STUDY NOTES · BASIC CONCEPT

What is the Jumped Deposit Scam? What is Social Engineering?

Indian Economy

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1. What is the Jumped Deposit Scam?

It is a form of digital payment fraud in which scammers may transfer a small amount into a victim’s bank account and claim that it was sent accidentally. They then attempt to persuade the victim to return money or approve a payment request that may result in financial loss.

Key precaution: Verify the actual credit in your bank account before considering any request to return money. Do not approve an unfamiliar payment request under pressure.

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2. What is UPI?

UPI stands for Unified Payments Interface. It is an instant digital payment system developed by the National Payments Corporation of India (NPCI), enabling money transfers between bank accounts through supported applications.

Key features include:

1. Instant bank-to-bank transfers.
2. Interoperability between participating banks and payment applications.
3. QR-code-based payments.
4. Person-to-person and merchant payments.

3. What is Social Engineering?

Social engineering is a form of fraud in which criminals manipulate people into revealing confidential information or performing actions that compromise their security.

Common techniques include:

1. Creating urgency or fear.
2. Pretending to be bank officials.
3. Making false claims about accidental transfers.
4. Sending fake payment screenshots.
5. Pressuring victims to approve unfamiliar payment requests.

4. What is a UPI PIN?

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A UPI PIN is a confidential authentication code used to authorise certain UPI transactions.

Important points:

1. Receiving money generally does not require entering a UPI PIN.
2. A request to enter a PIN should be carefully checked before proceeding.
3. Never share your UPI PIN, OTP or banking credentials with another person.
4. Do not approve a payment request unless you understand and intend to make the payment.

5. What is NPCI?

The National Payments Corporation of India (NPCI) operates and develops important retail payment systems in India, including UPI.

Its role includes supporting the development of secure, interoperable and efficient digital payment infrastructure.

6. What is the Role of RBI?

The Reserve Bank of India (RBI) regulates and supervises significant aspects of India's banking and payment ecosystem.

Its responsibilities include:

1. Regulating banks and relevant payment systems.
2. Promoting safe and efficient payment mechanisms.
3. Strengthening consumer protection.
4. Issuing directions and guidelines concerning digital payments and fraud prevention.

7. What is Financial Inclusion?

Financial inclusion means ensuring that individuals and businesses can access and use affordable, suitable and reliable financial services.

Digital payments contribute to financial inclusion by making transactions more accessible and convenient. However, fraud, poor digital literacy and inadequate access to grievance redressal can weaken public trust in these systems.

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8. What is Cybersecurity in Digital Banking?

Cybersecurity in digital banking refers to the protection of banking systems, customer information and financial transactions against unauthorised access, fraud and cyberattacks.

Important measures include:

1. Multi-factor authentication.
2. Real-time transaction monitoring.
3. Secure banking applications.
4. Customer awareness and fraud alerts.
5. Prompt reporting and investigation of suspicious transactions.

9. What Should a Victim of Digital Payment Fraud Do?

1. Contact the bank immediately and report the suspicious transaction.

2. Report financial cyber fraud through India's national cybercrime helpline, 1930, as soon as possible.
3. Submit a complaint through the official National Cyber Crime Reporting Portal.
4. Preserve transaction IDs, screenshots, messages and other evidence.
5. Never share OTPs, PINs or passwords with anyone claiming to investigate the fraud.

Prompt reporting may improve the chances of preventing or recovering funds, although recovery is not guaranteed.

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