GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION No. 1611
ANSWERED MONDAY, JULY 31, 2023/ SRAVANA 9, 1945 (SAKA)
Aadhaar-enabled Payment System

1611. SHRI T.N. PRATHAPAN: SHRI BRIJENDRA SINGH:
      SHRI K. MURALEEDHARAN: SHRI KUMBAKUDI SUDHAKARAN:
      DR. AMAR SINGH: SHRI ANTO ANTONY:
      ADV. DEAN KURIAKOSE: DR. MOHAMMAD JAWED:

Will the Minister of FINANCE be pleased to state:

(a)   whether the Government has taken note of the increasing cases of online frauds using silicon thumb in Aadhaar-enabled Payment Services (AePS);
(b)   if so, the details thereof and the steps taken/ proposed to be taken by the Government to deal with such frauds;
(c)   the total number of cases that have been reported pertaining to cyber frauds related to AePS, particularly in Haryana;
(d)   whether this is occurring through the process of cloning Aadhaar data and if so, the details thereof; and
(e)   whether the Government have a concrete plan to prevent security concerns that arise out of this concern, if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR BHAGWAT KARAD)

(a) to (e) Aadhaar Enabled Payment System (AePS) is a bank led model which allows online interoperable financial transactions using Aadhaar based biometric authentication. The fingerprint being the prominent modality of biometric authentication, there is a constant endeavour by Unique Identification Authority of India (UIDAI) to make the ecosystem increasingly safe and secure.

To prevent AePS frauds by the use of spoofed/gummy fingerprint during fingerprint-based Aadhaar authentication, UIDAI has rolled out an in-house Artificial Intelligence/Machine Learning technology-based Finger Minutiae Record – Finger Image Record (FMR-FIR) modality which is able to check the liveness of a fingerprint to detect the use of spoofed/gummy fingerprint during fingerprint-based Aadhaar authentication.

Further, to make AePS transactions safe and secure, NPCI has developed a Fraud Risk Management (FRM), which is a real time fraud monitoring solution and given to banks free of cost as a value-added service. FRM facilitates setting of rules and limits for the entire ecosystem.

As the digital transaction platform, including AePS, is a Pan India platform with a facility of "anytime anywhere" banking, the data is captured only at the National level.

Reserve Bank of India (RBI) has informed that RBI Ombudsman related to AePS under Reserve Bank-Integrated Ombudsman Scheme, 2021 (RB-IOS) came into effect from 12.11.2021. The details of complaints received by the RBI Ombudsman related to AePS for the period 12.11.2021 to 31.03.2023 are as under: -

Period	No. of complaints received by Offices of the RBI Ombudsman (ORBIOs) related to AePS
12.11.2021 to 31.03.2022	293
01.04.2022 to 31.03.2023	1,829

Source: RBI

UIDAI has apprised that no incident of cloning of Aadhaar data has been reported.

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