

kcmFlash

Regulatory

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Frauds under the garb of KYC Updation

Backdrop

There has been a sudden spurt in incidents and reports of customers falling prey to frauds being perpetrated in the name of KYC updation.

Modus operandi for such KYC frauds usually involves customers:

- receiving unsolicited phone calls / SMS / e-mails.
- being manipulated into giving personal information, account / login details, or instructing to install unauthorized or unverified apps through links provided in the messages.
- Given an impression of false sense of urgency including threats of account freezing / blocking / closure if the customer did not respond immediately.

Do's & Don'ts

To safeguard customers against such frauds, Reserve Bank of India ("RBI") has listed out certain Do's and Don'ts to avoid falling prey to unscrupulous elements:

Do's:

- In the event of receiving any request for KYC updation, directly contact their bank / financial institution for confirmation/ assistance – *do not divulge information immediately or respond without seeking further guidance.*
- Obtain contact number/ customer care phone number of the bank / financial institution only through its official website/ sources – *verify the antecedents of the caller and only if satisfied should basic information be shared (no PIN or passwords should be shared in any circumstances).*
- Inform their (individual's) bank / financial institution immediately in case of any cyber fraud incident – *in case one falls prey to such frauds, immediately lodge a complaint on the National Cyber Crime Reporting Portal (www.cybercrime.gov.in) or through cybercrime helpline (1930) and contact bank to block accounts / cards etc.*
- Enquire with your bank branch to ascertain available modes / options for updating KYC details – *check with respective banks to verify the modes for KYC updation and follow bank guidelines only.*

Don'ts:

- Do not share account login credentials, card information, PINs, passwords, OTPs with anyone – *under no circumstances should private credentials be shared with any person, including banks.*
- Do not share KYC documents or copies of KYC documents with unknown or unidentified individuals or organizations – *copies of AADHAR / Passport / Driving License / Voter Card / Ration card / PAN etc., should not be handed over to any person other than bank authorities in their physical presence.*
- Do not share any sensitive data/ information through unverified/unauthorized websites or applications – *no bank statements, portfolio investments, fixed deposits, locker numbers or any other personal information should not be shared with any person, including bank officials.*
- Do not click on suspicious or unverified links received in mobile or email – *the most important but least known is clicking on unknown apps and unverified links. Under all circumstances links sent on mail / SMS / mobile should be avoided which are not from known or regularly visited sites.*

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For further analysis and discussion, you may please reach out to us.

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