HDFC BANK, NPCI LAUNCH SYSTEM TO TRACE CARD FRAUD

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NEW DELHI: HDFC Bank along with National Payments Corporation of India (NPCI) on Thursday launched a new system, which will be able to track fraudulent use of your credit or debit card and cancel the transaction if needed.

The application called Zumigo Assure helps in indentifying the location of the HDFC Bank credit or debit card at the time of the transaction.

The system, designed by Silicon Valley-based Zumigo, traces where the card is being used and the location of the card holder's mobile phone. The system sends an alert to the bank, which can cancel the transaction if it feels something is wrong – for instance if the distance between the phone and transaction point is very large.

The assumption is that 95% of the customers carry their mobile phones while at an ATM or while carrying out a transaction at any point of sale (POS).

"This will help us in real-time monitoring of transactions to prevent frauds," Nitin Chugh, head digital banking, HDFC Bank told *HT*. The bank is not charging any additional fee for this service at this point.

This system will help save time as the bank can cancel suspected transactions at its own discretion. At present, customer has to call the bank to block the card.

BETWEEN APRIL 2011 AND SEPTEMBER 2014, BANKS REPORTED A TOTAL OF 27,614 CREDIT AND 3,835 DEBIT CARD RELATED FRAUDS

HDFC bank to monitor ATM fraud transactions on a real-time basis

Location of customer's mobile phone to be used for tracking

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HDFC Bank, the country's second largest private sector lender, has come up with a solution which will allow the lender to curb fraudulent or suspicions transactions at its automated teller machines (ATMs) as and when the transaction is taking place.

The bank, in association with the National Payments Corporation of India (NPCI), has done a pilot of this project and is looking at rolling it out in the next three-six months. According to this technology, the lender will be able to map a customer's location using that person's smartphone. If the ATM card is being used at a loacation which is at a different location from the phone, then it will raise an

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alert. Nitin Chugh, Head-Digital Banking, HDFC Bank, explained this was based on the assumption that most consumers carry their cellphone along while visiting an ATM.

"If you have a smartphone, the location of the phone can be identified based on the telecom towers in that area. However, if the phone happens to be in another city then it can raise an alarm and give warning signals to stop that transaction. Then we can determine whether to decline the transaction or send a confirmation call to the customer first before allowing it," Chugh said.

The bank is yet to lay down rules regarding the distance between the ATM where the transaction is taking place and the mobile phone or whether it will be available to all debit card holders etc. The technology has been developed by Zumigo that also owns the application. However, it is unlikely that a red flag will be raised if the mobile phone is also within a 300-metre radius of where the transaction is taking place.

Considering that NPCI is also a part of this digital imitative, it is likely that other banks may also offer similar services later. However, HDFC Bank has the proof of concept in the last three months and has tested it at over 20 situations. According to Reserve Bank of India (RBI) data, in August the bank had 24.1 million debit cards and 6.4 million credit cards in circulation.

Bank fraud has been a pressing concern for banks because there has been a surge in the number of suspicious transactions. According to the Deloitte 2015 Banking Fraud Survey, 93 per cent of respondents had agreed that there had been an increase in the incidents of fraud in the banking sector over the past two years.