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Security breach: SBI blocks over 6 lakh debit cards

By *Satyanarayan Iyer*, TNN | Oct 19, 2016, 06.03 PM IST

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PUNE: In one of the biggest card replacements in Indian banking, State Bank of India has said that it will re-issue around six lakh debit cards to customers, which have been blocked following a malware-related security breach in a non-SBI ATM network.

"It's a security breach, but not in our banks' systems. Many other banks also have this breach — right now and since a long time," Shiv Kumar Bhasin, SBI's chief technology officer (CTO), told TOI, adding that customers who used their cards only at SBI-run ATMs have not been affected by this. "A few ATMs have been affected by a malware. When people use their card on infected switches or ATMs, there is a high probability that their data will be compromised," Bhasin said.

Several customers of the bank have found their ATM cards to be blocked. SBI has informed branches about the cards being blocked and fresh cards would be issued to customers. "Customers need not panic. They can either approach their branch, call up phone banking or use the internet for 're-carding'. They can also set their PINs from their homes using internet banking," Bhasin said.

Last month, Yes Bank had confirmed that its ATM network manager Hitachi Payments was reviewing its network to rule out any compromise. Hitachi had initiated a detailed audit of their systems through a certified agency SISA. "Preliminary reports of the audit conducted have been submitted... and the report does not establish any system-level breach at Hitachi Payment Services," the bank said.

At present, the RBI does not require banks to report to the public any security breach in their network. "Banks whose ATMs have been infected must come forward and declare those infected ATMs. The onus is on them to stop this," Bhasin said, without naming the banks. He added that until the problem is addressed customers who use their cards in the ATMs of affected banks will continue to be at risk.

A branch manager in Pune confirmed that the bank has blocked a few of its customers' cards. She also said that the bank has sent SMSs to customers informing them that their card was blocked. However, affected customers were largely clueless about this development. "I had come to Delhi, from Punjab, on Monday and discovered my card was not functioning. When I called the bank, they said I will have to come to Mumbai [my home branch] and re-apply, or transfer my account to Delhi — which will take a fortnight — and then the new card would arrive in seven days," said Ankur Jaiswal, a researcher and SBI account holder.

Nidhi, a teacher, was also caught unawares on Saturday when she swiped her card at a merchant in Delhi. "I then tried using my card at other bank's ATMs and it (still) would not function. When I approached my branch later, they told me to re-apply, and that it (blocking of the cards) is happening countrywide," she said.

According to numbers on RBI website, as on July 2016, there were 20.27 crore active debit cards from SBI. At the same time, SBI's associate banks had a total of 4.75 crore active debit cards. The cards that were affected, and subsequently blocked, comprise about 0.25% of this.

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