

A Study of Online Banking System

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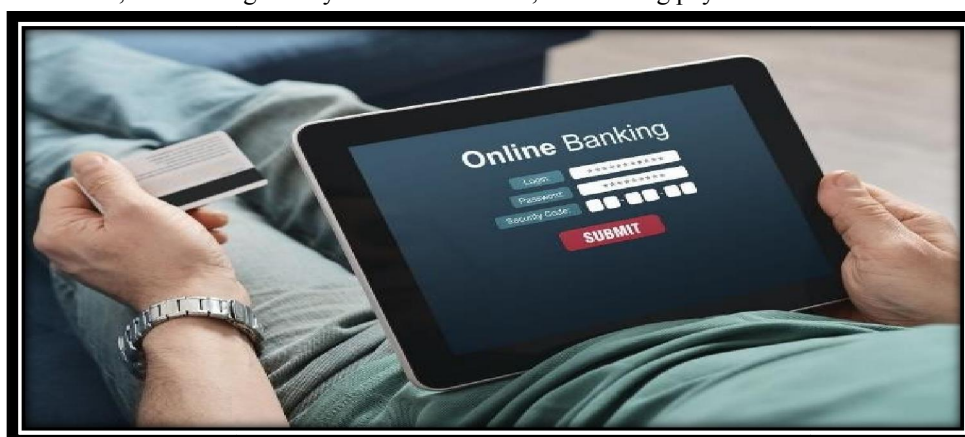
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Abstract: *The online banking transaction system is the application system with the most complex business, the most demanded, and frequent version updates in the software engineering application system. The existing online banking business sub-module is intelligent and faces major challenges in security. Online banking, also known as internet banking, web banking or home banking, is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. The online banking system will typically connect to or be part of the core banking system operated by a bank to provide customers access to banking services in addition to or in place of traditional branch banking.*

Keywords: PhonePay, G-Pay, RTGS, NFT, Cashless transactions, Information Technology, Internet. Account, Digital Banking

I. INTRODUCTION

Online banking, also known as internet banking, web banking or home banking, is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. The online banking system will typically connect to or be part of the core banking system operated by a bank to provide customers access to banking services in addition to or in place of traditional branch banking. Online banking significantly reduces the banks operating cost by reducing reliance on a branch network, and offers greater convenience to some customers by lessening the need to visit a branch bank as well as the convenience of being able to perform banking transactions even when branches are closed. Internet banking provides personal and corporate banking services offering features such as viewing account balances, obtaining statements, checking recent transactions, transferring money between accounts, and making payments



II. WHAT IS ONLINE BANKING?

Online banking allows a user to conduct financial transactions via the Internet. Online banking is also known as Internet banking or web banking. Online banking offers customers almost every service traditionally available through a Local branch including deposits, transfers, and online bill payments.

Virtually every banking institution has some form of online banking, available both on desktop versions and through mobile apps. With online banking, consumers aren't required to visit a bank branch to complete most of their basic banking transactions. They can do all of this at their own convenience, wherever they want—at home, at work, or on

the go. Online banking requires a computer or other device, an Internet connection, and a bank or debit card. In order to access the service, clients need to register for their bank's online banking service. In order to register, they need to create a password. Once that's done, they can use the service to do all their banking. Banking transactions offered online vary by the institution. Most banks generally offer basic service transfers and bill payments. Some banks also allow customers to open up new accounts and apply for credit cards through online banking portals. Other functions may include ordering checks, putting stop payments on checks, or reporting change of address. Checks can now be deposited online through a mobile app. The customer simply enters the amount before taking a photo of the front and back of the check to complete the deposit.

III. TYPES OF ONLINE BANKING SYSTEM

3.1 Account Management

Online banking systems allow you to log in through their website and view your account information. There may be several passwords or log-in codes you have to input to gain access to your account. You can check your current balance and balance history, initiate transfers between account, and view account activity. You can also order check and view check image with this type of banking service.

3.2 Deposits and Payments

Direct deposit is a type of banking that allows you to provide a routing number so money can be transferred into your account automatically. For example, employers often use direct deposit to automatically deposit paychecks. This is an electronic deposit done online. It is also possible to set up automatic payments so that you can pay bills and have the amount withdrawn electronically from your account. This type of banking an easy way to pay recurring bills like utility payments and insurance premiums.

3.3 Debit Card

Debit cards work like credit cards except that they automatically withdraw money from your bank account, and are one of the most common types of line banking transactions. When you use a debit card, information about the purchase is put into a computer systems and then transmitted online to your, where the transaction is processed within your account.

3.4 E-statement

E-statements, or electronic statements, are your regular bank statement made available online. According to GSA Federal Credit Union, e-statement are guarded by electronic safeguards, and are actually less likely to be obtained by identity thieves than a paper statement sent through the mail. Many banks and credit union recommend this type of online banking for security reasons.

Feel free to contact E-SPIN for Online Banking or E- Banking System Availability, Performance, Security Monitoring and Application Continuous Security Monitoring, Testing and Protection solution.

IV. ADVANTAGES OF ONLINE BANKING

In addition to being able to bank at any time, from anywhere, there are other advantages to banking online. You may also be able to:

4.1 Pay Bills Online

This might be one of the top advantages of online banking because you don't have to take time out of your day to go to the bank. You can simply log into your account and pay your bill online right away. For increased efficiency, you may also set up. Automated bill payments, which help you, manage your cash flow when you have monthly payments to and from vendors.

4.2 Transfer Money

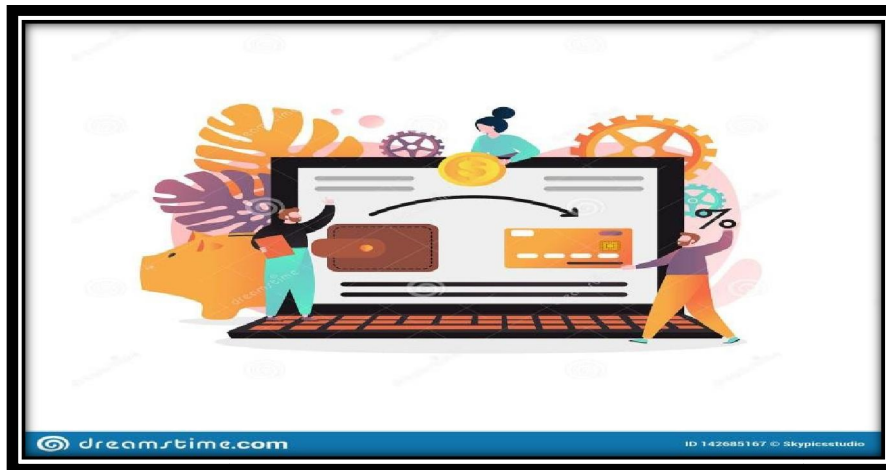
You may need to do a rapid money transfer to a client or vendor, or you may need to transfer money from one account to another. Instead of sending a registered cheque and waiting for it to clear, you may securely transfer the money online.

4.3 Deposit Cheques Online

Rather than driving to a bank branch and waiting in line, you may be able to deposit cheques online in minutes. And because most financial institutions have an app that replicates its services from your phone, you have the ability to always bank on the go. Plus, some banks offer 24/7 customer service, so you can speak to a customer service representative at any time.

4.4 Lower your Overhead Fees

If your business banks online, your banking fees may be lower, as online banks may not have to pay for the cost and upkeep of branches, and those savings may be transferred to you. Plus, they may have more no-fee options that add to your savings.



V. REVIEW OF LITERATURE

Online-banking or E-banking is an innovation when new information technologies merge into traditional banking services. Operating costs minimization and revenue maximization are the major drivers that boost e-banking services. E-banking service is basically a self-service by customers, so for banks, it requires less resources and lower transaction and production costs (Southard and Siau, 2004; Witman and Poust, 2008). A study about the e-banking over 1999–2006 shows that the application of e-banking can improve banks' performance in terms of the growth in assets, reduction in operating expenses and portfolio enhancement (Dandapani et al., 2008). Even in 1990s, Sraeel (1996) emphasizes that creating virtual banking will not only create a new service delivery channel, but also lead to value creation to both banks and customers (Hwang et al., 2007; Murphy, 2007). AmatoMcCoy (2005) further argues that customers will be attracted to e-banking when the advanced e-banking services like e-transfer and e-bill options are available.

Through interviewing banks in a small island and examining their e-banking websites from 2004 to 2006, Jenkins (2007) indicates that those banks were using e-banking as an assurance to their customers to maintain a competitive quality of service.

VI. CONCLUSION

Studies show that the mostly used e-banking services are inter account transfer, payment to other personal account, transfer to credit card account, recharge mobile phones, standing order transactions, savings, current and fixed deposit account application and debit/ credit card. No doubt studies reveal that e-banking reduces time in transactions as well as crowd in the banks. One can easily sit at home or at cyber to have transfer of money, recharge of vouchers, making

FD's, etc. Few banks have offered full-service online banking successfully. Banks have not only provided e-banking facility to the customers but also increased the satisfaction level of customers. In India, people are still not fully aware of advantages of e- banking but those who are tech savvy are using e-banking successfully. There was a time when customers used to go the bank, Insurance companies, and railway station for various purposes and used to stand in long queue for hours and hours but now many people prefer e-banking to save time, energy, fuel, money etc. Important thing is that people need to be technically sound so that they can use e-banking facility properly. Banks should also generate trust in the minds of customers that e- banking is safe.

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