



NPCI:2013-2014:OC:91

August 20, 2013

To :

General Manager – Risk Management / Technology / Transaction Banking of
All Member Banks of National Financial Switch (NFS) and IMPS

Dear Sir / Madam,

Sub : Linking Mobile Number with Bank Accounts – A Fraud Mitigation Measure

This has reference to recent RBI circular RBI/2013-14/171 DPSS. CO.PD.No. 289 / 02.10.002 / 2013-2014, dated August 1, 2013 titled “ATM transactions – Enhancement of Customer service”. (Copy enclosed for ready reference). In the said circular RBI advised banks to comply with certain requirements for enhancement of Fraud Risk management at bank’s end especially early detection of frauds by the customer. Of the various operative measures listed, one measure pertains to linking registration of mobile number with bank account. Item (e) of Para 2 of the Circular reads as under :

Quote :

- e) Banks may proactively register the mobile numbers / e-mail IDs of their customers for sending alerts and also educate their customers to intimate changes, if any. A time-bound programme for updation of mobile number and or e-mail of all existing accounts may be drawn up.

Unquote

Compliance to above requirement will help in early detection of fraud. It may be mentioned that in case of various card related frauds recently brought to the notice of banks / police, the damage could be controlled only because of the SMS alerts received by customers when fraudulent transactions took place. The Reserve Bank of India has identified this as a key risk mitigation measure and has already advised banks that for all credits / debits, alerts need to be sent to the customers.

National Financial Switch (NFS) – the largest ATM Network in the country has also identified this as a part of the Risk Management framework in processing of ATM / PoS / eCom / IMPS / CTS / ACH transactions.

Member banks of all NPCI payment services are requested to initiate steps in this regard.

Yours truly,


Bharat Panchal
Head - Risk Management