



DoT Introduces "Financial Fraud Risk Indicator (FRI)" to strengthen Cyber Fraud Prevention

FRI enables Enhanced Intelligence sharing with Banks, UPI service providers and Financial Institutions

Boosts cyber protection and validation checks in case of mobile numbers flagged with this tool when digital payment is proposed to be made to such numbers

FRI allows for swift, targeted, and collaborative action against suspected frauds in both telecom and financial domains

With UPI being the most preferred payment method across India, this intervention could save millions of citizens from falling prey to cyber fraud

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In a major step towards combating cyber fraud and financial crime, the **Department of Telecommunications (DoT)** has announced sharing of “**Financial Fraud Risk Indicator (FRI)**” with stakeholders- an output from a multi- dimensional analytical tool developed as part of the **Digital Intelligence Platform (DIP)** to empower financial institutions with advance actionable intelligence for cyber fraud prevention. This will enhance cyber protection and validation checks in case of mobile numbers flagged with this tool when digital payment is proposed to be made to such numbers.

What is the “Financial Fraud Risk Indicator”?

It 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 Cybercrime 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.

How does such advance notification help?

The Digital Intelligence Unit (DIU) of DoT regularly shares the list of Mobile Numbers that were disconnected (Mobile Number Revocation List - MNRL) with stakeholders along with the reasons for disconnections viz. found involved in cyber-crime, failed re-verification, exceeding prescribed limits. These numbers are also usually used for financial frauds.

As the life of a mobile number that is misused in cyber frauds is generally few days, and full verification can take several days, an advance indicator on risk associated with such numbers is very useful. Thus, as soon as a suspected mobile number is flagged by a stakeholder, it undergoes multi-dimensional analysis, and classifies it into **Medium, High, or Very High financial risk** associated with it. It then shares this assessment about the number immediately with all stakeholders through DIP.

As one of the Initial adopters of FRI, PhonePe has used it to decline transactions linked to **Very High FRI** mobile numbers and display an on-screen alert as part of **PhonePe Protect** feature. The data shared by PhonePe indicates the efficacy of the model as the predictability of the numbers passed as soft signal to be actually involved in cyber fraud cases has been found to be very high. For **Medium FRI** numbers, PhonePe is working for displaying a **proactive user warning** before allowing the transaction.

Other Industry Collaboration to reduce financial fraud

Leading UPI platforms—**PhonePe, Paytm and Google Pay**, who collectively account for over 90% of UPI transactions, have begun integrating DIP alerts into their systems. For instance:

- One of the leading UPI platforms has introduced transaction delays, with alerts and needing user confirmations.
- Other banks are also actively using the data for mitigating cyber frauds.

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 is committed to prevent misuse of telecom resources by implementing national level technology driven solutions and collaborating with stakeholders, thus ensuring a secure and safe telecom ecosystem for all citizens. DoT continues to engage with financial institutions and digital payment platforms to further optimize alert mechanisms and reduce response time. The integration of **FRI** into customer- facing systems is expected to become an industry standard, bringing systemic resilience to India's digital financial ecosystem.

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