

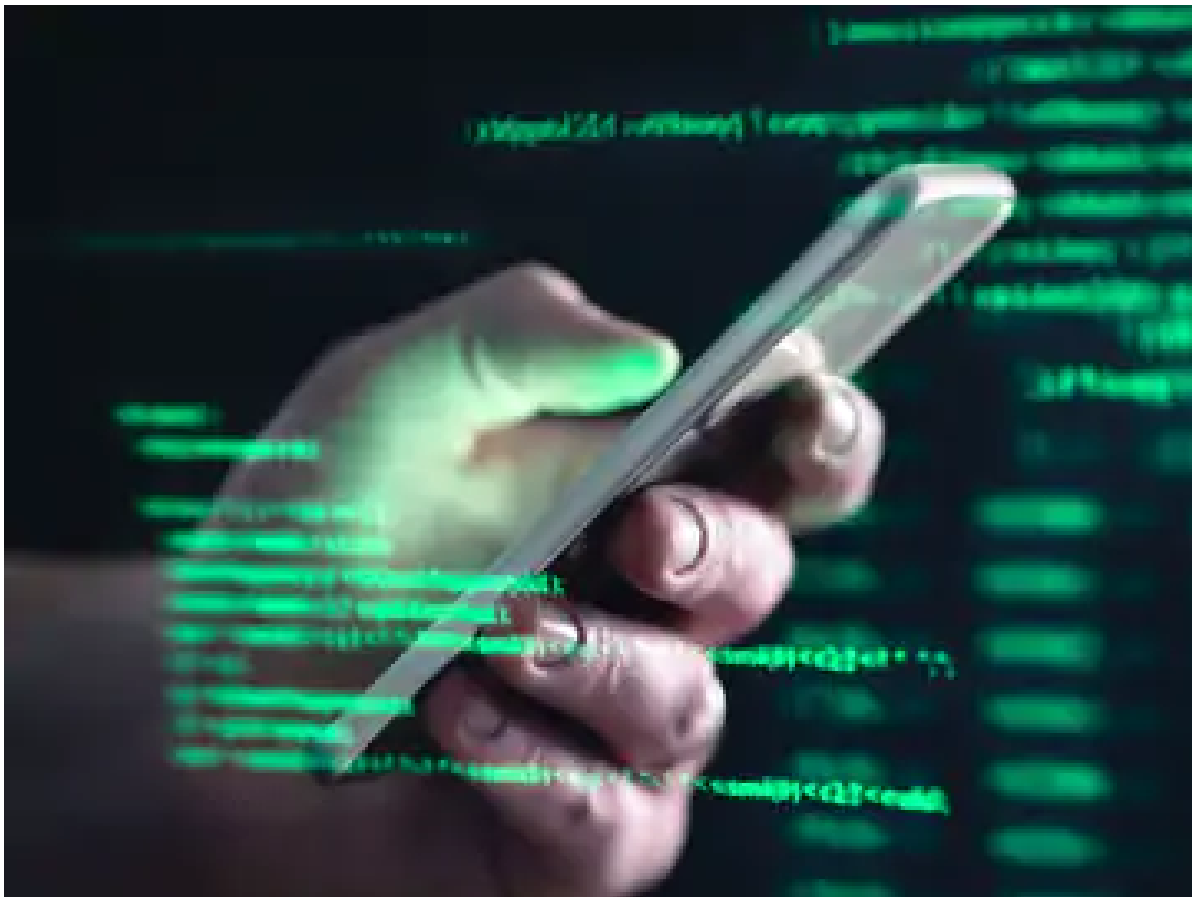
Do not hesitate to complain about fraud in loan apps | रसरंग में आपके अधिकार: लोन एप्स में धोखाधड़ी शिकायत करने से हिचकें नहीं

● bhaskar.com/magazine/rasrang/news/do-not-hesitate-to-complain-about-fraud-in-loan-apps-133463799.html

August 11, 2024

Your rights in Rasrang: Do not hesitate to complain about fraud in loan apps

Gaurav Pathak 2 days ago



The scope of small loans is constantly increasing in India. The main reason for this is the lack of cash in the hands of the people. They make up for this shortage by taking loans. Since most banks and financial institutions have a lot of formalities to get a loan, people take the help of loan apps and this is where many people get trapped. Let us know what kind of provisions are there in favor of consumers in relation to taking loans on such apps and what can customers do in case of any problem.

Consumer Protection: RBI Guidelines

After several incidents of loan apps came to light, RBI had issued a master direction, which said that non-banking financial companies (NBFCs) cannot resort to undue harassment like using muscle power to constantly harass borrowers. RBI had also said that NBFCs cannot charge excessive interest rates and they must have a redressal mechanism to resolve customer complaints. In the guidelines, RBI also said that outsourcing any activity by NBFCs does not reduce their obligations, as the responsibility of complying with regulatory instructions rests entirely with them.

What are the options available to the customer?

1. If a person has fallen prey to a fraudulent loan app and is facing its illegal actions, he has several options available. The first step should be to submit the information on the National Cyber Crime Reporting Portal or by calling 1930. You can also file an FIR in this regard. If the threat posed by the loan app involves sharing morphed photos, the FIR will include relevant provisions of the Information Technology Act, 2000.
2. If the consumer is facing harassment or fraud after taking a loan from an app which is owned by a bank or NBFC or that app has a tie-up with a bank or NBFC, then the customer can also contact the RBI Ombudsman. In this regard, RBI has already cancelled the licenses of two NBFCs which were not following its instructions.
3. Under the Consumer Protection Act, 2019, consumers can file complaints for deficiency in service, unfair trade practice and misleading advertisement. This process takes place online through the 'e-filing platform'. Consumers can also claim compensation for mental harassment and physical harm.

Right to approach Consumer Commission

As per Section 34 of the Consumer Protection Act, 2019, consumer disputes up to Rs 50 lakh can be filed in the District Consumer Commission. If the decision is in favour of the consumer, the Commission can order the refund of the excess charges paid using its power under Section 39(1)(c) of the same Act. Apart from this, the Commission can award compensation for any loss suffered by the consumer through Section 39(1)(d) of the Act. The cost of litigation can also be awarded under Section 39(1)(m).

(The author is Assistant Professor at Jindal Global Law School and Secretary, CASC.)

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