GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO:1231
ANSWERED ON THE MONDAY, DECEMBER 8, 2025/AGRAHAYANA 17, 1947 (SAKA)

Online Loan Apps

1231. DR. M K VISHNU PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has taken cognisance of online loan apps which have mushroomed in recent times, if so, the details thereof;
(b) whether the Government is monitoring the high rate of interest charged by such loan apps;
(c) if so, the details of action taken in this regard;
(d) whether the Government has taken any steps to address the issues of people who are forced to pay high interests; and
(e) if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) to (e): The Government has been constantly engaging with the Reserve Bank of India (RBI) and other concerned Regulators/stakeholders to monitor the digital lending platforms in the country. RBI has issued Reserve Bank of India (Digital Lending) Directions, 2025 on May 8, 2025. These directions have detailed provision regarding recovery, data privacy, and customer grievance redressal mechanisms which are mandatory for the Regulated Entities (REs), the Lending Service Providers (LSPs) engaged by them and the Digital Lending Apps (DLAs). RBI has further issued the "Framework for Self-Regulatory Organisation(s) in the FinTech Sector" (SRO-FT framework) on 30.05.2024 for establishing and enforcing regulatory standards, promoting ethical conduct, ensuring market integrity, resolving disputes, and fostering transparency and accountability among its members.

Also, Ministry of Electronics and Information Technology (MeitY) issues directions for blocking of information, including fraudulent loan apps under Section 69A of Information Technology (IT) Act, 2000 after following the due process as provided in the Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009.

Further, the Government and RBI have been taking up various initiatives from time to time to protect citizens from exploitation by online loan apps. These inter-alia, include:

(i) The banks through the public facing platform 'SACHET' portal and the inter-regulatory State Level Coordination Committee (SLCC) facilitate the citizens for lodging of any complaints against specific entity related to deposit/ collection of money illegally.

(ii) Proactively engaging with the major internet intermediaries and messaging platforms to review the operations of unauthorised loan apps.

(iii) Indian Cyber Crime Coordination Centre (I4C), Ministry of Home Affairs (MHA) has been proactively analysing the digital lending apps. In order to facilitate the citizens to report cyber incidents including illegal loan apps, MHA has launched a National Cybercrime Reporting Portal (www.cybercrime.gov.in) as well as a National Cybercrime Helpline number “1930”.

(iv) RBI and Banks have been taking up awareness campaigns through short SMS, radio campaign, publicity on prevention of ‘cyber-crime’. Further, RBI has been conducting electronic-banking awareness and training (e-BAAT) programmes which focuses on awareness about frauds and risk mitigation.

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