (SEBI) runs the "SEBI vs SCAM" Campaign, which generates an ongoing fraud awareness campaign via TV, print, radio, and social media in partnership with Market Infrastructure Institutions (MIIs). SEBI has also launched the Saaṛthi Mobile App, offering educational resources and investment information to protect citizens.

This information was given by the Minister of State in the Ministry of Finance Shri Pankaj Chaudhary in Rajya Sabha today.

NB/AD

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