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Systematic Review on Digital Banking and Privacy of Data with Special Reference to International Laws and Laws in India

Subhashis Chakrabartty, Department of Law, Seacom Skills University, West Bengal

Abstract

The rapid expansion of digital banking has transformed the delivery and accessibility of financial services, enabling customers to conduct transactions through mobile applications, internet banking, digital wallets, and other technology-driven platforms. However, the increasing collection, processing, storage, and sharing of financial and personal information has created significant concerns regarding data privacy, cybersecurity, unauthorized access, identity theft, surveillance, and third-party data processing. This systematic review examines the relationship between digital banking and data privacy, with special reference to international legal frameworks and the evolving legal regime in India. The study reviews existing literature, legislative instruments, regulatory frameworks, judicial developments, and policy approaches concerning the protection of personal and financial data in digital banking. At the international level, attention is given to privacy and data-protection principles relating to consent, purpose limitation, data minimization, security, transparency, accountability, and individual rights. In the Indian context, the review examines the development of data-protection and financial-sector regulation and considers the responsibilities of banks and digital financial-service providers in safeguarding customer information. The study identifies challenges arising from cross-border data flows, third-party service providers, algorithmic processing, cybersecurity threats, and the increasing integration of artificial intelligence into financial services. The findings indicate that although significant legal and regulatory mechanisms exist, differences in enforcement, technological developments, institutional capacity, and consumer awareness continue to create privacy risks. The study emphasizes the need for harmonized regulatory standards, stronger cybersecurity practices, effective accountability mechanisms, transparent data governance, and greater digital privacy awareness to ensure secure and trustworthy digital banking.

Keywords: Digital Banking, Data Privacy, Personal Data Protection, Cybersecurity, International Laws, Indian Law, Financial Data, Data Governance, Consumer Rights, Privacy Regulation.