

Statement on recent news reports about frauds in banks

Lack of standardisation in fraud reporting across Banks

Mumbai, 30th August, 2022: The news reports on bank frauds that appeared recently are comparing apples to oranges. The total number of frauds reported by Kotak Mahindra Bank (Kotak), in line with regulatory requirements, also include instances of skimming, phishing, vishing, Ecommerce frauds, across debit cards, credit cards, UPI, mobile banking, internet banking, payment gateways etc. regardless of whether customers and / or the bank faced losses, or whether the fraud amounts were recovered eventually.

We have observed that there is significant variance in what is chosen to be reported to the regulator by other banks. We have appealed to the regulator vide our letters dated 17th March, 2022 and 30th August 2022 to enforce standardisation in reporting requirements.

For the period reported, of the 5,278 instances for Kotak, 97% are digital and card related frauds that occurred due to customers unwittingly compromising their credentials by clicking on unknown links, or giving access to their devices or sharing their credentials with unscrupulous individuals willingly. It is our submission that other banks do not appear to be exhaustively or uniformly reporting these types of frauds. Such frauds are not a reflection of any vulnerabilities in the bank's secure infrastructure and systems.

The bank continues its efforts towards customer education on safe banking and exhorting them never to compromise confidential banking details. The bank has seen a steady downward trend year-on-year (27%) in such digital fraud transactions reported by customers while customer acquisition and digital transactions are increasing exponentially.

For further information, please contact:

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