

Date	16 th September 2025
Publication	Mint
Spokeperson	Harish Venugopal

Mobile credit: know risks and safeguards

Harish Venugopal

With so many apps offering instant personal loans, how do I know which are genuine and what precautions should I take?

—*Name withheld on request*

Taking a loan via mobile app can be convenient, especially during urgent needs. But digital lending comes with risks.

Ensure the app is linked to a legitimate lender registered with RBI as an NBFC or bank-regulated entity. RBI lists digital lenders and loan service providers: check if it's directly operated by or partnered with a bank. Avoid apps outside official stores or requiring APK downloads from unknown sources that may bypass regulation. Read reviews carefully. Watch for complaints about harassment, hidden charges, or misuse of data. Confirm the app has a clear privacy policy

and asks for necessary permissions. Be cautious of promises of fast loans with minimal paperwork or low rates. Genuine lenders run proper KYC checks, assess repayment ability, and disclose fees transparently. Check repayment terms. Some illegal apps disguise high interest as processing fees or penalties, trapping borrowers. Understand total cost, tenure, interest rates, and prepayment clauses.

Customer service matters. Legitimate ones give helpline, grievance redressal mechanisms, and escalation contacts.

If you face harassment or threats, report to RBI's Sachet portal or cybercrime authorities. Illegal lenders may misuse personal contacts, intimidate borrowers—this is punishable.

In short, mobile loans can be useful, but exercise caution.

Harish Venugopal is the chief risk officer at HDB Financial Services