



MOBILE BANKING IN INDIA- ISSUES&CHALLENGES

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ABSTRACT:

Technology plays an important role in banking sector. Banking is one of the largest financial institutions constantly explores the opportunity of technology enabled services to provide better customer experience and convenience. Mobile phone is a common technology device that became part of every individual in the information era. Mobile banking is an emerging alternate channel for providing banking services. India is the second largest telecom market in the world, which is having high potential for expanding banking services using mobile. However, mobile banking has not become the choice of millions of people. The main objective of this study is to identify the mindset and analyses the security issues in Mobile banking among the banking customers in India. The success story of M-PESA in Kenya and other few countries became instrumental for banks in other countries to explore the opportunity and adopt Mobile Banking. The main advantage of mobile banking is that the people in remote area can also access the banking services at ease. This has made rapid change in communication system. The challenges and security issues in mobile banking are discussed in this paper.

KEYWORDS:

MOBILE BANKING AND SERVICES, CUSTOMER, ISSUES, M - BANKING, CHALLENGES.

INTRODUCTION:

Mobile phone is a new technology in financial and banking sector which helps customer to enjoy the banking facility on mobile like account information, transaction, transfer money from one account to another account and other banking facilities are available in our mobile phone so mobile banking not only help to save our time but it also give the facility to access the bank account from anywhere and anytime but in mobile banking there is some security issues due to this customers are don't like to use mobile banking because they don't trust on mobile banking facility and security. Some banks are use third party to security services are we can't trust on the third party because they may steal our data. Is first challenge for us to improve mobile banking security and make trust among the customer and second problem is to make it user friendly by which user can understand and use it easily by improving all these facilities barrier on adoption of the mobile banking can be overcome .

LITERATURE REVIEW:

Bamoriya and Singh (2011) found that they mobile banking has the issues and challenges like mobile handset compatibility, standardizing, software downloading, privacy & security. The Basel Committee on Banking Supervision expects risk in banking activities due to unprecedented speed of change in technological and innovation in products / services. The committee which was recommended an integrated risk management approach for all activities of a banking institution.

A review of existing literature reveals the impact, challenges, trends and development made by mobile banking in the Indian banking sector mobile banking offers a higher level of convenience for managing one's bedroom. However, it continues to present challenges to the financial security and personal privacy. Customers are advised not to share personal information like PIN, password etc with anyone, including employees of the bank, change ATM PIN and online login and transaction passwords on a regular basis and ensure that the logged in session is properly signed out.

OBJECTIVES OF THE STUDY:

- ❖ To make theoretical analysis on mobile banking and to look at the progress of computerization and automation in Indian banking sector.
- ❖ To highlights the benefits and challenges associated with m-banking in Indian context.
- ❖ Finally to make some recommendations for future development of m-banking.

RESEARCH METHODOLOGY:

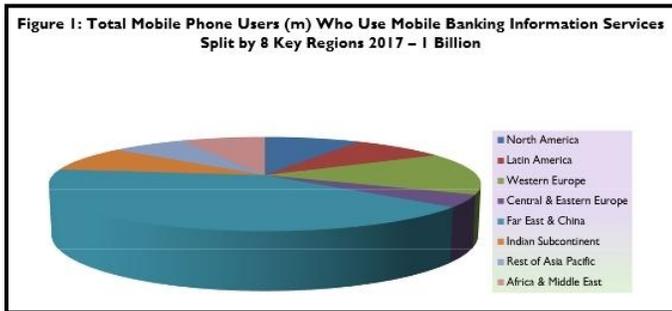
The study is based on descriptive analysis and various secondary information sources and includes different literatures reviews, case studies, published sources of data collected from various research papers, journals and magazines like journals of electronic commerce research, the journal of internet banking and commerce, e-service journal, various issues of RBI and also includes websites of banks.

DEVELOPMENTS IN MOBILE TECHNOLOGY:

Mobile app sector has grown multirole in recent years and so has the demand for them. Studies reveal that almost 50 billion app downloads jump from 149 billion in 2016 to 197 billion in 2017. The reserve bank of India recently informed banks to encourage mobile banking in coming days we will see more number of people getting addicted to the ease of mobile banking.

ADVANTAGES OF MOBILE BANKING:

In mobile banking, the user can transfer funds from your bank account to another bank account with a smart phone just with the help of the internet, from anywhere to everywhere. It is available for 24 hours and easy and convenient mode for many mobile users in the rural areas. Mobile banking is side to be more secure and risk-free than online internet banking. With the help of mobile banking user can transfer funds and pay bills, checking account balance, study your resent transaction, block your ATM cards, etc. Mobile banking cost-effective and banks offer this service at less cost to the customers.



MOBILE BANKING:

Mobile payments were trailed in 1998 in Finland and Sweden where a mobile phone was used to pay for a coca cola vending machine and car parking. Commercial launches followed in 1999 in Norway. The first commercial payment system to mimic banks and credit cards were launched in the Philippines in 1999 simultaneously by mobile operators Globe and smart. Now in India Banks are constantly adopting technology to expand its business and to reach different level of customers. Apart from ATM, Internet banking and other technology enabled service Mobile Banking services. Provided by banks to its customers. Astonishing growth in telecommunication sector, its penetration including rural population and technology feasibility are the major factors for the introduction of mobile banking services. Some banks in India are started providing the mobile bank (PNB), HDFC, ICICI, Axis Bank, etc.

MOBILE BANKING AT YOUR FINGER TIPS:

Integrated with CSI's core banking platforms, our mobile banking app gives your bank access to a customizable, user-friendly suite of features. Our mobile banking for your customers by allowing them to:

- Transfer funds between accounts in real time.
- Transfer for money to friends or family

- instantly through P2P payments.
- Access bank statements deposit checks through their mobile device's camera.
- View all account and transaction histories.
- Manage accounts and set personal financial goals.
- Name debit cards credit cards for easy identification and turn cards on or off if lost or stolen.
- Authenticate with improved security measures such, as android fingerprints and I phone x face ID bio-metrics
- Track real-time card activity and set financial alerts.

10 DANGERS OF MOBILE BANKING:

1. Mobile devices are small computer that can face big problems.
2. Protect with a password, or risk passing along your bank account.
3. Auto-save passwords are not secure production.
4. Shared devices could share problems.
5. Instant might not always be "instant".
6. Beware of 'rogue apps'.
7. Some devices are safer than others.
8. Old, unused phones still store your information.
9. Out dated apps often mean out-of-date security.
10. Poor reception can lead to poor security.

ISSUES AND CHALLENGES IN MOBILE BANKING:

The rapid technology development in Mobile technology like 2G, 3G, 4G, has become major challenges for banks. It is visible that the bank which started Mobile Banking in the form of SMS banking, then adopted application (software) based model for traditional mobile operating system and Mobile Apps posed the banks to adopt the current technology.

The customers are mostly using ATM and online banking services. Most of the customers feel comfortable without mobile banking. They also feel, there are chances of misuse in mobile banking due to mobile handset theft.

THE CHALLENGES IN MOBILE BANKING SECURITY:

Frauds is the bugbear of banking costing the UK economy alone potentially 193 billion GBP per year. In a previous blog post on "on the GO: How Mobile Redefines The Way We Bank" "We talked about how mobile banking was disrupting the industry and how online fraud will most likely move towards the mobile platform.

As mobile device use for banking increases, it creates new opportunities for fraudsters, giving malicious actors new inroads into our bank accounts and personal data. A MCA fee survey of mobile threats found they are "steadily growing "with banking Trojans that can steal login credentials, increasing by 40%. One such Trojans is the infamous 'fake token 'which over lays a fake UI and can

even steal SMS codes sent to users for second—factor authentication.

CONCLUSION:

It is concluded that Mobile Banking is not only one the most leading and successful product but it is also an essential for the growth of any developing country especially if we observe in the context of India it clearly indicates that in future banking will be a product that will provide a gradual boost to the economy.

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