

Comparative Study

Victims of Bank Frauds: A Comparative Study between Working and Non- Working People in The City of Delhi

Abhi Tyagi^{1*}

ABSTRACT

This study focuses on the victimization of the working and non working group of people and the awareness among them regarding the banking frauds. According to the study or the data collected, both working and non-working group were being victimized by the banking frauds but not only few of them were the victims of crime. The level of awareness varies between the group as working class group is comparatively more aware about the ways of committing the crime and they are more aware about the measures to be taken by them in case of such types of banking frauds than non-working group but the problems faced by both the groups are same after getting victimized.

Keywords: *Economic Offence, Questionnaire, Banking, Working and Non-Working Population*

Banking is one of the indispensable sector of the society because it regulates the financial system of our nation. It regulates the circulation of money among the various interconnected sectors because the government needs money to regulate and for functioning of the whole society and for its welfare. Banking play's pivotal role for economy and crucial role for the society in specific to the individual because an individual takes advantage of this sector by saving and securing the money in their account, they save their money for the future purpose. The economy of the whole world depends on the financial system of the countries where they live. And our financial system depends on the status of our country's economy and to regulate the financial system at national or international level there are different regulators like in India the banking system is being regulated by Reserve Bank of India.

RBI regulates the financial activities in the country and keep an eye on the miscreant activities.

As the society is becoming smarter and more digitalized as well as digitized the more advanced technologies are being used in the banking sector for the convenience of their customers by saving their time as well as by providing them with more convenient ways of payment. Instead of the paper currency people nowadays prefer plastic money for the payment because they prefer to keep debit or credit cards because these are more convenient

¹Student, department of criminology, national institute of criminology and forensic science, Delhi, India

*Corresponding Author

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Victims of Bank Frauds: A Comparative Study between Working and Non- Working People in The City of Delhi

method, easy to handle and carry with themselves. With the help of the cards people would be able to make online transactions by simply filling their details in the required areas. Because people prefer more convenient way and the facilities to make payment any time and from any place is being preferred. Technology brings convenience to the society at one side and vulnerability to the group of people at large by the fraudsters.

On one hand technology is advantageous for the sake of convenience but on the other it is disadvantageous because the details can be stolen by the fraudsters for the sake of stealing money from the accounts of users. The banking frauds are the emerging subject in the area of economic offenses as economic offenses are the group of crimes committed for the purpose of monetary gain to the fraudster and financial loss to either an individual or to the public at large, banking frauds are one of the types of economic frauds which are basically the debit cards or credit cards related frauds. The debit cards and credit card frauds are most common as the usage of plastic money is quite common among people which brings more chances to commit frauds by the fraudsters or people having criminal mind. The most common ways are using skimmers in the ATM machines or storing data where you wipe your cards for payments, the stored can be used to stole money from your account.

The fake calls and fake messages are the common ways for trapping of public, as people got fake calls regarding their card expiry duration and they were asking to share their card details similarly they got fake emails and if they open that link, their details automatically get transferred to the fraudsters. There are various ways of trapping like fake emails regarding the lottery, sanctioning of loans, sanctioning of new credit cards etc., asked to share their card details or bank details, these are few ways to commit the fraud and stealing the details of the customer.

There is an emerging trend of banking frauds among the society and the cases related to these kinds of frauds are being increased, there could be various reasons behind the commission of such types of frauds like due to unawareness among people, lack of knowledge and some might be trapped by the sugar coated offers of fraudsters.

As society consists of both working as well as non- working class of people and the impact of victimization in terms of financial loss as well as emotional instability varies. The level of awareness between both the groups also varies, depending upon the exposure to the society. So, the level of victimization and awareness is the main focus of this study.

REVIEW OF LITERATURE

Bhasin, 2015 in his study “MENACE OF FRAUDS IN THE INDIAN BANKING INDUSTRY” stated that One of the worldwide phenomena is fraud being observed in almost all the sectors which has affected in the decision making of financial institutions. To operate the financial sector and money market, one of the main operative institutions is bank. As the banking sector increasing rapidly with the same pace frauds are, and more innovative methods being adopted by the fraudsters.

Pasricha, P and Mehrotra, S, 2014 in their study “Electronic Crime in Indian Banking” argues that as the banking sector has been linked to the electronic methods more difficulty has aroused in controlling the crime because of lack of resources in finding their source, and with the great expansion of the crime and the usage of internet.

Victims of Bank Frauds: A Comparative Study between Working and Non- Working People in The City of Delhi

Peterson and Marcus, 2009 in their study “A Brief History of Internet Banking” argues that In India banks have adopted the latest technological methods for the sake of customers and to reduce the cost of operations. And the internet banking became a crucial part of the society.

Barnes, S.J., & Corbitt, B, 2003 in their study “Mobile banking: concept and potential” argues that new access methods has been enabled through telecommunications for banking services in which through mobile devices or personal digital assistant customer can interact to their respective banks.

Vyas and Charul, 2009 in their study “Mobile banking in India - Perception and Statistics” argues that as there are various people too those who don't use online banking or methods but they own mobile devices, they have become the potential targets of the fraudsters because of lack of awareness and lack of knowledge regarding the bank frauds.

Karjaluo, H, 2002 in his study “Selection criteria for a mode of bill payment: empirical investigation among Finnish bank customers” argues that urban population in India are the potential users as they frequently use mobile devices to check the account balance according the vital analytics report, 40 million Indians in urban area are reported to check their account balance.

Kim, G., Shim, B. and Lee, H.G.,2009 in their book ‘Understanding dynamics between initial trust and usage intentions of mobile banking’ argues that one of the major reason of using mobile devices to perform the banking related activity are due to the availability of virtual banking anywhere as well as any time and always in the state of on- functionality. The usage of banking facilities are virtual in nature due to the online banking which can be used anytime from anywhere and the convenience of the customers become more and the online banking become more popular among the customers, instead of conventional banking the online banking is being preferred most among the users.

Tiwari, Rajnish, Stephan and Buse, 2007 in their book “The Mobile Commerce Prospects: A Strategic Analysis of Opportunities in the Banking Sector.” argues that mobile banking basically used for transferring money, checking account balance, selling stocks. The main purpose of the banking used for the selling stocks, transferring money from on account to the other account.

The ICFAI press in Delhi made a report under Treasury management, 2001 “Will the Banks Control Online Banking” argues that with the adoption of the internet banking system it lead to increase in awareness among customers and major global concern in the market in the banking industry.

Saunders, 1997 in his book “Financial institutions Management - A Modern Perspective” argues that with increase in the new orientation in the field of banking sector leads to more or fraud risk.

Rao and Rohit, 2001 in their study “Internet Banking: Challenges for banks and Regulators” stated that HDFC and ICICI banks have taken a step forward to prevent hacking or any online fraud by setting a secured system of firewalls.

Victims of Bank Frauds: A Comparative Study between Working and Non- Working People in The City of Delhi

B R Sharma, 2001 in his book “Bank Frauds-Prevention & Detection” argues that for the internet banking various issues have taken into consideration like the efficient method or system of banking or which can be called as the instantaneous/ convenient banking, supportive infrastructure or technology availability, have adopted the methods to reduce or tackle the operational risk and security risks and various obligations as well as legal framework to for the rights of the consumer.

Habib S, 2012 in his study “Internet Banking in India Consumer Concerns and Bank Marketing Strategies” argues that since late 1990s the internet banking is getting advanced till the date, it is being used in banking sector, insurance companies and trading sector. With the rapid increase in the electronic commerce with the same pace the advancement of the electronic banking and payments occurred because the need of advancement felt after the onset of e- commerce the need of e- banking and payment was felt. The commencement of the internet banking shows great impact on the customer satisfaction, saving costs and growth in revenue, these are the potential tools for a strategy and for the banking industry. Therefore, the need of public policies was raised in the banking sector or the banking regulators alongwith the government agencies. Moreover, if we have to light on the Indian context the system of banking is not sufficient and lacks reliability in the functioning of the system, which is defined in terms of the relationship between banker and the customer. The relationship between banker and customer is not healthy because of lack of transparency in the banking system of India. With the advancement of the technology banks have adopt smart strategies to ease the banking system, strategically Banks have adopted the Internet banking to improve the Banker-Customer relationship and to improve the banking system in India as well as to give a transparent picture in the mind of customer and to rely on the Internet banking with more transparency. The conventional method of banking was not so reliable as the customers do not rely on that because of lack of transparency in the banking system that's why customers do not invest in the banking system much and do not opt for the conventional banking system, then after the advancement of technology the need of adopting internet banking was felt and was being adopted by the banking system, which attracts the customers to the Internet banking more due to the more convenient and reliability. Sp the need of more regulation and supervision in the Internet banking was needed and the internet banking was being regulated by the financial system of India and is part of the banking system.

Dhanpal R. & P. Gayathiri, 2012 in their book “Credit Card Fraud Detection Using Decision Tree for Tracing Email” argues that credit card fraud is a wide-ranging term for theft and fraud committed using a credit card or any similar payment mechanism for the purpose of gaining money by adopting illegal means and as a fraudulent source of funds in a transaction. The purpose of committing these kinds of frauds maybe to obtain goods by illegal means, or to obtain unauthorized savings or funds from an account of the user and the anonymous activity takes place. Transactions completed with credit cards became quite popular alongwith the increase in the trend of of online shopping and online banking. The cards are being used for online bookings or for various other purpose and the risk of increasing in the trend of the credit card frauds has.

METHODS AND MATERIALS

Using non- probablity sampling design the population is divided into two categories working and non-working population.

Victims of Bank Frauds: A Comparative Study between Working and Non- Working People in The City of Delhi

S.No.	Individual	Number of individuals
1	Working class	60 individuals
2	Non- working class	60 individuals

Total number of individuals is 120.

Tools of data collection

S.No.	Sample unit	Form of data collection	Importance
1	Working class	Questionnaires (mixed)	The questionnaire was mailed to the respondents who are expected to read and understand the questions and write down the reply in space meant for the purpose in the questionnaire itself. Through this the researcher got the response of the items that are not in approach.
2	Non-working class	Questionnaires (mixed)	The questionnaire was mailed to the respondents who are expected to read and understand the questions and write down the reply in space meant for the purpose in the questionnaire itself. Through this the researcher got the response of the items that are not in approach

Findings

The questions are being framed in such a manner so that those could be applicable to both working and non-working population. Then the responses of the population are divided into two categories working and non-working population.

Non- Working

The active participation in the survey was among 18-25 years of age group as 92.1% people have attended the survey, it shows they are the frequent users of banking services among the other age group.

Table 1

Age Group	Percentage
18-25	92.1%
26-32	6.3%
33 and above	1.6%

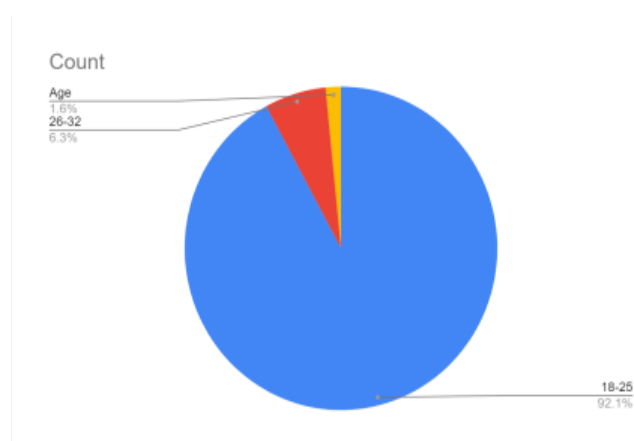


Figure 1

Victims of Bank Frauds: A Comparative Study between Working and Non- Working People in The City of Delhi

The males are the most active users for banking activities as the data represents 56.5% than females and others with 40.3 % and 1.6% respectively.

Table 2

Gender	Percentage
Male	56.5%
Female	40.3%
Others	1.6%

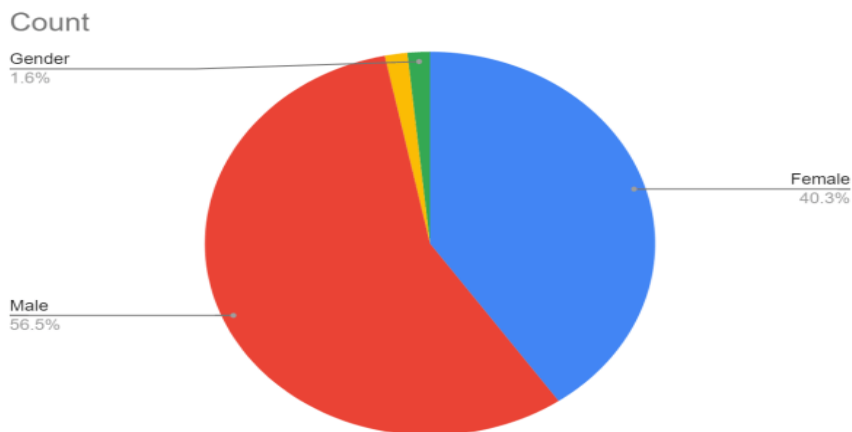


Figure 2

The active participants are the people with annual income upto 3 lac which could be the pocket money given to the students from their parents or might be earning from any other source as the data shows 86.4% are participants from the income group upto 3 lac.

Table 3

Annual income group	Percentage
Upto 3 lac	97.4%
6 to 12 lacs	2.6%
12 lacs or above	-

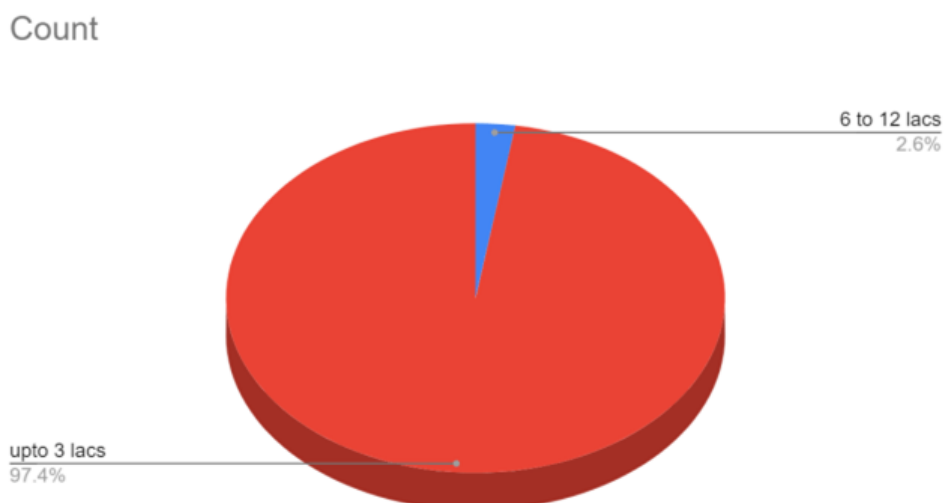


Figure 3

Victims of Bank Frauds: A Comparative Study between Working and Non- Working People in The City of Delhi

To know the awareness among the non- working participants regarding the banking frauds, most of them are aware about the banking frauds as the data indicates 61.1% knows or aware about these kinds of frauds. People are well versed with the knowledge of frauds.

Table 4

Awareness measure	Percentage
Yes	61.1%
No	13.0%
Maybe	25.9%



Figure 4

The different sources are the medium of transmission of data to acquire the knowledge about the banking frauds but the most common source are newspaper and televisions. Other sources are social media, messages as these are few medium of transmission of information and to broadcast to the public at large. So, most of the people read newspaper and watch television to get aware.

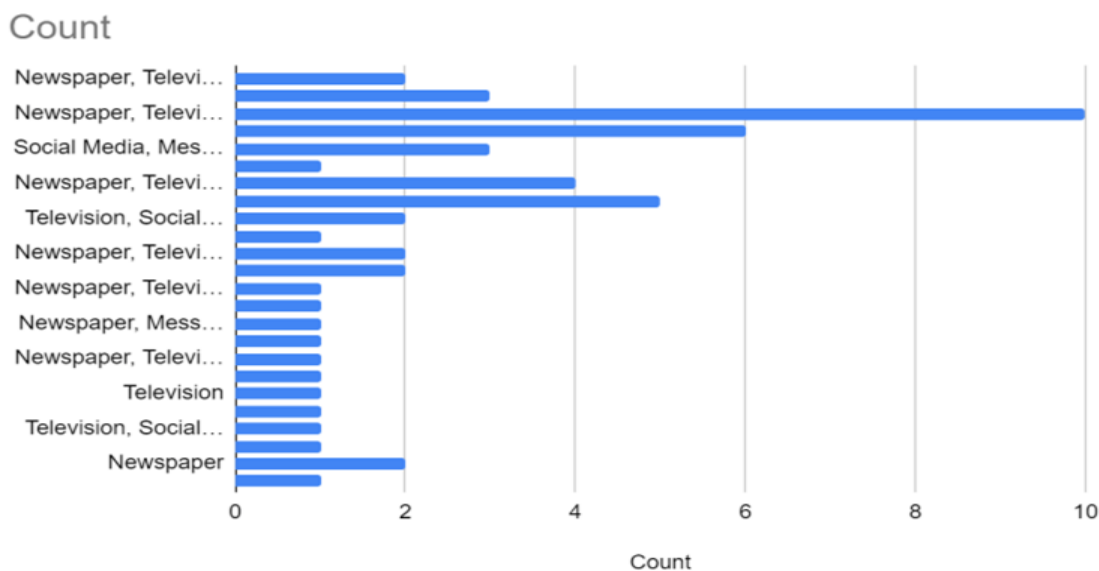


Figure 5

Victims of Bank Frauds: A Comparative Study between Working and Non- Working People in The City of Delhi

Depending upon the usage of cards which could be debit or credit cards for any other purpose, the victimization or the vulnerability might get increased and the level of frauds might get increased, as the data shows mostly people use their cards sometimes but the frequent users are closer to them.

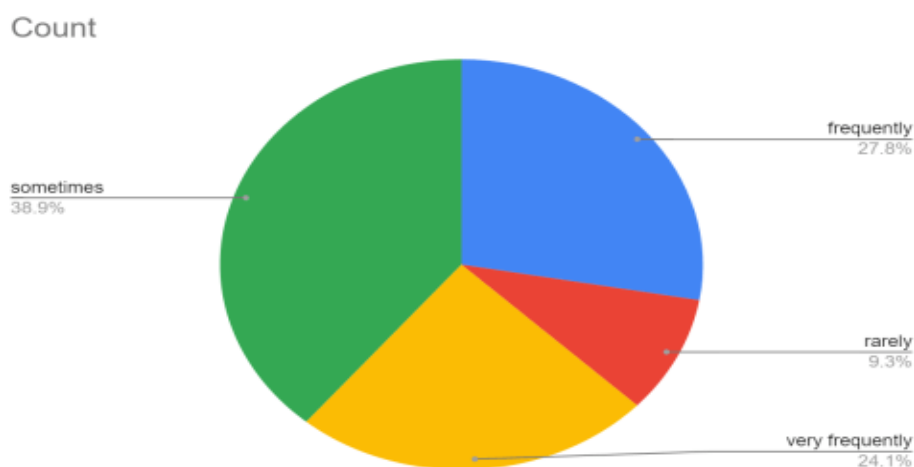


Figure 6

As the data shows people use cards for online shopping, offline/ physical shopping, bill payment, ticket booking and withdrawal from ATM for cash. Using cards can lead to the fraud like using skimmers where the cards are being inserted.

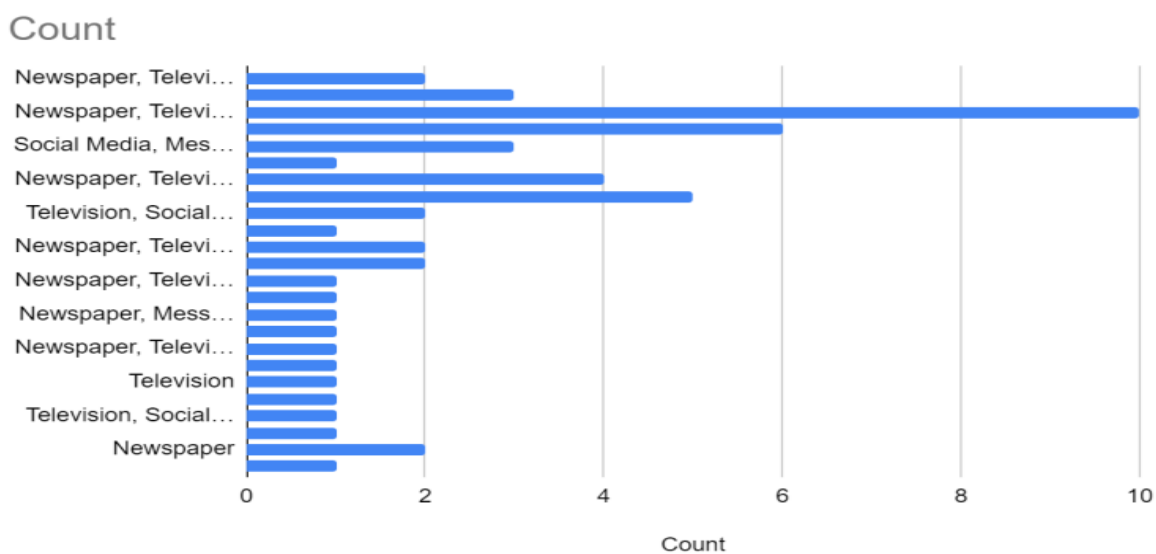


Figure 7

As we can see the data, this shows the frequency of using of mobile banking for any purpose, the non working population rarely use mobile banking for transaction they often prefer to go to bank for the banking transactions.

Victims of Bank Frauds: A Comparative Study between Working and Non- Working People in The City of Delhi

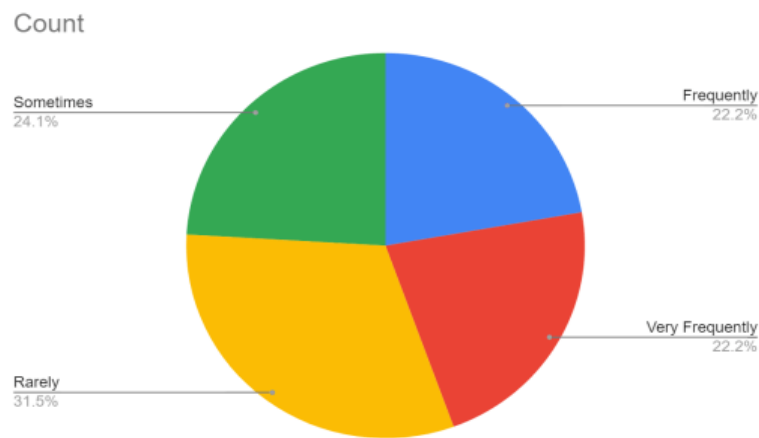


Figure 8

The data shows the responses of have they ever got suspicious mails or messages regarding their account related matter, as we can see many of them have received suspicious messages.

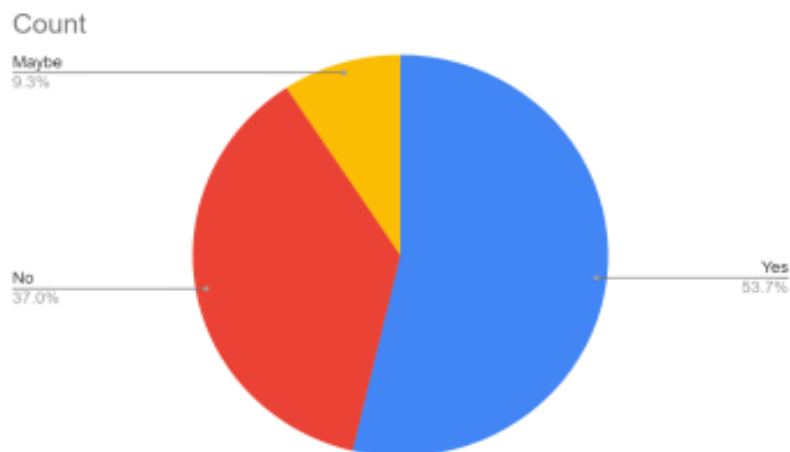


Figure 9

As we can see the data shows many of them did not received messages regarding deduction of money from their account even if they haven't use their cards but few of them have received these kind of messages

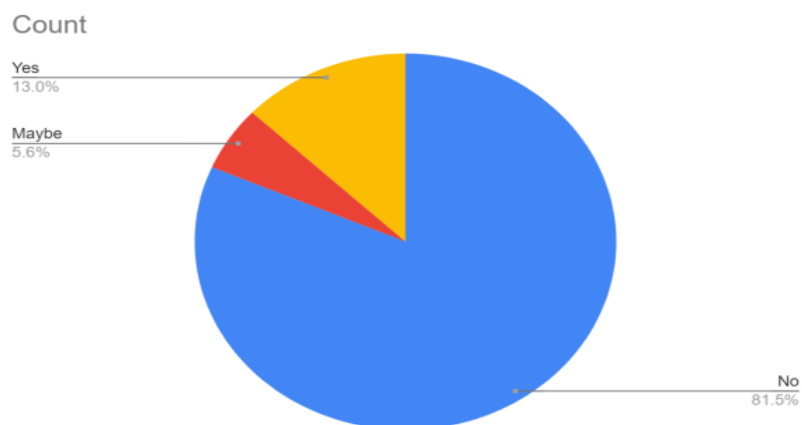


Figure 10

Victims of Bank Frauds: A Comparative Study between Working and Non- Working People in The City of Delhi

As the data shows have, they ever filed a complaint against the fake messages as most of them did not get any such kind of messages so they did not even filed complaint but few of them do.

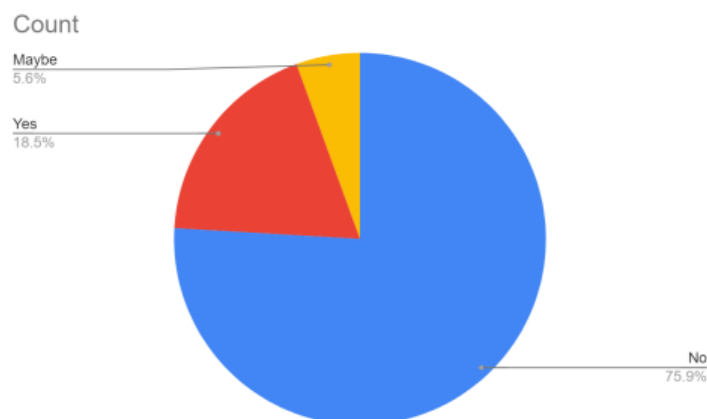


Figure 11

As we can see the data shows that only few of them have responded to the fake mails or messages like wining of jackpots or the random calls regarding their account trouble but most of them never responded to this kind of calls and mails.

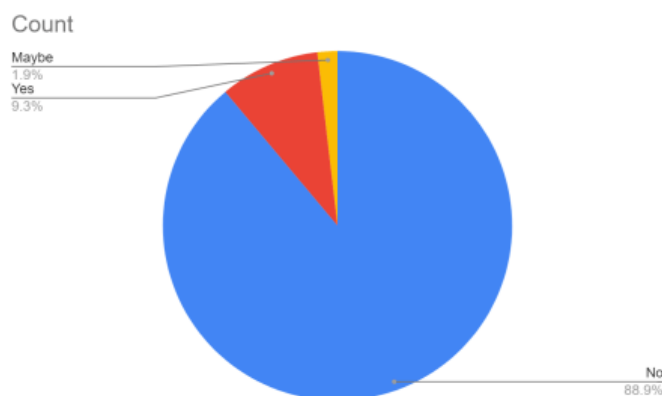


Figure 12

As we can see the data shows that only few of them have ever responded to the fake calls and many of them have never responded to these types of calls.

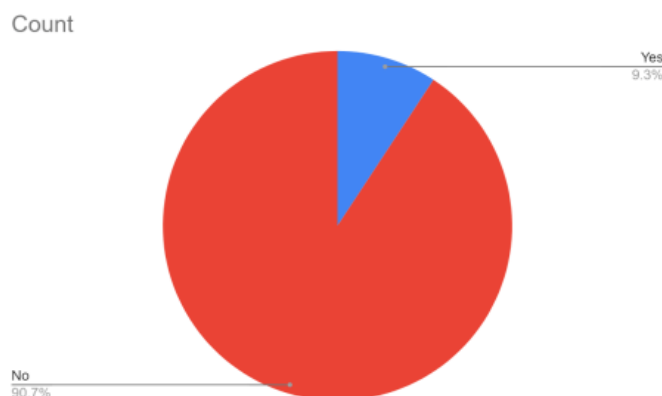


Figure 13

Victims of Bank Frauds: A Comparative Study between Working and Non- Working People in The City of Delhi

As we can see the data shows that many of them have never got trapped by any kind of banking frauds but few of them have got trapped by such frauds

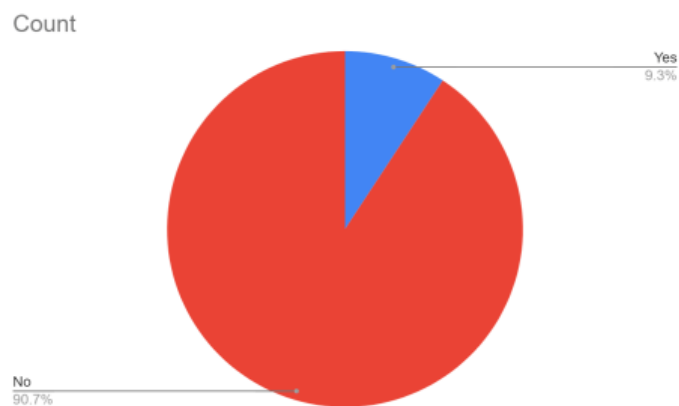


Figure 14

As we can see the data shows many of them never reported banking related crimes as they have never faced these kinds of crimes so they never reported such crimes. But few of them have reported as only few of them have faced such types of crime.

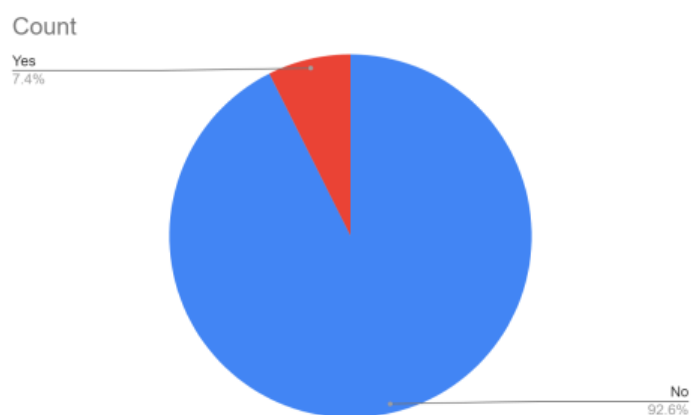


Figure 15

As the data shown the feedback of the complainants, they lodged regarding the frauds they went through, most of them felt that they were not being considered seriously as their complaints were treated so casually due to which most of the people avoid to file complaint against these kind of frauds

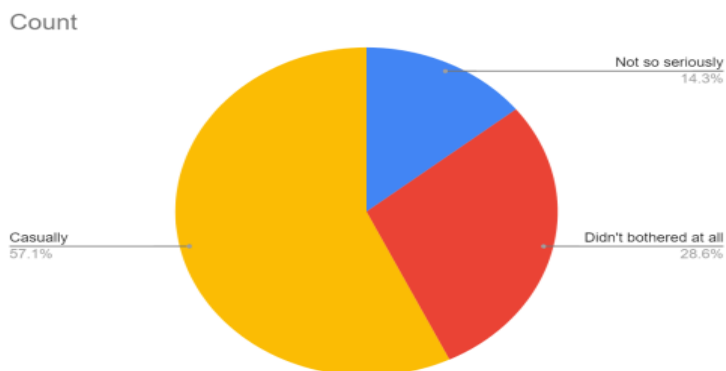


Figure 16

Victims of Bank Frauds: A Comparative Study between Working and Non- Working People in The City of Delhi

As we can see the data, it shows the victim of crimes, and how much money did they have to loose in such types of crimes, as the data shows 10,000 or below is the amount lost by most of them while only few of them have lost money ranging from 10,000-50,000.

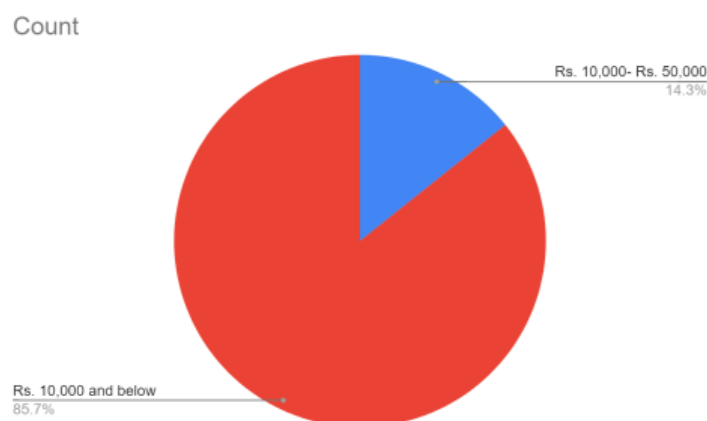


Figure 17

As we can see the data, it shows that many of them never got victimized by banking frauds but few of them are being victimized by such type of frauds.

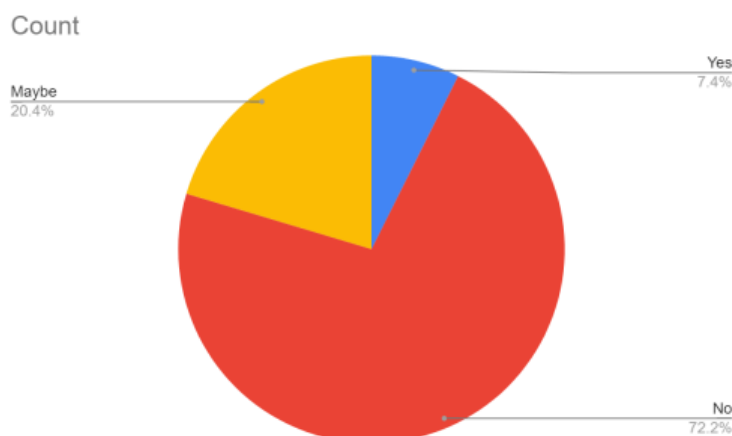


Figure 18

2. Working class

The active participation in the survey was among 18-25 years of age group and 26-32 years of age group as 46.4% and 42.9% people have attended the survey, it shows they are the frequent users of banking services among the other age group.

Table 5

Age group	Percentage
18-25 years	46.4%
26-32	42.9%
33-40	5.4%
41-48	5.4%

Victims of Bank Frauds: A Comparative Study between Working and Non- Working People in The City of Delhi

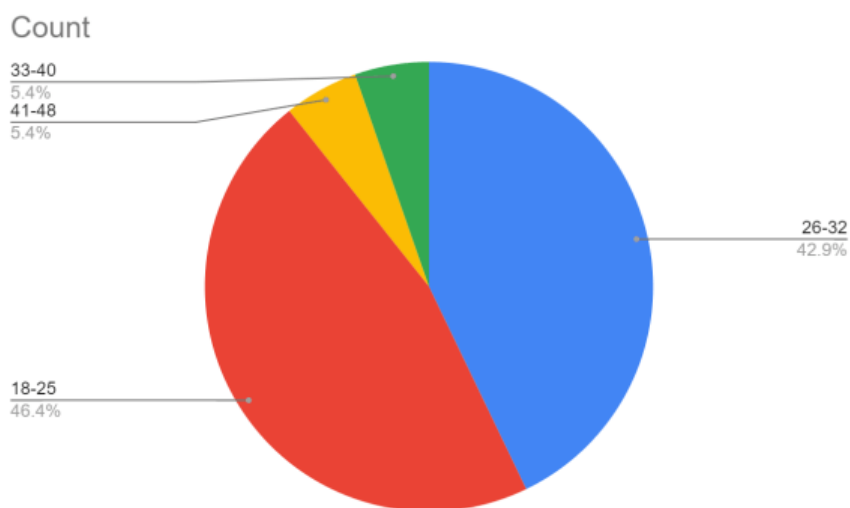


Figure 19

As below data shows male are the active users of banking services than females.

Table 6

Gender	Percentage
Male	67.9%
Female	32.1%

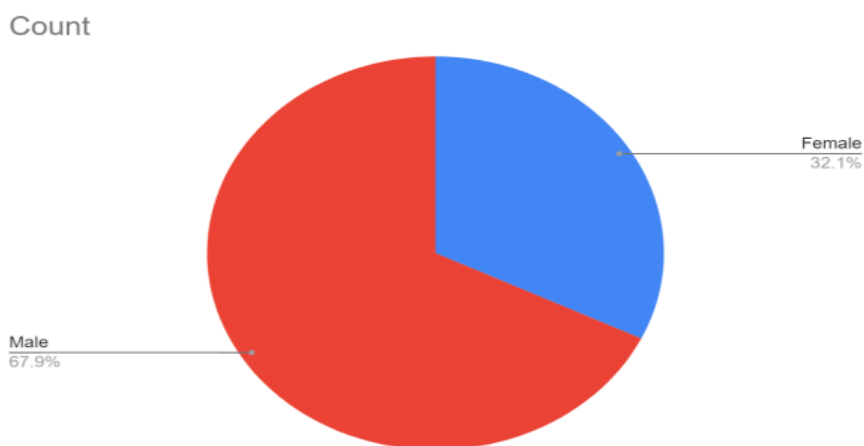


Figure 21

As the data shown below depicts the active participants belongs to the income group of 3-6 lacs and 6-12 lacs.

Table 7

Income group	Percentage
Upto 3 lacs	25%
3-6 lacs	39.3%
6-12 lacs	25%
12-18 lacs	7.1%
18 lacs or above	3.6%

Victims of Bank Frauds: A Comparative Study between Working and Non- Working People in The City of Delhi

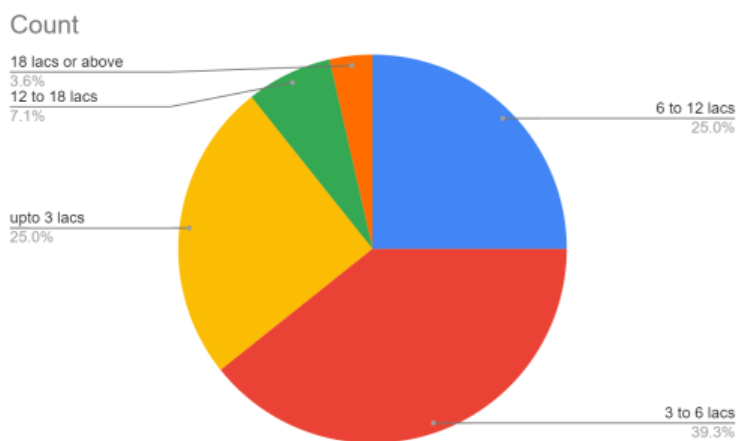


Figure 21

To know the awareness among the working participants regarding the banking frauds, most of them are aware about the banking frauds as the data indicates 75.0% knows or aware about these kinds of frauds. People are well versed with the knowledge of frauds.

Table 8

Awareness measure	Percentage
Yes	75.0%
No	12.5%
Maybe	12.5%

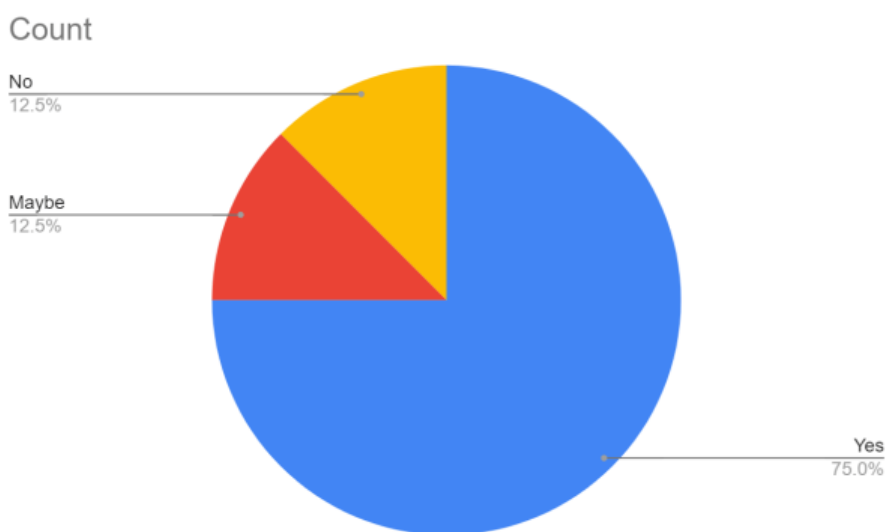


Figure 22

The different sources are the medium of transmission of data to acquire the knowledge about the banking frauds but the most common source are newspaper and televisions. Other sources are social media, messages as these are few medium of transmission of information and to broadcast to the public at large. So, most of the people read newspaper and watch television to get aware.

Victims of Bank Frauds: A Comparative Study between Working and Non- Working People in The City of Delhi

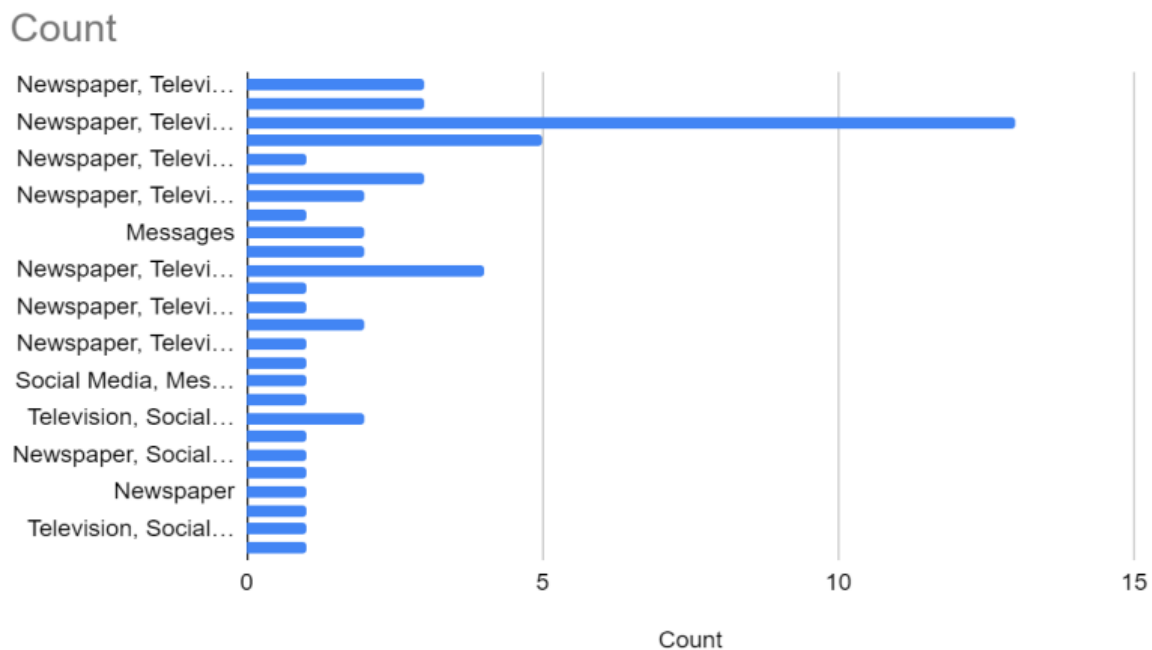


Figure 23

Depending upon the usage of cards which could be debit or credit cards for any other purpose, the victimization or the vulnerability might get increased and the level of frauds might get increased, as the data shows mostly people use their cards sometimes but the frequent users are closer to them.

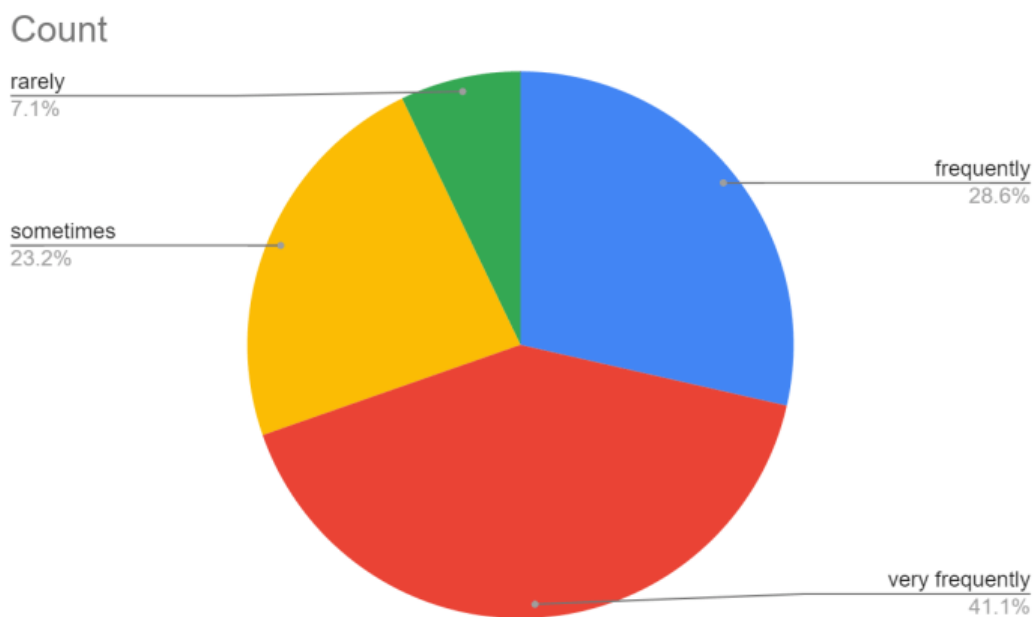


Figure 24

Victims of Bank Frauds: A Comparative Study between Working and Non- Working People in The City of Delhi

As the data shows people use cards for online shopping, offline/ physical shopping, bill payment, ticket booking and withdrawal from ATM for cash. Using cards can lead to the fraud like using skimmers where the cards are being inserted.

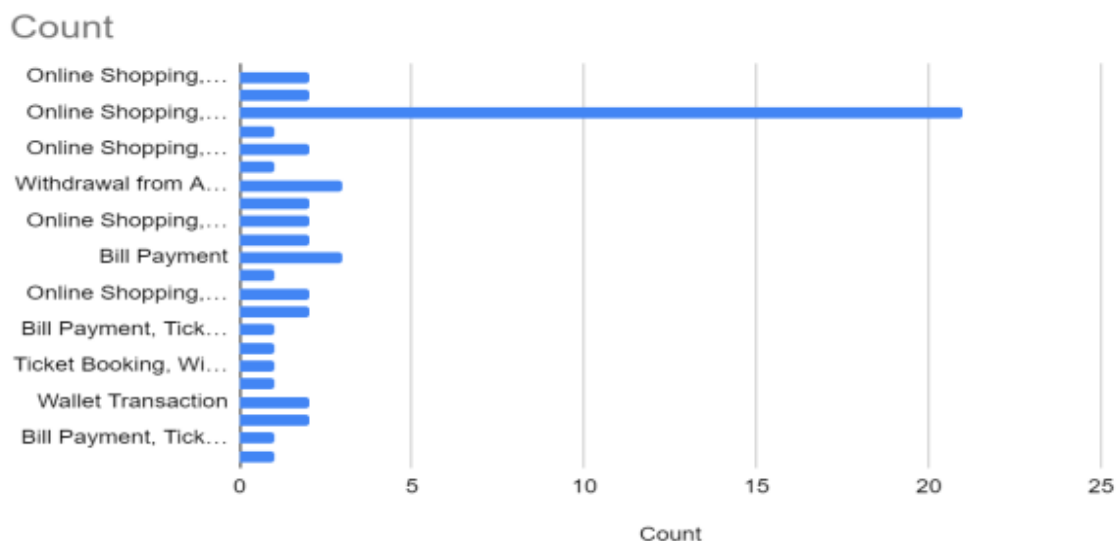


Figure 25

As we can see the data, the working-class people are frequent users of mobile banking.

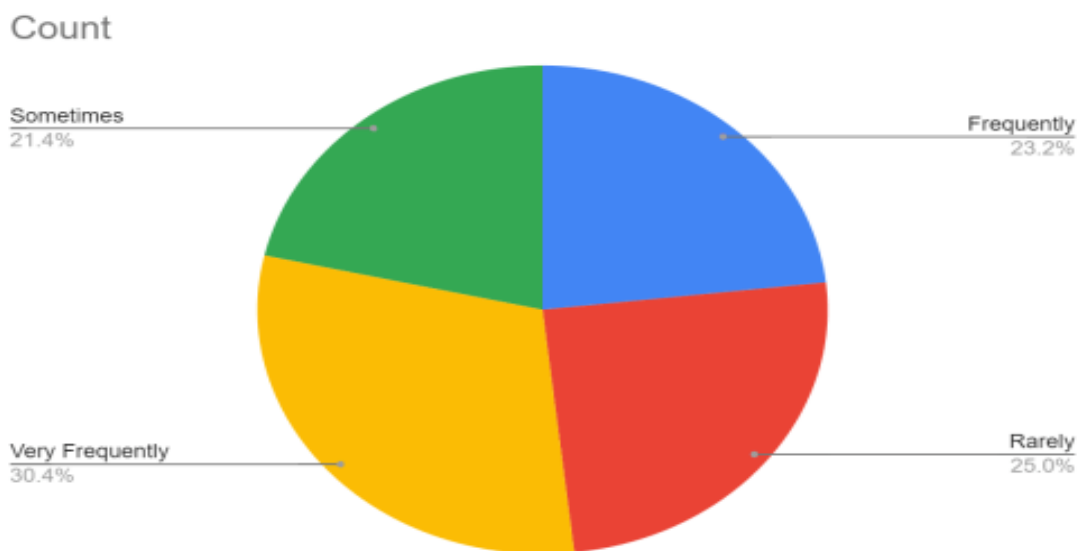


Figure 26

The data shows the responses of have they ever got suspicious mails or messages regarding their account related matter, as we can see many of them have received suspicious messages.

Victims of Bank Frauds: A Comparative Study between Working and Non- Working People in The City of Delhi

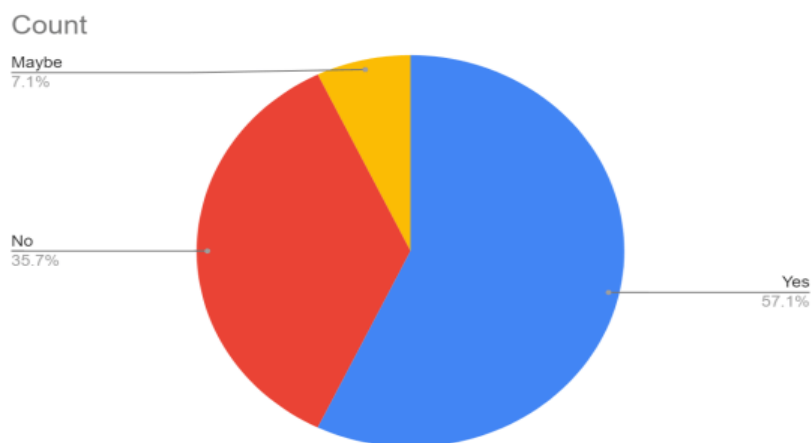


Figure 27

As we can see the data it shows many of them did not received messages regarding deduction of money from their account even if they haven't used their cards but few of them have received these kinds of messages.

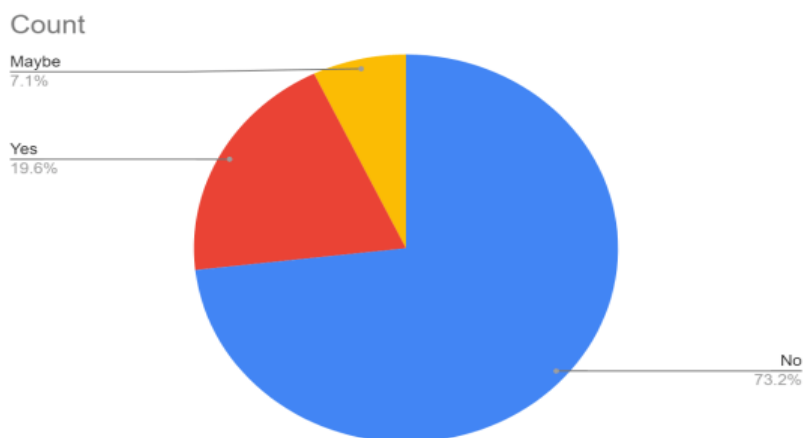


Figure 28

As the data shows have, they ever filed a complaint against the fake messages as most of them did not get any such kind of messages so they did not even filed complaint but few of them do.

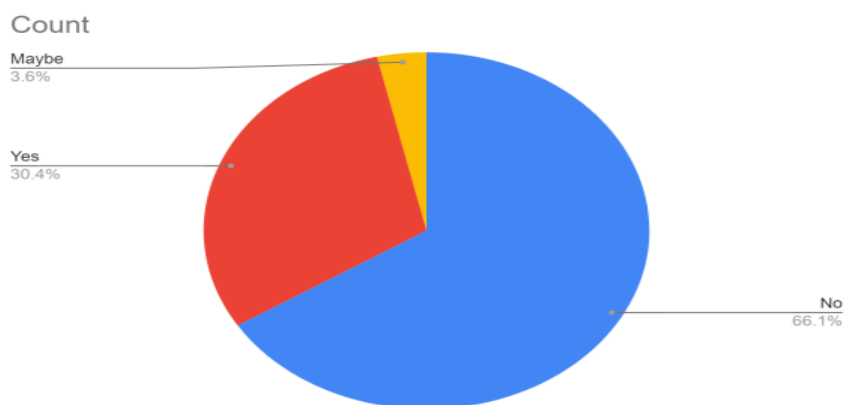


Figure 29

Victims of Bank Frauds: A Comparative Study between Working and Non- Working People in The City of Delhi

As we can see the data shows that only few of them have responded to the fake mails or messages like wining of jackpots or the random calls regarding their account trouble but most of them never responded to these kind of calls and mails.

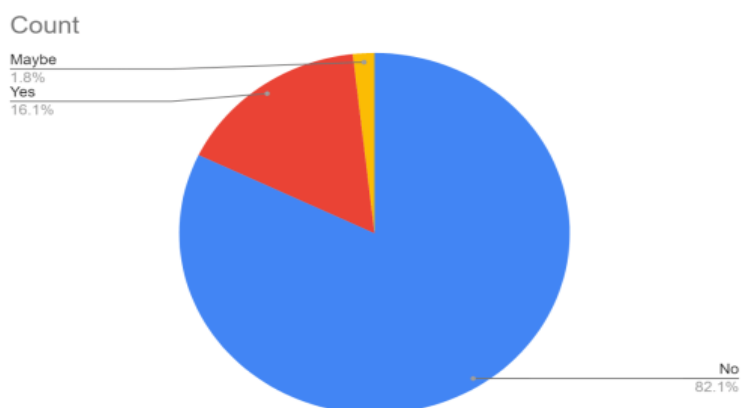


Figure 30

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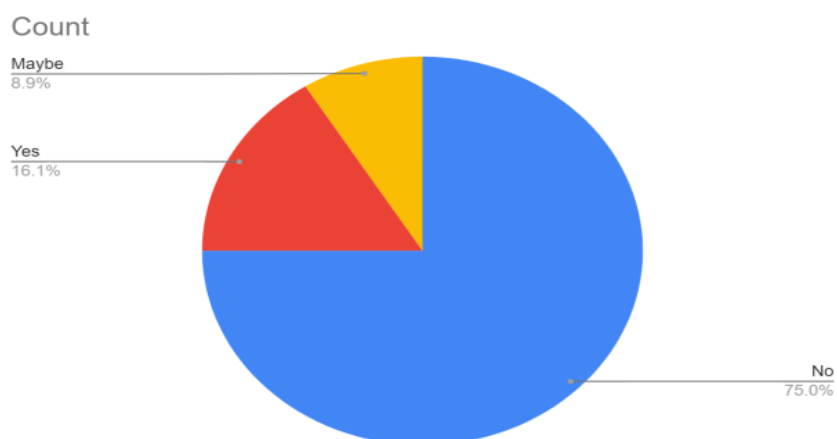


Figure 31

As we can see the data shows that many of them have never got trapped by any kind of banking frauds but few of them have got trapped by such frauds

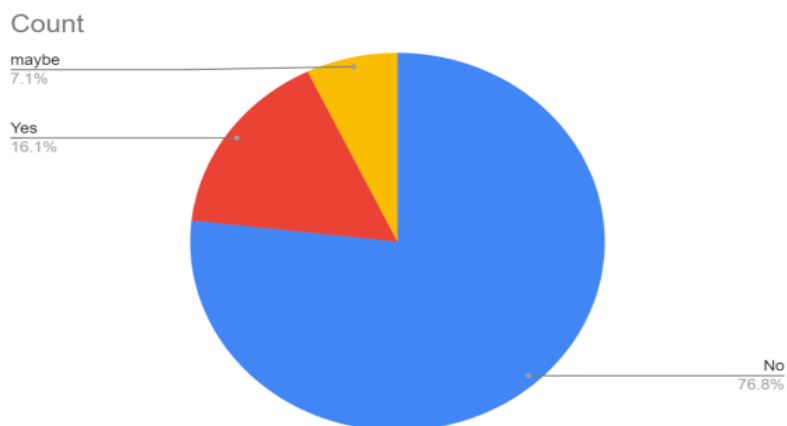


Figure 32

Victims of Bank Frauds: A Comparative Study between Working and Non- Working People in The City of Delhi

As we can see the data shows many of them never reported banking related crimes as they have never faced these kind of crimes so they never reported such crimes. But few of them have reported as only few of them have faced such types of crime.

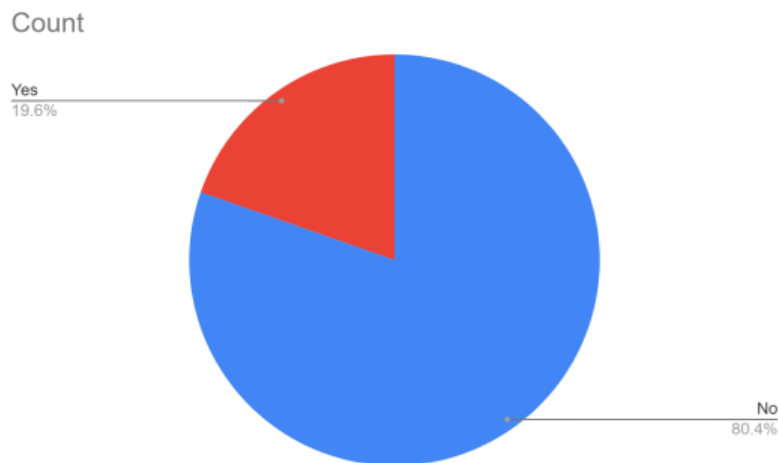


Figure 33

As the data shown the feedback of the complainants, they lodged regarding the frauds they went through, most of them felt that they were not being considered seriously as their complaints were even bothered due to which most of the people avoid to file complaint against these kind of fraud.

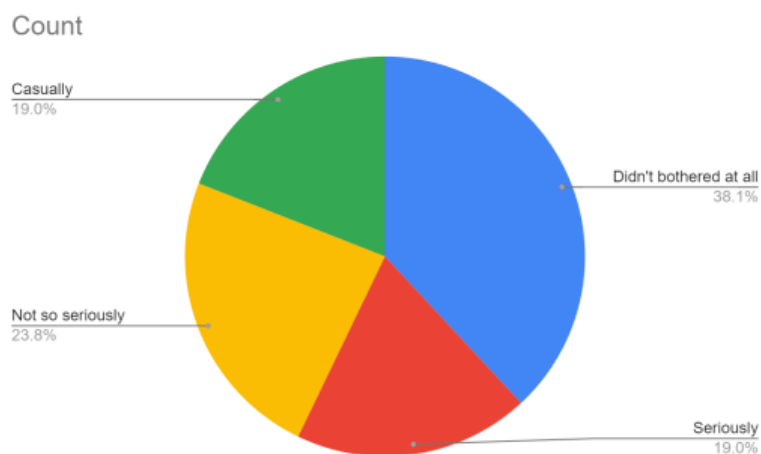


Figure 34

As we can see the data, it shows the victim of crimes, and how much money did they have to loose in such types of crimes, as the data shows 10,000 or below is the amount lost by most of them while only few of them have lost money ranging from 10,000-50,000.

Victims of Bank Frauds: A Comparative Study between Working and Non- Working People in The City of Delhi

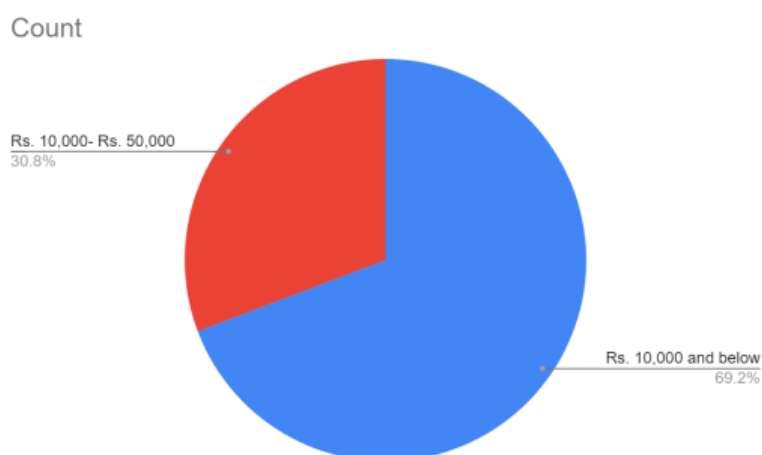


Figure 35

As we can see the data, it shows that many of them never got victimized by banking frauds but few of them are being victimized by such type of crime

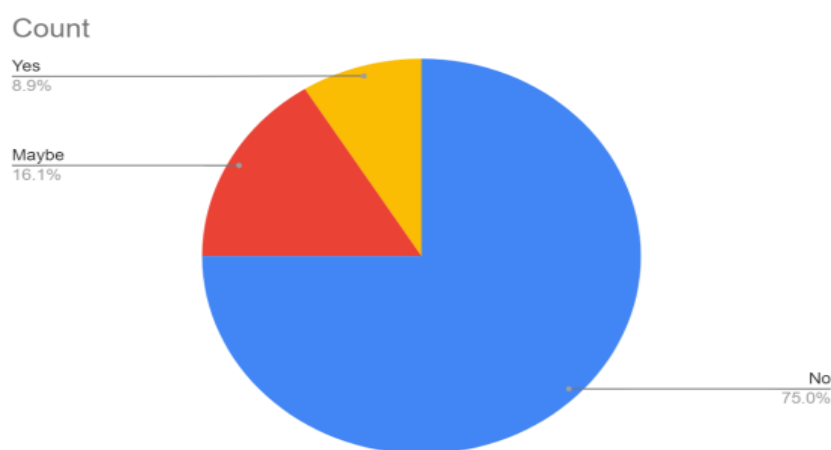


Figure 36

The following table depicts the concluded comparison between working and non-working:
Table 9

S.No.	Variables	Non-working	Working
1.	Awareness (refer to question no.4)	61.1%	75%
2.	Frequent users of cards (refer to question no. 6)	24.1%	41.1%
3.	Suspicious messages (refer to question no. 11)	13%	19.6%
4.	Attentive towards action should be taken to deal with the cases of banking frauds (refer to question no. 13)	18.5%	30.4%
5.	Responded to the fake messages (refer to question no. 15)	9.3%	16.1%
6.	Complaints filed against banking frauds (refers to question no. 18)	7.4%	19.6%
7.	Victimization (refer to question no. 20)	27.4%	25%

Victims of Bank Frauds: A Comparative Study between Working and Non- Working People in The City of Delhi

Recommendations

- To ensure the safety of the customers, the safety measures should be adopted by banks.
- The awareness programmes should be conducted by banks.
- The security system should be installed in the ATM machines so that in case of any skimmers present in the machine can be detected.
- The ATM cards should be modified so that the unwanted machines would be able to read the data.
- Strict provisions should be made for the banking frauds.
- Police should respond to the complaints as early as possible.
- For online banking, more security needed.
- People must be aware about the banking frauds to avoid getting victimized.
- All the banks should timely send E-mails regarding to be cautious about suspicious calls and messages.

CONCLUSION

Based on the findings of present study following conclusions can be drawn that Working class group are quite more aware about the banking frauds than non-working-class group, Credit and debit cards are the most common type of banking fraud, mostly bank frauds are committed by phishing, whisking or by stealing data from third party. The impact of banking frauds are same between working and non-working group of people.

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Victims of Bank Frauds: A Comparative Study between Working and Non- Working People in The City of Delhi

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Conflict of Interest

The author(s) declared no conflict of interest.

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