



Netbanking Benefits, Drawbacks And Security Tips

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ABSTRACT

Internet Banking refers to the banking services provided by the banks over the internet. Some of these services include paying of bills, funds transfer, viewing account statement, etc. Banks also deliver their latest products and services over the internet. Internet banking is performed through a computer system or similar devices that can connect to the banking site via the internet. Nowadays, you can also use internet banking on your mobile phones using a Wi-Fi or 3G connection. With the ease of availability of cyber cafes in the cities, it has become quite popular.

However the current trend of exclusively using the online mode to make all kinds of transactions has a few pitfalls which may prove costly in the long run unless guarded against from the beginning. There are several issues regarding the security of information over internet, loss of data, hacking of confidential financial data etc. Internet Banking Fraud is a fraud or theft committed using online technology to illegally remove money from a bank account and/or transfer money to an account in a different bank. Internet Banking Fraud is a form of identity theft and is usually made possible through techniques such as phishing. Cyber-crime rate is increasing continuously in India during last 8-10 years as the number of internet users are increasing. Several security tips are suggested in this article for the Indian internet users.

KEYWORDS

net banking, security, cyber-crimes, and internet

Online banking has become an accepted norm of monetary transactions for millions in India over the past decade. The ease with which a customer can check his account, make payments online and transfer money between accounts has made this mode of banking hugely popular among Indians who are perpetually short of time to visit the bank physically. Online banking also provides a host of non-transactional features which are quite handy to the customer.

Key Benefits of Internet Banking

There are plenty of perks offered by banks to customers who adopt internet banking over the traditional visit physically to the nearest branch office.

Convenience: This is the single most important benefits that outweigh any shortcoming of internet banking. Making transactions and payments right from the comfort of home or office at the click of a button without even having to step out is a facility none would like to forego. Keeping a track of accounts through the internet is much faster and convenient as compared to going to the bank for the same. Even non transactional facilities like ordering check books online, updating accounts, enquiring about interest rates of various financial products etc become much simpler on the internet.

Better Rates: The banks stand to gain significantly by the use of internet banking as it implies lesser physical effort from their end. The need to acquire larger spaces for offices and employ more staff to deal with the customers is significantly reduced making it financially beneficial to the banks. This means that a portion of savings accrued can be passed on to the customers in terms of higher rates on deposits and lower rates on loans.

Services: Technology has made it extremely convenient for the bank as well as the customer to access to a host of wonderful services by simply logging in. These services include financial planning capabilities, functional budgeting and forecasting tools, loan calculators, investment analysis tools and equity trading platforms which are available as simple applica-

tions on the bank's website. Additionally most banks also provide the facility of online tax forms and tax preparation.

Mobility: Internet banking has a step further in the last few years in the form of mobile internet banking which accords unlimited mobility to the customer who can now handle financial transactions even while on the move.

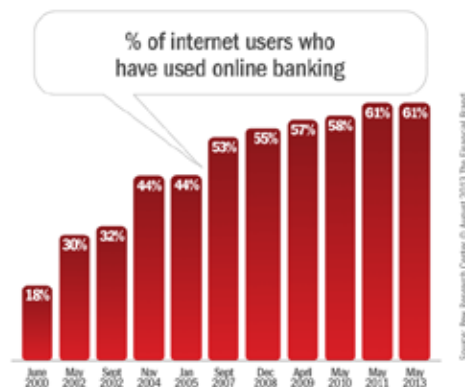


Fig.1. Percentage of net banking users

From the above Figure it can be easily interpreted that % of internet users who have used online banking is increasing continuously from 2000 to 2013 and onwards. The net banking users are growing continuously from 18% to 61% in last 13 years.

Drawbacks of Internet Banking

However the current trend of exclusively using the online mode to make all kinds of transactions has a few pitfalls which may prove costly in the long run unless guarded against from the beginning.

Relationships: Online transactions take a toll on the relationship with the banker which the traditional visit to the branch office used to foster. Personal relationship with the staff at the banks comes handy when requesting for faster loan approval or a special service which may not be available to the public. The manager has many discretionary powers such as waiving of penal interest or service fees which were often taken advantage of by better acquaintance with the staff.

Complex Transactions: There are many complex transactions which cannot be sorted out unless there is a face to face discussion with the manager that is not possible through internet banking. Solving specific issues and complaints requires physical visit to the bank and cannot be achieved through the internet. Online communication is neither clear nor pin pointed to help resolve many complex service issues. Certain services such as the notarization and bank signature guarantee cannot be accomplished online.

Security: This is the biggest pitfall of the internet banking scheme which needs to be guarded against by the common customer. Despite the host of sophisticated encryption software is designed to protect your account there is always a scope of hacking by smart elements in the cyber world. Hacker attacks, phishing, malware and other unauthorized activity are not uncommon on the net. Identity theft is yet another area of grave concern for those who rely exclusively on internet banking. Most banks have made it mandatory to display scanned copies of cleared checks online to prevent identity theft. It is essential to check bank's security policies and protections while opening an account and commencing the usage of online banking facilities.

Online banking is definitely a significant move in the right direction as far as the convenience of the customer as well as the banker are concerned but it must be applied with adequate precaution to avoid falling prey to unscrupulous elements poaching the internet.



Fig.2. No. of Cyber-crime cases in India

From Fig.2, it can be identified that the cyber-crimes cases are increasing continuously over the years. As per the survey it can be interpreted that there has been tremendous growth in cyber-crime case from 2014 (149254) to 2015(3, 00,000). It is a major cause of concern for the internet users. As safety is the crucial issue in usage of internet. There are several security loop holes were identified in the habits & overall usage structure of Indian internet users. Therefore following safety tips are proposed for usage of net banking.

Safety Tips for Net banking Users:

1. Change your password frequently

While it is highly important to choose a password that is very strong and has a good mix of letters, numbers and other characters, it is even more important to change your Netbanking password frequently. Also, do not use the same password as your email accounts or other Netbanking online accounts.

2. Avoid public computers and networks

When you urgently need to access your Internet banking account, refrain from using public computers in a cyber café or

accessing a public Wi-Fi network. These services are fine for general browsing, but they are not an option for accessing your bank account as several other people can gain access.

3. Preserve your personal confidentiality

Never share your login ID and password with anyone who claims to be from your bank or any other service provider. Even if the person is trusted and reliable, do not share your account details. It is as good as giving that person uncontrolled and unregulated access into your personal bank account and your hard-earned money.

4. Lookout for attempted phishing attacks

Be aware and forewarned about phishing attempts on your email, mobile phone, social networks or through phone calls as well. If someone out of the ordinary is asking for too many details, do not share anything with them. Be cautious at all times as you never know when you may be under attack.

5. Do not click on login links in emails

If you get an email from your Net banking provider, do not click on links within the email in order to sign in. The email and the links could be fake. Instead, type in the address of the service in the address bar and login on your own to avail offers or to undertake other activities. Ideally, save the login URL of the service as a bookmark on your browser.

6. Audit and check your account frequently

If you have not accessed your account in a while, do so from time to time. Once every 2-3 days should be good enough. Once logged in, check if your account balance and summary is in line with your known expenses and income. If you notice anything suspicious, contact your bank immediately.

7. View the last logged in details

Once you have logged in to carry out a check of your account, check the last logged in details. Almost every bank provides this feature and it allows you to see the date, time and location of the last time someone logged in to your account. If you find that the last login was not yours, raise an alarm immediately.

8. Always log out

Whenever you log in and access your bank account, always make it a point to log out. Never close the tab or the window without logging out. This is a common safety precaution that many users tend to overlook most of the times.

9. Make use of effective and updated antivirus

Needless to say, the best form of defense against phishing attacks, malware, fraudulent pages, and many more security threats is an effective and updated antivirus on your machine. When your personal bank account and more is at stake, do not leave your security to part-time and ineffective antivirus solutions. Use a trusted product with advanced features. Quick Heal Internet Security makes your Net banking activities easier and safer.

With these security measures in mind, Net banking should not cause any more concerns to you. After all, the service exists to make your life easier so there is no point avoiding it. It is essential to adapt but with adequate safety measures in mind.

Conclusion –

Online banking has become an accepted norm of monetary transactions for millions in India over the past decade. The ease with which a customer can check his account, make payments online and transfer money between accounts has made this mode of banking hugely popular among Indians who are perpetually short of time to visit the bank physically. However the current trend of exclusively using the online mode to make all kinds of transactions has a few pitfalls which may prove costly in the long run unless guarded against from the beginning. There are several issues regarding the security of information over internet, loss of data, hacking of confidential financial data etc. Internet Banking Fraud is a fraud or theft

committed using online technology to illegally remove money from a bank account and/or transfer money to an account in a different bank. Internet Banking Fraud is a form of identity theft and is usually made possible through techniques such as phishing. Cyber-crime rate is increasing continuously in India during last 8-10 years as the number of internet users are increasing.