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GRC BULLETIN

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Ministry of Communications

Issues press release regarding 'DoT Introduces "Financial Fraud Risk Indicator (FRI)" to strengthen Cyber Fraud Prevention

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INDUSTRY SPECIFIC

Authority

Ministry of Communications, Department of Telecommunications (DoT), Government of India

Circular Date

May 21, 2025

Circular Number

2130249

Effective Date

May 21, 2025

MINISTRY OF COMMUNICATIONS – PRESS RELEASE – 'DOT INTRODUCES "FINANCIAL FRAUD RISK INDICATOR (FRI)" TO STRENGTHEN CYBER FRAUD PREVENTION

Applicability: Banks, NBFCs, UPI service providers, and financial institutions.

Digital payment platforms (PhonePe, Paytm, Google Pay, etc.

Telecom operators and stakeholders involved in cyber fraud prevention

Overview:

The Financial Fraud Risk Indicator (FRI) was introduced on May 21, 2025, according to a press release from the Ministry of Communications' Department of Telecommunications (DoT). This program, which is a component of the Digital Intelligence Platform (DIP), aims to greatly improve India's framework for preventing cyber fraud. With UPI and digital transactions growing at an exponential rate, this project aims to shield millions of Indians from financial cybercrimes.

Important Points:

1. **What is FRI?**

   Mobile numbers are categorized as Medium, High, or Very High risk for possible financial fraud using the Financial Fraud Risk Indicator, a risk-based assessment. Based on a multifaceted analytical method that gathers information from multiple sources, this classification includes:

   - Reports on the Indian Cybercrime Coordination Center's (I4C) National Cybercrime Reporting Portal (NCRP)
   - The Chakshu platform of DoT
   - Banks, NBFCs, and UPI service providers' intelligence inputs

2. **How Does It Operate?**

   In addition to sharing the Mobile Number Revocation List (MNRL) on a regular basis, the DoT's Digital Intelligence Unit (DIU) now offers real-time risk alerts through FRI. The FRI tool evaluates and disseminates the risk categorization to stakeholders as soon as a cell number is detected as suspicious, enabling them to take preventative measures like blocking or alerting users before transactions are completed.

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3. **Impact & Early Adopters:**

   By rejecting transactions associated with Very High FRI numbers and displaying user alerts, PhonePe has already integrated FRI. Proactive warnings are what they intend to do for medium-risk numbers. DIP alerts are also being used by other significant UPI platforms, such as Paytm and Google Pay, which handle more than 90% of UPI transactions, to implement delays, confirmations, and extra checks to prevent fraud.

4. **Collaborative Industry Effort:**

   Aiming for quick, focused, and system-wide resilience, this is not only a government-driven solution but also a framework for collaboration across the banking and telecom sectors. In order to enhance alert systems, shorten response times, and establish FRI as a standard, the DoT is still interacting with the industry.

SOURCE: Click here for more details

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