



RBI/2015-16/378

DBR.No.Leg.BC.93/09.07.005/2015-16

April 21, 2016

The Chairman/Chief Executives of  
All Scheduled Commercial Banks including Regional Rural Banks/  
Local Area Banks

Dear Sir,

**Publicity in the bank branches cautioning public against  
placing deposits in dubious schemes**

You may be aware that in the recent years there have been several incidents of unscrupulous entities duping general public by floating various dubious schemes for mobilisation of funds by way of deposits/investments etc. Many a time such schemes are projected as investments in reality, farms, and other miscellaneous products. However, invariably such schemes lure gullible public by offering returns which are much higher than that offered by banks on deposits.

2. It has also come to the notice of the RBI that the customers receive telephone calls relating to their winning lotteries/prizes etc. and depositing money in an unknown account, following which the amount of lottery would be remitted to them or credited to the account they would advise. The customers believing such fraudulent messages remit the required amount apart from divulging details of their accounts to the fraudsters.

3. We believe that the absence of financial literacy and lack of alertness to fraudulent schemes/calls are the main reasons behind the innocent depositors falling prey to such schemes. These episodes, apart from impacting the public at large, have repercussions on the banking sector, as the money that is misappropriated by these

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unscrupulous entities should have come to the banking system augmenting banks' deposit base.

4. The RBI has been taking various steps in making the public beware of such dubious schemes and in promoting financial literacy and awareness among the general public about safe and secured investments. In this context, it is felt that the wide branch net-work of commercial banks could significantly supplement the RBI's efforts.

5. In view of the above, banks may in their own interest and as customer education effort in the interest of the public, consider designing suitable posters or pamphlets or flyers or notices containing following messages:

- Never respond to unsolicited offers of money received through emails/phone/ other media\*
- No one really gives you money for free\*
- Be careful while investing in seemingly attractive schemes offering high returns \*
- Don't invest in unregulated companies/entities\*
- Don't rely on hearsay - Check for yourself\*
- High return means higher risk including potential loss of entire money – Check your risk-appetite! \*
- Take care of your money – it is hard to earn but easy to lose\*
- When in doubt check with a trusted financial adviser\*

*\*For any clarification, visit [www.rbi.org.in](http://www.rbi.org.in) or [www.sebi.gov.in](http://www.sebi.gov.in) or [www.irda.gov.in](http://www.irda.gov.in)*

Wherever feasible, such messages may be displayed or distributed in the bank branches (in the official language of the state) to enable easy notice by the customers. Since bank branches are vantage points where members of public visit, it will help to disseminate the information to the public. Banks may consider places like Automated Teller Machines or Business Correspondent Points where such messages could get wider visibility. This would also be beneficial to the bank as their customers would be aware and vigilant of any such fraudulent schemes/calls.



6. It needs to be emphasised that to be effective such measures have to be pursued continuously for a long period of time and therefore the field staff may be sensitised in this regard. The branch officials should also be encouraged to share any meaningful information (market intelligence) of any such dubious scheme in their area with their Regional Offices, which may, in turn, share such information with concerned Regional Office of RBI.

7. We are also sending a copy of the circular to Indian Banks' Association to consider developing a common design for the above messages which individual banks may consider adopting/ printing and then displaying or distributing.

Yours faithfully

(Rajinder Kumar)

Chief General Manager