

# **A Study on Internet Banking and its Problems**

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**Abstract:** *Internet banks, also known as online banks, offer a wide range of facilities and services to their customers through their online banking platforms. These facilities provide convenience, accessibility, and the ability to manage various financial activities from anywhere with an internet connection. The field of internet banking has experienced a significant revolution over the past few decades, transforming the way individuals and businesses manage their finances. This revolution has been driven by various technological advancements, changing customer expectations, and evolving banking practices.*

**Keywords:** Internet banks, Financial Activities.

## **I. INTRODUCTION**

Internet banking, also known as online banking or e-banking, is a banking service that allows customers to perform various financial transactions and banking activities over the internet using a secure website or mobile application. Internet banking has become increasingly popular and convenient due to its accessibility, allowing account holders to manage their finances from the comfort of their own homes, offices, or any location with an internet connection.

Customers can check their account balances, view transaction history, and monitor account activity in real-time. Users can transfer money between their own accounts or to other accounts, both within the same bank and to accounts at other financial institutions.

Customers can pay bills online, including utilities, credit card bills, loans, and more, often with the option to set up recurring payments. Many banks offer e-statements, allowing customers to access and download their account statements electronically.

Customers can update their contact information, order checks, and make account-specific requests through the online banking portal. Internet banking often includes mobile apps that provide similar functionality on smartphones and tablets.

Users can set up alerts to receive notifications about specific account activities, such as low balances or large transactions. Some internet banking platforms allow customers to deposit checks remotely by taking pictures of them with their mobile devices.

Customers can apply for loans, credit cards, or other financial products through online banking platforms. Some banks offer online trading and investment services, allowing customers to buy and sell stocks, bonds, or other securities.

Internet banking services are typically secured with strong encryption and multifactor authentication to protect users' sensitive financial information. Users are required to log in with their unique credentials, such as a username and password, and may need to provide additional information or codes for added security.

Internet banking has revolutionized the way people manage their finances, providing 24/7 access to banking services and reducing the need for physical visits to bank branches. It offers convenience, flexibility, and the ability to conduct financial transactions efficiently from virtually anywhere with an internet connection.

### **Facilities Provided by Internet Banking**

View account balances for checking, savings, and other accounts. Access account transaction history, including recent transactions and past statements. Check account activity in real-time.

Transfer funds between your own accounts (e.g., from savings to checking). Make transfers to accounts at the same bank or other financial institutions. Schedule one-time or recurring transfers.

Pay bills online, including utilities, credit card payments, loans, and more. Set up payees and schedule recurring payments for regular bills. Receive electronic bills (e-bills) from participating billers.

Access online banking services through mobile apps for smartphones and tablets.

Perform various banking functions on the go, including check deposits using mobile check capture.

Receive and download electronic account statements (e-statements) instead of paper statements. Access and store past e-statements for your records. Update personal information, such as contact details or mailing address. Order checks or request other account-related services.

Change account preferences and settings. Set up account alerts to receive notifications about specific account activities, such as low balances, large withdrawals, or upcoming bill due dates. Choose how you want to receive alerts (email, SMS, in-app notifications).

Access customer support services through the online banking platform, including live chat, email, or phone support.

Find answers to frequently asked questions (FAQs) and troubleshooting guides. Enable strong security measures like two-factor authentication (2FA) for added protection. Monitor account activity for any suspicious or unauthorized transactions. Report lost or stolen cards or request account freezes online.

Apply for loans, credit cards, or other financial products online. Check the status of loan applications and manage existing credit accounts. Access online investment and trading platforms to buy and sell stocks, bonds, mutual funds, and other securities.

View investment portfolios, research financial markets, and track investment performance.

Access financial calculators, budgeting tools, and financial planning resources to help manage and improve your finances. Use mobile check capture to deposit paper checks remotely by taking photos of them with your mobile device. While internet banking offers numerous advantages, it also comes with its share of challenges and difficulties.

Internet banks are continually adding new features and improving their online banking platforms to meet the evolving needs of their customers. These facilities make it easier to manage and monitor your finances, pay bills, and conduct various banking activities without the need to visit a physical bank branch.

Phishing emails and scams targeting internet banking users are common. These fraudulent communications can trick customers into revealing personal information or login credentials. Users may encounter technical glitches, such as website downtime, slow loading times, or errors when trying to access their accounts or perform transactions.

Maintaining secure and complex passwords for online accounts can be challenging. Forgotten passwords or locked accounts can lead to customer frustration. Some online banking platforms may not be fully compatible with all web browsers or mobile devices, leading to issues with accessibility.

Banks often impose transaction limits, which can be a limitation for customers who need to make large transfers or conduct a high volume of transactions. While many internet banks offer customer support through online chat or phone, some users may prefer face-to-face interactions for complex issues.

A reliable internet connection is essential for internet banking. Connectivity problems or outages can disrupt the ability to access accounts and make transactions. Banks must adhere to various regulations related to online banking, which can sometimes lead to complexities in compliance and regulatory changes.

While strong security is essential, the authentication process for accessing online accounts can sometimes be cumbersome or require additional steps that some users find inconvenient. Phishing attacks are a common concern where cybercriminals impersonate banks or other legitimate organizations to trick users into revealing sensitive information. Customers need to be vigilant to avoid falling victim to such scams.

Malicious software and viruses can compromise the security of online banking activities if a user's device becomes infected. Users may worry about the privacy of their financial data and how banks handle and protect their information.

Internet banking is primarily electronic, and accessing physical cash may be less convenient. Users often rely on ATMs for cash withdrawals. Some internet banking services involve third-party providers for certain functions, like mobile check deposit or bill payment. The security practices of these providers can impact the overall safety of online banking.

Despite these difficulties, many people and businesses continue to use internet banking because of its convenience and the safeguards in place to address security concerns. Staying informed about security best practices and keeping software and devices up to date can help mitigate many of these challenges. Additionally, banks invest in robust security measures to protect their customers' accounts and data.

### **Changes in Internet Banking**

Internet banking has undergone a digital transformation, with the shift from traditional brick-and-mortar branches to online and mobile banking. Banks have invested heavily in digital infrastructure and platforms to offer a wide range of online services.

One of the most significant changes is the 24/7 accessibility of banking services. Customers can check account balances, make transactions, and pay bills at any time, from anywhere with an internet connection, offering unprecedented convenience.

The proliferation of smartphones and mobile apps has played a pivotal role in the revolution. Mobile banking apps allow users to manage their accounts, make payments, deposit checks, and even invest on their mobile devices.

Advances in cybersecurity have led to improved security measures, such as biometric authentication (fingerprint and facial recognition), two-factor authentication (2FA), and robust encryption to protect user data.

Automation and artificial intelligence (AI) technologies are being used for various banking functions. Chat-bots provide customer support, and AI algorithms are used for fraud detection and personalized financial recommendations. Blockchain technology, which underpins cryptocurrencies like Bitcoin, has challenged traditional banking systems. While cryptocurrencies have gained popularity, banks have also explored block-chain for secure and efficient transactions.

Regulatory changes in some regions have led to the emergence of open banking, which allows customers to share their financial data with third-party applications and services. This has enabled greater financial innovation and choice. Banks are using data analytics and machine learning to offer personalized services. Customers receive tailored product recommendations and financial insights based on their transaction history and preferences.

Contactless payment methods, including near-field communication (NFC) technology and mobile wallets, have revolutionized in-store and online payments, making transactions faster and more convenient. P2P payment apps and services like PayPal, Venmo, and Cash App have become common ways to transfer money between individuals and pay for goods and services.

Some regions have seen the emergence of virtual banks, which operate exclusively online without physical branches. These banks often offer competitive rates and innovative digital features. Robo -advisors use algorithms to provide automated, low-cost investment services. They have made wealth management and investing accessible to a broader range of customers.

Internet banking has made it easier for customers to engage in international transactions, manage foreign accounts, and access a broader range of financial products and services from around the world.

### **II. CONCLUSION**

1. Internet banking offers remarkable convenience and accessibility for managing finances, but it is not without its share of challenges and difficulties.
2. Security concerns, including the risk of data breaches and phishing attacks, remain at the forefront of these challenges.
3. Technical issues, password management, and customer support can also pose hurdles for users. Connectivity problems, regulatory compliance, and concerns about data privacy add to the complexity of online banking.
4. Despite these issues, users and banks continue to adapt and invest in security measures and support services to address these challenges and ensure the safe and efficient use of internet banking.
5. Staying informed about best practices for online security is essential for mitigating risks and enjoying the benefits of this increasingly popular financial service.

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