

## **RBI TO DEVELOP THE DIGITAL PAYMENT INTELLIGENCE PLATFORM: ECONOMY**

**NEWS:** RBI, banks to launch DPIP platform to combat rising digital payment frauds

### **WHAT'S IN THE NEWS?**

To counter rising digital financial frauds, Indian banks under RBI's guidance are developing the Digital Payment Intelligence Platform (DPIP) for real-time data sharing and fraud detection, strengthening India's Digital Public Infrastructure (DPI).

#### **In News**

- Major public and private sector banks in India are collaborating under the guidance of the Reserve Bank of India (RBI) to develop the Digital Payment Intelligence Platform (DPIP).
- The DPIP is being built as a part of India's broader Digital Public Infrastructure (DPI) strategy aimed at strengthening the security and resilience of the country's digital payments ecosystem.

#### **About Digital Public Infrastructure (DPI)**

- DPI refers to foundational, interoperable, and secure digital systems designed to provide essential public services efficiently.
- In India, DPI has transformed the digital economy, much like physical infrastructure did for traditional industrial growth.
- Examples of India's DPI success include the Unified Payments Interface (UPI), Aadhaar digital identity, and the digital locker system.

#### **Digital Payment Intelligence Platform (DPIP)**

- The DPIP aims to bolster fraud risk management by enabling real-time data sharing and intelligence gathering among banks and financial institutions.
- It is being developed jointly by public and private sector banks, recognizing digital fraud as a common threat to the financial sector.
- The Reserve Bank Innovation Hub (RBIH) is building a prototype platform with 5–10 partner banks, using advanced technologies and analytics tools.
- The platform is expected to be operational within the next few months.

#### **Need and Purpose of DPIP**

- India faces an alarming rise in cybercrime, particularly digital financial fraud, which causes massive financial losses to individuals and institutions.
- According to RBI's FY25 report, reported bank frauds tripled to ₹36,014 crore from ₹12,230 crore in FY24.

- Public sector banks reported ₹25,667 crore in frauds, mostly related to loans and advances.
- Private sector banks witnessed the highest number of frauds in digital payment channels such as cards and internet banking.
- DPIP is a proactive measure to safeguard India's digital financial ecosystem, aiming to improve real-time fraud detection and prevention.

### **Challenges in Combating Digital Financial Fraud**

- Fraudsters use various methods such as impersonation, phishing, and stealing card details to target victims.
- They launder stolen funds through multiple accounts quickly, making detection difficult.
- Investigations often face challenges like delayed reporting by victims, intentional or accidental erasure of digital evidence, and fragmented, slow data sharing between financial institutions and regulators.

### **Other Steps Taken by Government and Regulators**

- The Ministry of Home Affairs (MHA) set up the Indian Cyber Crime Coordination Centre (I4C) and launched the National Cyber Crime Reporting Portal to facilitate public reporting and faster routing of complaints to law enforcement agencies.
- The 'Citizen Financial Cyber Fraud Reporting and Management System' has helped save approximately ₹4,386 crore from 13.36 lakh complaints.
- RBI has mandated security controls for digital payment systems and introduced an AI tool, 'MuleHunter,' to identify money mule accounts.
- The National Payments Corporation of India (NPCI) has implemented several security enhancements for UPI transactions, such as device binding, two-factor authentication, transaction limits, and AI-based fraud monitoring.

### **Suggestions and Way Forward**

- Tackling financial fraud requires coordinated efforts involving technology, regulatory reform, rapid data sharing, and greater public awareness.
- Banks, fintech companies, law enforcement agencies, and consumers must work together to secure the digital payments ecosystem.
- Important measures include sending multi-device login alerts, disabling screen-sharing features on banking applications, and mandating clear, detailed, real-time bank statements.
- Building a secure, transparent, and trustworthy digital financial environment will be crucial for sustaining India's growth as a digital economy leader.

**Source:** [https://www.business-standard.com/industry/banking/rbi-banks-to-launch-dpip-platform-to-combat-rising-digital-payment-frauds-125062200370\\_1.html](https://www.business-standard.com/industry/banking/rbi-banks-to-launch-dpip-platform-to-combat-rising-digital-payment-frauds-125062200370_1.html)