

REMOTE BANK SERVICES - INNOVATIVE DEVELOPMENT PROSPECTS

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Abstract

. The level of development and functioning of Internet banking in foreign and domestic practice is considered. The main advantages and disadvantages of using Internet banking are presented. The perspective directions of functional mobile banking service development are outlined.

Keywords: bank, distance service, development, system, services, prospects.

Introduction

Topicality. Banks must constantly implement new strategies for development and market promotion that would ensure efficiency, competitive advantage, stability and growth, in the face of growing competition, increased regulatory requirements, and constant external and internal threats. Under these, those successful innovation banks have more opportunities for successful development. Therefore, domestic banking institutions should implement modern information technologies and the latest methods of forming competitive advantages.

Today, when the number of banking services is steadily increasing, the quality of the bank's work with customers is determined not only by the set of services provided, but also by the level of implementation of computer and Internet technologies, which considerably simplify the process of interaction between customers and the bank. The banking sector is most sensitive to their development. This is due to the need to serve customers on a wide geographic scale, from regional to international, with minimal cost, but with the maximum degree of convenience and versatility of the offered services.

A lot of attention is paid to the scientific and theoretical substantiation of directions, trends and prospects for the development of modern banking services, the search for effective ways of introducing various remote forms of banking operations. Some aspects of banking in the direction of Internet banking are set forth in the works of I. Borisova, V. Kostogryz, O. Ovcharuk, K. Trofimova and others. Mostly available publications on this issue include the systematization of the theoretical and practical aspects of the organization of remote banking services, an analysis of the prospects of developing Internet banking in Ukraine, taking into account its inherent advantages and disadvantages, opportunities and threats, proposals on the directions and ways to overcome existing obstacles to effective use this form of providing banking services. However, in view of the increasing competition in the banking market, the problem of assessing the impact of Internet banking on the competitiveness and efficiency of banking activities remains insufficiently researched.

The task of the research: to consider the role of remote banking services.

Purpose: is a generalization of the scientific and theoretical foundations of the impact of distance banking services on the competitiveness of banks.

Goals:

- to study the development of remote banking services;
- to prove the main features of Internet banking;
- determine the organizational framework for the development of Internet and mobile banking.

Objects of the research: modern computer technologies are an important precondition for the development of the bank, increasing its competitive advantages in the financial market.

Methods of the research: analysis, synthesis, comparison, generalization, comparison. The research was based on the provisions of the dialectical method of knowledge of processes and phenomena in their interaction and development.

Development of Remote Banking Services

Online Banking or Web Banking is one of the types of remote banking services that provides access to accounts and account operations at any time and from any computer over the Internet [*Довідник для банкірів*].

According to foreign and domestic practices, Internet banking includes: management of accounts (statements, transfers from accounts to accounts, preparation of balance sheets, etc.); opening deposits, making currency transactions; execution of payment transactions (money transfers, payment of invoices for goods, utility payments, etc.); exchange of financial documents.

Internet banking technology comes from the technology of remote banking services ("home banking" or "remote banking" - remote banking). In the process of evolution, this kind of services has evolved significantly. Home Banking technology was developed in the early 80's when Western European banks began active competition for attracting new customers. In November 1982, as a new financial product, the Homelink system, launched by the Bank of Scotland in conjunction with the British Telecom telephone company, was announced. The service was first introduced in the Nottingham Building Society Building Society and began to be applied from the middle of 1983.

The world's first bank, which began to serve customers only on the Internet, appeared on October 18, 1995 p. In the USA - the era of Internet banking began with the creation of Security First Network Bank (SFNB). During the first and a half years of existence, the average monthly growth of the bank's capital amounted to 20%, assets increased to 40 mln USD. The USA, and the number of client accounts - up to 10 thousand. From August 2001 p. SFNB has become part of the Central Bank, part of the RBC Financial Group, created by Royal Bank of Canada. At present, financial services at the boarding house are provided by all the leaders of the American banking business - Citicorp, Chase, Bank of America, Wells Fargo, Bank One, and others.

In Europe, the first virtual bank was Advance Bank, a subsidiary of the Dresden Bank Group (Germany), which started its operations in 1996. At present, it is a portal for integrated financial services.

The corporations of traditional business began to actively enter the market of providing Internet banking. Technology companies that have achieved some success in the market of Internet services (telecommunication companies, Internet service providers, e-commerce centers, etc.) also began to provide Internet banking services. So, the first non-financial company in Japan, which has been licensed to conduct a full range of banking operations, has become Sony Corporation.

At the end of 2001, Sony Corp's online project was launched, with Sumitomo Mitsui Banking Corp (16% stake) and J.P. Morgan (4% of shares and financial control over operations of the bank). Through its 25,000-inch network of automated devices at post offices throughout Japan, Sony Bank was required to provide long-term loans, conduct cash management consulting, etc. And the main business idea was to massively attract customers at the expense of higher rates on current account balances - 0.05% per annum, compared with 0.02% in traditional banks. The first online bank in Japan was Japan Net Bank, created in October 2000 by a group of companies headed by Sakura Bank.

In Europe, Internet banking has spread most in Sweden, where in 1999, 25% of the total number of SE Banken used such services.

The tendency of the active withdrawal of many non-bank corporations into the commonwealth with financial and technology companies to the banking market has become quite stable. Therefore, serious discussions on the issue, conventionally referred to as "the problem of the survival of traditional banks and their affiliates", began abroad. But the leading traditional banks quickly realized the real prospects of losing a few customers. Therefore, investing considerable funds in the latest information technologies, they began to expand the range of their services through the use of the Internet.

Representatives of the US banking industry, which have always kept their technological initiatives in secret, are now collaborating in the area of setting up technological standards for

electronic banking operations. To this end, in 1996, the Banking Industry Technology Secretariat (BITS) was created as the Information Technology Division of the Round Table on Financial Services, which consists of the heads of the 14 largest national banks.

In the world two business models of Internet banking have been formed: the banks have added their traditional services to the online business; creation of virtual banks that work only through the Internet.

Technological models of Internet banking are:

- client-based - early Internet banking systems requiring clients to use special software installed on their computers;
- internet-based - modern Internet-based systems that allow you to set up a remote connection to the Internet banking system and use the special software installed there with only a standard browser.

Market of Mobile and Internet Banking in Ukraine

Legally stated in Ukraine that Internet banking (the "Client - Internet Bank" system) is an element of remote banking service. The concept of remote banking service is considered in clause 11.1. NBU Resolution No. 22 of 21.01.2004 "On Approval of the Instructions for Cashless Settlements in Ukraine in the National Currency": Remote banking services allow the client to carry out operational operations with their accounts at the bank and exchange the technological information specified in the contract between the bank and the client.

The main features of Internet banking should include: exchange of currencies; opening of deposit accounts; sale of insurance and investment fund shares; order a payment card; view balance on accounts; payment of utility bills; receipt of statements on the movement of funds on accounts; consultations of specialists of the bank in on-line mode; SMS and e-mail message about operations on accounts; money transfers; intrabank payments to accounts of individuals and legal entities; interbank payments in national currency across Ukraine.

The most important positive quality of Internet banking is the ability to control their accounts from anywhere in the world. The main condition is to have access to the Internet. The second important quality is speed and convenience. It is possible to save time and money as a result of the need to visit the offices of banks, stand in queues, etc.

Internet banking is developing in the direction of diversification of banking services. In addition, the tendency of integration of banking products and services is intensified - insurance, dealer, investment, legal, consulting, etc. are added to traditional banking. A number of leading banks, such as Wells Fargo, ING Group, believes the creation of a strategic banking company based on the banks of the universal financial services companies.

Today, Internet banking in Ukraine is provided by many financial institutions. The largest and most technologically active market participants consider the Internet services of Privat, Alfa-Bank, VTB Bank, PUMB, Raiffeisen Bank Aval, UkrSibbank and UkrSotsbank [*Науменкова С.В., 2015*].

PrivatBank, the largest financial institution in the country, is well aware of the moment when the Internet banking era began. In 1999, Privat clients got access to a new service - they could replenish their phone bill and transfer money between cards using sms from mobile. The services of replenishment of the account of the Privat have been developed jointly with the telecom-company Kyivstar. Together they offered a cobranding card to replenish the mobile StarCard.

The success of technology has prompted the bank to develop a system Privat24. Just a few years later, its users were able to receive electronic statements, check the balance of a bank account, transfer funds between accounts and replenish their mobile phone.

Already traditional for the Internet and mobile applications have become standard payments: payment for residential office services, Internet providers, mobile operators. As well as repayment of loans, replenishment of deposits, and more.

The real breakthrough occurred in payments between people to each other. At first it was just convenient: why go to transfer money through the city, if you can transfer money to a friend through the Internet or mobile application. And after increasing the cost of travel in public transport has become even more economical. With the development of technology Ukrainians began to throw money each other, even nearby. Novelties have become transfers from card to card online. Through a clear and simple interface, this service helps to solve many problems for customers: from breaking up a bill in a cafe to thousands of remitters. The service can already be found not only on banking sites and payment service provider sites, but also on other sites.

The most common mistake a person has when using systems when making payments on the Internet or in a mobile application is the wrong typing of passwords at the entrance to the system. If you do this incorrectly three times, the financial institution will automatically block this account - login to your page in the system of Internet banking will not work.

Each financial institution has its own rules on this: one bank is enough to name the code word and details of the passport by telephone (call-center operator), and the other one - you need to personally appear in the office and make a statement. After that, unlocking is usually done instantly.

The second place, according to bankers, is an error with incorrect indication of account details. It is enough to miss one digit, filling out the fields of payment order, and the funds will not be sent to the address. If the money goes to the name of the organization (for example, a utility company) or a person and cannot reach its goal due to incorrectly entered data, they will hang on the transit account of the bank - the receiver of funds. In this case, the operatives simply do not know who they were intended for. On this transit account, they will be in the process of finding out all the circumstances. Returning the "lost money" and sending the correct course can, having appeared in your bank (in which you use the Internet banking system): write an application for the return of the amount, and the financial institution will contact the receiving bank and return the money. After that they will be returned to the account of the sender, and the person will be able to send them back in the right direction.

The whole procedure can take from one day to several days. Much will depend not only on your bank, but also on the responsiveness and speed of the receiving bank. But the "good end" is guaranteed history only if the false account details do not match the real ones in the other recipient. If a customer misses one digit and finds out that such an account is also available, but belongs to another person, then everything will depend on the decency of the payee. Or he admits that he has received not his money and will return it to the sender, or insist that its amount. In this case, the withdrawal of the payment cannot, the bank cannot do anything.

The third problem most often encountered by users of the Internet and mobile banking that use the service called "recurrent (automatic) payments" is regular transfers. That is, a person introduces a convenient date for him, say, the eighth day of each month, and gives the bank half a year, or a yearly commission to automatically pay monthly invoices to the geek, cable or mobile operator and other service organizations. Such payments become routine, and people do not keep track of the details of the accounts, which are followed by money. If they do not remind the service company, then in the event of a bank change, there is a problem finding a money.

Such problems arise also in case of transfer of accounts of service organizations to other banks. Not all consumers warn about it in a timely manner, and there is confusion. People continue to pay their bills to the "old" bank, and they are not always able to return the money after a freeze on a transit account. The situation was further aggravated by the fact that in the banks - the recipients of money introduced a temporary administration, and it was impossible to recall them. In this case, the person has one option for the return of money: wait for the beginning of payment of compensation to the affected depositors Deposit Guarantee Fund.

The fourth problem relates not to how much to use of remote payments, but to carefree attitude to data storage (logins and passwords). It is usually not possible to bring back the expenses spent by the children without the attention of adults.

Properly stored logins and passwords (in a cozy place away from someone else's eyes) when using Internet and mobile banking is a very important point. Experts from the security services of the banks insist that saving the account data and access to it will protect the owner from fraudsters, who from time to time expose the hunt for banking data. Lately it has started to be done more often with the help of a ringtone or electronic requests (by e-mail) supposedly on behalf of the bank. Therefore, financiers constantly remind people that in no case should anyone disclose not only the details of their card account or CVV code indicated on the back of plastic, but also passwords to Internet and mobile banking systems. Data can also be stolen using viral software.

To do this, you need to install the software on a separate personal computer with a licensed operating system and all the latest necessary updates for it. Only this way, people will be able to include in the settings of the operating system automatic updates from the manufacturer. You must update the security features: antivirus software, a personal firewall / firewall, and an unauthorized access control (personal user account, without administrator privileges, using a password).

The popularity of online settlements in the country is increasing every year, but domestic financiers and their customers have to grow yet: according to the consulting company McKinsey & Company, today, with computers and gadgets, Ukrainians spend about 40% of their calculations. In Poland, for example, through digital channels passes 96% of retail payments and money transfers [Карчева І.Я., 2015].

In the research company GfK estimated that in Ukraine in 2015, at least one online transaction per quarter is carried out by only 10% of the 70 million clients connected to Internet banking. In Poland, this figure is 61%.

Internet services are beneficial to their own bankers - for their help, the latter reduce the administrative costs: for staff, premises, etc.

According to the National Bank of Ukraine, in January-February 2016, banks directed at this article expenses of UAH 5.7 billion - 21% of their total costs.

As McKinsey's research shows, operating expenses of Ukrainian banks make up about 4.5% of assets, while in neighboring Poland - no more than 2%. And this is only an average indicator - in small banks, the relative costs are twice as high as the leading players.

In spite of the convenience, not all customers are ready to replace the campaign in the department with manipulations with a mobile or computer. According to the statistical data of the center of electronic channels of the leading banking institution of Ukraine, Internet banking is the most used by people aged 25-34, among them active users - 43%. In other age categories their share does not exceed 22%.

Conclusions

Nevertheless, mobile and Internet banking in Ukraine will inevitably develop. Among the IT professionals, a popular statement that accurately reflects the immediate future: "If before, leaving the house, the person took with him the necessary three things - keys, wallet and phone, then soon enough will be only a smartphone."

One of the most promising areas for mobile banking development will be online identification for various financial services, such as loan and deposit. Confirming the identity of the client will be possible not only through the Internet, but also by means of video communication at payment terminals or ATMs.

New features will make you interested in online services for all wider segments of the population. As a result, rapid growth is expected in the near future.

But on the way to the further development of Internet and mobile banking remains a lot of troubles. Therefore, many measures need to be taken:

- 1) be sure to consolidate the concept of "Internet banking" at the legislative level;

2) to promote effective support of all new technologies in the banking system (by the state and NBU);

3) to provide an adequate level of protection of electronic payment systems;

4) banks to expand the network of their services by using the Internet, which will help to reach the international level.

The market of mobile and Internet banking in Ukraine, meanwhile, is growing rapidly and has already gone beyond the mark of 100 billion USD per year. In March 2016, the Swiss financial group UBS launched a service that changes the usual perceptions of classical banking services. Now its customers can open accounts using a smartphone, identification is done directly by using a video connection with a bank employee. Clients receive an agreement on opening a bank account and other documentation in an encrypted format by e-mail.

Just a little bit - and similar services will become available in Ukraine: the domestic market is confident in the direction of expanding online services. Banks operating in the country are following the global trend and duplicate all their financial services on the Internet. The time when they have won the market through an extensive network of branches is coming to a halt - mobile and Internet banking is now becoming the main area of development. It is these services that will become key in the coming years, unless institutions are able to solve urgent issues related to technology and security.

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