



Internet Banking Serving you good?

For this study, we chose private banks mainly because they are more aggressive in their approach in providing latest technologies to customers, as compared to nationalized banks. There too, we zeroed in on banks whose people-to-bank network ratio in the country is measured in the number of branches serving customers. More specifically, we considered private banks operating more than 500 branches in India. With internet banking coming into its own and finding more and more users, thanks to its many advantages, it is as important now to know the benefits of it as well as how to use it without risking one's privacy or security while carrying out transactions.

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The final 14 banks were compared on their charges, if any, for services/facilities such as account statement, stop payment, account closure, RTGS, NEFT, IMPS, SMS alerts, cash deposit at other branches, utility bill payment, standing instruction, and signature verification. We gave the

highest weightage (30 points) to consumer feedback, which also helped in determining the most important and beneficial variables. These variables have a direct bearing on the product structure. Our questionnaire covering various qualitative aspects of internet banking services received responses from more than 500 customers.

Online banking includes any electronic payment system that allows customers of a financial institution to conduct financial transactions through the financial institution's internet-enabled website or app. There are scores of services like online money transfer, account opening, bill payment, tracking account activity, etc., which are made available to customers by means of online banking.

CV RECOMMENDATIONS

Best Buy

HDFC Bank

Good Buy

Yes Bank

Fair Buy

Axis Bank

ONLINE SAVINGS BANK ACCOUNT AND

CV Weightage Points (100)		HDFC Bank	Yes Bank	Axis Bank	Kotak Mahindra	ICICI Bank	
5	Account statement/Balance certificate	Free (5)	Free (5)	100 (1)	Free (5)	50 (3)	
5	Stop payment	Free (5)	50 (3)	100 (1)	Free (5)	Free (5)	
5	Account closure (up to 12 months)	500 (1)	100 (4)	NA (5)	Free (5)	500 (1)	
5	Signature verification	NS (0)	100 (3)	100 (3)	Free (5)	50 (3)	
5	Standing instruction	25 (4)	Free (5)	100 (2)	Free (5)	150 (1)	
5	Interest certificate	50 (3)	NS (0)	100 (3)	Free (5)	50 (3)	
5	Minimum balance not maintained (charges per month)	Nil (5)	Nil (5)	Nil (5)	Nil (5)	Nil (5)	
5	RTGS (+2 lakh)	Free (5)	Free (5)	Free (5)	Free (limited) (1)	25 (2)	
5	NEFT (+2 lakh)	Free (5)	Free (5)	Free (5)	Free (limited) (1)	25 (2)	
5	IMPS (+1 lakh)	Free (5)	NAS (1)	Free (limited) (1)	Free (limited) (1)	15 (3)	
5	ECS returned outward (on your account)	500 (1)	200 (1)	500 (1)	150 (3)	350 (1)	
5	SMS alerts (charges per QTR)	NS (0)	Free (5)	Nil (5)	NS (0)	Nil (5)	
5	Cash deposit at other branches	Free (5)	Free (5)	Free (limited) (1)	Free (limited) (1)	Free (5)	
5	Utility bill payment	Free (5)	5 (3)	NS (0)	NS (0)	NS (0)	
30	Consumer feedback	26	14	23	17	15	
	Total 100	75	64	61	59	54	

Notes:

a) Figures are in rupees.

b) Charges for services described differently in nomenclature are grouped under major heads.

c) Minimum charges are taken for individual bank state branch (BSB) accounts for net banking, in respect of banks based in metros.


INTERNET BANKING: A COMPARATIVE CHART

	Federal Bank	South Indian Bank	Lakshmi Vilas	Bandhan Bank	Karnataka Bank	Tamilnad Mercantile Bank	City Union Bank	IndusInd Bank	Karur Vysya Bank
	100 (1)	100 (1)	50 (3)	100 (1)	Free (5)	50 (3)	25 (3)	100 (1)	100 (1)
	100 (1)	100 (1)	50 (3)	100 (1)	25 (3)	100 (1)	100 (1)	100 (1)	50 (3)
	100 (4)	25 (4)	150 (3)	300 (4)	100 (4)	100 (4)	300 (1)	200 (2)	100 (4)
	100 (3)	100 (3)	100 (3)	100 (3)	100 (3)	100 (3)	100 (3)	100 (3)	125 (1)
	100 (2)	100 (2)	50 (4)	Free (5)	100 (2)	NS (0)	Free (5)	NS (0)	NS (0)
	100 (3)	100 (3)	100 (3)	100 (3)	150 (1)	NS (0)	NS (0)	NS (0)	NS (0)
	27 (3)	NA (5)	NAS (1)	NS (0)	25 (3)	40 (2)	45 (2)	NAS (1)	Free (limited) (1)
	25 (2)	25 (2)	25 (2)	25 (2)	25 (2)	Free (5)	15 (3)	Free (5)	15 (3)
	25 (2)	25 (2)	25 (2)	15 (3)	25 (2)	Free (5)	12 (3)	25 (2)	Free (5)
	10 (4)	15 (3)	15 (3)	15 (3)	15 (3)	NS (0)	12 (4)	NS (0)	NAS (1)
	150 (3)	100 (5)	50 (5)	200 (1)	500 (1)	100 (5)	NS (0)	NS (0)	NS (0)
	NAS (1)	NS (0)	NS (0)	5 (4)	NS (0)	10 (3)	10 (3)	NS (0)	30 (3)
	Free (limited) (1)	NS (0)	NS (0)	NS (0)	Free (limited) (1)	NS (0)	Free (limited) (1)	Free (limited) (1)	Free (limited) (1)
	Free (5)	NS (0)	NS (0)	NS (0)	NS (0)	NS (0)	NS (0)	NS (0)	Free (5)
	16	12	10	11	9	8	9	20	8
	51	43	42	41	39	39	38	36	36

d) Information given here has been sourced from the banks' websites and brochures as on 31-10-2018.

e) In many banks the GST is included in service charges and is hence not specified here.

f) NA – not applicable; NS – not specified; NAS – not ascertainable in exact terms

g) Limited – certain conditions are attached

Online banking has become so widespread today that customers expect their bank accounts to include free online banking. Indeed, some banks only operate on the internet, effectively decreasing overhead costs to offer more competitive rates on savings accounts and thereby enjoying higher profit margins.

Online banking features and services have greatly evolved over the last few years—today you can complete all your transactions (transfer funds, pay bills, etc.) using your computer, tablet or phone. As technology continues to advance, banking online will likely become even easier and more ingrained in the average consumer’s lifestyle.

You Can Do These Banking Transactions

- Issue demand drafts, open fixed deposits and cumulative/recurring deposits online
- Transfer funds to own and third-party accounts
- Credit beneficiary accounts using the RTGS/NEFT/IMPS feature
- Generate account statements
- Set up standing instructions
- Configure profile settings
- Use e-tax for online tax payments
- Use e-pay for automatic bill payments
- Interface with merchants for railway and airline reservations
- Open DEMAT account

- Apply for IPO trading
- Apply for any other banking product (bank loan, credit/debit card, travel card, etc.)
- Request for issue of cheque book
- Change of registered mobile number (RMN), email ID, other personal details, etc.

The Advantages of Internet Banking

- o 24/7 account and service access
- o Speed and efficiency
- o Allows you to transfer money between accounts much more quickly
- o Online bill payments
- o Low overheads can mean low fees
- o Low overheads can also mean high interest rates on deposit accounts

Deal with the Limitations too

- o Technology issues
- o Security issues
- o Inefficient at complex transactions
- o Inconvenient to make deposits
- o No face-to-face customer service
- o Access to the internet is a must and that is not widely available in rural areas





You Can Never Be Too Cautious

It is important to be careful when banking online. You do not want your safety or privacy to be breached. Take the time to put necessary precautions in place.

Banks on their part ensure internet banking security for customers by using encryption technology for verifying account activity, incorporating account-safety features (like a two-tier authentication), and constantly warning consumers of ways to avoid threats such as identity theft.

Follow these precautions while conducting online transactions:

- o Use a power-on/access password for your computer/laptop as well as a screensaver password so that no one else can access your systems without consent.
- o Make sure that your password is long enough to prevent it from easily being hacked.
- o Change your passwords and security settings regularly.
- o Always visit your bank's secure internet banking site only.
- o Avoid accessing the site through a third-party link or via email.
- o Verify the domain name before you try to log in.
- o Log out of your internet banking account the minute you complete transactions.
- o Do not close the window without logging off.
- o Avoid using internet banking on unsecured wi-fi networks such as those at railway stations, metro rail/stations, airports and cybercafes.

- o Clear your cookies after each banking session if you are at a public computer.
- o Install authentic security programmes to guard your system and account against hackers, virus attacks and other malware.
- o Update the security programme or antivirus regularly.
- o Install a suitable firewall to protect your computer or laptop and its contents.
- o Never provide remote access to your system to anyone, not even your family members, as it is still vulnerable to hacking.
- o Disable the 'File and Printing Sharing' command on the operating system.
- o Always log off your PC or laptop when not in use; don't keep it lying around or trust a stranger with it.

Identity theft is any crime that involves someone wrongfully obtaining and using another person's personal data in a fraudulent manner, usually to steal money. The best way to find out if your identity has been stolen is to regularly monitor your accounts and bank statements. Be alert to signs that require immediate attention, such as unfamiliar purchases or missing money.



During our interactions with customers, it emerged that nationalized banks had relatively slow processes for activation/enabling of internet banking services accessed through their own websites. Private banks on the other hand offered very fast access to internet banking services.

Also, while enabling/activating the identified account for internet banking, the private banks' processes were quick and easy to access (such as receipt and using of one-time password or OTP) for carrying out transactions. Barring a handful of efficient ones, most of the nationalized banks failed to live up to customers' expectations.

When a customer carries out a number of banking transactions with private banks, most of them reduce their fee to incentivize the customer into using this tool often. Such was not the case with the nationalized banks.

Here's a Customer's Story

- o A customer holding an existing savings account sends an email to bank's customer support requesting for access to internet banking services.
- o A reply comes after three days stating that they are processing the request and the same will take at least five working days.
- o After the said period, an email comes stating that the account has been activated for internet banking services (from the status of 'deactivation', which is the norm for all savings accounts to prevent unauthorized use).
- o The above email seeks to know whether the customer will like to receive the internet password/TPIN at the residential address or the branch to which the account is attached.
- o On replying that the password needs to be sent to the residential address, they seek another three days for due process to be done.
- o An email is again received stating that the password has been sent and they require an acknowledgement of receipt.
- o On confirming that password and TPIN have been received, they say they will require another five working days to enable the account for internet banking services.

