Indian Economy · GS - III

The expansion of digital payment systems in India has strengthened financial inclusion but has also created new cybersecurity challenges. In the context of the 'Jumped Deposit Scam', examine the major challenges associated with digital payment security and suggest suitable measures to address them.
Word Limit: 150 words Marks: 10

EXAM YEAR	PAPER	SUBJECT
Daily Practice 12/10/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Digital payments promote financial inclusion but expose users to social engineering, fraudulent payment requests and low awareness. Strong authentication, public awareness, transaction verification and effective grievance redressal are essential.

Model Answer

Digital payment systems such as the Unified Payments Interface (UPI) have strengthened financial inclusion in India by enabling fast, convenient and low-cost transactions. However, their growing use has also increased exposure to cyber fraud.

The 'Jumped Deposit Scam' involves fraudsters using an alleged accidental deposit to persuade victims to return money or approve fraudulent payment requests. It exploits human trust, urgency and limited awareness of digital payment mechanisms.

Addressing such fraud requires a combination of technological, institutional and behavioural measures. Banks should strengthen fraud detection systems, provide timely alerts and improve complaint resolution. The government and financial institutions should promote digital literacy and public awareness campaigns. Users must

verify actual credits through official banking channels, scrutinise payment requests and never disclose their UPI PIN or other confidential credentials.

Suspicious transactions should be reported promptly to the bank and appropriate cybercrime authorities.

Thus, digital payment security requires shared responsibility among banks, regulators, law enforcement agencies and citizens to ensure that technological progress translates into safe and inclusive financial access.

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