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“Issues And Challenges With Mobile Banking”

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Abstract

Today, people are embracing technologies to save time and effort. One feature of contemporary banking is mobile banking, which enables customers to handle numerous mobile-based transactions at any location. Financial and banking institutions provide mobile banking as a service that enables customers to use mobile phones and tablets to access their services. Using secondary data sources, this study examines the issues and challenges associated with mobile banking. According to this study, there are several barriers preventing the adoption of mobile banking, including those related to security, privacy risk, trust, technological change, handset operability, and customer unawareness.

Keywords: Mobile banking, Issues and Challenges, Security, Banking Technology

Introduction

Mobile banking is a technology or system which enables customers and users to carry out their banking or financial transactions by using mobile phones. Mobile banking technology decreases the efforts and save the time of visiting a bank. It offers various services with a single mobile tab and can get the information about the banking accounts and transfer instant money.

These facilities area unit will be availed through net affiliation. Mobile banking application can connect banking system to phone, so it is more user-friendly interface for customers to enjoy financial services anywhere and anytime (cheah et al, 2011).

Digital banking started in 1960, with the introduction of cards and ATMs. Digital banking was commonplace in 1990 with the aid of the internet. In early 2000, the introduction of broadband and e-commerce brought about a switch from traditional to digital banking. With the introduction of smartphones, users now have a new space to conduct transactions, ushering in the era of mobile banking.

Mobile banking is the highly dynamic technology that is employed within the business areas. Since mobile banking was introduced, customers are ready to use it to get all mobile banking services whole day while not having the standard branches of banks for private transactions. It also provides numerous banking services relying upon the banking rules such as dealing history and details, fund transfer, financial statement request, alerts of bill payments, credit and debit alerts, minimum balance alerts or quick notifications, requisition for new chequebook, enquiry of account balance etc.

Mobile banking shows transformation of the quickest developing areas of mobile correspondence innovations and banking administrations. This type of examination investigates the different types of issues in banking. (V. Devadevan, 2013)

In India there are currently 492.78 million smart phones in use. 100 million smart phone or mobile users are continuously added every year and 1 billion users are expected to use smart phones in India till 2026. (Delloite, 2022).

At present the users of mobile banking services have increased as compared to a decade ago. Banks are also converting their customers from traditional banking to adopt mobile banking services by investing in the new technology, new apps, new features, security issues and educating their consumers as well.

The mobile banking application development process includes voice recognition, pre login functionality, self-service features, card less ATM withdrawals, live chat, appointment scheduling and biometric authentication process. The beginning of mobile banking, payments, Fund transfer services are provided but there are some barriers which are affecting the users, banks and service providers in mobile banking system. User faces various problems which include high cost, handset operability, lack of awareness, network accessibility, language problem, security and inadequate notification updates.

After demonetization in November 2016 Paytm, Google Pay, PhonePe and all other applications became a great change maker for the society and the banking sector. All apps get entered into the market for a quick payment through quick response (QR) code from one person to another person and it works with mobile number also.

The recent entry of new players such as Amazon Pay and WhatsApp pay on digital payment platform shows the growing demand and necessity among the people in the country.

Types of Mobile Banking

Mobile banking services can be roughly divided into three categories based on the type of banking operations carried out through the platform. The following are the various mobile banking choices available.

1. Mobile Banking Via Mobile Apps

To execute banking operations through mobile app. All banking and non-banking transactions fall under this category of mobile banking, including the following.

- **Account Access**

Examine any previous transactions, review investment statements, keep track of deposits and loan EMI transactions, monitor account balances and statements, invest in stocks and mutual funds, etc. Learn more about the other add-on services as well.

- **Funds Transfer**

Money can be moved between accounts at the same bank or different banks using NEFT, RTGS, IMPS, or UPI. Additionally, mobile banking was utilised for online shopping, paying utility bills, recharging DTH and mobile devices, and more.

- **Investments**

Open accounts for high-interest recurring or fixed deposits. Manage your investment portfolio, buy and sell mutual funds, and acquire and sell shares, bonds, and other stock market securities.

- **Support Services**

Locating ATMs and branches, figuring out the status of credit or debit cards, buying chequebooks, and resolving complaints are just a few of these services.

- **Marketing**

Using mobile banking apps, banks advertise new products and services and offer incentives to consumers who sign up early. Uncover the most recent things that banks have to offer.

2. Mobile Banking Services Over SMS

Additional mobile banking options include SMS banking. It is designed for account owners who do not have internet-capable handsets. Registration of your mobile phone number with a bank is required to access SMS banking services. The following functions are available through SMS mobile banking:

- Balance check
- Brief statements
- Blocking of credit cards, debit cards, and ATM cards
- Obtaining information on current interest rates and currency exchange rates

3. Mobile Banking via USSD

Mobile phones employ a kind of communication known as USSD, or unstructured supplementary service data, often known as feature or rapid code. Neither a smartphone nor an Internet connection are necessary for this kind of mobile banking. Owned by the National Payment Corporation of India, *99# is a USSD-based service available in India. Check account balances and mini-account summaries using USSD mobile banking, and send money using the account number, Aadhaar, or mobile money identity (MMID).

Review of Literature

1. **Gurme V.M. (2019)** discussed the issues and challenges of mobile banking technology and awareness about the banking technology to be adopted by the consumers without any fear. This research also included the issues and services which are required for the development of mobile banking technology. Financial systems security is one of the biggest obstacles to be solved for consumers to successfully accept mobile banking. A secure overview is given for the users and awareness is acceptance for mobile banking technology.
2. **Kanimozhi, M. S., & Subathradevi, M. S. (2019)** discussed issues and challenges of mobile banking in India. This study identified the security issues of mobile banking technology with their banking consumers in India and also explained the potential for expanding banking services by using mobile technology. There is a risk for mobile banking to be misused as a result of mobile device theft.
3. **Gupta, A., & Atiq, R. (2019)**, analyzed various services and applications offered by the mobile banking. This research reveals the issues and factors which are used in adoption of mobile banking technology. There are various challenges identified that users are facing while using these types of applications. The challenges /obstacle/issues in adoption of mobile banking are customer's education and awareness, Virus attacks, Privacy issues, Wireless networks, Handset operability, reliability etc. There is some security related risk and challenges like (security issue with WAP, SMS based banking, digital signature risk, authentication risk etc.)
4. **Jasmine J. & Rajan A. (2018)**, analyzed the concept of e-banking and various challenges of internet banking and role of safe banking is an essential thing for the growth and development of the country. It also provided the concept of traditional banking and security related issues. such as computer viruses, identity theft or phishing, hacking, keystroke logging, spyware, and computer viruses.
5. **Lekshmi Bhai P.S. (2018)** In India, mobile banking's difficulties and opportunities have been revealed. The study also clarified that the mobile banking system plays a significant role in the country's economic growth. This research provides an overview of mobile banking to their consumers.

6. **Monisha, Bhudhiraja k, Kaur J, (2017)** discussed innovations, challenges, various opportunities in mobile banking technology and gave a layout of current scenario of internet banking or mobile banking in India. Study also reveals the requirements, benefits and initiatives provided by the government for the development of the country. E-banking has a number of difficulties, including risks to security, privacy, and trust, as well as consumer ignorance about e-banking and weak infrastructure.
7. **Gupta R., Kumar R. P., Bharadwaj A. (2017)** contributed the concept, practices, challenges and security issues of mobile banking system in India. This relates to web based applications which provides a centralized system, various financial operations performed through interfaces without wasting time and more efforts.
8. **Sasikumar G. (2017)** revealed that users have challenges and issues in adopting the mobile banking technology. It also includes the various types of security issues faced by the consumers while availing the mobile banking transaction and services.
9. **Kumar K.L., Sreekanth M., Naidu K.V., (2016)**, opined about the mobile banking technology and its services provided to the consumers, explained the overview of mobile banking, issues and challenges of mobile banking in India.
10. **Devadevan, V. (2013)**. opined about the issues and challenges of mobile banking technology in the India. This research concluded about various opportunities which enhance the better user experience and accessibility. According to the results India has the second biggest e- banking services and has higher market growth by using mobile banking technology. This research enhances the level of customer satisfaction and attitude towards mobile banking technology in India. They agree that there is a risk for mobile banking to be abused as a result of stolen mobile devices.

Methodology

This study is based on secondary data sources, such as Research papers, Articles, Books, Reports and websites.

Issues of Mobile Banking

Following the study, it was found that there are many issues,

- **Customer unawareness:** The level of customer awareness of mobile banking is still low. One of the top barriers to the development of mobile banking is a lack of awareness of new technologies and their advantages.
- **Smartphone operability:** It is difficult for banks to provide mobile banking services on all types of mobile phone devices, because of the wide variety of available models.
- **Network unavailability:** Network unavailability is a barrier to the use of mobile banking services.
- **Mobile handset theft:** Customers are concerned about theft of mobile devices. They believed that their money would be lost if their mobile devices were stolen.
- **Financial system security:** Consumers find it troubling to think about managing and using their money via a mobile device or other device with a signal that could be intercepted by someone else with the right tools.

Challenges of Mobile Banking

Following the study, it was found that there are numerous challenges

- **Security issues:** One of the main concerns of mobile banking is security. Owing to safety and security concerns, a large proportion of customers avoid using mobile banking services.
- **Privacy concerns:** Consumers' privacy rights may be violated by unauthorized access to stored data, which include personal information, transaction history, and location data that may be used to target direct advertising. Privacy issues also deal with the risk of the disclosure of personal and financial information.
- **Trust issues:** Customers frequently use traditional banking because they are unconvinced about mobile banking. They believed that there is a risk associated with mobile banking transactions that could result in various frauds and swindles.
- **Smishing:** Smishing is similar to phishing. In "Smishing," users get fictitious messages asking for their bank information. This trap has been used against many users.
- **Virus and malware:** One of the biggest security challenges in mobile banking is virus attacks. Internet malware, Trojan horses, and computer viruses are found in more than fifty thousand different varieties. Passwords are easily stolen by malware like Trojan horses.
- **Authentication:** Login is an authentication technique that is used in mobile banking. However, the PINS authentication technique has a long history and has been linked to numerous security problems including password and identity theft. As a result, customers grow suspicious of the security service provider. Customers lose trust in banks because of the ease with which an unauthorized individual can exploit this weakness.
- **Reliability:** As banks fall short of customers' expectations for performance and dependability, they lose customers' trust.
- **Digital signature risk:** Banks prefer digital signatures to reduce hardware costs. Owing to the efficiency of digital signatures, most banks are interested in digital signatures for authentication. However, it is not completely safe, and risk is associated with this.
- **SMS Spoofing Attack:** The most dangerous attack in SMS banking is a spoofing attack, in which an attacker can send messages on a network by manipulating the sender's number.

Conclusion

Mobile banking plays vital role an increasing profitability of banks. And also maintain the better customer relationship, anytime anywhere banking. Through this service consumer save their time, cost and expenses. In despite of many benefits mobile banking system has many issues and challenges. Following a close examination and analysis of this study, it is clear that the industry's main problems are a lack of trust, data privacy, and insecurity. To improve the quality of mobile banking services, banks should concentrate on addressing problems and challenges, such as security, privacy risk, trust, technological change, handset operability, and customer awareness.

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