

## IMPACT OF E-BANKING ON TRADITIONAL BANKING SERVICES

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### ABSTRACT

*Online banking transforms the banking industry, with significant impact on banking relationships. Banking is now no longer allowed at branches if a person has to speak for himself and the branch, withdraw money or make a check or request a statement of accounts. In real Internet banking, any inquiries or transactions are processed online without reference to the branch (any banking) at any time. Providing online banking is increasingly becoming a "necessity" for having a "good" presence service. Complete banking, therefore, is now more common than in most developed countries because it is a cheaper way to provide banking services. This research paper will introduce you to e-banking, providing a description, functions, types, benefits and limitations of e-banking. It will also highlight the impact of e-banking on traditional services and ultimately document results.*

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**Keywords:** *E-Banking, Functions, Advantages, Limitations, Traditional Banking Services.*

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### Introduction

Internet banking (or E-banking) refers to any user who has a computer and the browser can connect to his or her banking website performing any tangible banking activities. In an online banking system the bank has an intermediate database approved by the web. All online banking services are displayed in the menu. Once the bank's branch offices are connected via earth or satellite links, there will be no branch ownership. It can be an unlimited organization that allows anytime, anywhere and in any way to bank.

The network that connects the various sites and provides communication with the central office of the organization is called the intranet. These networks are limited to the organizations they are assigned to. SWIFT is a live example of an intranet application.

E-banking offers the greatest benefits to consumers in terms of simplicity and transaction costs, either via the Internet, telephone or electronic delivery. Electronic finance (E-finance) has become one of the most important technological changes in the financial industry. E-finance such as the provision of financial services and markets through electronic and electronic communications.

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### Meaning of e-Banking

E-bank is the electronic bank that provides the financial service for the individual client by means of Internet.

### Functions of e-Banking

At present, the personal-bank system provides the following services:

#### Ñ **Inquiry about The Information of Account**

The client asks for details of its account details such as card / account balance and detailed account history records and downloads a list of reports.

#### Ñ **Card Accounts Transfer**

A client can benefit from this fund and give a Credit Card to someone else in that city.

#### Ñ **Bank-Securities Accounts Transfer**

The customer can benefit from the transfer of funds between his or her bank savings accounts on his or her Credit Card account and his or her primary account at a security company. In addition, the client can inquire about the current balance in real time.

#### Ñ **The Transaction of Foreign Exchange**

The client can trade foreign currencies, cancel orders and inquire about foreign exchange transactions according to the exchange rate provided by our online bank.

#### Ñ **The B2C Disbursement on Net**

The client can make real-time transfers and receive details in response to payments from our bank when the client makes purchases on the designated web site.

#### Ñ **Client Service**

The client can change the login password, credit card details and client details in the e-bank net.

#### Ñ **Account Management**

The client can change its rights restrictions and the status of the account registered in the personal e-bank, such as changing his or her login password, freezing or deleting other cards and so on.

#### Ñ **Reporting The Loss If The Account**

The client can report the loss in the local area (not nationwide) when the client's Credit Card or passbook is missing or stolen.

### Types of e-Banking

Ñ Deposits, withdrawals, inter-account transfer and payment of linked accounts at an ATM

Ñ Buying and paying for goods and services using debit cards or smart cards without having to carry cash or a cheque book

Ñ Using a telephone to perform direct banking- make a balance enquiry, inter-account transfers and pay linked accounts

Ñ Using a computer to perform direct banking- make a balance enquiry, inter-account transfers and pay linked.

### Advantages of e-Banking

Ñ Account Information: Real time balance information and summary of day's transaction.

Ñ Fund Transfer: Manage your Supply-Chain network, effectively by using our online and transfer mechanism. We can effect fund transfer on a real time basis across the bank locations.

Ñ Request: Make a banking request online.

Ñ Downloading of account statements as an excel file or text file.

Ñ Customers can also submit the following requests online: Registration for account statements by e-mail daily/weekly/fortnightly/monthly basis.

- Stop pay mentor cheques

- Cheque book replenishment
- Demand Draft/Pay-order
- Opening of fixed deposit account
- Opening of Letter of credit

- Ñ Customers can Integrate the System with his own ERP
- Ñ Bill Payment through Electronic Banking
- Ñ The Electronic Shopping Mall
- Ñ Effecting Personal Investments through Electronic Banking
- Ñ Investing in Mutual funds
- Ñ Initial Public Offers Online

#### **Limitation of e-Banking**

- Ñ Safety situations around ATMs.
- Ñ Abuse of bank cards by fraudsters at ATMs.
- Ñ Danger of giving your card number when buying on-line.

#### **Impact of e-Banking On traditional Banking Services**

E-banking transactions are much cheaper than those made by branch or telephone. This could turn yesterday's competitive advantage - a large branch network - into something unparalleled, allowing e-banks to make brick and mortar banks. This is better known as the "beached dinosaur" theory.

E-banks are easy to set up, so many newcomers will come in. Old systems, cultures and buildings will not catch these new people. Instead, they will be able to adapt and respond. E-banking offers consumers a wide range of options. Consumers will not be inclined to be honest.

Gateway providers may be attracted to the most important share of banking benefits. Banks can indeed be brilliant wedding vendors. They can just bring two groups together e.g. buyer and seller, payer and paymaster.

The products will be supplied by monoclines, experts in their field. Traditional banks may simply leave the payment and payment business even if this is in doubt.

Traditional banks will find it difficult to emerge. Not only will they fail to make a financial investment unlike being able to offer stocks, they will not be able to earn extra money in the stock market. This compares with the situation of Internet firms that seem to be easier to attract investors.

E-banking is just a bank that offers a new delivery channel. It simply provides consumers with another service (as do ATMs).

The experience in Scandinavia (undoubtedly the best e-banking destination in the world) seems to confirm that the future is a click with the mud banking. Customers want a full bank that works with multiple delivery methods. The future is therefore Martini Banking (anytime, anywhere, anywhere, anyway).

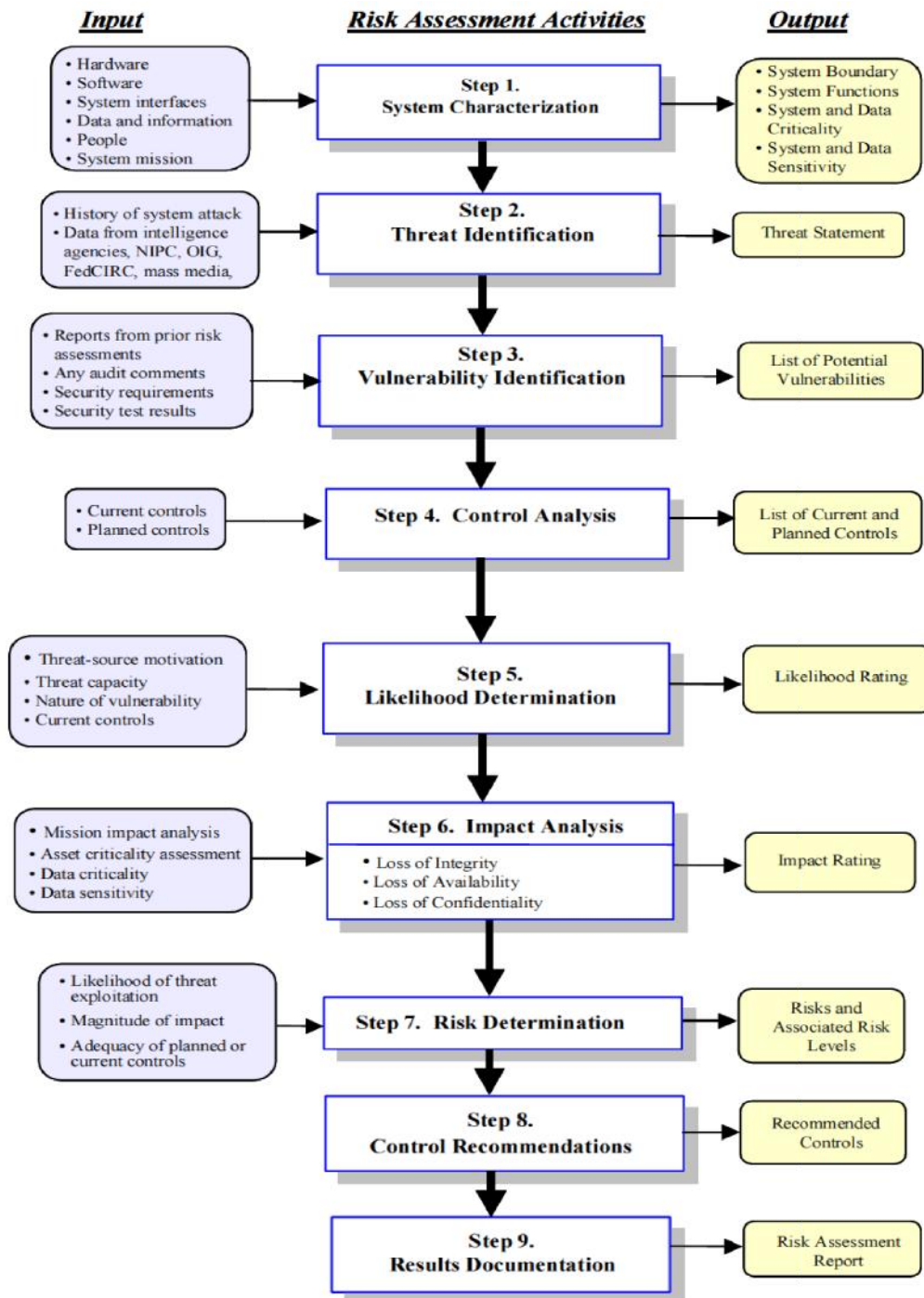
The initial cost of e-bank is high. Establishing a trusted product is very expensive as it requires significant advertising costs in addition to the purchase of expensive technology (as security and privacy are key to gaining customer approval).

Esevele banks have found that commercial banks only make a profit when a significant weight gain is achieved. As a result, many e-banks limit themselves to providing better services.

E-Banking transactions require a specific interface to communicate with a banking customer. Everything electronically is made using other connectors. Electronic devices that interact with customers and interact with other banking systems are called electronic delivery channels.

#### **Results Documentation**

Once the risk assessment has been completed (threat-sources and vulnerabilities identified, risks assessed, and recommended controls provided), the results should be documented in an official report.



### Conclusion

E-banking is an unlimited organization that allows anytime, anywhere and any banking. This helps us with all the many functions and benefits compared to traditional banking services. At this stage of the process, controls that can reduce or eliminate the identified risks, as appropriate to the operations of the organization, are provided. The goal of the recommended controls is to reduce the level of risk in the IT system and its data to an acceptable level.

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