

A STUDY ON BANKING AND FRAUDULENT SYSTEM

Submitted in partial fulfillment of the requirements for the award of

Master of Business Administration

By

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**DEPARTMENT OF BUSINESS ADMINISTRATIONS
SCHOOL OF MANAGEMENT STUDIES**

SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

**Accredited with Grade “A++” by NAAC I 12B Status by UGC I Approved by AICTE
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SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
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CATEGORY - 1 UNIVERSITY BY UGC**

SCHOOL OF MANAGEMENT STUDIES

BONA FIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **HANISHA CARELN A(42410229)** who have done the Project entitled “**A STUDY OF BANKING AND FRADULENT SYSTEM**” under my supervision from SEPTEMBER 2023 to DECEMBER 2023.

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DECLARATION

I HANISHA CARELIN A (42410229) hereby declare that the Project Report entitled “A STUDY ON BANKING AND FRAUDULENT SYSTEM” done by me under the guidance of Dr. Dhaniya is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

DATE:

PLACE:

HANISHA CARELIN A

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ABSTRACT

This study delves into the intricate landscape of bank fraud, aiming to understand the evolving patterns, detect vulnerabilities, and propose effective mitigation strategies. Through extensive data analysis and case studies, we explore the various forms of bank fraud, including identity theft, phishing, insider fraud, and cyberattacks. The research employs advanced machine learning algorithms to identify emerging trends and anomalies in financial transactions.

Furthermore, the study investigates the role of technology in both facilitating fraud and fortifying security measures within the banking sector. It evaluates the efficacy of existing fraud detection systems and suggests enhancements to preemptively thwart fraudulent activities. Additionally, the research sheds light on the psychological and behavioral aspects of fraud perpetration, offering insights into potential red flags that can be incorporated into risk assessment models.

The findings of this study contribute to the ongoing efforts of financial institutions and regulatory bodies to fortify their defenses against ever-evolving bank fraud schemes. By understanding the modus operandi of fraudsters and leveraging technological advancements, banks can proactively safeguard their assets and maintain the trust of their customers in an increasingly digital financial landscape.

Questionnaire

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CHAPTER 1

1.1 INTRODUCTION

The proliferation of digital transactions has revolutionized the financial landscape, brought unparalleled convenience but also exposed financial institutions to the escalating threat of fraudulent activities. The effective detection and prevention of fraudulent transactions have become paramount to ensure the integrity of banking systems and maintain customer trust.

This final year project focuses on the design and implementation of an innovative bank fraud detection system. Leveraging the fusion of advanced data analytics, machine learning techniques, and real-time monitoring capabilities, this system aims to proactively identify and mitigate fraudulent activities within the banking domain.

The primary objective of this project is to develop a sophisticated model capable of analyzing vast volumes of transactional data to distinguish between legitimate and fraudulent transactions accurately. By employing state-of-the-art machine learning algorithms and data preprocessing techniques, this system endeavors to achieve high precision in fraud detection while minimizing false positives.

Key components of this project include data collection, preprocessing, and feature engineering to extract pertinent information for model development. The utilization of cutting-edge algorithms and model evaluation methodologies will be instrumental in creating a robust fraud detection framework.

Furthermore, this project will emphasize the importance of real-time adaptability and continuous learning. The system's ability to evolve and swiftly respond to emerging fraud patterns will be a core focus, ensuring its relevance and effectiveness in an ever-evolving financial landscape.

Ultimately, this final year project endeavors to contribute to the enhancement of banking security measures by delivering a comprehensive and efficient bank fraud detection system. The system's ability to proactively identify and prevent fraudulent activities will not only protect the institution's assets but also bolster customer confidence in the integrity of financial transactions.

1.2 FORMS OF BANK FRAUD AND THEIR INDICES

Bank fraud encompasses various deceptive activities committed to illegally obtain money or assets from a financial institution or its customers. Here are some common forms of bank fraud explained in simple terms along with their indicators or signs:

Identity Theft:

- Identity theft occurs when someone steals another person's personal information (like social security numbers, bank account details, etc.) to access their finances or commit fraudulent activities.
- Unexplained withdrawals or transfers, unfamiliar transactions in bank statements, receiving bills or notices for accounts or loans not opened.

- Fraudsters acquire users' personal information (e.g. PAN/Aadhaar details or social media credentials) or critical information about their bank accounts in order to gain access and initiate online payments or open a payment account to execute transactions.

Phishing:

- Phishing involves fraudulent attempts via emails, texts, or calls to trick individuals into revealing sensitive information (such as passwords, credit card numbers) by pretending to be a legitimate entity.
- Indicators: Unsolicited emails or messages asking for personal information, clicking on suspicious links that redirect to fake websites mimicking legitimate financial institutions.
- When the customer performs the process online, the fraudsters obtain confidential information and manage to perform illegal transactions using the OTP shared. Also, the fraudsters do not let the customer hang up the phone lest he/she should come to know about the illegal transaction.

Credit Card Fraud:

- Credit card fraud occurs when someone uses another person's credit card information without authorization to make purchases or withdraw cash.
- Unauthorized transactions on credit card statements, unexpected declines when trying to make legitimate purchases, notifications about exceeded credit limits.

Check Fraud:

- Check fraud involves creating counterfeit checks or altering legitimate ones to withdraw money or make purchases without authorization.
- Suspicious alterations on checks (such as forged signatures or modified amounts), bounced checks due to insufficient funds, unexplained withdrawals from the account.

Account Takeover:

- Account takeover occurs when a fraudster gains unauthorized access to someone's bank account.
- Difficulty logging into accounts, receiving notifications for password changes not initiated by the account holder, unfamiliar activities, or changes in account details.
- The 2016 cyberattack on the Bangladesh Bank, Central Bank of Bangladesh, is a classic example, where organized criminals got access to the bank's credentials and authorized payment transfers.

Loan Fraud:

- Loan fraud involves providing false information or misrepresenting facts to obtain a loan or credit from a financial institution.

- Receiving loan denial despite good credit history, discovering loans or credit accounts opened without your knowledge, discrepancies in provided documents.

Insider Fraud:

- Insider fraud occurs when someone within a financial institution misuses their access or authority for personal gain, like embezzlement or manipulating records.
- Unexplained wealth or lavish lifestyle beyond means, discrepancies in financial records, unexplained funds in personal accounts.

These forms of bank fraud often have telltale signs or red flags that can help individuals or financial institutions identify and prevent fraudulent activities. Staying vigilant, regularly monitoring accounts, and reporting suspicious activities promptly can mitigate the risks associated with bank fraud.

SCOPE OF THE STUDY

1. **Protecting Financial Institutions and Customers:** Knowledge about fraud detection systems helps in safeguarding financial institutions and their customers from potential financial losses and risks associated with fraudulent activities.
2. **Enhancing Security Measures:** Understanding how fraud detection systems work enables institutions to strengthen their security measures, implementing proactive approaches to detect and prevent fraud.
3. **Compliance and Regulatory Requirements:** Knowledge of fraud detection systems helps ensure compliance with regulatory standards and legal requirements related to fraud prevention and customer data protection.
4. **Risk Mitigation and Operational Efficiency:** Having insights into effective fraud detection methods aids in mitigating risks associated with fraud, thereby improving operational efficiency within banking systems.

OBJECTIVES OF STUDY

1. Developing an Effective Fraud Detection Model:

- Design and develop a robust and accurate predictive model capable of identifying fraudulent transactions with high precision while minimizing false positives.

2. Utilizing Advanced Machine Learning Techniques:

- Explore and employ state-of-the-art machine learning algorithms and data processing techniques to analyze historical transactional data and extract patterns indicative of fraudulent behavior.

3. Enhancing Security and Risk Mitigation:

- Strengthen the security measures within banking systems by implementing a proactive approach to identify and prevent fraudulent activities, thereby reducing financial losses and risks associated with fraud.

4.Documentation and Knowledge Sharing:

- Document the methodologies, algorithms, and findings comprehensively to contribute to the body of knowledge in fraud detection systems and facilitate knowledge sharing within the banking sector.

5.Real-time Monitoring and Adaptive Systems:

- Create a system that can adapt and learn in real-time, continuously evolving to detect new and emerging fraud patterns promptly.

CHAPTER 2

REVIEW OF LITERATURE

Every year the number of Bank Frauds increase manifold, according to the RBI Annual Report statistics it increased from 27% in 2017-18 to 41% in 2019 – 20. In 2020, the investigating agency CBI has registered more than 190 cases of Bank Fraud.

The Annual Report (RBI, 2020) of the RBI, in its frauds analysis mentions the total cases of frauds (involving ₹1 lakh and above) reported by banks/FIs increased by 28 per cent by volume and 159 per cent by value during 2019-20. On an average the detection period has a lag of almost 24 months with regard to frauds of smaller amounts and an average lag of 63 months in frauds of more than Rs.100cr. From the Annual Report it can be understood that from 2018 – 2020, the greatest number of frauds happened in the Advances area.

1. **Harshad Mehta Securities Scam (1992):** Harshad Mehta, a stockbroker, exploited loopholes in the banking system by manipulating the Bombay Stock Exchange (BSE). He used fraudulent bank receipts to siphon off funds from banks, resulting in a massive financial scandal estimated at around ₹4,000 crore.
2. **Ketan Parekh Stock Market Scam (2001):** Ketan Parekh, another stockbroker, was involved in a market manipulation scheme that primarily affected the stock prices of various companies. He used funds from banks and financial institutions to artificially inflate stock prices and subsequently faced allegations of rigging the market.

3. **Global Trust Bank Scam (2004):** Global Trust Bank faced a crisis due to mismanagement and irregularities in its operations. The bank's deteriorating financial health led to its merger with Oriental Bank of Commerce.
4. **Satyam Computer Services Scam (2009):** While not primarily a banking fraud, the Satyam scandal involved a major corporate fraud. The company's founder, Ramalinga Raju, admitted to inflating the company's revenues and assets, leading to a significant impact on the banking sector due to loans and investments in Satyam.
5. **Kingfisher Airlines Loan Default (2012):** Vijay Mallya's Kingfisher Airlines defaulted on loans amounting to thousands of crores, impacting several banks. Mallya is accused of diverting loan funds for personal use.
6. **Nirav Modi - Punjab National Bank (PNB) Fraud (2018):** As mentioned earlier, Nirav Modi and his associates allegedly defrauded PNB of billions by obtaining fraudulent Letters of Undertaking (LoUs) and Foreign Letters of Credit (FLCs), resulting in one of the largest banking frauds in India.
7. **Dr. Madan Lal Bhasin (2015)** studied the perception of bank officers towards bank frauds and factors influencing by taking 345 samples of bank officers including managers, officers and clerks from the NCR region in the time frame 2012 – 13.

A study by the author revealed that there was a significant difference in the awareness levels among the employees at different hierarchy levels. Managers got opportunities to read circulars of head office and RBI.

8. **Chanaran Singh, Deepanshu Pattnayak, Kiran Antony et. al (2016)** in their white paper found that the PSU banks performed better compared to PVBs in terms of cases of bank frauds. While, on the front of the amount involved PSU banks reported a higher amount of fraud compared to PVBs in the time frame of 2010 – 2013 and, stated the reason behind it could be the large size of loans which PSU banks offer to corporates. **Dr. D. Mahila Vasanthi Thangam.**
9. **Bhavin P P (2019)** Analysed data of various bank frauds which were registered by CBI between the time frame of 2015 – 2017 and founds that PSU banks were more affected by frauds compared to PVBs. Majorly bank frauds were committed by using forged documents and breach of trust by bank officials. Authors in addition found that behind all major banking frauds in India, Cases were filed under the IPC 420 and IPC 120B
10. **Jaydev M, Padma N (2019)** Analysed willful defaults from 2003 – 2016 and founds that within those 13 years loan amount due from the willful defaulters grew continuously which was not less than 25% of GNPA. Every year 25% of willful defaults were reported as a part of GNPA. The author considers poor corporate governance practice among private limited companies as an important reason responsible for such willful defaults. Legal mechanisms for the recovery of such bad loans performed weak during the study time frame as the author found that such mechanisms overlapped and protected borrowers' interest rather than the creditor's interest.

11. **Bhavna Sharma, Sultan Singh, D. Babin Dhas (2020)** analysed the reason behind frauds in Indian PSU banks for which authors have collected a sample of 90 respondents from SBI, BoI and, BoM officers from the Delhi – NCR and founds that lack of sufficient training to staff, non – verification of end-use of the fund and lack of proper audit were majorly responsible for the frauds in PSU banks.

These high-profile cases reflect various forms of fraud, including securities manipulation, loan defaults, misappropriation of funds, and financial mismanagement. They have had significant repercussions on the banking sector, leading to tighter regulatory measures and increased scrutiny by regulatory bodies such as the Reserve Bank of India (RBI).

CHAPTER 3

RESEARCH METHODOLOGY

Research methodology, within the context of studying banking and fraudulent activities, serves as a scientific approach to comprehensively address research problems in this domain. It encompasses the overall design of the research, including the selection of appropriate research methodologies, the procedures for sampling, methodologies for data collection, and subsequent analysis.

Business research in the domain of banking and fraudulent activities serves as a systematic inquiry aimed at providing essential information for informed decision-making within the financial sector. It addresses managerial problems prevalent in the banking industry, striving to offer insights and solutions to combat fraudulent practices. This field of research has gained prominence in recent times, primarily supported by business organizations keen on gaining competitive advantages and ensuring financial security for their stakeholders.

RESEARCH DESIGN

The research design outlines a structured framework specifically tailored to investigate and understand the multifaceted landscape of banking frauds. This meticulously designed approach navigates through the intricacies of fraudulent practices prevalent within banking institutions. It encompasses a systematic methodology focused on identifying and comprehensively analysing various types of fraudulent activities commonly found within the banking sector.

Through precise problem identification and a robust research framework, this design strategizes methodologies for data collection, including surveys, stakeholder interviews, in-depth analysis of financial records, and case studies.

Moreover, it meticulously plans the application of sampling techniques and advanced data analysis methods to derive critical insights into the intricate nature of banking frauds. Ethical considerations remain integral throughout the research process, ensuring the integrity and confidentiality of collected data.

This comprehensive research design aims to provide a holistic understanding of banking frauds, ultimately contributing to the formulation of proactive strategies and enhanced measures for fraud detection and prevention within the banking industry.

DATA COLLECTION

For achieving specific objectives of this study, data were gathered from both primary and secondary sources.

PRIMARY DATA:

- Real time Customer Experiences and Opinions about the Bank frauds.
- Questionnaire method to gather the information.

SECONDARY DATA:

- Government Reports and Publications:
- Case Studies and News Articles

- Public Surveys and Questionnaires:
- Banking Professionals and Experts

SOURCES OF DATA

Case Studies and News Articles from reputable platforms analyzed real fraud incidents and resolutions.

Public Surveys gathered opinions on fraud risks.

Data from credible online sources. Government Reports provided by regulatory bodies like the RBI and SEBI offered insights into regulations and financial crime statistics.

ANALYTICAL TOOLS

PERCENTAGES:

Percentages allude to a specific kind of extent. Parts are utilized as a part of drawing examinations between two or more arrangement of information. Percentages are utilized to portray connections; it is communicated as.

Percentage = (no of employees/total no of employees) 100.

TABLES:

Tables are sensible presentations of data for straightforward perception of relative positions that is not by and large possible with clear words or numbers. The forms of chart generally used as a business' division data presentation are Bar and pie.

BAR CHARTS:

The bar chart is frequently utilized for presentation of subjective information. The information can be relentless or discrete data, which are plotted against discrete data intervals.

CHAPTER-4

ANALYSIS AND INTERPRETATION OF DATA

To study the existing legal mechanisms to prevent frauds in the banking sector and its failure in curbing the menace of Frauds in Banking.

Source of Data	Description	Real time Example
Transaction Records	Records of financial transactions	\$200 spent at a grocery store on a specific date
Customer Information	Details about bank customers	Customer ID - CUST123, Account Number - ACC567
Device and Location Data	Information about transaction devices	Example: 192.168.1.1, Location - New York
Behavioral Analytics	Analysis of customer behavior patterns	Average transaction amount per month - \$500
External Data Sources	Data from outside sources	Credit Score - 750, Loan History - No defaults
Social Media	Information	Twitter handle - @user123, Facebook profile link

Source of Data	Description	Real time Example
Data	from social media platforms	
System Logs	Records of system activities	Login Timestamp - 2023-12-01 10:30:00
Security Alerts	Notifications from security systems	Alert for unusual login attempt from new device
Third-Party Services	Services providing fraud-related data	Data feed on recent fraud trends in banking

- The research followed the mixed research gathering the data from both the doctrinal and non-doctrinal method. The method of data collection adopted is the judgemental non- probability sampling.
- The primary tool for the data collection is a questionnaire with 25 items. The objective of the study is to identify the effectiveness of the existing regulations with regard to Bank Frauds.

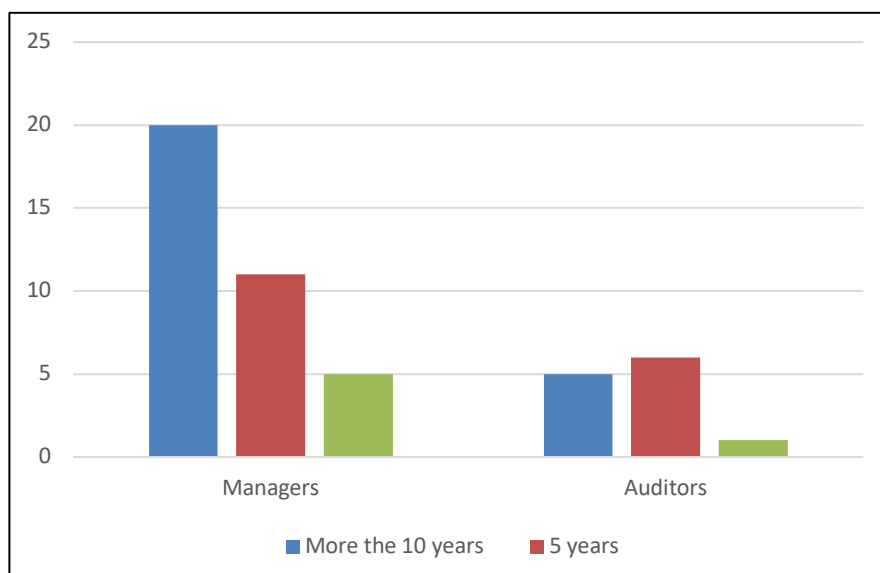
RESPONSES FROM BANK MANAGERS AND CHARTERED ACCOUNTANTS

Position of the bank employee

Respondents	No of respondents	Percentage
Bank Managers	36	76.6%
Bank Auditors	11	23.4

- The data were collected with the help of the questionnaire from Bank managers and Chartered Accountants working the Public Sector Banks from the four banks mentioned before. The total respondents are 47 – 36 Bank Managers and 11 Chartered Accountants.

Year of experience



Years	Manager	Auditor
More the 10 years	20	5
5 years	11	6
1- 4 years	5	0
Total	36	11

Interpretation

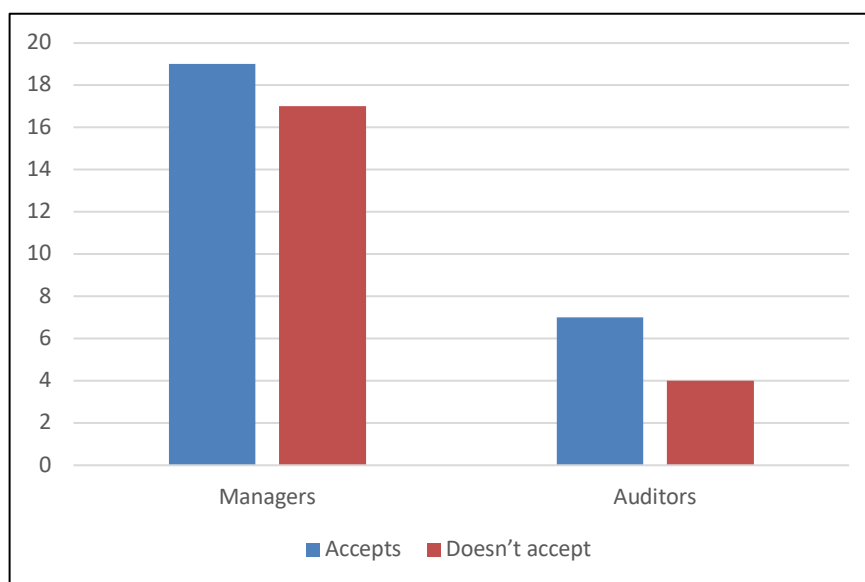
Out of the total 47 respondents, 36 were Bank Managers from the Public Sector Banks among which 20 of them were with experience of 10 years and above, 11 of them with 5 years and more of experience and only 5 of them in the range of 1- 4 years of experience. Similarly, among the respondents of Auditors (Chartered Accountants) 5 of them were with more than 10 years of experience.

Inference

The year of experience was highest in the case of bank employee experience of 10 years and above, experience is key in getting a refined perception

Does most of the frauds occur in the credit/loans and advances section?

Responses	Manager's response	Auditor's responses
Accept	55.	63
Don't accept	45	37
TOTAL	100	100



Interpretation

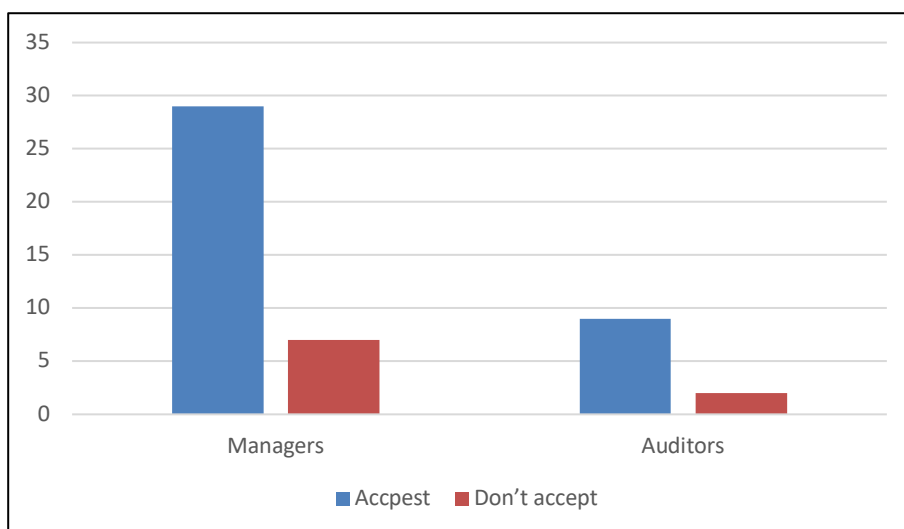
About 63.6% respondents among the Auditors and 55.6% respondents among the Bank Managers accept that there has been an unprecedented increase in frauds in the credit/loans and advances section.

Inference

It clearly show that the major source of fraud is in the Credit/loans and advances section

Are frauds being detected in time to prevent it?

Responses	Manager's response	Auditor's response
Is detected	86.1	81.8
No, it's not detected	13.9	18.2
TOTAL	100	100



Interpretation

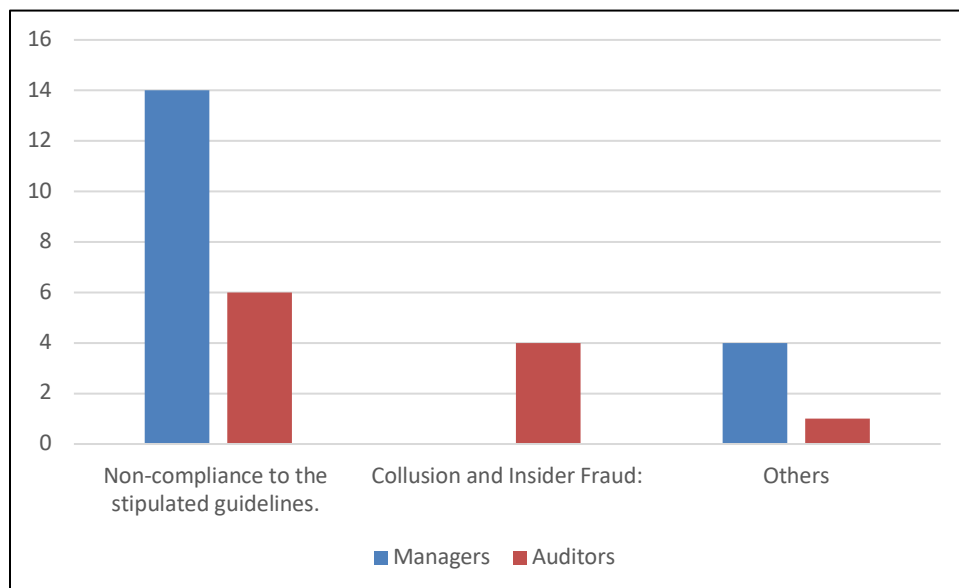
81.8% of the Auditors and 86.1% of the Managers believe that the frauds can be detected and the defaulters identified in time to prevent it from happening.

Inference

Most of the respondents believe that the fraud that is taking inside the system is being identified and fraudulent is detected.

Reason for greatest number of frauds occurs in the credit/loans or advances section.

Responses	Manager's response	Auditor's responses
Non-compliance to the stipulated guidelines.	40	54
Collusion and Insider Fraud:	50	26
Others	10	10



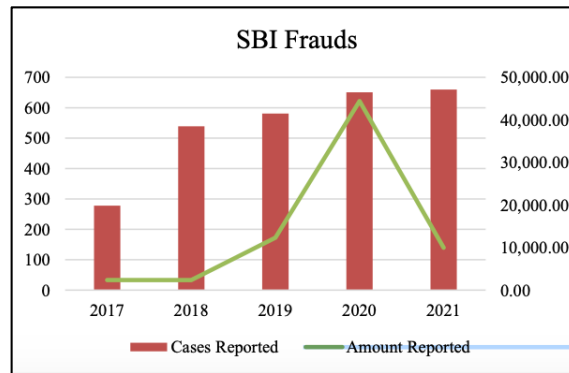
Interpretation

About 54% of the Auditors and 40% of the Managers feel that the reason for such high number of frauds is the non-compliance to the stipulated guidelines. About 26% of the Auditors and 50% think Insider Fraud occurs and remaining think it's due to others technical reasons

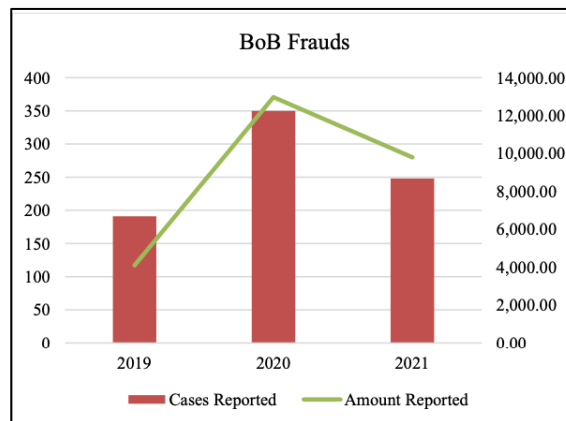
Inference

Highest of 54% managers and 40% Auditors think the main reason for the fraud is due to the non-compliance to the stipulated guidelines.

Analysis for future detection: Bank wise analysis of Fraud (amount involved & No. of cases)

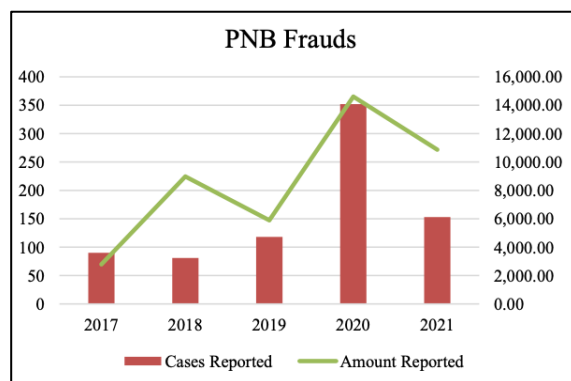


- SBI, posted the highest ever amount of frauds and no of fraud cases in 2020.
- Bank posted amount of frauds 44,419 Cr in 2020 and 660 cases of frauds in 2021.
- Overall, trend of amount of frauds and cases of frauds shows upward trend from 2017- 2020.

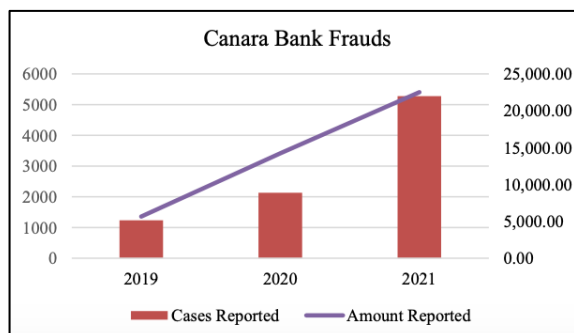


- From 2019 onwards BoB started reporting amount of frauds and no of fraud cases. In 2019 it has posted amount of frauds at 4,099 Cr.

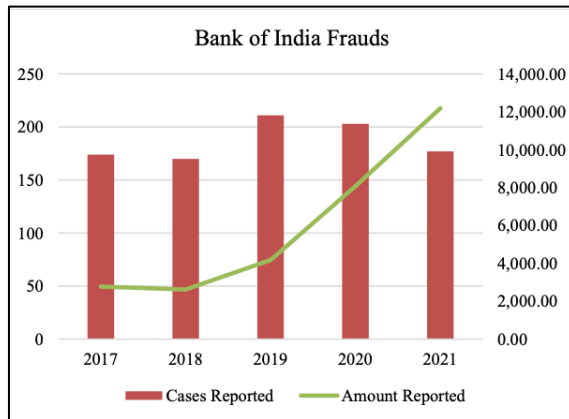
- In 2021, the amount of frauds declined and bank reported frauds of 9,796 Cr.



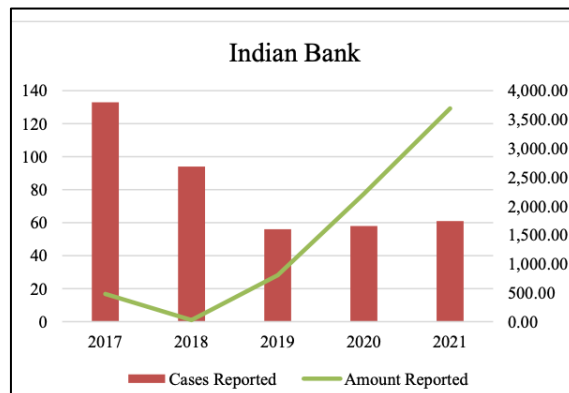
- PNB, posted highest ever amount of frauds in 2020 which involved the amount of 14,606 cr.
- While looking at no of fraud cases reported, bank showed upward trend.
- In 2020, bank posted highest ever 352 cases of frauds.



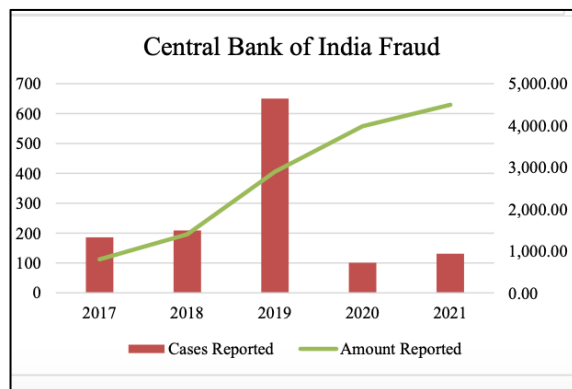
- Bank posted highest amount of frauds which is more than 22,000 Cr.
- Similarly, no. of frauds highest cases of frauds detected in 2021 which are more than 5,000 cases



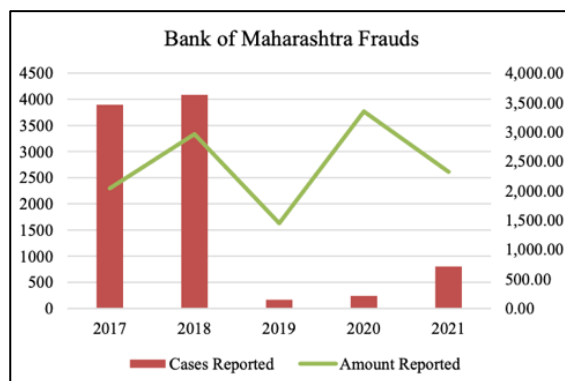
- Bank of India, posted highest 12,791 Cr of frauds in 2021.
- Amount of fraud in Bank of India showed upward trend from 2017 to 2021.



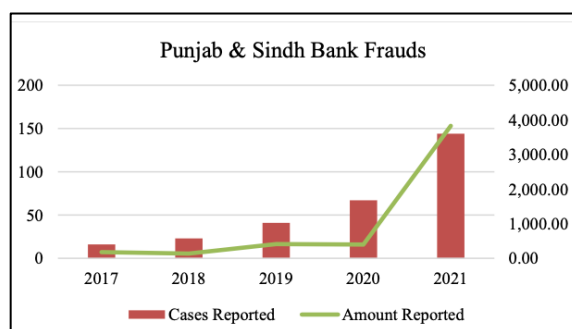
- Indian Bank, posted highest 3,691 Cr of frauds in 2021.
- Bank reported highest 188 cases of fraud cases in 2018.



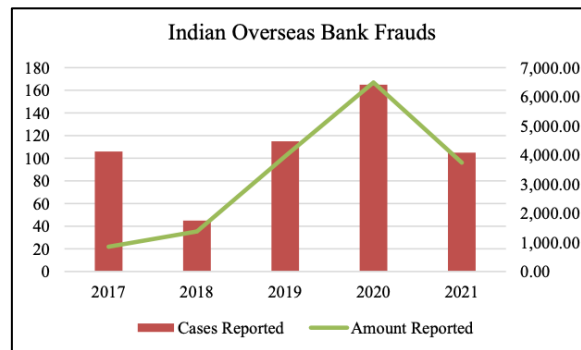
- Central Bank of India, posted highest 4,495 Cr of frauds in 2021.
- Central Bank of India posted highest 650 cases of frauds in 2019.



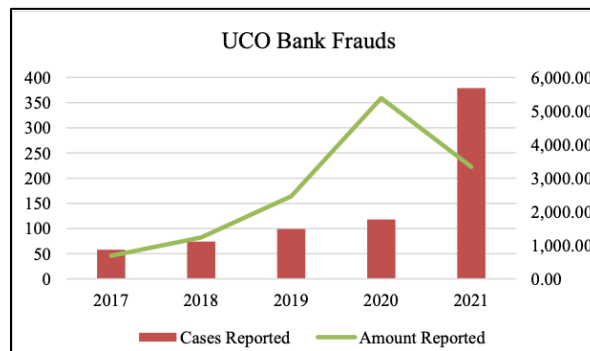
- Bank of Maharashtra, posted highest 3,348 Cr of fraud s in 2020.
- Which declined in 2021. In 2017 & 2018 Bank reported highest cases of frauds.



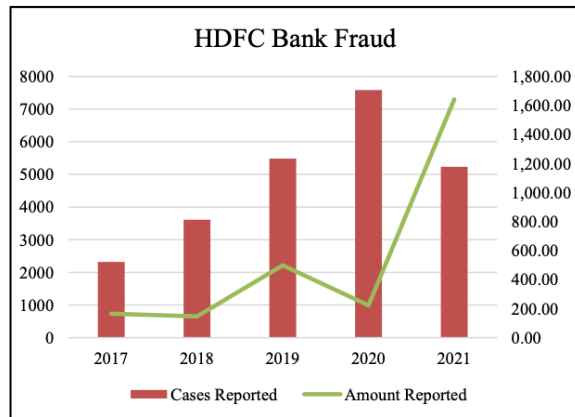
- Punjab & Sind Bank, posted highest 3,825 Cr of frauds in 2021.
- Similarly, Bank reported highest 144 cases of fraud in 2021.



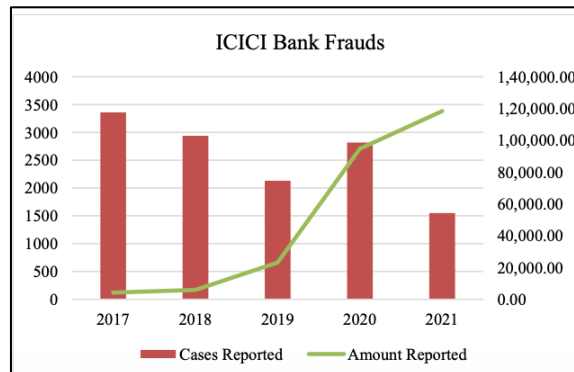
- Indian Overseas Bank, posted highest 6,492 Cr of frauds in 2020.
- Indian overseas Bank reported highest 226 fraud cases in 2020.
- Which decline slightly in 2021 and bank reported 219 cases of frauds



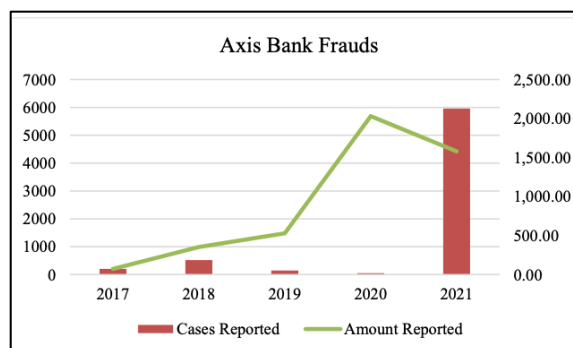
- UCO Bank, reported highest 5,384 Cr of frauds in 2020 and highest 291 cases of frauds in 2021.



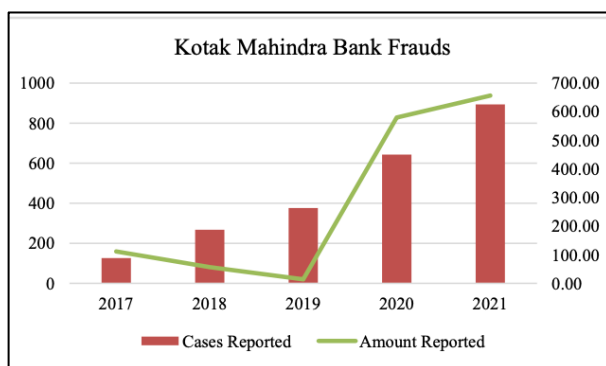
- HDFC Bank, reported highest 1,640 Cr of frauds in 2021 and highest 7,580 of fraud cases in 2020.
- Trend of fraud amount showed upward trend from 2017 to 2021



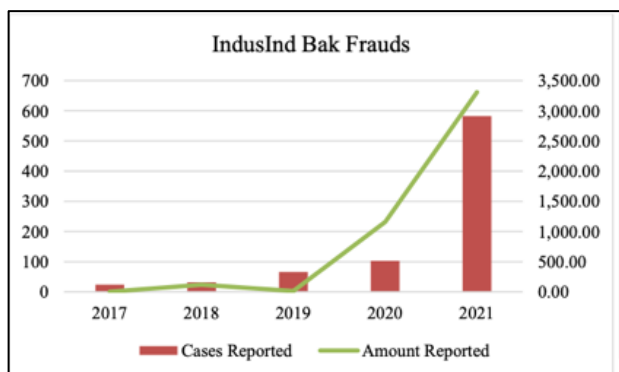
- ICICI Bank, reported highest 1,18,386 Cr of frauds in 2021.
- From 2017 to 2021 amount of fraud cases showed upward trend while pattern of cases reported by the bank downward trend.



- Axis Bank, reported highest 2,030 Cr of frauds in 2020 and posted highest 5,959 cases of frauds in 2021.
- Overall, trend of fraud amount reported by bank showed upward trend from 2017 to 2020 while in 2021 amount of frauds declined

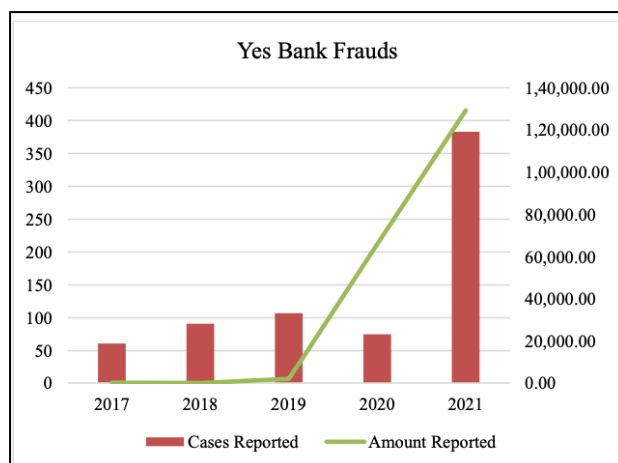


- Kotak Mahindra Bank, Posted highest 656 Cr of frauds in 2021 and highest 894 cases of frauds in the same year.
- Overall, trend of fraud cases reported by the bank remained upward from 2017 to 2021.

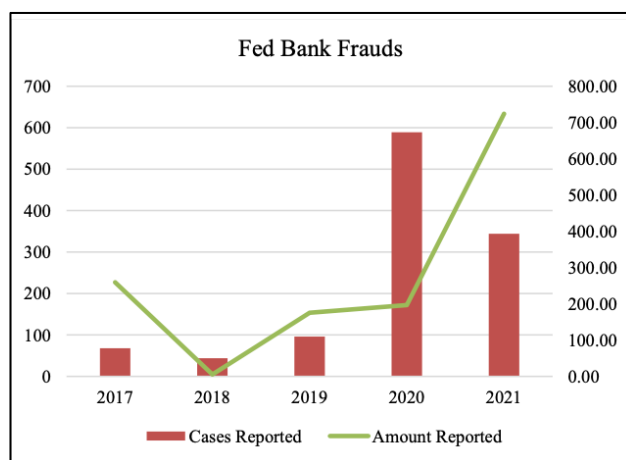


- IndusInd Bank, reported highest 3,307 Cr of frauds in 2021 and highest 583 cases of frauds in the same year.

- Overall, trend of fraud cases reported by the bank showed upward trend from 2017 to 2021



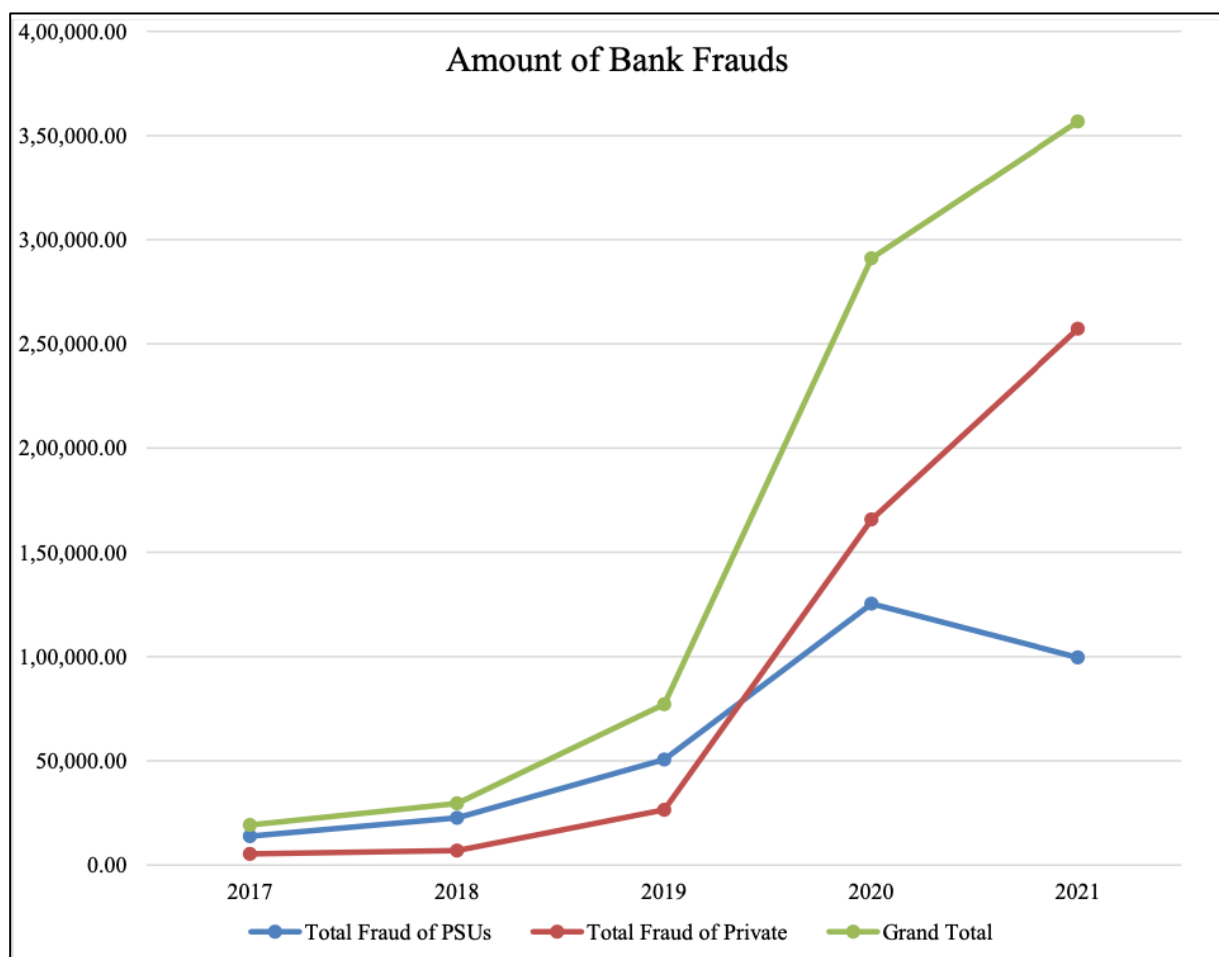
- Yes Bank, reported highest 1,29,215 Cr of frauds in 2021 and highest 383 cases of frauds in the same year.
- This is the highest ever amount of fraud reported by a bank in a single year.
- The amount of frauds sparked in the bank in last 2 years.



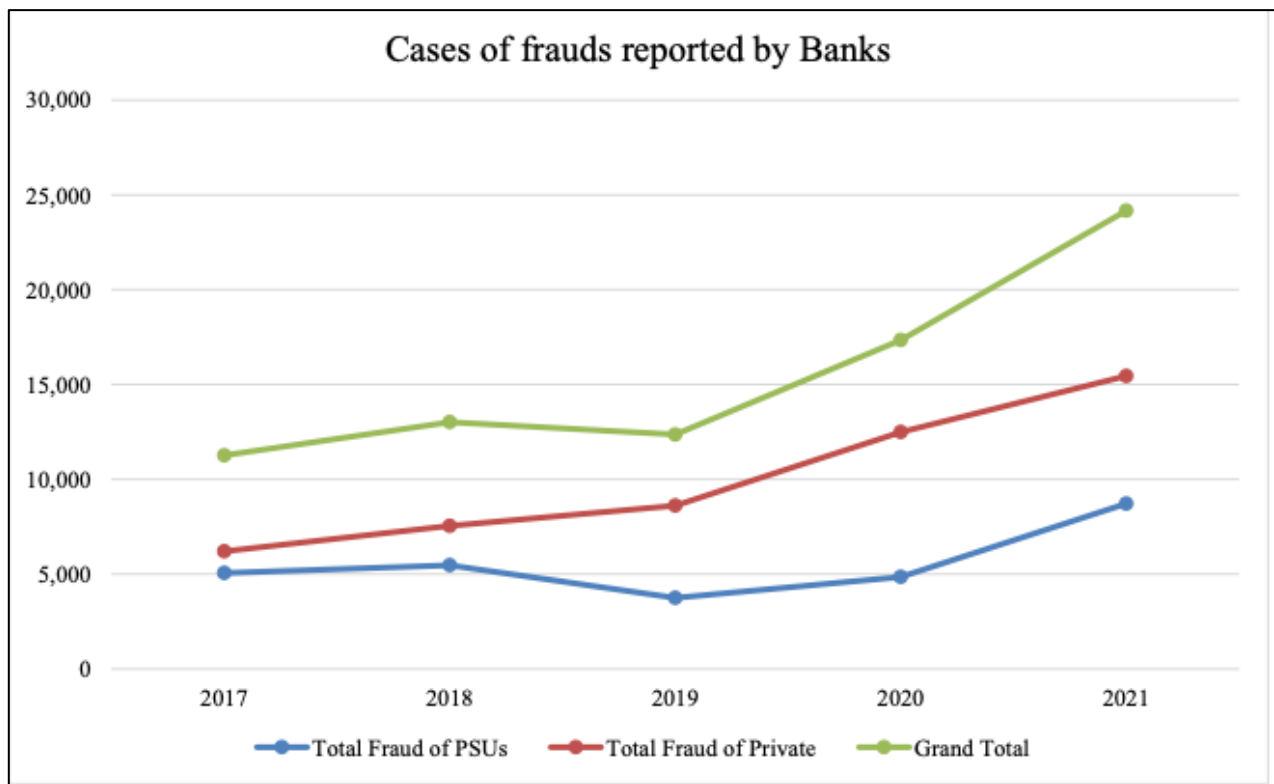
- Fed Bank, posted highest 723 Cr of frauds in 2021 and highest 589 cases of frauds in 2020.

- Overall, Bank showed upward trend in the amount of frauds. Cases of frauds reported by the bank showed decline in 2021.

Analysis of Objective 2: Comparison of the trend of bank frauds between PSU banks and PVBs (amount involved & No of cases).



- An analysing of the bank-wise trend of frauds shows that the overall trend of the amount involved in bank frauds remained upward from 2017 to 2021. In 2017, The total amount of frauds stood at 19,211 Cr which rise so rapidly, and banks posted total 3,56,761 Cr of frauds at the end of 2021.



- Analysis of bank frauds showed that PVBs reported higher frauds compared to PSU banks. The overall trend of cases reported by all 22 banks showed an upward trend during the time frame of 2017 to 2021.

Analysis of Objective 3: The relationship between F2D – Fraud to Deposits and, A2D – Advances to Deposits.

		2017	2018	2019	2020	2021	Co-relation
SBI	F2D	0.12	0.09	0.42	1.37	0.27	
	A2D	76.83	71.49	75.08	71.73	66.54	-0.09
BoB	F2D	-	-	0.64	1.37	1.01	
	A2D	-	-	73.4	72.95	73.04	-0.95
PNB	F2D	0.45	1.40	0.87	2.08	0.98	
	A2D	67.47	67.54	67.69	67.04	60.94	0.09
Canara Bank	F2D	-	-	0.94	2.28	2.23	
	A2D	-	-	71.4	69.11	63.22	-0.69
BoI	F2D	0.51	0.5	0.8	1.45	1.94	
	A2D	67.86	65.44	65.47	66.41	58.31	-0.78
Union Bank	F2D	0.73	0.64	1	1.79	1.32	
	A2D	75.71	70.69	71.39	69.91	63.97	-0.50
Indian Bank	F2D	0.26	0.01	0.33	0.85	0.69	
	A2D	69.97	75.17	74.88	76.04	67.65	-0.13
Central Bank of India	F2D	0.27	0.47	0.97	1.27	1.36	
	A2D	46.99	53.09	48.87	48.16	47.45	-0.32
Indian Overseas	F2D	0.4	0.63	1.78	2.91	1.56	
	A2D	66.46	61.1	59.59	54.42	53.15	-0.77
Bank of Maharashtra	F2D	1.47	2.13	1.03	2.23	1.33	
	A2D	68.69	61.73	58.77	57.89	58.85	-0.08
Punjab & Sind	F2D	0.21	0.13	0.42	0.44	3.98	
	A2D	68.2	65.44	70.19	65.14	63.41	-0.62
UCO Bank	F2D	0.34	0.68	1.24	2.79	1.62	
	A2D	59.48	59.1	50.18	52.37	54.08	-0.69
HDFC Bank	F2D	0.03	0.02	0.05	0.02	0.12	
	A2D	86.16	83.46	88.76	86.6	84.85	-0.04
ICICI Bank	F2D	0.86	1.05	3.55	12.29	12.7	
	A2D	94.73	91.34	89.85	83.7	78.68	-0.95
Axis Bank	F2D	0.02	0.08	0.1	0.32	0.22	
	A2D	90.03	96.92	90.21	89.27	88.18	-0.45
Kotak Bank	F2D	0.07	0.03	0.01	0.22	0.23	
	A2D	86.44	88.1	91.06	83.61	79.86	-0.93
IndusInd Bank	F2D	0	0.08	0.01	0.57	1.29	
	A2D	89.34	95.59	95.65	102.35	82.98	-0.47
Yes Bank	F2D	0.11	0	0.85	62.58	79.8	
	A2D	92.57	101.39	106.1	162.72	102.42	0.51
Fed Bank	F2D	0.27	0	0.13	0.13	0.42	
	A2D	75.09	82.11	81.67	80.29	76.39	-0.85
South Indian	F2D	0.52	0.13	0.04	0.41	1.44	
	A2D	70.16	75.75	77.96	77.61	70.19	-0.75
Karnataka	F2D	0.05	0.34	0.18	0.68	0.67	
	A2D	65.22	75.16	80.1	79.35	68.33	0.21
City Union	F2D	0.08	0.13	0.02	0.11	0.04	
	A2D	79.14	84.78	84.98	83.09	81.19	0.08

- From the correlation analysis between the 2 variables of F2D and A2D, it reveals that 11 PSU banks showed a negative relationship between both variables only PNB showed a positive relationship among 12 banks.
- Analysis of F2D and A2D among private sector banks shows that the 4 PVBs have higher negative correlation which means frauds in these banks affect significantly their deposit conversion into advances.

The analysis of table shows the aggregate relationship between F2D and A2D among PSU banks and Private sector banks.

F2D and A2D of PSU banks:

Year	Deposits of PSUs	Frauds of PSUs	F2D PSUs	Advances of PSUs	A2D of PSUs
2017	57,98,230.02	13,862.16	0.24	40,49,918.64	69.85
2018	65,36,533.70	22,634.20	0.35	45,13,327.18	69.05
2019	69,63,496.70	50,630.04	0.73	48,90,150.70	70.23
2020	77,52,854.41	1,25,322.65	1.62	53,20,125.03	68.62
2021	99,00,765.51	99,530.35	1.01	63,48,757.72	64.12

The correlation between F2D and A2D of PSU banks showed negative relationship of -0.36. which means there is a mild negative relationship between both the variables for PSU banks.

Result of correlation between F2D and A2D of PSUs.

	<i>F2D PSUs</i>	<i>A2D of PSUs</i>
F2D PSUs	1	
A2D of PSUs	-0.36	1

F2D and A2D of Private sector banks:

Year	Deposits of PVBs	Frauds of PVBs	F2D PVBs	Advances of PVBs	A2D of PVBs
2017	22,25,560.35	5,375.98	0.24	19,53,857.04	87.79
2018	26,28,135.15	6,939.32	0.26	23,50,209.02	89.42
2019	30,95,164.92	26,502.18	0.86	27,94,851.91	90.3
2020	34,76,742.10	1,65,725.63	4.77	30,85,990.76	88.76
2021	40,49,687.36	2,57,231.25	6.35	33,71,248.57	83.25

Analysis of relationship between F2D and A2D among private sector banks showed significant negative relationship as it showed negative relationship of -0.73.

However, it means that if frauds in Private sector banks increase then it affects negatively to its lending capacity to convert higher amount of advances out of deposits book which act as a barrier for banks and economy both to grow and it is comparatively more negative than the PSU banks.

	<i>F2D PVBs</i>	<i>A2D of PVBs</i>
F2D PVBs	1	
A2D of PVBs	-0.73	1

Table:1 Amount of Bank Frauds

Amount of Bank Frauds					
Banks	2017	2018	2019	2020	2021
SBI	2,360.37	2,359.61	12,310.90	44,419.46	9,963.24
BOB	-	-	4,099.66	12,971.14	9,796.31
PNB	2,789.94	8,980.44	5,896.82	14,606.85	10,872.49
CAN BANK	-	-	5,655.22	14,237.27	22,511.97
BANK OF IND	2,774.06	2,619.07	4,172.17	8,071.23	12,184.32
UNION BANK	896.42	1,542.12	6,516.88	9,196.98	12,791.43
INDIAN BANK	480.45	27.75	804.56	2,213.39	3,691.77
CENTRAL BANK OF IND	801.54	1,399.93	2,895.13	3,983.75	4,495.19
IND OVER	850.45	1,372.90	3,957.08	6,492.53	3,738.90
BANK OF MAH	2,041.46	2,963.00	1,447.99	3,348.29	2,321.91
PUN & SIND	178.78	136.60	412.27	397.28	3,825.86
UCO BANK	688.69	1,232.78	2,461.36	5,384.48	3,336.96
Total Fraud of PSUs	13,862.16	22,634.20	50,630.04	1,25,322.65	99,530.35
Average of PSUs	1,155.18	1,886.18	4,219.17	10,443.55	8,294.20
HDFC	165.20	146.55	498.44	222.60	1,640.80
ICICI	4,210.70	5,895.70	23,165.20	94,728.70	1,18,386.40
AXIS	72.92	353.97	529.04	2,030.60	1,579.67
KOTAK	111.54	56.73	14.10	579.60	656.44
INDUS IND	2.90	118.19	14.33	1,158.61	3,307.77
YES BANK	160.77	9.51	1,939.69	65,931.87	1,29,215.25
FED BANK	259.19	5.34	175.60	196.70	723.97
SOUTH INDIAN	314.03	94.69	34.41	344.07	1,193.46
KARNATAKA BANK	28.70	214.58	122.94	486.58	507.88
CITY UNION	23.03	44.06	8.43	46.30	19.61
Total Fraud of Private	5,348.98	6,939.32	26,502.18	1,65,725.63	2,57,231.25
Average of private	534.90	693.93	2,650.22	16,572.56	25,723.13
Grand Total	19,211.14	29,573.52	77,132.22	2,91,048.28	3,56,761.60
Average	873.23	1,344.25	3,506.01	13,229.47	16,216.44

Table: 2: Cases of fraud reported by banks

Years	2017	2018	2019	2020	2021
SBI	278	539	581	651	660
BOB	-	-	191	350	248
PNB	90	81	118	352	153
CAN BANK	-	-	1,236	2,132	5,278
BANK OF IND	174	170	211	203	177
UNION BANK	127	121	284	415	579
INDIAN BANK	133	94	56	58	61
CENTRAL BANK OF IND	186	209	650	101	131
IND OVER	106	74	115	165	105
BANK OF MAH	3,893	4,085	167	242	804
PUN & SIND	16	23	41	67	144
UCO BANK	58	74	99	118	379
Total Fraud of PSUs	5,061	5,470	3,749	4,854	8,719
Average cases of frauds in PSUs	422	456	312	405	727
HDFC	2,319	3,612	5,484	7,580	5,232
ICICI	3,359	2,938	2,131	2,817	1,549
AXIS	205	521	145	52	5,959
KOTAK	126	268	376	643	894
INDUS IND	24	32	66	103	583
YES BANK	61	91	107	75	383
FED BANK	68	44	96	589	344
SOUTH INDIAN	10	13	120	405	478
KARNATAKA BANK	29	21	84	216	19
CITY UNION	3	7	5	10	10
Total Fraud of Private	6,204	7,547	8,614	12,490	15,451
Average Cases of frauds in private banks	620	755	861	1,249	1,545
Grand Total	11,265	13,017	12,363	17,344	24,170
Average o	512	592	562	788	1,099

Table: 3: Bank wise Share in Frauds

	2017	2018	2019	2020	2021
SBI	12.22	6.48	15.94	15.25	2.79
BOB	-	-	5.31	4.45	2.74
PNB	14.44	24.68	7.64	5.01	3.05
CAN BANK	-	-	7.32	4.89	6.30
BANK OF IND	14.36	7.20	5.40	2.77	3.41
UNION BANK	4.64	4.24	8.44	3.16	3.58
INDIAN BANK	2.49	0.07	1.04	0.76	1.03
CENTRAL BANK OF IND	4.15	3.85	3.75	1.37	1.26
IND OVER	4.40	3.77	5.12	2.23	1.05
BANK OF MAH	10.57	8.14	1.88	1.15	0.65
PUN & SIND	0.93	0.38	0.53	0.14	1.07
UCO BANK	3.56	3.39	3.19	1.85	0.93
HDFC	0.85	0.40	0.65	0.08	0.46
ICICI	21.79	16.20	30.00	32.52	33.16
AXIS	0.38	0.97	0.69	0.70	0.44
KOTAK	0.58	0.16	0.02	0.20	0.18
INDUS IND	0.02	0.32	0.02	0.40	0.93
YES BANK	0.83	0.03	2.51	22.63	36.19
FED BANK	1.34	0.01	0.23	0.07	0.20
SOUTH INDIAN	1.76	0.26	0.04	0.12	0.33
KARNATAKA BANK	0.15	0.59	0.16	0.17	0.14
CITY UNION	0.12	0.12	0.01	0.02	0.01
Total	100	81	100	100	100

Table: 4 Deposits of PSUs

Years	SBI	BoB	PNB	Canara	BoI	Union Bank	Indian Bank
2017	20,44,751.39	6,01,675.17	6,21,704.02	4,95,275.24	5,40,032.01	3,78,391.58	1,82,509.28
2018	27,06,343.29	5,91,314.82	6,42,226.19	5,24,771.86	5,20,854.38	4,08,501.64	2,08,294.22
2019	29,11,386.01	6,38,689.72	6,76,030.14	5,99,033.27	5,20,862.35	4,15,915.27	2,42,075.95
2020	32,41,620.73	9,45,984.43	7,03,846.32	6,25,351.17	5,55,504.98	4,50,668.45	2,60,225.90
2021	36,81,277.08	9,66,996.93	11,06,332.47	10,10,874.58	6,27,113.56	9,23,805.34	5,38,071.11
Years	Central Bank of India	Indian Overseas Bank	Bank of Maharashtra	UCO Bank	Punjab and Sind Bank	Total	
2017	2,96,671.19	2,11,342.63	1,39,052.84	2,01,284.51	85,540.16	57,98,230.02	
2018	2,94,838.86	2,16,831.81	1,38,981.18	1,81,849.28	1,01,726.17	65,36,533.70	
2019	2,99,855.44	2,22,534.08	1,40,650.09	1,97,906.78	98,557.60	69,63,496.70	
2020	3,13,763.16	2,22,951.88	1,50,066.40	1,93,203.44	89,667.55	77,52,854.41	
2021	3,29,972.95	2,40,288.30	1,74,005.62	2,05,919.39	96,108.18	99,00,765.51	

Table: 5 Advances of PSUs.

Years	SBI	BoB	PNB	Canara	BoI	Union Bank	Indian Bank
2017	15,71,078.38	3,83,259.22	4,19,493.15	3,42,008.76	3,66,481.67	2,86,466.58	1,27,699.28
2018	19,34,880.19	4,27,431.83	4,33,734.72	3,81,702.99	3,41,380.19	2,88,760.58	1,56,568.93
2019	21,85,876.92	4,68,818.74	4,58,249.20	4,27,727.27	3,41,005.94	2,96,932.15	1,81,261.91
2020	23,25,289.56	6,90,120.73	4,71,827.72	4,32,175.20	3,68,883.30	3,15,049.41	1,97,887.01
2021	24,49,497.79	7,06,300.51	6,74,230.08	6,39,048.99	3,65,686.52	5,90,982.88	3,64,010.24

Years	Central Bank of India	Indian Overseas Bank	Bank of Maharashtra	UCO Bank	Punjab and Sind Bank	Total
2017	1,39,398.77	1,40,458.62	95,515.23	1,19,724.45	58,334.53	40,49,918.64
2018	1,56,542.18	1,32,488.82	85,797.28	1,07,470.02	66,569.45	45,13,327.18
2019	1,46,525.36	1,32,597.63	82,666.21	99,313.84	69,175.53	48,90,150.70
2020	1,51,100.88	1,21,333.41	86,871.65	1,01,174.25	58,411.91	53,20,125.03
2021	1,56,578.65	1,27,720.65	1,02,405.17	1,11,354.54	60,941.70	63,48,757.72

Table: 6 Deposits of PVBs

Years	HDFC	ICICI	Axis	Kotak	IndusInd	Yes bank
2017	6,43,639.66	4,90,039.06	4,14,378.79	1,57,425.86	1,26,572.22	1,42,873.86
2018	7,88,770.64	5,60,975.21	4,53,622.72	1,92,643.27	1,51,639.17	2,00,738.15
2019	9,23,140.93	6,52,919.67	5,48,471.34	2,25,880.36	1,94,867.91	2,27,610.18
2020	11,47,502.29	7,70,968.99	6,40,104.94	2,62,820.52	2,02,039.81	1,05,363.94
2021	13,35,060.22	9,32,522.16	7,07,306.08	2,80,100.05	2,56,204.96	1,62,946.64

Years	Fed Bank	South Indian	Karnataka Bank	City Union Bank	Total
2017	97,664.56	66,117.49	56,733.11	30,115.74	22,25,560.35
2018	1,11,992.49	72,029.59	62,871.29	32,852.62	26,28,135.15
2019	1,34,954.34	80,420.12	68,452.12	38,447.95	30,95,164.92
2020	1,52,290.08	83,033.89	71,785.15	40,832.49	34,76,742.10
2021	1,72,644.48	82,710.55	75,654.86	44,537.36	40,49,687.36

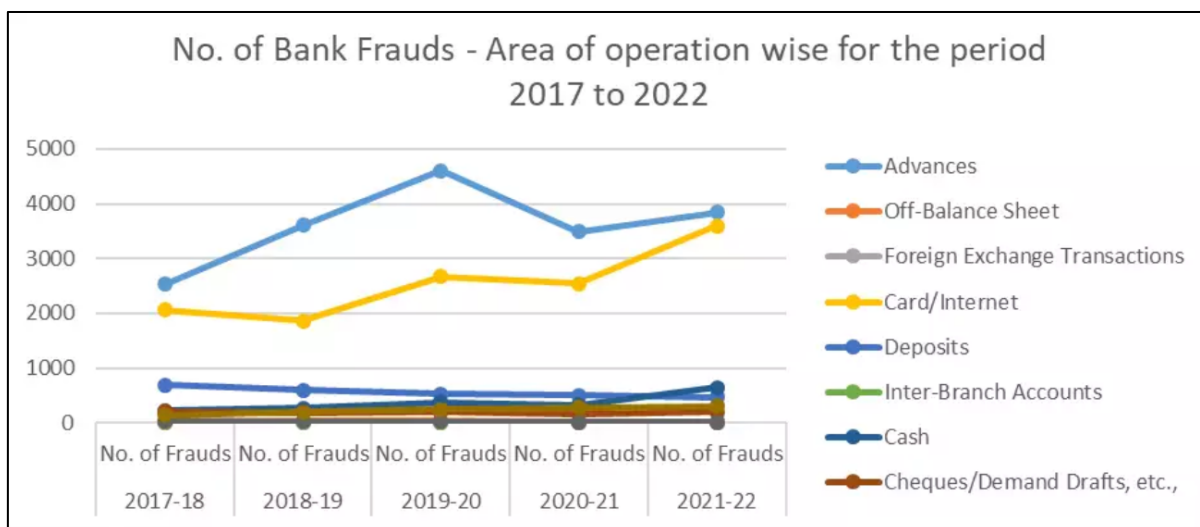
Table: 7 Advances of PVBs

Years	HDFC	ICICI	Axis	Kotak	IndusInd
2017	5,54,568.20	4,64,232.08	3,73,069.35	1,36,082.13	1,13,080.51
2018	6,58,333.09	5,12,395.29	4,39,650.30	1,69,717.92	1,44,953.66
2019	8,19,401.22	5,86,646.58	4,94,797.97	2,05,694.81	1,86,393.50
2020	9,93,702.88	6,45,289.97	5,71,424.16	2,19,748.19	2,06,783.17
2021	11,32,836.66	7,33,729.09	6,23,720.19	2,23,688.62	2,12,594.41

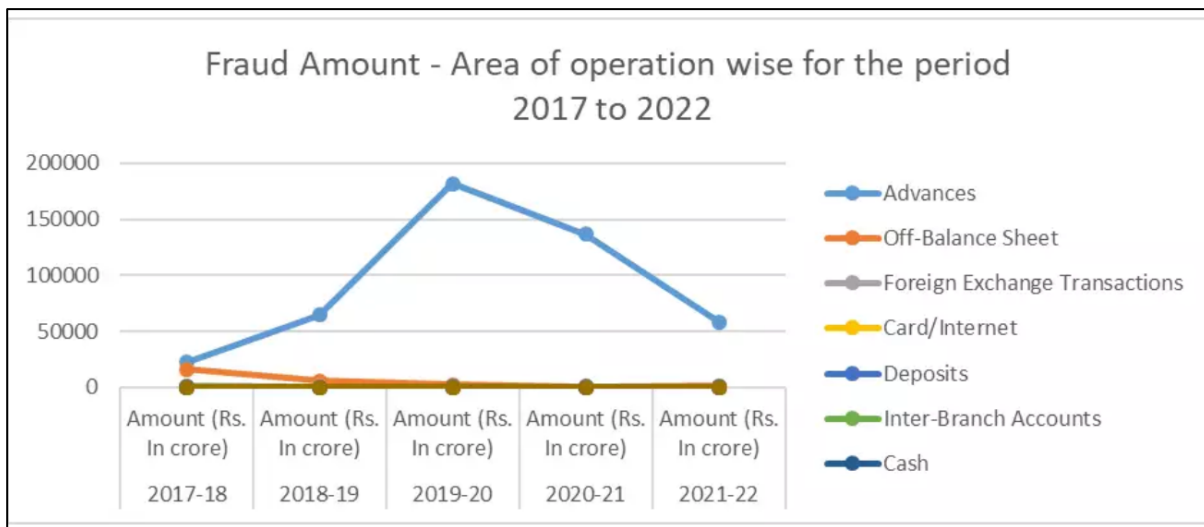
Years	Yes bank	Fed Bank	South Indian	Karnataka Bank	City Union Bank	Total
2017	1,32,262.68	73,336.27	46,389.47	37,003.65	23,832.70	19,53,857.04
2018	2,03,533.86	91,957.47	54,562.89	47,251.75	27,852.79	23,50,209.02
2019	2,41,499.60	1,10,222.95	62,693.74	54,828.20	32,673.34	27,94,851.91
2020	1,71,443.29	1,22,267.91	64,439.47	56,964.27	33,927.45	30,85,990.76
2021	1,66,892.99	1,31,878.60	58,056.48	51,693.70	36,157.83	33,71,248.57

Fraud Status during the last 5 years in data

- Before focusing on the due diligence aspect, it is important to focus on the abysmal incidents of banking frauds relating to off-balance sheet exposures and forex transactions.
- It can be noted that credit/debit card and Internet related frauds have risen in the recent times while the amount of such frauds in comparison to the total amount has remained constant unlike the number of frauds in the area of advances which has been volatile but the number of frauds from advances have lowered in the last 3 fiscal years.



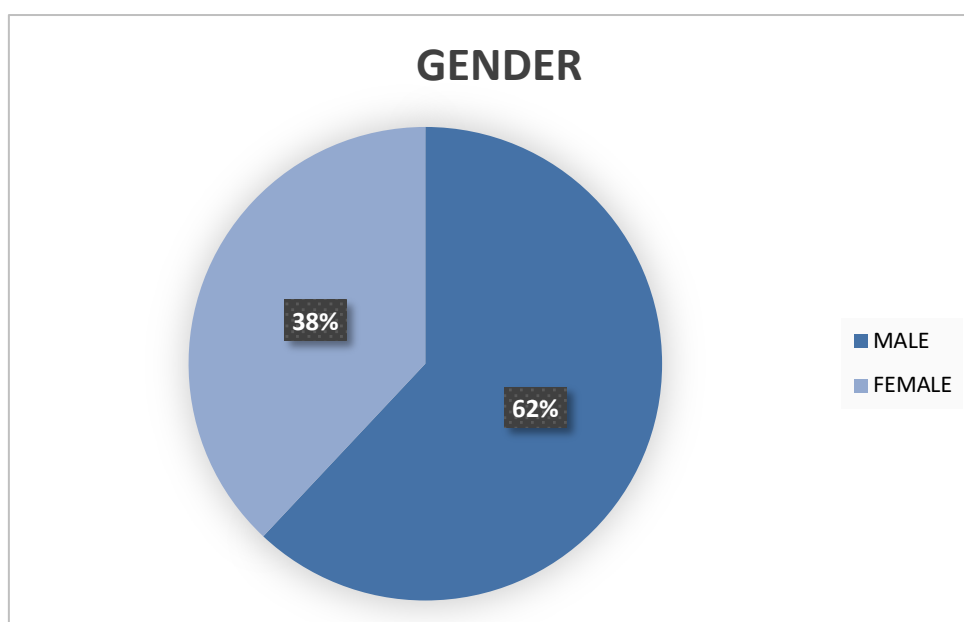
- The following charts based on RBI Annual Reports for the period 2017-18 to 2021-22, show the number of frauds, and the quantum of fraud in monetary terms for the period 2017 to 2022 classified based on area of operation, and bank group.



2021-2022 SURVEY RESPONSES FROM CITIZENS ACROSS 301 DISTRICTS OF INDIA

Gender of respondents

Gender	No of respondents	Percentage
MALE	19840	62
FEMALE	12160	38
TOTAL	32000	100



Interpretation

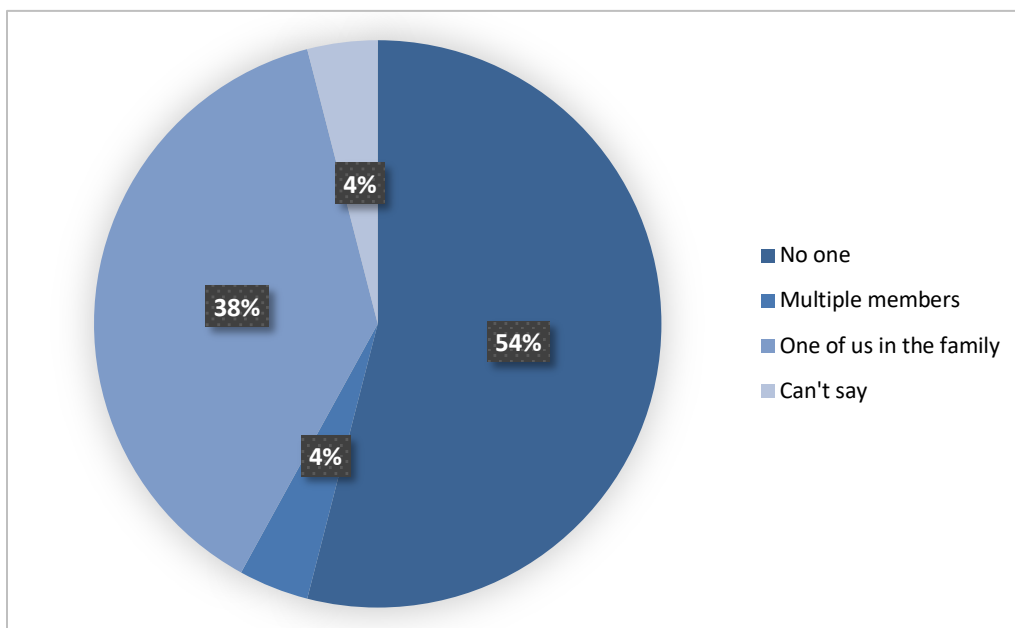
The above table & figure represents the gender profile of the respondents for the Survey taken in Local Circles platform. The maximum of 62% of Respondents are male (N=62) and 32% of the respondents are female (N=32).

Inference:

Majority (62%) of the respondents are male.

Victim of financial fraud in the last 3 years

Responses	No of respondent	Percentage
Thankfully, no one	5975	54
Yes, multiple members	443	4
Yes, one of us in the family	4204	38
Can't Say	443	4
TOTAL	11,065	100



Interpretation

- The above table & figure represents the gender profile of the respondents for the Survey taken in Local Circles platform in response, the 54% of citizens said “Thankfully, no one”. However, 4% said “Yes, multiple members”, and while 38% revealed “Yes, one of us in the family”. Only 4% couldn’t say. On an aggregate basis, 42% of Indians surveyed say they or someone in their family have been victims of financial fraud in the last 3 years. This question in the survey received 11,065 responses.

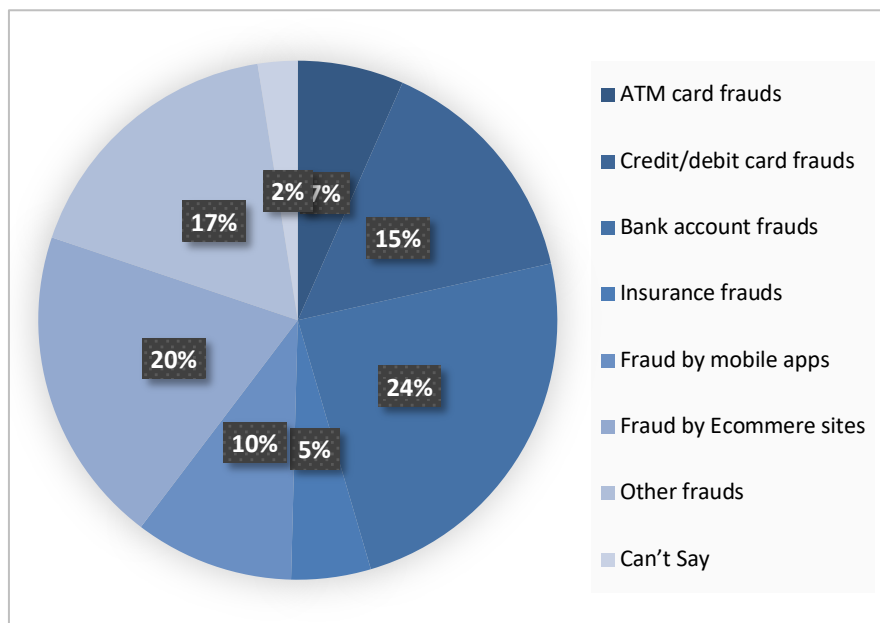
Inference:

- 42% say they are or someone on their family are victims of financial frauds in the last 3 years.

Nature of financial fraud Experience

Nature of fraud	No of respondents	Percentage
ATM cards	794	8
Credit/debit card frauds	1788	18
Bank account frauds	2881	29
Insurance frauds	596	6
Fraud by mobile apps	1192	12
Fraud by Ecommerce sites	2484	24
Other frauds	2086	21

Can't Say	298	3
TOTAL	9936	100



Interpretation:

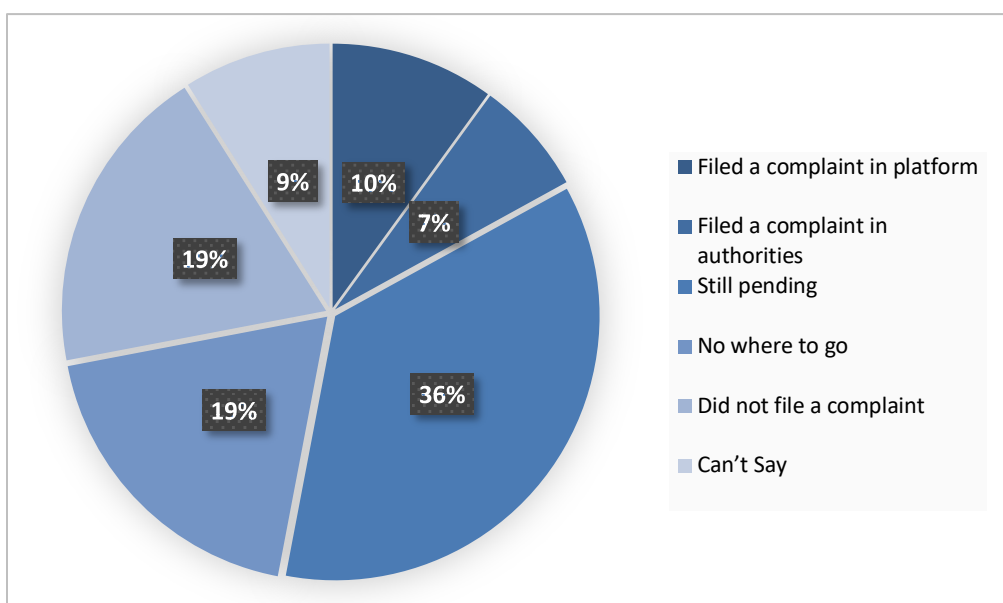
last 3 years, 29% respondents to the survey said, “Bank account fraud”, 24% said “Fraud by eCommerce sites”, and 21% said “Other frauds”. Breaking down the poll, 18% said “Credit/debit card fraud”, 12% said “Fraud by mobile apps”, 8% said “ATM card fraud”, and 6% said “Insurance fraud”, while 3% did not respond.

Inference:

The survey showed that bank account fraud, fraud by fly-by-night eCommerce operators, credit and debit card frauds are major causes of the problem.

Action taken for the lost funds.

Family experience	No of respondent	Percentage
Filed a complaint in platform	1099	10
Filed a complaint in authorities	769	7
Still pending	3958	36
Nowhere to go	2089	19
Did not file a complaint	2089	19
Can't say	989	9
TOTAL	10995	100



Interpretation:

In response, 10% said “Yes, filed a complaint with the platform and got it back”, and 7% said “Yes, filed a complaint with authorities and got it back, and 7% said “Yes, filed a complaint with authorities and got it back”. However, 36% said “No, the matter is still pending”, 19% said “No, there was nowhere to go”, and another 19% said “No, decided to not file a complaint”. Remaining 9% were noncommittal.

Inference:

The survey reveals that in the last 3 years, only 17% of those who lost their money due to banking frauds were able to get back their funds back while 74% could not get any resolution.

Types of Fraud vs. Reporting Frequency in India

Types of Fraud	Frequently Reported	Occasionally Reported	Rarely Reported	Not Reported
Identity Theft	50	30	20	10
Phishing	40	25	15	20
Credit Card Fraud	60	15	25	5
Online Scams	45	20	30	10

Test	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	23.758	9	0.004
Likelihood Ratio	23.125	9	0.005
Linear-by-Linear Association	4.943	1	0.026

Chapter 5

SUMMARY OF FINDING, SUGGESTIONS AND CONCLUSION

FINDINGS

- Total 22 banks including 10 PVBs and 12 PSUs reported cumulative 7,73,726 Cr of Frauds and 78,159 cases of frauds during the time frame of 2017 to 2021.
- On an aggregate basis, 42% of Indians surveyed say they or someone in their family have been victims of financial fraud in the last 3 years.
- 6 PSU banks reported highest fraud amount in last year 2021. On the other hand, among 10 private sector banks, Kotak Mahindra Bank, IndusInd Bank, Yes Bank, Fed Bank, South Indian Bank and Karnataka Bank showed upward trend in
- Here, the experience of the respondents' in their current roles is highlighted. Overall, the majority of the respondents (84.1%) have worked at the bank within the time period of 1 to 5 years and the rest (15.9%) for 6 years and above.
- In last 2 years trend of frauds in PVBs remained at higher side compare to the PSUs. In 2021, Frauds in PSUs declined compared to 2020.

- Yes Bank and ICICI Bank leads to the higher amount of frauds in PVBs in last 2 years as they were responsible for the 55% amount of frauds in 2020 and, 69% amount of frauds out of the total amount of frauds among the 22 banks.
- The survey reveals that in the last 3 years, only 17% of those who lost their money due to banking frauds were able to back their funds back while 74% could not get any resolution.
- It shows that bank account fraud, fraud by fly-by-night eCommerce operators, credit and debit card frauds are major causes of the problem. This question received 9,936 responses.
- Among the respondents both the Managers (60%) as well as the auditors (80%) feel they are less efficient and there needs to be some major changes to meet this issue. More than 72.7% of the Auditors and 69.4% of the Managers agrees that the conviction of the fraudster is not achieved in most of the cases.
- More than 63% of the Auditors and 60% of the Bank Managers suggests that the enactment of a specific comprehensive legislation shall help mitigate frauds in the Banking sector.

SUGGESTION

- Customers must remain vigilant against an array of fraud methods prevalent in today's digital landscape. Vigilance during transactions in public spaces and online environments is crucial.
- Moreover, it's imperative to avoid sharing personal banking details, PINs, passwords, or OTPs with anyone and instead set strong passwords, enable two-factor authentication, and abstain from using public Wi-Fi for banking purposes.
- In the banking sector, continuous learning about prevalent fraud dynamics is crucial. Embracing ethical practices and maintaining strict legal compliance in all banking operations is imperative.
- Developing proficiency in data analytics tools and risk management methodologies is essential to effectively combat fraud. Additionally, adopting a customer-centric approach while remaining vigilant in identifying potentially fraudulent activities is key for safeguarding against financial deceit.
- It is essential to utilize secure and encrypted networks for financial transactions. Staying updated on the latest security updates and promptly implementing them is critical to mitigate vulnerabilities.
- Conduct regular internal audits to identify and address any potential vulnerabilities or loopholes in physical security measures.
- Educate customers on safeguarding checkbooks, promptly reporting lost or stolen checks, and regularly reconciling bank statements.

- Ensure a random and representative sample selection to gather insights from a broad spectrum of individuals, reflecting diverse backgrounds and experiences.
- Propose the implementation of comprehensive training programs for bank employees to continually update their skills in fraud detection, cybersecurity, and customer education.
- Advocate for collaborations between academic institutions and banking industry stakeholders to foster research collaborations and knowledge exchange in fraud prevention strategies.
- For Speedy Disposal of Cases: There needs to be a specialized court and investigation agency.

CONCLUSION

- In summary, the study delved into the intricate landscape of banking fraud, identifying key challenges and recommending essential measures for combating fraudulent activities within the banking sector.
- The investigation highlighted the significance of swift reporting, robust risk management policies, and the integration of advanced technologies like AI and big data analytics to prevent and detect fraudulent incidents.
- The survey revealed concerns about delays in legal procedures and system vulnerabilities, resonating with the project's recommendation for expedited reporting and investigations to counteract fraudulent activities effectively.
- Respondents emphasized the necessity for prompt action to curtail fraud instances and endorsed the establishment of dedicated Fraud Vigilance & Surveillance Departments within banks.
- The study stressed the importance of widespread education and awareness campaigns targeting both bank employees and customers.
- Moreover, the study emphasized the importance of education and awareness initiatives for both bank employees and customers to fortify the security measures against evolving
- For banks, ensuring the establishment of dedicated fraud vigilance units, continuous staff training, and regular technological updates are imperative to counteract fraudulent tactics.
- The findings underscore the necessity for a comprehensive approach that aligns technological advancements with stakeholder education to create a safer and more secure banking environment.

- By fostering a collective approach, a safer and more resilient banking ecosystem can be forged, mitigating the impact of fraudulent activities on both customers and financial institutions.

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APPENDIX- QUESTIONNAIRE

A STUDY ON BANKING AND FRAUDULENT ACTIVITIES

I. Name (Optional): _____

II. Age: _____

III. Gender:

☐ Male

☐ Female

☐ Other (please specify) _____

IV. Occupation: _____

V. Education Level:

☐ High School

☐ Undergraduate

☐ Graduate/Postgraduate

☐ Other (please specify) _____

VI. Which geographical area or region do you reside in? (City/Town, State, Country)

VII. which bank do you hold your primary account or conduct most of your banking activities?

☐ State Bank of India (SBI)

☐ HDFC Bank

☐ ICICI Bank

☐ Punjab National Bank (PNB)

☐ Axis Bank

(If Others mention) _____

VIII. How long have you been a customer of the current bank where you hold your primary account?

☐ Less than 1 year

☐ 1-3 years

☐ 3-5 years

☐ 5-10 years

☐ More than 10 years

IX. Do you have multiple accounts (savings, checking, etc.) with the same bank?

☐ Yes

☐ No

X. Are you a holder of credit cards or other financial products offered by this bank?

☐ Yes

☐ No

XI. How many years have you been a user of the bank's credit card services (if applicable)?

☐ Less than 1 year

☐ 1-3 years

☐ 3-5 years

☐ 5-10 years

☐ More than 10 years

XII. Have you experienced any unauthorized or suspicious transactions on your accounts (including credit card) in the past?

☐ Yes

☐ No

XIII. If yes, please describe the nature of the unauthorized transactions and how you became aware of them:

XIV. If you experienced any monetary loss due to fraudulent activities, please specify the approximate amount lost in Indian rupees:

☐ Less than ₹5,000

☐ ₹5,000 - ₹20,000

☐ ₹20,000-₹50,000

☐ ₹50,000 - ₹1,00,000

☐ More than ₹1,00,000

☐ Prefer not to disclose.

XV. Over what time did these financial losses occur?

☐ 2022-2023

☐ 2021-2022

☐ 2020-2021

☐ 2019-2020

XVI. Did you report the unauthorized transactions to your bank's customer service or fraud department?

☐ Yes

☐ No

☐ Not Applicable (if issue was resolved without reporting)

XVII. How quickly does your bank respond to reports or suspicions of fraudulent activities brought to its attention?

☐ Very Quick

☐ Quickly

☐ Moderately

☐ Slowly

☐ Very Slowly

XVIII. Has your bank conducted any fraud awareness programs or educational initiatives for its customers to recognize and prevent fraudulent activities?

☐ Yes, Regularly

☐ Yes, Occasionally

☐ No

XIX. How transparent is your bank in communicating the occurrence of fraudulent incidents to its customers?

☐ Very Transparent

☐ Somewhat Transparent

☐ Neutral

☐ Not Transparent

XX. How would you rate your overall satisfaction with your bank's handling of fraudulent incidents?

☐ Very Satisfied

☐ Satisfied

☐ Neutral

☐ Dissatisfied

☐ Very Dissatisfied