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**ANALYZING FINANCIAL FRAUD VICTIMS' PERSPECTIVES ON
STAKEHOLDERS' LEGAL ASSISTANCE**

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ABSTRACT:

The rise in technological advancement and artificial intelligence has helped in developing instantaneous communication, along with a spike in financial fraud. Not just in number, financial fraud also occurs in many different types. This causes emotional and financial distress to victims. Thus, it becomes necessary to get legal assistance. Legal assistance is provided by stakeholders such as support groups, legal professionals, law enforcement agencies, and many more. Each of them has their own significance in providing legal assistance to victims. The path to getting justice and recovering financial losses is filled with many legal and administrative hurdles. The complicated procedures and lengthy delays in investigations are some of the legal obstacles that pose a hindrance to getting justice.¹ Thus, many victims don't want to spend their time and resources to recover back the monetary losses. Despite the struggles, it is important for the victims to be aware of their rights. The National Cybercrime Reporting Portal is a place where victims can file their complaints of cyber financial fraud. FIR can also be filed by the victim within their respective state. Along with legal assistance, education, and awareness about tackling financial fraud is really important for the country's growth and development.

KEYWORDS: Financial Fraud, Legal Assistance, Stakeholders, Financial Fraud Victims.

INTRODUCTION:

With the rise in the digital era, the world has seen many developments in the field of technology and artificial intelligence. Now it won't cost a minute to send information to another person living at a far-away place. At the same time, financial frauds have also taken a great spike. Now both valuable information and financial fraud transcend geographical boundaries. Amidst the challenges posed by fraudulent activities, victims are the ones most likely to suffer. Despite

¹ unodc.org, <https://www.unodc.org/dohadeclaration/en/news/2018/04/corruption--human-rights--and-judicial-independence.html>, (last visited Nov. 26, 2023).

the worst experiences, the victims may have, they might suffer from many legal and administrative hurdles. With the rise in fraud cases, the pressure rises upon law-abiding and law-enforcement agencies. Legal and administrative hurdles are bound to rise. It becomes difficult for victims to get legal help. Thus it is necessary that the legal assistance being provided by the stakeholders is enhanced and the victims shall learn to tackle these problems.

INTRODUCING TO 'FINANCIAL FRAUD:

Financial Fraud is a white-collar crime that occurs when someone deprives a person of his/her money, capital, or financial health through deceptive and illegal means or criminal activity. There is a need to understand different types of financial fraud to protect oneself.

TYPES OF FINANCIAL FRAUDS:

There are many types of Financial Fraud – Credit Card Fraud, Bank fraud, Phishing, UPI fraud, KYC fraud, Identity theft, Mortgage fraud, etc. Some common types of fraud are discussed below.²

- Identity theft – This involves using someone's personal financial information to withdraw money from the victim's bank account. E.g.: - Sharing personal bank details with people who appear to be employees at official institutions or government agencies.
- Investment Fraud – Misrepresentation of information to entice, manipulate, and induce investors to invest money. E.g.: - Ponzi schemes where people promise higher returns to new investors and use that money to pay back earlier investors.
- Mortgage and Lending Fraud – Lenders selling mortgages or loans using false information, or someone opening a mortgage or loan using another person's financial information.³
- Mass Marketing Fraud – Mass emailing, sending spam emails with the intention of stealing the person's financial information. The mail can be sent from charities, lotteries, etc.
- Corporate Fraud – Misrepresentation of companies' information to make profits illegally by misinforming the public.

² RBI, <https://rbi.org.in/>, (last visited Nov. 26, 2023).

³ victimconnect, <https://victimconnect.org/learn/types-of-crime/financial-fraud/>, (last visited Nov. 26, 2023).

EXPERIENCES OF FINANCIAL FRAUD VICTIMS:

According to a survey conducted by an entity, 70% of victims of financial fraud in India, never get their money back.⁴

1. Financial losses –

- Victims might lose their savings, and investments in financial fraud leading to financial instability.
- It can affect people to meet their daily financial obligations like paying taxes, tuition fees, maintenance, interest, etc.
- If the money lost doesn't much hamper their daily needs, victims don't seek legal help as seeking legal help costs money and time.

2. Emotional distress –

- Losing hard-earned money or savings hurt. It can cause anxiety and a sense of helplessness.
- Victims may even experience shame and embarrassment because society might ridicule them for their lack of knowledge or for not being careful.
- Even the victims themselves might feel guilty and powerless.
- There can be also psychological consequences like PTSD (Post-Traumatic Stress Disorder).

3. Trust issues –

- Financial Fraud betrays the trust of victims, leading to anger and disappointment.
- Victims will have no more confidence in financial institutions, befalling the growth of the victim, and affecting the economic growth of the country in the long run if there is a rise in financial fraud.

STAKEHOLDERS PROVIDING LEGAL ASSISTANCE:

1. Online Fraud Complaint or Helpline No. – Fraud complaints can be registered through the National Cybercrime Reporting Portal. If the person has paid money in exchange for goods or services, then the victim can file a complaint at the National Consumer Portal.⁵

⁴ Abishek Awasthi, 70% victims of financial fraud in India 'never' get their money back, survey finds, FIRSTPOST, (Nov. 27, 2023, 9:29 PM), <https://www.firstpost.com/india/70-victims-of-financial-fraud-in-india-never-get-their-money-back-survey-finds-12538202.html>

⁵ cybercrime GOV, <https://cybercrime.gov.in/Webform/FAQ.aspx>, (last visited Nov. 26, 2023).

2. Law Enforcement Agencies – Financial Fraud victims can lodge an FIR offline or online. With the digital world growing, FIR can now be lodged online by registering a complaint on the official website of the victim's state police.
3. Support Organisation – Victims can also reach Non-Governmental Organisations, Non-Profit Organisations, and Legal aid Clinics.
4. Legal Professionals' Help – Victims usually go for this if there is a huge amount of money involved. Victims can take the help of legal professionals like advocates or prosecutors who can assist them in recovering their losses.

Legal assistance might involve the above stakeholders but is not limited to this. Financial Fraud victims can also get financial help from financial institutions like banks and psychological help from mental health institutions.

FINANCIAL FRAUD VICTIMS' PERSPECTIVES ON STAKEHOLDERS' LEGAL ASSISTANCE:

1. Resource Constraints for Legal Representation – Not everyone can consult a lawyer to take up their case. It takes time and money. If a person has financial constraints, then they can go for pro bono legal services, but legal aid is mostly available in city areas, so this makes it challenging for the victims to get legal aid.
2. Stigmatization – At times due to society's judgment, many may feel uneasy about receiving legal remedies or legal advice from pro bono legal services. It is likely that people around them might feel that the victim has poor financial status, thus making them feel inferior. The victims might also feel that their lack of knowledge, understanding, and awareness has led them to lose money, which might affect their reputation in society. This might induce them not to get legal help but rather live in losses.
3. Burden of Proof – The victims have to gather all the evidence, consolidate it, and give it to the required authorities. If the required documents are not present, it might dismiss their case.
4. Complex legal processes – Victims have to abide by many complex procedures such as filing complaints, gathering and submitting all evidence, hiring an advocate (if needed), and attending court proceedings.

5. Unresponsive law enforcement agencies – It is a matter of possibility that some other victims might have more issues than some victims. So not every time you go to register your complaint or enquire about any legal procedures, you can get the required help. But with the rise in technology, the procedures can be made more viable.
6. Lengthy delays – The investigations and court proceedings are time-consuming as investigating the criminal might take time and court dates may be postponed. Thus, victims are not likely to invest their time and money in them.

ENHANCING STAKEHOLDERS' ASSISTANCE:

1. **Streamlined legal processes** – There is a need to make processes streamlined and more accessible. The websites, where complaints can be registered, don't work properly. Their efficiency can be increased to ensure a smooth registration of complaints.⁶
2. **Clearer communication channels** – The investigation process is time-consuming and so many cases are getting piled up, hence there is a need for better communication from law enforcement agencies.⁷
3. **Affordable and Accessible Legal Representation** – It is necessary to ensure the availability of pro bono legal or affordable services to the victims, who have suffered huge financial losses, thus ensuring equitable access to legal support.⁸
4. Collaborative efforts – There needs to be collaboration among stakeholders such as law enforcement agencies, legal professionals, financial institutions, and other stakeholders involved.⁹
5. **Public Awareness** – There is a need to educate people about the risks of financial fraud and how to mitigate them. Education and curriculum regarding the safety measures of financial fraud can be formed to make people more aware and more responsible.
6. **Giving importance to Financial Fraud Cases** – Financial fraud is not taken into much consideration, because it is a kind of white-collar crime. So cases where less money is involved, authorities don't pay much attention to it as compared to blue-criminal cases. Hence there must be a focus on these fraud cases to save victims' money thus saving the country's assets.

⁶ Adv. Deepak Pandey, Revolutionize Property Registration with NGDRS, ezylegal, (Nov. 27, 2023, 9:29 PM), <https://www.ezylegal.in/blogs/revolutionize-property-registration-with-ngdrs>

⁷ Id, at 1113.

⁸ Id, at 1113.

⁹ Id, at 1113.

PRECAUTIONS TO BE TAKEN BY FINANCIAL FRAUD VICTIMS

There are many precautions that need to be followed, some of them are:

- Be aware of shoulder surfing. Cover the keypad with your other hand while entering the PIN.¹⁰
- One should never sign on blank paper.
- Bank officials / financial institutions / RBI / any genuine entity never ask customers to share confidential information such as username/password/card details / CVV / OTP.¹¹
- Do not click on unknown/unverified links. Always go to the official website of your bank/service provider.

STEPS TO BE TAKEN BY FINANCIAL FRAUD VICTIMS WHILE SEEKING LEGAL ASSISTANCE:

1. If there is an unauthorized bank transaction in your bank account, it needs to be reported immediately to the bank. If there is no fault with the bank the bank will pay back the lost amount. Also, the bank account needs to be blocked and money needs to be moved to a new account.
2. Financial Fraud should be complained about within a few hours of the crime occurring. It is important not to get it delayed for weeks, because then it might be very difficult for the authorities to get track of it.
3. Fraud complaints can be registered through the National Cybercrime Reporting Portal. The portal can be visited at this link¹². Go to the tab 'REPORT CYBER CRIME', and then a drop-down menu appears. Choose 'FINANCIAL FRAUD', and then click on 'File a Complaint'. The necessary details are filled in. Complaints can be tracked at 'TRACK YOUR COMPLAINT'. The complaint for online financial fraud can also be registered by calling at the helpline no - 1930.
4. FIR can be filed for financial fraud. FIR can be filled in the following steps:- Visit the website of the state where the fraud was committed. If they do not respond to an online

¹⁰ victimconnect, <https://victimconnect.org/learn/types-of-crime/financial-fraud/>, (last visited Nov. 26, 2023).

¹¹ Modus Operandi and Precautions to be taken against Fraudulent Transactions – Banks, <https://vikaspedia.in/social-welfare/financial-inclusion/be-aware-and-beware-/modus-operandi-and-precautions-to-be-taken-against-fraudulent-transactions-banks> (last visited Nov. 16, 2023).

¹² cybercrime GOV, <https://cybercrime.gov.in/>, (last visited Nov. 26, 2023).

complaint or if they do not accept the complaint even after going to the police station, then the Commissioner or the Judicial Magistrate of the city can be approached.¹³

5. If a victim would like to get help from a legal professional for his/her case, then local attorneys may be contacted. The victim can file a civil, or criminal complaint.
 - Criminal prosecution against fraudsters can help in reducing future criminal activity and assuring victims that the culprit is given punishment, but the compensation might not be given as required.
 - Filing a civil lawsuit can be helpful in recovering losses.

CONCLUSION:

Although it is an imperative need to enhance providing legal assistance to the people, at the same time the victims should know the steps to tackle this problem by getting legal assistance. Despite the hardships the victims have to undergo, the victims must definitely learn about their rights to get protected in case such fraud occurs. It is not only for the person and his/her family to learn about his/her rights but it is also necessary so that other people don't get harmed by the same perpetrator. Along with legal assistance, provisions must be made for victims, old citizens, and psychological counseling for the mental well-being of the people. These calls for cooperative efforts from legal professionals, support groups, and legal enforcement agencies to discuss these dominant issues of society. Empowering the citizens about financial fraud cases through awareness and education is a way to enlighten the entire society about the pros and cons of the digital world and help them understand how to use digital applications to their own advantage. This will help the country to become more sustainable in the upcoming days.

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¹³ Step-by-Step Guide to approaching online fraud, <https://www.bajajfinserv.in/step-by-step-guide-to-reporting-onlinefraud#:~:text=The%20national%20cybercrime%20hotline%20number.ready%20to%20substantiate%20your%20claim> (last visited April 6, 2023)