

RBI'S DRAFT AMENDMENTS TO RESPONSIBLE BUSINESS CONDUCT DIRECTIONS, 2026

If you have engaged with any financial products in India, at some point, you may have seen one of these:

- A loan journey that “includes” an insurance product, unless the user catches a tiny toggle.
- A consent screen that is not really a choice, because the flow does not proceed unless you click “I agree”.
- A fee that shows up only up at the fag end of a transaction after you have invested time and energy.

RBI has placed on its website for comments, draft amendments to its Responsible Business Conduct Directions to curb such practices in how financial products are advertised, marketed and sold by entities regulated by it (**REs**).



Understanding Some Key Definitions

Mis-selling

The illustrative list of activities that may count as mis-selling includes: (A) sale of a financial product that is unsuitable or inappropriate for the customer in view of their profile, (B) withholding material information or providing misleading information, (C) compulsory bundling, and (D) sale of products without explicit consent from the customer etc.

Compulsory Bundling

This means making access to one product conditional on taking another product. The draft carves out bundled products provided on the basis of voluntary consent and complimentary add-ons. The takeaway is that if the customer did not have a real choice, it is compulsory bundling, and the draft proposes to ban it.

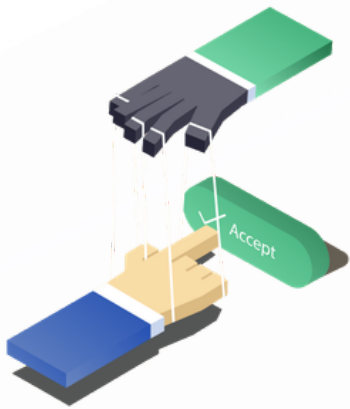
Explicit Consent

A specific, informed, and unambiguous indication of choice given through a statement or a clear affirmative action. It has to be duly recorded or documented. If the terms and conditions say that using the product or service amounts to agreement or consent, that is unlikely to qualify as explicit consent.

Dark Patterns

The term refers to deceptive design tactics in UI/UX to mislead users to take actions they did not intend, undermining their autonomy and choice, and resulting in misleading advertising, unfair trade practices, or violations of consumer rights. Such practices are proposed to be banned.

Highlights of the Proposed Amendments



Dark Patterns

RBI is proposing to explicitly ban dark patterns in UI/UX journey for financial products and services. User testing and periodic audits have been proposed for enforcement. User interfaces may need to undergo user testing and get periodically audited internally for unfair features, including dark patterns.



Customer Consent

Customers' explicit consent would be required to offer any product or service. Bundling consent for multiple products not permitted. Design consent flow such that customer can consent only after going through the terms and conditions.



Refunds

Where mis-selling is established, customers may need to be refunded the purchase price and any losses arising due to mis-selling.



Proposals to Curb Mis-selling

A product or service sold with customer consent may still be treated as mis-sold if it is unsuitable for the customer. In other words, consent is no defence if there is actual mis-selling.

Other suggestions under the draft include:

A

REs should have a comprehensive board-approved policy regarding advertising, marketing and sale of financial products

B

RE's policies and practices should not incentivize mis-selling

C

RE should not fund the purchase of any product or service from any loan sanctioned to the customer, without their consent

D

Establishing a mechanism to get customer feedback within 30 days from sale, followed up with a half-yearly report on findings

E

A complaint mechanism

Avoiding "Dark Patterns"

Recognised Types of Dark Patterns include:

- **False Urgency:** Creating artificial scarcity or deadlines to push quick decisions
- **Drip Pricing:** Revealing fees or charges progressively, after the customer has invested time and effort
- **Subscription Trap:** Easy to sign up; deliberately hard to cancel
- **Bait and Switch:** Advertising something, and delivering a different outcome
- **Forced Action:** Blocking progress in a journey unless the customer agrees to additional products, permissions or data sharing
- **Trick Wording:** Using confusing language, double negatives, or misleading labels to nudge customer to take undesirable action
- **Basket Sneaking:** Adding products or services to the customer's selection without their explicit, conscious action
- **Confirm Shaming:** Framing opt-out choices in a way that makes the customer feel irresponsible, careless or ill-informed
- **Interface Interference:** Designing screens or navigation so that it is harder to find decline, opt-out or exit options.
- **Disguised Advertisements:** Presenting promotional content as neutral information, recommendations or system messages.
- **Nagging:** Repeated prompts or reminders designed to wear down resistance rather than support an informed decision.

Engaging Direct Selling Agents (DSA) and Direct Marketing Agents (DMA)

The draft expects REs to:

- Maintain a list of DSA/DMA, displayed publicly on its website
- Put in place, a code of conduct for marketing and sale of financial products/services, applicable to employees and agents
- Obtain written undertaking from DSAs/DMA to abide by the Code before assigning any marketing or sales activity
- Contractually specify disciplinary and penal consequences for Code violation
- Disclose to customers any pricing differential between directly-sold and agent-sold products
- Restrict DSA/DMA timings for calling or visiting the customer



Takeaway

Current onboarding and customer journey for fintech products often relies on implied consent, bundled add-ons that customers did not actively choose, and interface designs that subtly steer choices. Consent is frequently inferred from passive inaction, rather than obtained through a clear and deliberate choice. Product combinations are presented as defaults, opt-outs are buried, and material information is disclosed only after the customer has crossed practical points of no return.

If the draft amendments comes into force, this approach will no longer work. Fintechs will need to map every part of their customer journey end-to-end, and conduct a screen-by-screen review to identify language, patterns and designs effectively compel consent or nudge customers towards outcomes they may not otherwise choose. This will need to be followed up with corrective measures such as redesigning flows to unbundle products and facilitate genuine choices.

