



Internet Banking and Society

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ABSTRACT

Internet banking also known as online banking or electronic banking (E-banking) or virtual banking which enables customer of a bank or other financial institution to transact through the websites of institution across the world. Now-a-days bank sectors is adopting e-banking to facilitates ease of access to banking transactions to the customer. Online banking has made it easy for bank also to reach to rural area customers. Online banking or mobile banking provides better quality of services at very high speed with low cost. Electronic banking services are flexible, user friendly and convenient. Earlier electronic banking started with automatic teller machines (ATM) which also means 'any time money' which enabled user to withdraw money from bank account from any ATMs and at present electronic banking developed with online banking through mobile phones. Online banking offers features such as bank(mini)statements, insurances services, loan applications, e-bill payments, fund transfer services at one platform or secured website of a particular bank.

Keywords– Internet Banking, ATM, Mobile Banking, Financial Institution, Electronic Banking

Introduction

The Reserve Bank of India (RBI) is the apex bank which controls banking system in India. Indian banking system involves commercial banks, regional and rural banks, cooperative banks. The oldest bank in existence in India is the State bank of India a government owned bank and the largest commercial bank in India. Including SBI there are total 27 public banks are functioning in India. India's largest banking and financial services owned by state bank of India with around 17000 branches and 200 foreign offices. With over 2 lakhs employees SBI is banker to millions of Indians. There are two types of private banks in India viz. old private sector banks and new private sector banks. Old private bank includes 13 banks and new private bank includes 9 banks. As of December 2014, there are 43 foreign banks from 26 countries operating as branches in India and 46 banks from 22 countries functioning as delegate office in India. Regional rural banks (RRB) is owned by three entities with respective shares central government 50%, state government 15%, sponsor bank 35%, they are controlled by NABARD.

Definition of E-banking

E-banking or net banking allows the customer to make financial or non-financial transactions online via internet. Net banking provides online access to almost every banking service like fund transfer, deposits, online bill payment to the customers. E-banking services are not just convenient but also secure method of banking. E-banking services can be used through any intelligent electronic device, such as a computer, digital assistant, automated teller machine (ATM).

What is Internet Banking

Internet banking also refers to web banking, net banking or home banking. It refers to the services provided by bank over internet and their services includes fund transfers, paying of bills, viewing of mini statements, account details. Internet banking can be performed through computer systems, mobile phones, tablets and devices which can be connected through banking sites via internet. These day-se-banking can be used through mobile phones via wifis or 3G, 4G connections. With the development of cyber cafes and net cafes in the cities internet banking has become popular and easier.



Functions of Internet Banking

Fund Transfers

E-tax & E-pay

Issue Demand Drafts

Pay Utility Bills (water bills, electric bills etc.)

Generate Account Statements

Credit beneficiary (visa money, RTGS/NEFT)

Online banking, internet banking or web banking provides, home banking provides banking services such as viewing account balance, obtaining statements, checking recent transactions, transferring money between accounts, paying utility bills like water bill, electric bills, book gas cylinders, DTH recharge, mobile recharge, credit card payments, insurance services and loans etc.

Role of Internet Banking in Society

As most of people are busy in their lives they don't even get time to spend with their loved ones so in such scenario standing in a long and crowded queues for such a simply financial transaction turns out to a headache. So to avoid such irritation internet banking was came into existence. Internet banking is providing a platform for the society to transact, make payments, transfer money and get all their financial detail within short span of time. Internet banking is self service that allows customers to perform financial activities over a platform via internet connection.

Advantages of Internet Banking

- Net banking is available 24x7. User can perform the tasks from anywhere and at any time, even in night when the bank is closed or on holidays. The only thing is required an active internet connection.
- Web banking is the most fast and efficient way account to the other very fast.
- User can maintain and manage several accounts easily through internet banking.
- Through Internet banking customer can keep an eye on every transactions and account balance all the time.
- Internet banking facilitates safe and secure platform.
- Through internet banking Customer will be able to know about any fraudulent activity or threat to their account before it damages their server account.
- Internet banking acts as a medium for the banks to advertise their products and services like loans, investments, insurances and etc.
- Net banking is simple to open and easy to operate.
- It is so convenient as the user can pay their bills and transfer their funds from anywhere without the headache and irritation of the long queues.

Disadvantages of internet banking

- Only some banks provides the demo to access the sites of their banks so at first it might be difficult for user to understand the usage of the system.
- Internet banking is completely depends on internet connectivity so if someone don't have internet connection the user will not be able to get the benefits of internet banking.
- Account information might get hacked by unauthorized people over the internet so Security of transactions is a big concern.
- Password security is necessary for safety and security of users account so after receiving the password from Bank one must change it or memorize it to transact in future it will be beneficial and safe for the user otherwise the account may be misused by the unauthorized person.
- The customer cannot use internet banking when the bank server is down or low. It will be difficult for the customer to transact when the bank server is not performing well or not working.
- Sometimes the user is not able the know the whether the transaction is successful or not.

Internet banking in India

The reserve bank of India has formed 3 working groups on internet banking.

Conclusion

Internet banking is changing the banking industries and is having the major effects on banking relationships the net banking thus, "now is more of a norm rather than an exception in many developed countries" due to the fact that is the economical way of providing banking services banking is no longer confined to traditional bricks and mortal branches where the one has two be the branch in person to be draw cash or deposit a check or request statement of accounts Providing internet banking is increasingly becoming a need to have then nice to have In addition E-Banking services are provided by almost all the banks in the countries nevertheless the bank you different security tools and some of these tools need to be improved particularly for phone banking and home banking services Because of telecommunication infrastructure development in India the E-Banking services in India has taken a rapidly growth the E-Banking services examples are UPI, NEFT, IMPS. Due to ease of usage and internet connection facilities, during covid 19 situation the E-Banking system has taken a rapidly growth.

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