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ONLINE FRAUD AND DIGITAL ARREST SCAMS

- More than 50 people have lost money in online scams, resulting in losses of approximately Rs.800 crore.
- Before the Reserve Bank's proposed Know Your Customer (KYC) Guidelines, 2026 come into force, has the Supreme Court examined them?
- These guidelines should not remain mere general advisories. Instead, they must be made mandatory procedures that financial institutions are required to follow.
- Action must be taken against financial institutions that fail to comply with these procedures.
- In particular, the guidelines must include provisions for mandatory compensation of not less than the amount lost to victims of digital arrest and online fraud caused by the negligence of banks or financial institutions.
- Shocking That Even Educated People Are Being Cheated
- If suspicious transactions are detected in a customer's bank account, the bank must temporarily block such transactions and immediately summon the customer for a direct inquiry.
- If there is any suspicion that a customer has become a victim of a digital arrest scam, the matter must be reported to the nearest police station.
- It is shocking that even well-educated people are falling victim to these scams. Although people continue to lose crores of rupees through digital arrest scams, we have still not established a strong mechanism to prevent them.
- Why are banks not categorising bank accounts? Why do banks fail to question customers when they suddenly attempt to transfer their entire savings to another bank account in an unusual manner?

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