

The Digital Age of Finance: Why Data Privacy is Your Financial Lifeline



From The Editor's Desk

Dear Reader,

Protecting your personal and financial information is of utmost importance. Safeguarding such personal information is essential to prevent identity theft, fraud, and unauthorized access, which can lead to severe financial and personal repercussions. It also offers actionable measures and best practices for protecting personal finance data and aims to empower readers with the tools needed to enhance their data security.

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Regards,

NSDL – Your Depository

The Digital Age of Finance: Why Data Privacy is Your Financial Lifeline

In today's world, people rely heavily on technology for managing their personal finances. From budgeting apps and mobile banking tools to online investment platforms and digital wallets, technology offers a convenient and efficient way to track income, expenses, and investments. However, this convenience comes with a hidden cost: the potential exposure of sensitive financial data.

Data breaches, phishing scams, and malware attacks are constant threats in the digital landscape. When such compromises occur, the consequences can be severe. Individuals might have to deal with identity theft, fraudulent transactions, reputational damage or financial loss. Understanding the importance of data privacy in personal finance management and adopting proactive measures to safeguard information is crucial for protecting your financial well-being.

Why Data Privacy Matters in Personal Finance

Personal finance data encompasses a wide range of sensitive information, including bank account details, credit card numbers, income records, investment holdings, and transaction history. Safeguarding this data is essential for several reasons:

Preventing Identity Theft

Data breaches can expose your personal and financial information, which can then be used to open fraudulent accounts, steal your identity, or make unauthorised purchases in your name which would be unlawful.

Protecting Against Fraudulent Transaction

Hackers can use stolen financial information to access your bank accounts, credit cards, and investment portfolios, leading to unauthorised withdrawals, transfers, or illegal purchases.

Maintaining Financial Security

Compromised financial data can also be used to target you with phishing scams and other fraudulent activities.

You can get tricked into revealing personal information or clicking malicious links that download malware onto your devices, ultimately compromising financial data. This can lead to financial losses and shake your trust in the financial system.

Safeguarding Your Credit Score

A data breach can expose your credit information, making you vulnerable to identity theft, which can negatively affect your credit score.

Risks and Challenges to Data Privacy

Data privacy breaches can occur in various ways, each posing a significant threat to financial well-being. Here are some common threats to be aware of :

Malware Attacks

Malicious software (malware) can be installed on your computer or mobile device through various means, like infected downloads or clicking suspicious links. Once installed, malware can steal sensitive data, including login credentials and financial information, without your knowledge.

Data Breaches

Cybercriminals who exploit security vulnerabilities to access personal and financial data can target companies that store this information. Data breaches can result in the leak of millions of individuals' data, posing a significant risk to financial security.

Weak Passwords and Unsecured Networks

Using weak passwords or accessing financial accounts on public Wi-Fi networks significantly increases the risk of unauthorised access to your data.

Caution against fraudulent Apps!

Fraudulent apps lure people in with unrealistic guarantees of high returns. They may look professional and mimic legitimate apps, but they're designed to steal your money. Once you invest, the money goes straight to the scammers, and there's no real trading happening.

Scammers also often use social media platforms like WhatsApp, Telegram, Facebook, etc. to spread the word about their fake apps. They create fake profiles or groups that build trust and excitement around the app, then trick people into downloading it.

Sometimes, scammers impersonate real financial institutions or brokers to appear trustworthy. They might use similar logos or names to a legitimate company to confuse investors.

Here are some red flags to watch out for :

Guaranteed High Returns

If an app promises super high returns with no risk, it may be a scam.

Unregistered Platforms

Only invest through apps registered with legitimate financial authorities. Do your research!

Pressure to Invest Quickly

Scammers will often push you to invest fast, not giving you time to think it through.

Building Your Digital Defense: Strategies for Safeguarding Your Personal Finance Information

Fortunately, there are several steps you can take to improve your data privacy and protect your financial information:

Strong Passwords & Two-Factor Authentication

Use strong, unique passwords for all your financial accounts and online services. Enable two-factor authentication (2FA) wherever available. This adds an extra layer of security by requiring a second verification code, typically sent to your phone, in addition to your password when logging in.

Beware of Phishing Scams

Be cautious of emails, text messages, or phone calls claiming to be from your bank or other financial institutions. Never click on suspicious links or attachments in these messages. Always verify the sender's identity directly by contacting your financial institution through a trusted phone number or website.

Secure Your Devices

Install reputable anti-virus and anti-malware software on all devices you use for accessing financial information. Keep your operating system and software up to date with the latest security patches.

Privacy Settings

Review and adjust the privacy settings for all your financial apps and online accounts. Limit the amount of information you share and restrict access to non-essential data.

Monitor Your Accounts Regularly

Regularly monitor your bank statements, credit card statements, and investment account activity for any suspicious activity. Report any unauthorized transactions immediately to your financial institution.

Secure Wi-Fi Connections

Avoid accessing financial accounts on public Wi-Fi networks as they are inherently insecure. If you must use public Wi-Fi, consider using a virtual private network (VPN) to encrypt your data.

Beware of Unregulated Financial Apps

Before downloading free financial apps, scrutinize their privacy policies and understand how they collect, store, and use your data.

Beware of Social Engineering

Social engineering tactics use deception to manipulate individuals into revealing personal information. Be cautious of unsolicited calls, emails, or messages that pressure you for information or try to create a sense of urgency.

With the rise of technology, AI is also emerging as a powerful tool for enhancing data privacy in the financial sector. AI-powered security systems can analyse user behaviour patterns in real time, identifying suspicious activities and anomalies that might indicate fraud attempts. This proactive approach can help prevent unauthorised access and financial losses before they occur. Additionally, AI can be used to anonymise user data, further protecting sensitive information while still allowing financial institutions to personalise services and improve the overall customer experience.

Building a strong data privacy defence requires vigilance. By following these steps and adopting a security-conscious approach, you can empower yourself to manage your finances in the digital world with confidence and protect your financial well-being.

Data privacy is a shared responsibility. Financial institutions also play a crucial role in safeguarding customer data by implementing robust security measures, investing in data encryption technologies, and remaining transparent about data collection practices. Additionally, staying informed about emerging threats and adapting your security practices accordingly is essential.



The article is written by Mr. Sarvjeet Virk,
Co-founder & Managing Director, Finvasia

Key Information for Investors

Investor Grievance Redressal Mechanism

1. SEBI Master Circular on the redressal of investor grievances through the SEBI Complaints Redress System (SCORES) platform dated November 7, 2022.

Investors can access the master circular with the below link.

[SEBI | Master Circular on the redressal of investor grievances through the SEBI Complaints Redress System \(SCORES\) platform](#)

2. We encourage investors to Read '**Investor Charter**' at https://nsdl.co.in/publications/investor_charter.php
3. **Online web-based complaints redressal system** of NSDL can be accessed via link <https://nsdl.co.in/nsdlnews/investors.php> (Post your complaints/queries to NSDL)

4. Lodge your complaint with SEBI at <https://scores.sebi.gov.in/> or SEBI Mobile App - SCORES

- **SEBI Toll free helpline** - 18002667575 / 1800227575
- **NSDL email for grievance** - relations@nsdl.com
- **NSDL helpline** - 022-48867000
- **NSDL email for other information** - info@nsdl.com

Resolve your disputes in Securities Market online using **SMART ODR** Portal.

Visit <https://smartodr.in/login>

5. **SEBI Master Circular on Online Resolution of Disputes in the Indian Securities Market**

SEBI has issued Master Circular on Online Resolution of Disputes in the Indian Securities Market vide its Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023.

For more information, Investors may refer the SEBI Circular https://www.sebi.gov.in/legal/master-circulars/aug-2023/online-resolution-of-disputes-in-the-indian-securities-market_75220.html

Visit SMART ODR website <https://smartodr.in/login>

6. SEBI Circular on Comprehensive guidelines for Investor Protection Fund and Investor Services Fund

SEBI has issued revised Comprehensive guidelines for Investor Protection Fund and Investor Services Fund at Stock Exchanges and Depositories vide its Circular No. SEBI/HO/MRD/MRD-PoD-3/P/CIR/2023/81 dated May 30, 2023.

For more information, Investors may refer the SEBI Circular in the following link:

https://www.sebi.gov.in/legal/circulars/may-2023/comprehensive-guidelines-for-investor-protection-fund-and-investor-services-fund-at-stock-exchanges-and-depositories_71925.html

7. Claiming Unclaimed Shares and Dividends

All dividends and shares which remain unpaid or unclaimed for seven consecutive years, are transferred by respective companies to Investor Education and Protection Fund Authority.

Investors can submit claim to IEPF Authority to receive unpaid dividend and/or unclaimed shares by visiting <https://www.iepf.gov.in>

8. Facility to investors of voluntary freezing/de-freezing of Demat Accounts through Depository Participants (DP) or SPEED-e facility

If you wish to temporarily freeze/de-freeze your Demat Account for any reason, you can avail the facility of freezing your demat account by choosing Account level, ISIN level or Quantity level freeze anytime, anywhere by submitting a written request in the prescribed form to your Depository Participant (DP) or by subscribing to **SPEED-e** facility as e-Token User. You can freeze your account for 'Suspending for debit' or 'Suspending for debit and credit'. Freeze request executed by you through SPEED-e cannot be unfrozen by your DP. If your demat account is 'Suspending for debit and credit', no transactions are permitted in the demat account till the account is de-frozen. A frozen account can be de-frozen or re-activated on submission of written instruction by the demat account holder, in prescribed form to the DP or through NSDL's SPEED-e facility.

9. Awareness on careful preservation of Delivery Instruction Slip (DIS)

Beneficial Owners (BOs) should accept the Delivery Instruction Slip (DIS) from the Depository Participants (DPs) only if serial number is pre printed and Client ID is pre stamped or pre printed. BOs should keep the DIS in safe custody and should not to leave it "blank or signed" with the Depository Participants (DPs) or any other person/entity when not in use.

10. Online Closure of demat accounts

Online closure of demat accounts is made available for clients who have opened their accounts offline or online, by the DPs that provide various Depository related services in online mode. Those DPs which do not provide any services online and do not open accounts online may not be required to offer online closure of demat accounts.

11. SEBI circular regarding norms for sharing of real time price data to third parties.

Based on the recommendations of the Secondary Market Advisory Committee of SEBI (SMAC), SEBI has issued the guidelines regarding 'Norms for Sharing of Real-Time Price Data to Third Parties' vide its Circular No. SEBI/HO/MRD/MRD-PoD-3/P/CIR/2024/56 dated May 24, 2024. To curb misuse or unauthorized use of such data, SEBI has been decided that sharing real-time price data with third parties shall be subject to certain conditions as mentioned in the aforesaid SEBI circular;

For more information, investors may refer to the SEBI Circular at the following link:

https://www.sebi.gov.in/legal/circulars/may-2024/norms-for-sharing-of-real-time-price-data-to-third-parties_83572.html

SEBI Launches Free Online Investor Certification Examination

The banner features the SEBI logo on the left and the NSDL logo on the right. The central text reads: "SEBI LAUNCHES A FREE ONLINE INVESTOR CERTIFICATION EXAMINATION to help you make informed investment decisions." Below this is an illustration of a man wearing a headset and working on a laptop. At the bottom, it says: "Test your knowledge, enhance your understanding of the markets, and invest with confidence! Learn more and register now!"

Enhance your investment knowledge and test your skills with this voluntary certification program.

Learn about markets, investing, and risk management. Empower your investment journey with digital financial education.

Details about the certification are available on the SEBI Investor Website (<https://investor.sebi.gov.in/>) and the NISM website (<https://www.nism.ac.in/sebi-investor-certification-examination/>).

Learn to Manage Your Money For Financial Well-being

The banner features the SEBI logo on the left and the NSDL logo on the right. The central text reads: "UNLOCK THE WEALTH OF KNOWLEDGE AT THE SEBI INVESTOR WEBSITE Empower yourself in the world of investing". Below this is an illustration of a man pointing at a large sign that says "Proceed with Caution". The sign also says "stay away from fraudulent schemes/Apps promising unrealistic returns".

For more information related to investments in securities market, please visit SEBI Investor Website <https://investor.sebi.gov.in>

SEBI launches Saaṛthi 2.0 Mobile App on Personal Finance for Investors

The banner features the SEBI logo on the left and the Saaṛthi logo on the right. The central text reads: "SEBI Launches Saaṛthi 2.0 Mobile App on Personal Finance for Investors". Below this is an illustration of a man pointing at a large sign that says "Proceed with Caution". The sign also says "stay away from fraudulent schemes/Apps promising unrealistic returns".

For more information related to investments in the securities market, please visit the SEBI Investor Website <https://investor.sebi.gov.in/> and the SEBI Saaṛthi Mobile App.

Be Vigilant! Invest through a SEBI registered Intermediary

The banner features the NSDL logo on the right. The central text reads: "Proceed with Caution stay away from fraudulent schemes/Apps promising unrealistic returns". Below this is an illustration of a man pointing at a large sign that says "Proceed with Caution".

Investors are advised to stay away from fraudulent schemes/Apps promising unrealistic returns. Beware of impersonators !! For more information on NSDL Depository Participants registered with SEBI, visit https://nsdl.co.in/direct_search.php on NSDL website.

Resolve your queries @ ISC of Stock Exchanges



Resolve your queries, grievances,
complaints related to Capital Market at

Investor Service Centres of Stock Exchanges



For more information

Visit: https://investor.sebi.gov.in/iscs_contacts.html



Stay Alert from investment scams or fraudulent
schemes that claim guaranteed returns



**ATTENTION
PLEASE**

Claims of guaranteed
returns are often associated
with investment scams or
fraudulent schemes.

**Conduct extensive
research and exercise due
diligence to protect your
money**



Know more about SMART ODR



What is SMARTODR Portal?

An online platform created by
exchanges and depositories



for easy filing and resolution of
securities market disputes.



Update your email ID & income range
in your demat account Today!!

Be a Surakshit, Samajhdar aur Atmanirbhar Niveshak



**Update your email ID & income range
in your demat account**

Dear Investor,

If your demat account has been frozen due to non-update of
email ID and income range, kindly update the details in
3 easy steps

Step 1 - Visit <https://eservices.nsdl.com/kyc-attributes/#/login>,
Enter DP ID, Client ID & PAN. Submit OTP

Step 2 - Update email ID / income range

Step 3 - e-Sign



Scan to
know the
procedure



Or

• Download NSDL SPEEDe Mobile App to update your email ID & income range



Play Store



App Store

Or

• Visit your Depository Participant (DP) to update email ID and income range


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accumulation of unclaimed assets in securities market.



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*Applicable to single demat account holder (Resident Individual) who have not opted-in/opted-out for Nomination in their demat account.

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Join our Investor Awareness Programs

NSDL conducts Investor Awareness Programs (IAPs) to help investors to be aware of different aspects of investing. These programs are conducted on different topics of interest to investors and in different languages. The schedule of the forthcoming programs/webinars is published online at <https://nsdl.co.in/Investor-Awareness-Programmes.php>. We invite you to participate in these programs. We shall be happy to conduct an awareness program for your employees, staff, students, or members. Please write to us at info@nsdl.com if you want any such program to be conducted.

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