



NEWS HIGHLIGHTS

B2B startups coming up in big way: Mohandas Pai

Freshworks buys chatbot startup Joe Hukum in eighth acquisition

Finstar to Invest USD150 Million in Fintech

Paytm to let cashback in the form of Paytm Gold

Today's View

Towards customer protection

The unintended fallout of a rise in digital transactions is a rise in digital payment frauds. The fraudsters are constantly devising newer methods of committing fraud. Some of the most common modus operandi include identity theft where fraudsters illegally obtain the person's banking details and get access to his or her account SIM swaps, phishing attacks, vulnerable payment technology, ransomware and malware.

Last year more than 3.2 million debit cards were compromised which emerged as one of the biggest ever breaches of financial data in India. Numerous victims of the fraud reported unauthorized usage from locations in China.

So what does the customer do if he loses money due of these frauds or data breaches?

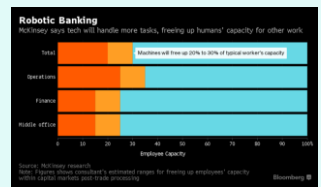
To keep pace with robust customer protection in an era of digitisation, RBI has published a new set of rules or guidelines seeking to limit customer liability in case of unauthorised electronic banking transactions. According to the guidelines, bank customers falling victims of fraudulent or unauthorised electronic transactions will not bear any loss if the transaction is due to a fault in the bank's security system or a third-party breach and the fraud is reported within 3 days of occurrence. In cases where these prerequisites are met, the amounts involved have to be credited back to the corresponding account by the bank within 10 days. If the customer misses the 3 day window, but reports the transaction within 7 days, a limited liability capped at Rs. 25,000 can be apportioned to the customer. If the 7 day deadline is missed, banks will be required to prove the customer's liability, determine the amount apportioned to the customer as per board policy, and resolve the matter in no more than 90 days.

In cases of negligence by the customer resulting in financial loss, the customer is responsible for the loss in its entirety until the unauthorised transaction is reported to the bank. Any loss incurred after reporting the unauthorised transaction shall be borne by the bank.

OTHER INTERESTING NEWS

Machines Poised to Take Over 30% of Work at Banks, McKinsey Says

New technologies are poised to sweep through investment banks, relieving many rank-and-file employees of roughly a third of their current workload, according to McKinsey & Co.



McKinsey said automating tasks will “free up capacity” for staff to focus on higher-value work, such as research, generating new ideas or tending to clients.

Source- Bloomberg

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Date- 21st July 17

Furthermore, banks are discouraged to offer any electronic transaction facility other than ATM withdrawals, to customers not providing their mobile numbers to the bank. The banks are also instructed to allow customers to reply to SMS or email alerts reflecting any suspicious activity and provide adequate modes to report fraudulent transactions on a 24x7 basis.

Although in the current backdrop of cyber theft and fraud, these guidelines were absolutely the need of the hour, but we believe we need to push the boundaries further. Many such transaction fraud cases are being witnessed due to customer negligence, an outcome of ignorance and unfamiliarity with the new age banking ecosystem. Hence, it is pertinent for the Banks to explore effective ways of educating customers about the do's and don'ts of electronic transactions.

Today's News

ICICI customers can get up to Rs 15 lakh as personal loans at ATMs

Largest private sector lender ICICI Bank will be selling personal loans of up to Rs 15 lakh through its ATMs that can be availed of by select salaried customers even if they haven't previously applied for one.

ICICI Bank executive director Anup Bagchi said that we believe this is a compelling proposition as it is a completely paperless procedure and instant disbursement of funds through the ATM.

Source- Business Standard

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This government hub can fix your startup troubles

In a bid to address the issue of lack of awareness of government schemes and the difficulty in applying for these benefits, the Startup India Hub, which was recently launched by the minister of state for commerce and industry, Nirmala Sitharaman, is working on a new initiative to enable startups to apply for government schemes and venture funds directly from the platform.

The Startup India Hub claims to be a one-stop resource platform for all stakeholders in the startup ecosystem including startups, venture investors, mentors, academia, incubators and accelerators.

Source- The Economic Times

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Fintech among top 5 sectors for funding in 2016: Deloitte

Indian FinTech is one of top five markets by value of capital funding and investments in the sector with nearly USD 270 million of funding in 2016, according to a recent report.

The report also noted that in medium-term fintech players will consolidate their position in urban and metro centres and will extend to rural and semi-urban areas over the next three-five years.

Source- India Today

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This News Letter has been prepared with the assistance of Pankaj Tadas and Aparna Anand

Freshworks buys chatbot startup Joe Hukum in eighth acquisition

Chennai-based Freshworks, formerly known as Freshdesk, a cloud-based business software firm, has acquired Joe Hukum, a platform that helps businesses build their own chatbots.

The Joe Hukum team will be responsible for building bots on top of Freshworks' existing products, enabling workflow automations for demand generation, knowledge management, and dynamic in-app self-service.

Source- VC Circle

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Amazon India may follow Flipkart, enable payment via Unified Payment System

AP Hota, MD & CEO, National Payments Corporation of India (NPCI) said that Amazon India may soon enable payments via the Unified Payments Interface (UPI) channel for purchases made on its website.

Amazon is expected to join the UPI ecosystem in another month. The development is on, but they have not announced the date as yet. Once they come in, UPI acceptance would happen.

Source- Financial Express

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B2B startups coming up in big way: Mohandas Pai

Tech investor TV Mohandas Pai said that business-to-business startups are coming forth in a "big way" despite difficulties in running them when compared to business-to-consumer startups.

Quoting a report, he said there are 20,000 startups in India and 90 per cent of them are B2C, because they are started by young people barely out of college. The balance 10 per cent, about 2,600 companies all across the country, would be B2B and of them I would expect 1000 companies to be high quality companies.

Source- *The Economic Times*

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Second phase of BharatNet okayed, deadline extended by a quarter to March 2019

The government cleared the second phase of BharatNet, its ambitious programme to bring broadband connectivity to all 2.5 lakh gram panchayats in the country. It also more than doubled the project's budget and pushed back the deadline to March 2019.

The Cabinet on Wednesday approved a budget of Rs 42,068 crore for the programme. Of this, Rs 18,792 crore will be for the second phase, where end-to-end implementation of the project will be open for states as well as public sector and private companies.

Source- *The Economic Times*

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S&P Global partners with Ness Digital Engineering to build new global talent center in India

Ness Digital Engineering is partnering with S&P Global, a leading provider of ratings, benchmarks, analytics and data to capital and commodity markets worldwide, to cultivate its global center of excellence for technology talent in Hyderabad, India.

With this collaboration, Ness Digital Engineering, a provider of digital transformation and custom software engineering services, will help S&P Global develop and evolve products and platforms that meet emerging technology opportunities across its varied business segments worldwide.

Source- *The Economic Times*

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Paytm to let cashback in the form of Paytm Gold

Paytm has introduced the feature of availing cashback in the form of Paytm Gold. This feature is already live across 16,000 pin codes where customers can take advantage of Paytm Gold and MMTc PAMP's tie-up to buy, sell or redeem the gold starting as low as 1 gram.

The company is going to introduce features for transferring gold balance to jewellers or provide the digital Paytm Gold over the app. This will bring access, transparency and integrity to gold purchase.

Source- *Technians*

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Finstar to Invest USD 150 Million in Fintech

Finstar Financial Group will invest USD150 million into new financial technology startups over the next five years, Oleg Boyko, the Chairman of Finstar, has confirmed. The money will also be used for research and development (R&D) within the Group's portfolio companies.

Global investment in financial technology startups increased to USD12.7 billion last year, according to the CB Insights Global Fintech Report 2016. Finstar is at the vanguard of this swift growth, with its global presence and wealth of experience in the sector. Finstar's primary markets are Europe, Latin America, South-East and South Asia.

Source- *Business Wire*

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Fintech start-up Jocata to raise \$5 m

Jocata Financial Advisory and Technology, a fintech start-up, is planning to raise \$5 million soon to set up new offices in New York and Mumbai.

The firm, which is engaged in customer analytics, customer due diligence and transaction monitoring, will also use the funds proposed to be raised to build an artificial intelligence technology platform, according to its CEO and Co-founder, Prashant Muddu.

Source- *Business Line*

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