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THE RESEARCH PAPER ON "PROBLEMS OF ONLINE BANKING" - ISSUES AND PROBABLE SOLUTIONS

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ABSTRACT

THE ONLINE BANKING INTRODUCTION AND CONCEPT:
The Online Banking is mode of performing Banking transactions like deposit, withdrawal, loan processing and all other banking activities through online mode. The use of such methods will make the Bank very strong in service provider list and will save the time and efforts of its employee's .Bank organization will be free from various such activities which will save money, efforts and other useful resources of the organization. The major benefits are in terms of time saving and with more effectiveness we can perform banking services. Even customers and loan holders will be benefited by this. The developing country like India cannot afford to use their resources for unproductive activities the use of these tools, techniques will directly make a country advanced in terms of technology use over a period of time. What are issues of Online Banking is the study topic of the researcher and finding logical solutions to these problems .The Author has done decent contribution by creating awareness about the issues and possible solutions to the problems of the online banking area. In future the researcher intends to collect the related data from the banks for the case study and present the best solutions to the problems of the banking system.

The customer performs banking transaction by visiting the financial institution's secure website, and enters the online banking facility using the customer number and credentials previously set up. The types of financial transactions which a customer may transact through online banking are determined by the financial institution, but usually includes obtaining account balances, a list of the recent transactions, electronic bill payments and funds transfers between a customer's or another's accounts. The customer has to be aware about login and password to enter in the web portal of the bank.

KEYWORDS: Bank, Online Banking, Credit Card, Debit Card, Security, Server, Client, Issues, Solutions, Website Hosting, Mobile Banking.

I. INTRODUCTION:

Online Banking is going to a great benefit to customers all over the world and will save lot of time and money the availability of the resources and its minimum problems in providing best services at the point of sale.

Online banking, also known as internet banking, e-banking or virtual 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 and is in contrast to branch banking which was the traditional way customers accessed banking services.*

II. THE MEANING OF ONLINE BANKING:

The Online Banking means use of advanced techniques to perform operations of bank like saving, withdrawal and loan processing activities through Internet or allied services on Internet in secured manner. Following are the various means by which we can perform Online Banking activities. These facilities are common now and all the banks have their own portal to provide online banking services The Online banking is mode of performing banking g activities like deposit and withdrawal through online mode. The use of such methods will make the Banks free from various such activities which will save money, efforts and other useful resources of the banks will be saved..

III. THE BENEFITS OF ONLINE BANKING:

The Following are the benefits for the use of Online Banking to the Bank and account holders .Cost of Transactions through online portal is very less as compared to traditional banking method . The time required to do the Transactions is very less .Reliability and security is more in these transactions. Account holders can get any bank statement at home or on mobile without visiting bank office which saves his time and efforts.

Status of Bank Branches and ATMS in India.

As per Sector Rural, Semi Urban, Urban and Metropolitan Cities of Scheduled Commercial Banks.

The following table shows the number of the commercial bank branches in India as of March 2017:-Table No 1 and 2.

Table 1: No. of branches of Scheduled Commercial Banks as on 31st March, 2017

Bank Group	Rural	Semi-urban	Urban	Metropolitan	Total
Public Sector Banks	23786	19854	15649	14632	72421
Private Sector Banks	2037	6128	4722	4797	15584
Foreign Banks	11	12	75	349	433
Regional Rural Banks	13723	4229	993	468	18007
Total	39557	30223	21439	20246	106445

Source: Data Extracted from Annual Report RBI Publications -2017 (finiacialservices.gov.in)

As of March 2017, the number of ATMs in India is as follows:

Table 2: Number of ATMs in India as of March 2017

Bank Group	Rural	Semi-Urban	Urban	Metropolitan	Total
Public Sector Banks	9552	16445	23518	22137	70652
Old Private Sector Banks	768	2760	2354	1684	8566
New Private Sector Banks	2214	6484	10995	15842	37535
Foreign Banks	82	83	448	1260	1762
Total	12616	25773	37315	40923	118515

Source: Data Extracted from Annual Report RBI Publications -2017(finiacialservices.gov.in)

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Interpretation and Analysis:
From the above tables it can be seen that the number of branches in all the four sectors are increased. The data is extracted from the government publications for the present study. Though the ATM facilities are increased the requirement of the ATM is very huge and rural population does not get ATM facilities in their nearby places. The need of banking facility in India is to be increased to large extent and government has to take proper action to set up banking branches and ATM for the account holders to save their time and efforts. The above facility also is not meeting the banking requirements of the customers in India.

IV. ISSUES IN ONLINE BANKING:

The Online Banking is possible only when all the barriers are overcome. Some of the major hurdles are as given below:

1. Availability of Computer Security Experts and Programmers.
2. Online Bank portals and their security measures.
3. Infrastructural Facilities for Internet Backbone electricity problem in villages.
4. Financial requirements in the initial stage are more , funds for setting facilities
5. Financial Provisions and support from Central Government to enhance the facilities.
6. Opening New web portal, online transactions, Websites for Online Banking.
7. Awareness about Internet and its technology in bank employees and training them on this platform is the issue.
8. Financial Transactions are to be safeguarded form enemy courtiers and hackers who can misuse the portal and transfer the amount in their account.

V. SOLUTIONS FOR ABOVE ISSUES:

The possible solutions for the above problems can be stated as given below.

1. Create proper awareness among Bank staff and account holders about this technology.
2. To create ample Infrastructural Facilities for Internet Backbone in all the branches.
3. To provide ample budget requirements in the initial stage for setup form the bank and form the government if possible.
4. To get Financial Provisions and support from Central Government, Local government to set up special financial servers and to protect this important data of the bank.
5. To set up and Open New Websites for Online banking purpose only.
6. To train the software professionals and make available Computer Security Experts and Programmers who can be used for protecting our financial records form the bank.

VI. FUTURE OF ONLINE BANKING:

The Online Banking has a bright future ahead and many banks s are now going online as to give best service to its account holders and the awareness of this is created on large scale in all the parts of the country. Customers and improve their efficiency and cost of the service.

VII. CONCLUSION:

The paper cover in brief about online banking basic concepts its advantage sand barriers the country cannot be developed without using such new tools and techniques for important sector of banks in the country. The Online Banking activities are going to increase in near future. The use of Internet is must to get benefit from the technology used for such activities. The main issue is awareness of English and use of technology at the grass root level regarding cash less transactions. The Government Local, State and at Central have to take serious efforts to create awareness and provide facilities for the same. The Banks have to safe guard the money and other valuable items kept in bank lockers of the customers by using these technologies in near future.

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