Digital Payments & Banking Security

What you will learn today

- How digital payments work
- How to spot common frauds
- Basic cyber hygiene for safe payments
- What the law says, and what to do if cheated

Ask yourself

Have you or someone at home ever got a call asking for an OTP?

Digital Payments

UPI

Pay from phone, 24×7

Cards

Debit and credit cards

Net banking

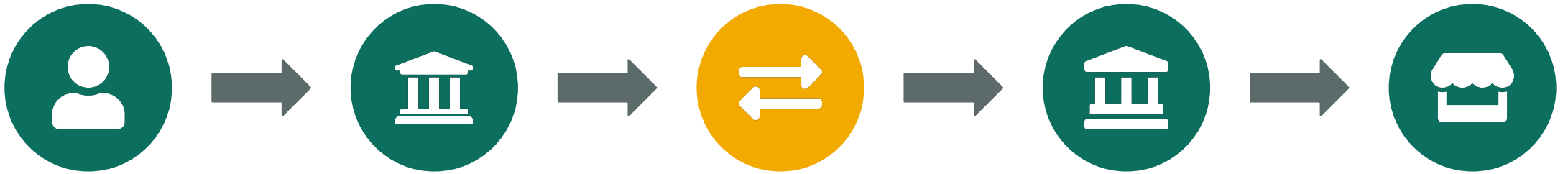
Bank website or app

Wallets

Prepaid balance (PPI)

Regulator: RBI, under the Payment and Settlement Systems Act, 2007

How a UPI payment travels



UPI PIN is needed only to SEND money.
You never need a PIN to receive money.

Common frauds

Phishing links

Fake bank SMS, email or website

QR code tricks

‘Scan to receive’ prize money

Fake helplines

Numbers found on search results

Screen-sharing

Apps that let them see your OTP

KYC update

‘Account blocks today’ calls

‘Digital arrest’

Fake police on video call

Red flags: Stop. Think. Act.

Pause before you pay

- Creates fear or urgency
- Asks for OTP, PIN, CVV or password
- Sends an unknown link or app
- Offer is too good to be true
- Asks you to keep it secret

Five golden rules of cyber hygiene

1. Never share OTP, PIN, CVV or password
2. Use a strong password and screen lock
3. Install apps only from official stores
4. Check the web address: banks use ‘.bank.in’
5. Keep SMS alerts on; set transaction limits

Your shield

Two-factor authentication

Something you know

PIN, password

Something you have

Phone, card

Something you are

Fingerprint, face

RBI Directions, 2025 (from 1 April 2026): most digital payments need two different factors, and at least one must be dynamic (like a one-time OTP).

The legal provisions

IT Act, 2000

Cyber offences and compensation

BNS, 2023

Cheating and fraud

DPDP Act, 2023

Your personal data

RBI Directions

Customer protection

IT Act, 2000: key sections

Section	What it covers	Consequence
43	Unauthorised access or damage	Compensation to victim
66C	Identity theft: misusing password, OTP	Up to 3 years + fine up to ₹1 lakh
66D	Cheating by pretending to be someone online	Up to 3 years + fine up to ₹1 lakh
70B	CERT-In: national cyber incident agency	Report incidents within 6 hours

DPDP Act, 2023: your data, your rights

Banks and apps must

- Take clear consent
- Keep data secure
- Report data breaches

You have the right to

- Know and correct data
- Ask for erasure
- Raise a grievance

Weak security: penalty up to ₹250 crore. Core duties apply from 13 May 2027.

RBI: who bears the loss today?

Bank’s fault	**Zero liability**
Third-party breach, reported within 3 working days	**Zero liability**
Reported in 4 to 7 working days	**Limited: ₹5,000 to ₹25,000**
You shared OTP or PIN	**You bear loss until reported**

Applies to transactions up to 31 December 2026

New RBI rules from 1 January 2027

5 days

Report to bank and for zero liability

₹25,000

One-time relief for frauds up to ₹50,000

₹500

SMS alert for every payment above this

45 days

Bank must decide your complaint

Cheated? Act in the golden hour

1

Call 1930

National cyber crime helpline

2

Tell your bank

Block card, UPI or net banking

3

Save evidence

Screenshots, SMS, transaction ID

4

Report fraud calls

Sanchar Saathi ‘Chakshu’

Where to complain

1. Your bank — Written complaint; keep the reference number

2. RBI Ombudsman — If no reply in 30 days or not satisfied: cms.rbi.org.in, 14448

3. Police / courts — FIR for the crime; consumer or civil remedies

Activity: Real or fraud?

‘Your KYC expires today. Share the OTP to keep your account active.’

‘Scan this QR code and enter your PIN to receive your ₹2,000 prize.’

Bank SMS: ‘₹350 debited from your account’ after you paid the canteen.

Key takeaways

Your OTP and PIN are your keys: never share

Pause before you pay or click

Cheated? Call 1930 and your bank at once

The law protects you: know your rights

Thank you. Questions?

1930

Cyber crime helpline

cybercrime.gov.in

Report online

14448

RBI contact centre

cms.rbi.org.in

RBI Ombudsman