Financial Fraud Risk Indicator (FRI)

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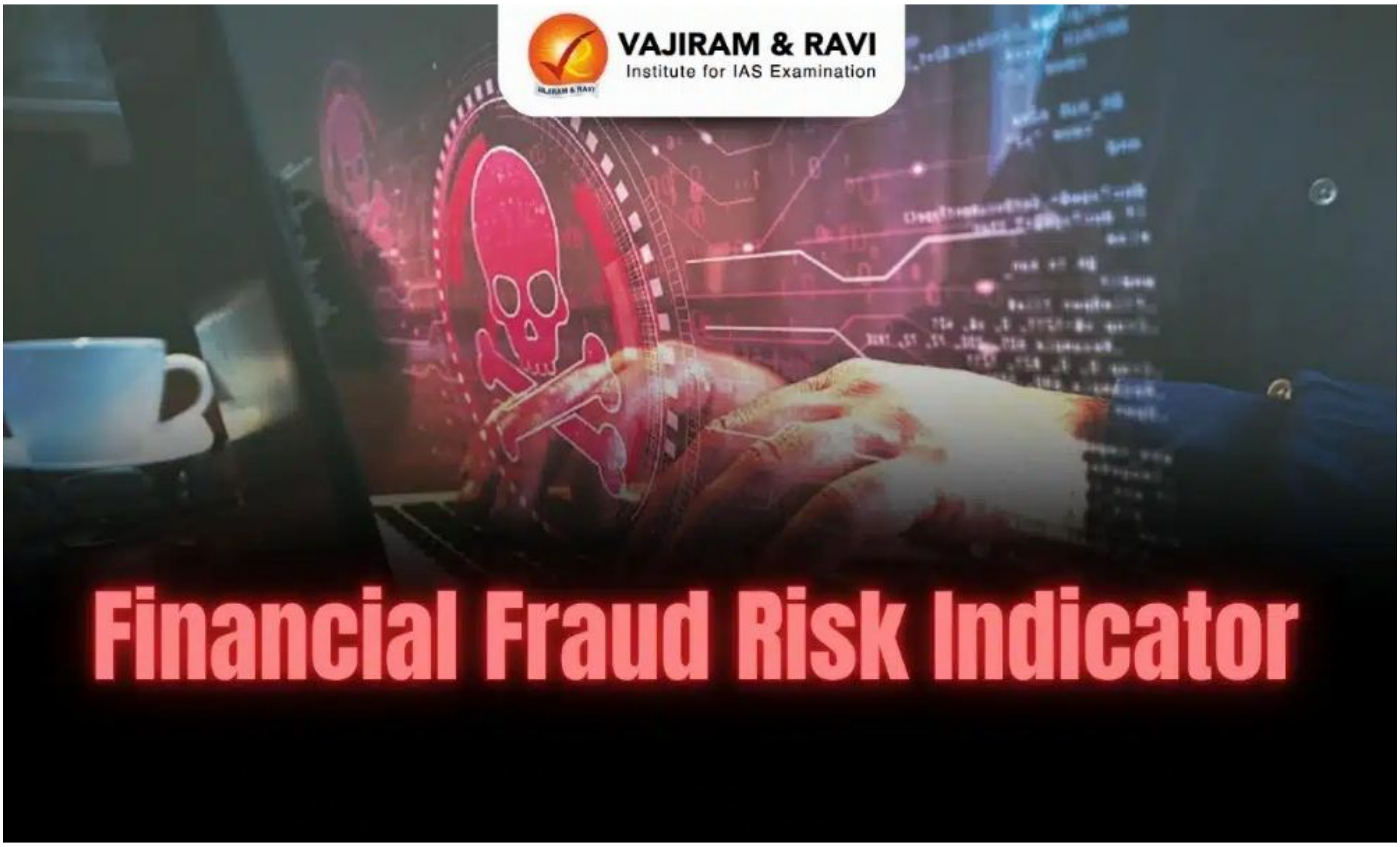

Financial Fraud Risk Indicator (FRI) Latest News

The Department of Telecommunications (DoT) recently said that the financial fraud risk indicator (or FRI) has prevented potential losses of ₹660 crore across the banking ecosystem within six months of the rollout of this initiative.

About Financial Fraud Risk Indicator (FRI)

- It was launched in May **2025** by the **Department of Telecommunications (DoT's) Digital Intelligence Unit (DIU).**
- It is a **risk-based metric** that **classifies mobile numbers** into three categories: **Medium, High, and Very High Risk** based on their **likelihood of involvement in financial fraud.**
- The classification draws from a comprehensive analysis using **inputs from various platforms**, including the **Indian Cybercrime Coordination Centre's National Cybercrime Reporting Portal (NCRP), DoT's Chakshu platform,** and intelligence shared by **banks and financial institutions.**

- By flagging high-risk numbers early, the tool **enables banks,** non-banking financial companies **(NBFCs),** and **UPI service providers** to take appropriate **measures for customer protection** and transaction validation.
- **How Advance Notification Helps Prevent Fraud?**
    - The **DoT's Digital Intelligence Unit (DIU) regularly disseminates the Mobile Number Revocation List (MNRL),** which details mobile numbers disconnected due to involvement in cybercrime, failed verification, or exceeding permissible usage limits.
    - These numbers **often surface in financial fraud activities.**
    - Given that **fraudulent mobile numbers are often short-lived** and **verification processes can take time,** a preemptive indicator such as the **FRI becomes highly effective.**
    - Thus, **as soon as a suspected mobile number is flagged** by a stakeholder, it **undergoes multidimensional 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 DoT's Digital Intelligence Platform (DIP).**
    - 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.

Source: **ET**
