

Assocham says it warned on likelihood of bank card fraud

IANIS | Oct 23, 2016, 08.49 PM IST



NEW DELHI: Following the unprecedented security breach reported earlier this week that has "compromised" card data of many private and state-run banks, industry body Assocham on Sunday said it had earlier cautioned about such frauds.

Citing its recent study, the Associated Chambers of Commerce and Industry of India (Assocham) said that "India has become a favourite hunting ground for global hackers and criminals".

"The credit/debit/ATM card frauds as detected by some of the largest banks were waiting to happen as India has been on the radar of the global cyber criminals who hack into the computer servers using malware, an

Assocham-Mahindra SSG joint study had forewarned," the industry chamber said in a statement here.

According to this study, India was the third biggest target for hackers after the US and Japan.

"Shocked that we are by such large volume of frauds forcing most of the big banks to recall their swiping cards, Assocham has been continuously sensitising the government, RBI and the banks against the unfolding cyber risks," Secretary General D S Rawat said in the statement.

The study also found mobile frauds to be an area of concern for companies, as 35-40 per cent of financial transactions are done via mobile devices and this menace is expected to grow to 60-65 per cent by 2017.

These attacks have been observed to be originating from the cyberspace of a number of countries, including the US, Europe, Brazil, Turkey, China, Pakistan, Bangladesh, Algeria and the UAE, the statement said.

Andhra Pradesh, Karnataka and Maharashtra have occupied the top three positions for cyber crimes registered under the new IT Act in India, it added.

"Internet frauds alone have cost India a whopping \$4 billion (about Rs 24,630 crore) in 2013 as cyber criminals are using more sophisticated means like ransom ware and spear-phishing," the report said.

During the years 2011, 2012, 2013 and 2014, a total number of 21,699, 27,605, 28,481 and 36,554 Indian websites were hacked, respectively, by various hacker groups spread across worldwide, it added.

Assocham said "there is urgent need for having public-private-partnership (PPP) in cyber security for protecting the critical online data and creating awareness amongst the public".

"The government and regulators should develop comprehensive cyber security policies and frameworks from the perspective of incentives, tax breaks and technological development."

"India should ensure active collaboration with the other countries and global cyber security agencies through international treaties in order to understand the latest threats and take proactive security measures," it added.

In an unprecedented security breach affecting both private and state-run banks, 32 lakh debit cards are estimated to have been

"compromised" by cyber malware attack in some ATM systems.

Fraudulent withdrawals have been reported from 19 banks so far. While several of these, including state-run State Bank of India, have recalled a number of cards, others have blocked the ones suspected to have been compromised.

The government on Friday reassured the public that there was no cause for any panic, and promised swift action in the matter once a detailed report it has sought is received.

"Customers should not panic because these hackings are done through computer and trail can easily be reached...they should not be alarmed. Whatever action has to be taken, it will be done with speed," Economic Affairs Secretary Shaktikanta Das said.