Ministry of Communications

Landmark Step in Cyber Fraud Prevention: RBI Advises Banks to Integrate DoT's Financial Fraud Risk Indicator (FRI)

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The Department of Telecommunications (DoT) welcomes the Reserve Bank of India's (RBI) advisory issued on June 30, 2025, directing all Scheduled Commercial Banks, Small Finance Banks, Payments Banks, and Co-operative Banks to integrate the Financial Fraud Risk Indicator (FRI) developed by DoT into their systems. This is a watershed moment in the fight against cyber-enabled financial frauds and a testament to the power of inter-agency collaboration in safeguarding citizens in India's growing digital economy. It also underscores the strategic importance of automating data exchange between banks and DoT's DIP through API-based integration, enabling real-time responsiveness and continuous feedback to further refine the fraud risk models.

What is "Financial Fraud Risk Indicator" and how will it help Banks to prevent Cyber fraud ?

The Financial Fraud Risk Indicator (FRI), launched in May 2025 by DoT's Digital Intelligence Unit (DIU), is a risk-based metric that classifies a mobile number to have been associated with Medium, High, or Very High risk of financial fraud. This classification is an outcome of inputs obtained from various stakeholders including reporting on Indian Cyber Crime Coordination Centre (I4C's) National Cybercrime Reporting Portal (NCRP), DoT's Chakshu platform, and Intelligence shared by banks and financial institutions. It empowers stakeholders-especially banks, NBFCs, and UPI service providers- to prioritize enforcement and take additional customer protection measures in case a mobile number has high risk. The Digital Intelligence Unit (DIU) of DoT regularly shares the Mobile Number Revocation List (MNRL) with stakeholders, detailing numbers disconnected due to cybercrime links, failed re-verification, or misuse—many of which are tied to financial frauds.

Banks and financial institutions can use FRI in real time to take preventive measures such as declining suspicious transactions, issuing alerts or warnings to customers, and delaying transactions flagged as high risk. The system's utility has already been demonstrated with leading institutions such as PhonePe, Punjab National Bank, HDFC Bank, ICICI Bank, Paytm, and India Post Payments Bank actively using the platform. With UPI being the most preferred payment method across India, this intervention could save millions of citizens from falling prey to cyber fraud. The FRI allows for swift, targeted, and collaborative action against suspected frauds in both telecom and financial domains.

DoT remains committed to supporting banks and financial institutions in their efforts to combat cyber-enabled frauds by deploying technology-led, nationally coordinated solutions like the Financial Fraud Risk Indicator. This move marks a new era of digital trust and security, reinforcing the Government's broader Digital India vision. DoT continues to work closely with RBI-regulated entities to streamline alert mechanisms, accelerate fraud detection, and integrate telecom intelligence directly into banking workflows. As more institutions adopt FRI into their customer-facing systems, it is expected to evolve into a sector-wide standard, reinforcing trust, enabling real-time decision-making, and delivering greater systemic resilience across India's digital financial architecture.

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