

A critical study on internet banking: PROs & CONs

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Abstract

Internet expanded worldwide, now a days internet brings everything to doorstep. Internet connects the world irrespective to geographical boundaries and differences. Every sector and business are updating to the modern technology and also banking sector. Competition between banks is based on the costumers. The customers satisfaction is based on the easy access and time saving. E banking gives easy access to customer and also provides time management. The customers can even transact anytime in any place, which is biggest advantage in banking. E banking includes all kind of electronics like internet, telephone etc.

Keywords: internet, e-banking, PROs & CONs

Introduction

Internet banking is one of the electronic banking. Internet banking is also known as online banking. Initially internet banking was found to overcome the competition. The banking sector took advantage of the rapid growth of internet and came up with this invention.

Internet banking became simply bank transactions compare to other mode of transactions. It is easy for the customers to approach the bank through internet. Many functions are made through internet banking that is payment of bills, online transactions. No internet banking is useful addition to the banking sector doesn't mean the direct banking is useless. The direct banking can restrict certain cyber crimes. Even now many people trust on direct banking.

Evolution of Internet Banking

The first internet bank was introduced in New York city. The US governmental tested this in major banks like chase manhattan, manufacturers Hanover, Chemical bank and citi bank. In India, ICICI is the first bank to introduce internet banking. The aim objectives to introduce the internet banking is to reduce the operational cost and to meet the competition. There are many reason for the growth of the net banking but the main reason is that there is no need in standing long lines and waiting for the customer turn which saves the time and many aspects. Secondly the home made banks. The customer can use there accounts simply being in home. i.e., the easy access of the bank.

Benefits of Internet Banking

The benefit of internet banking in modern days is way better compare to the initial development of internet banking.

i) Ease Use

Compare to traditional bank account, the internet banking is very ease to use and also easy to set up. The internet bank available all the banks 24x7 and 365 days. It saves time and irrespective to the geographical places. It is fast and the funds

will be sufficient. When in holidays and weekends the funds transferred from one account to another account very easily. Internet banking is user friendly. The online transactions cause less stress than the direct transactions convenience. The net banking or e-banking is also provides solution for the issues related banking through online. These are the special services that the e-banking provides.

ii) Transfer

The transfer of funds is very fast, safe transfer of funds is ensure. The customer can even pay their bills anytime even they can generate automatic bill payment. The internet banking gives better interest through online banking. There are also many offers that being offered by the online bill payment websites. The internet banking helps for online purchase and transactions for the particular purchase efficiently. Through internet banking the customers can always ensures the safety of the account that is monitoring the accounts then and there according to their convenience. This is to eliminate any fraudulent activity and threat to the customers and protect several damages. Internet banking act as a medium for several other product or services which includes investment options

iii) Convenience

It is quite convenient and easy to pay your bill through internet. The customer service is normally provided in banks but the customer satisfaction is been given in internet transactions. The internet banking is very convenient for the customers. To access bank at anytime and anywhere. It gives faster, easier and more efficient and effective compare to direct banking. Among the other electronic banking internet banking is more convenient and comfortable. We can check the account balance and any matters relating to banking service can be checked through online banking websites.

iv) Other Benefits

The online banking includes mobile accessibility. The new

features are introduced day by day to improve the maximum benefit for the customers. There is no need for the infrastructure and large number of employees needed to work because of internet banking. Internet banking helps to foresee the customers debts and liabilities and balances. Internet banking is environmental friendly, it reduces the usage of paper, pollution free and it gives economical importance. The special service(internet banking) rendered by the banks increased the customers and also developed the bank. The deposit limit and withdraw limit is not there in time of denominations

The Drawbacks

The internet banking might be difficult for the first time users. But there are other problems the customers are afraid of.

i) Transaction Problems

The most customers are scared of their online fraud and cyber crimes. The customers are with the doubts whether the funds are transacted to the other account or correct account because now a days face to face transactions itself leading to so many problems that make customers to worry about the online transfer. The customers have equally responsible for there online transactions goes wrong. The customers should aware of the procedure to use online transactions and also make user they enter the numbers correctly. The transactions issues arise because of the negligence of the customers and also the hurricane that they have are the reason for most of the wrong transactions. Transactions issues is done by the customers and as well as the banks.

ii) Bank Relationship

Internet bank is effecting the relationship between the customer and bank because the customers are not approaching the banks so the relationship is effecting. The bankers can only understand the customer specific needs if he comes to know the problem face to face. Internet banking is effecting the bank personal support to help the customers. The customers service is effected by the internet banking, because of this the bank is not aware of the customers unique needs of the customers

iii) Security

Security is one of the biggest fear that customers afraid to use internet banking. The increase in cyber crimes and hacking is increasing day by day. The most threat in modern banking is hacking, clearly hacking into bank systems is getting common now a days. The banking sector constantly working on this issues but it still happening. The hackers are collecting information from the customers itself, so bank started giving awareness relating this issue. ATMs also risky so many people given lost there lives for this. Most bank in India introduced anti – phishing mechanism to protect the customers.

iv) Other Issues

The credit and debt card fraud can also be misused in transactions. The user id and password generation is also important in matter of protecting the customers privacy. Some of the simple issue is that customers isn't aware whether the transactions is made or not. These are the very common issues

in internet banking.

The competition as well as the risk is increasing in banking sector day by day. Both online and direct banking is bears risk but the banking sector is trying to reduce the issues. Banking sector is developing daily, new innovation also bring great risk. The customers should maintain a both online and in – store banking for the self benefit. In this way the customers can have both saving, safety, convince and can able to maintain a proper relationship with the bank.

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