

Digital Banking: Issues and Challenges

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Abstract

With the introduction of new technologies vis-a-vis the increase in use of internet in banking sector, the operating style of Banks have changed considerably, especially the most important being the change of mode of payment from physical payments to online payments, where there is no need to be present physically for effecting the said transactions. And this introduction of internet has modernized the banks. The retail electronic payment system is progressing like anything in various countries and India is no way ahead in terms of adopting such modernized technologies in their banking system. E-banking is knowledge-based and scientific in nature by using electronic devices of computer resolution through extensive use of IT without direct resources to the bank by customer. It has significant advantages attached to it but the endorsement of such banking is still not matching at par with the scale with which other countries are as more than half of the population of India resides in rural areas. There has been an increase in internet banking diffusion in recent days in India, but it is required to know the issues and challenges pertaining to it, thereby causing low penetration. The benefits are many, both for the banks as well as for customers, but the banks that are activated in the internet are susceptible mainly to systematic, area of law and to its reputational risk whereas the customers of electronic banking channel are puzzled about safety of their transactions and infringement of personal data. The present paper aims to understand the basics and working of internet banking simultaneously by studying the benefits accruing to banks as well as the customers. Later, this paper talks about the present scenario of the Indian banking sector, which provides discussion on recent technologies, re-shaping our banking economy by using and citing some of the recent initiatives being introduced and then challenges in the form of adopting such technology, its dissemination, legal bar, etc., are discussed. At the end, the views of the author are depicted as Conclusion where the whole discussion concludes that slowly and steadily, the idea of digital banking is growing among the present generation (the youths specifically) and started gaining acceptance where reasonable efforts are being made by our government to increase this idea and adopt it in our normal day-to-day transactions with banks.

Keywords: Digital, Internet, Low penetration, Online Payments, Personal data, Reputational risk

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INTRODUCTION

Banks have gained importance in most of the economies as the services rendered by them are described as “engines for economic growth” or “acting as conduiting towards promoting economic growth” [1]. But in recent past, the world has gone through a phenomenal change which is considered as the most important change since industrial revolution, i.e., birth of “Internet-Based Economy” [2].

The era of e-business accompanied with constant innovations in technology with globalization taking place is propelling the

business organizations to re-define their business operations in terms of value chain re-engineering and restructuring business models. Likewise, the financial sector is metamorphosing under the impact of competitive, regulatory and technological forces. Financial institutions especially the banking sector is currently in a transition phase. The banks have put themselves in the domain called ‘World Wide Web’ to take advantage of the power of internet and reach, to cope with the accelerating pace of change in business environment. Though at initial level, the Banks mainly focus on developing commercial websites with the sole purpose of

promoting their products and services, but gradually Banks realized that Internet can serve as a source of effective distribution channel and thus with the rapid development in ICT in past 20–25 years have certainly changed the way the banks deals with their customers [3].

The famous quote by Bill Gates that ‘banking is vital to healthy economy, but banks themselves not’ highlights the crucial nature of the electronic forces that are affecting banks more than any other financial service provider group. And this transition of business operations by banks has created a new mode of operation called *e-banking* or *internet banking* or *digital banking*.

Basel Committee on Banking Supervision (2003) [4]: “The provision of retail and small value banking products and services through electronic channels as well as large value electronic payment and other wholesale banking services which are delivered electronically. Such products and services can include deposit taking, lending, account management, provision of financial device, electronic bill payment and provision for other products and services such as electronic money.”

Jayawardhena and Foley (2000) [5]: “Electronic banking services have benefits for both banks and customers. For banks, it is conceded as a strategy weapon, help them to achieve competitive advantage and increase their market share. Furthermore, using these services can save the cost of resources, which are needed for traditional banking services.”

The use of internet as a delivery channel for banking services is increasing widely in banking sector. Internet banking facilities enable financial institutions and customers to access their transactions, accounts and get information on financial products and services. The use of value-added products, especially automated teller machines (ATMs), have led to the concept of anywhere and anytime banking [6]. Through the use of ATM cards, one can withdraw his/her money from his/her bank account, but the recent developments in the form of online payments in form of Paytm and M-pesa have again broken the time and

space barriers and nowadays, all the banks are connected to such services where payments are made online or where the funds can be transferred through a mere click on the smartphone [7].

It facilitates customers to avail various small-and large-value banking products and services through electronic channels. It delivers banking services through the open-access computer network, i.e., internet directly to customer’s home that can be used with different electronic devices such as personal computer, smartphones, laptop, digital software, etc. [8].

EVOLUTION OF E-BANKING

Digital Banking, both as a medium of conveyance of managing an account administration and as a key instrument for business advancement, has increased wide acknowledgment universally and is fast making up in India with an ever-increasing number of banks entering the shed.

The earliest form of e-banking started in 1981. New York City of USA was the primary spot to test the inventive thought of working together by giving remote administrations as four of its real banks—Citibank, Chase Manhattan, Chemical Bank, and Manufacturers Hanover.

In India, Reserve Bank of India sketched out the mission to guarantee that installment and settlement frameworks are protected, effective, interoperable, approved, available, comprehensive, and consistent with worldwide models. The vision is to proactively energize electronic installment framework for introducing a less trade society out India. Regulation is quick to advance development and rivalry with an aim to help payment framework accomplish universal models. Different activities by Reserve Bank of India, in mid-eighties and mid-nineties, brought about offering innovation-based arrangements. The need advanced to give practical elective framework. Electronic clearing service (ECS) was propelled in 1990s to oblige mass and redundant payments. By September 2008, another symbol as National Electronic Clearing Service (NECS) was propelled to

deal with various credits to recipient accounts. NECS rides on center managing an account arrangement of partner banks. The retail subsidizes exchange framework was acquainted in 1990s with permit electronic exchange of store for individuals to individual installment. In November 2005, a vigorous framework was propelled to enable coordinated supports exchange prerequisite of people and corporates. Prepaid instruments permit exchange for products and ventures against the esteem put away on installment instrument. It might be as keen cards, attractive stripe cards, web wallets, versatile records, portable wallets, and paper vouchers. Ensuing to the rules in mobile banking, chosen banks were allowed to offer the administration after receipt of essential consent from Reserve Bank of India. Indian retail installments present critical difficulties and openings. In view of Payment Framework Vision Report discharged by Reserve Bank of India, the quantity of non-money exchanges, at 6 for everyone, is low in India. It is assessed that government endowments alone comprise more than Rs. 2.93 trillion and electronification can possibly decipher 4.13 billion electronic exchanges in a year.

A high-level committee under the chairmanship of Dr. K.C. Chakrabarty and individuals from IIT, IIM, IDRBT, banks, and the Reserve Bank arranged the "IT Vision Document-2011-17" for the Reserve Bank and banks which gives a demonstrative guide to improved utilization of IT in the banking arena. To adapt to the weight of developing rivalry, Indian business banks have embraced a few activities and e-banking is one of them. The competition has been particularly intense for general society division banks or public sector banks, as the recently settled private sector and foreign banks are pioneers in the reception of e-managing an account.

LEVEL OF SERVICES

The Reserve Bank of India established a working gathering on e-banking. The gathering separated the e-banking items in India into three components in view of the levels of access allowed. They are:

Information Only System

General reason data like financing costs, branch area, bank items and their highlights,

advance and store computations are given in the bank's site. There exist offices for downloading different kinds of utilization frames. The correspondence is typically done through email. There is no collaboration between the client and bank's application framework. No ID of the client is finished. In this framework, there is no plausibility of any unapproved individual getting into creation framework of the bank through web.

Electronic Information Transfer System

The framework gives client data as record adjusts, exchange points of interest, and articulation of records. The data is still to a great extent of the 'read only' organization. Recognizable proof and verification of the client is through secret key. The data is brought from the bank's application framework either in group mode or disconnected. The application frameworks can't straightforwardly access through the web.

Completely Electronic Transactional System

This framework permits bi-directional abilities. Exchanges can be put together by the client for online refresh. This framework requires high level of security and control. In this condition, web server and application frameworks are connected over secure foundation. It contains innovation covering computerization, systems administration and security, between bank installment passage and lawful framework.

BENEFITS OF USING DIGITAL BANKING

Utilizing e-banking is helpful for both, i.e., clients (i.e., customers) and the banks. The advantages of receiving web managing an account are as under:

Advantages for Clients

Less Holding Up Time

It offers less holding up time and more accommodation when contrasted with the customary banking framework and fundamentally brings down the cost structure than conventional conveyance channels [9]. It likewise lessens the time and place restriction and it gives different advantages to customers with the goal that they feel advantageous while doing activities related to banking.

Ease and Convenience

Internet banking is effective and efficient when it comes to ease of use and accessibility [10]. It enables the shoppers to influence exchanges on web to give them solace of home or office without going outside. It likewise empowers buyers to watch out for their exchanges or record exercises from their home, office or somewhere else so they can feel fulfilled and advantageous. Indeed, even non-value-based offices like requesting cheque books, web-based functionary doubts, refreshing records, asking about loan costs of different money-related items and so forth have turned out to be substantially less difficult on the web.

24*7 Accessibility

With the assistance of digital banking, clients can have access to their products and facilities all day and night, i.e., 24 hours and 365 days from anyplace whenever. They don't have to sit tight to time of bank offices.

Self-Administration Channel

Digital banking gives its client a self-administration (service) channel. For different keeping money administrations, they have not to rely upon the bank's staff and other depending procedure to benefit their administrations. Web managing an account is a standout amongst the most famous self-benefit saving money advancements.

The continuous utilization of self-administrated technology is positively affected by buyers' perceived usefulness [11].

Spare Time and Cash

Now clients don't need to go to branch to affect their transactions as now it comprises different preferences, for example, it will spare time, spare fuel, do far from activity, spare the earth in term of diminishing the utilization of engine vehicles, and decrease holding up time.

Benefits for Banks

Increased Profitability

Adoption of internet helps the banks to increase their profitability. Banks with internet banking have better operating efficiency ratios and profitability as compared to banks, which

are not using internet facilities [12]. The banks can provide banking services to the consumers using internet banking at a far lower cost as compared to the traditional banking [13].

Savvy Instrument

E-banking gives a chance of self-administration channel to the purchasers. This assists the banks to slice their workforce up to a specific degree that outcomes in decreasing the managerial costs borne by the banks. Contrasted with conventional money-saving framework, internet banking is cost-effective as it reduces the administrative costs and paperwork needed for bank transactions [14]. Many studies show that electronic banking has successfully reduced operating and administrative costs and fees.

Reach Where There Is No Branch

E-banking has extended their topographical reach and may build client base through sending electronic conveyance channels and bring down expenses. As a matter of fact, a few banks are doing in that way; they are giving such services solely by means of the Web in a few zones since they don't have bank offices in these regions, though numerous money-related foundations are utilizing the Web managing an account as a branchless keeping money to fulfill the needs of their current clients and pull in new clients in the point of view of comfort and cost adequacy.

Enhance Client Relationship

Keeping up the association with shoppers has turned into a vital need for most banks. Utilizing the inventions of e-banking can give a way to banks to create and keep up a decent association with their clients by offering simple access to an extensive variety of products and services [15]. Dealing with a decent association with the clients may make client faithfulness, client maintenance and enhance strategically pitching. Web keeping money offices have turned into a helpful apparatus for enhancing consumer loyalty and expanding cross-selling opportunities [16].

Eco-friendly Image

Another critical advantage of web managing an account is that it is eco-accommodating in nature. Web managing an account chops down the paper utilization and decreases

contamination as individuals don't need to move physically and furthermore does not include carbon emanations. Actualizing the e-keeping money offices in the banks demonstrate the worry of the bank towards the environment [17], will assist the management of the bank with creating an eco-friendly environment.

ISSUES IN DIGITAL BANKING

The digital option is indeed radically better than the physical one. Ideally, it allows instant access, extreme convenience, trail and tracking options, a vast reach, lower costs, and automatic record keeping.

If all these benefits are not evident to users, the digital process is flawed, and it is important to remember that customers surrender their control over their transactions to this system, which is opaque.

It is obvious that for digital to be fair to customers, the significantly stronger players in the transaction (banks) are accountable to the weak (customer). And if not, then digital is a nightmare because buyers than are at the mercy of bewildering maze of computer servers, bots and infuriating call centers.

Here are the four major issues that bank customers face at some point or the other:

Liability in Bank Digital Transactions

Bank digital transactions can go wrong due to variety of reasons, many of them because of no fault of customers. The hacking of debit cards and bank accounts is very common. With the increased use of digital payments, customers need to be protected from unauthorized banking transactions. Today, the onus is on customers and not on banks when banks are in control of payment systems and are charging for digital transactions. We are re-doubling our efforts to go digital without fixing beforehand anti-customer practices, which are already fixed by most of the countries.

Liability for E-Wallet Transactions

For instance, I get an e-mail from the e-wallet company that my transaction was successful, but the online retailer claiming that he didn't

receive the money and the money has disappeared in cyberspace. What are my options? Virtually none.

The Reserve Bank of India has banking rules for reconciling failed ATM transactions (within 7 working days after a customer complaint and any delay attracts a penalty of Rs. 100 per day of delay), but there are no such guidelines for wallets or Unified Payment Interface (UPI). Even the structure of some platforms like National Electronic Funds Transfer (NEFT) punishes the user for a tiny mistake in keying in an account number because tracking and recovering the payment is difficult if not impossible.

Inadequate Laws

The laws on digital payments are vague. E-wallets are non-banking financial companies; so, the rules that cover banks don't apply to them, while security compliance for 'Fin-tech' companies falls under section 43-A of Information Technology Act (which covers data protection). Transactions between a user and mobile wallet service provider are merely contractual agreements, according to Supreme Court Advocate Pavan Duggal. They can always be repudiated.

There's a heightened need to legally back digital payments in India, not only to give protection to customer's money, but also for the safety of the companies themselves.

Overcharging/Stealth Charges

The best practice in the digital world is opt-in. Customers must give explicit consent to avail a service. Indian banks seem to believe in worst practices of 1990s—customers must opt out or they will be charged. That apart, banks are frequently increasing charges and reducing choices, thereby easily justifying them in the name of digital transformation. While this transformation is rapidly happening all around the world, led by tech evangelists, policymakers usually think of customers last. A study by MicroSave on digital banking in Bangladesh, Philippines, and Uganda identified the same issues such as unauthorized fees, overcharging, money lost in cyberspace, and of course service downtime.

CHALLENGES

The accompanying difficulties are being looked in the present Indian setting:

Security Hazard

The issue identified with the security has turned out to be one of the real worries for banks [18]. A large group of customers refuses to opt for e-banking facilities due to uncertainty and security concerns [19]. As indicated by the IMAI Report (2006), 43% of web clients are not utilizing web managing an account in India in view of security concerns. So, it's a major test for advertisers and makes buyers fulfilled in regards to their security concerns, which may additionally build the internet keeping money utilize [20].

Protection Hazard

The danger of unveiling private data and dread of fraud is one of the main considerations that repress the purchasers, while deciding on web keeping money administrations. A large portion of the purchaser's trust that utilizing internet managing an account administration make them powerless against theft. According to the study [21], customers stress over their protection and feel that bank may attack their security by using their data for advertising and other auxiliary purposes without consent of buyers.

The Trust Factor

Trust is the greatest obstacle to web-based managing an account for most of the clients. Customary managing an account is favored by the clients considering absence of trust on the online security. They have a feeling that online exchange is hazardous because of which cheating can take place [22]. While using e-banking facilities, a lot of questions arise in the mind of customers such as: Did transaction go through? Did I push the transfer button once or twice? Trust is among the significant factors which influence the customer's willingness to engage in a transaction with web merchants [23].

Customer Awareness

Mindfulness among customers about e-managing an account offices and techniques is still at bring-down side in Indian situation. Banks are not ready to disperse legitimate data about the utilization, advantages, and office of

web keeping money. Less attention to new advancements and their advantages is among a standout amongst the most pushed boundary in the improvement of e-banking [24].

Less Internet Penetration in Indian Setting

The digital banking channel has advanced throughout the years. In 2011, 60 percent of the occasions essential exchanges in banks were led in North America through online channels, though web saving money utilization in India expanded from 1% in 2006 to 7% in 2011 [25]. So the knowledge and availability of internet is still one of the biggest challenges that prevails in Indian context. According to the report of IMAI 2006 [26] around 22% of internet users do not have knowledge about transferring online. So the penetration of internet and knowledge related to internet are major hurdles.

Fortifying the General Population Bolster

In creating nations, previously, most e-back activities have been the consequence of joint endeavors between the private and open areas. If general society area does not have the fundamental assets to actualize the undertakings, it is imperative that joint endeavors among open and private divisions alongside the multilateral offices like the World Bank be produced to empower open help for e-bank-related activities.

Accessibility of Personnel Services

In present occasions, banks are to furnish a few administrations like social keeping money with monetary potential outcomes, particular up degree, computerization and creative automation, better client administrations, successful administrative culture, inner supervision and control, satisfactory benefit, solid association culture, and so forth. In this manner, banks must have the capacity to give finish work force administration to the clients who accompany desires.

Execution of Global Technology

There is a need for satisfactory level of foundation and human limit working before the creating nations can embrace worldwide innovation for their neighborhood prerequisites. In creating nations, numerous purchasers either don't trust or don't access to

the important foundation to have the capacity to process e-installments.

Non-Performing Assets

Non-performing assets (NPAs) are another test to access the viability of our banking sector. Vehicle advances and unbound credit expands NPA, which terms half of banks retail portfolio was likewise hit because of upward development in loan fees, limitations on accumulation practices, and taking off land costs. Every bank has to take care of regular repayment of loans.

Rivalry

The nationalized banks and business banks have the opposition from foreign and new private sector banks. Rivalry in keeping money division brings different difficulties; previously the banks, for example, item situating, imaginative thoughts and channels, new market patterns, strategically pitching promotion at administrative and authoritative part this framework should be oversee, resources and contain hazard. Banks are confining their managerial folio by changing over labor into machine control, i.e., banks are diminishing manual powers and completing most of the work through machine control. Gifted and concentrated labor is to be used and result situated focused on staff will be named.

Taking Care of Innovation

Creating or securing the correct innovation, sending it ideally and after that utilizing it to the most extreme degree is fundamental to accomplish and keep up high administration and effectiveness guidelines while remaining savvy and conveying manageable come back to investors. Early adopters of innovation procure noteworthy focused advances; overseeing innovation is in this way a key test for the Indian managing an account part.

OPPORTUNITIES

Notwithstanding different difficulties that are winning in setting up digital banking in India, the accompanying open doors are spurring the marketers for executing e-banking.

Undiscovered Rural Markets

Adding to 70% of the aggregate populace in India is a generally undiscovered market for

saving money part. In every single urban region, digital banking in some way or the other has kept its foot; however, just a couple of huge towns have the banks entered, with the goal that the banks must reach the remaining towns, since greater part of India still lives in rural territories.

Numerous Stations

Banks can offer many channels to get to their executing area and providing different services, for example, local branches, ATM, video banking, etc., and so on to expand their services electronically.

Upper Hand

The competitive advantage by using such improvised and modernized modes of providing services gives an upper hand to the banks over different players. The usage of internet banking is gainful for banks from multiple points of views as it lessens cost to banks, enhances client connection, expands the geographical reach of the banks, and so forth. The advantages of e-saving money have progressed toward becoming open door for the banks to deal with their keeping money business better.

Expanding Web Clients and Computer Proficiency

To utilize digital banking, it is vital or starting prerequisite that individuals ought to know about such technology with the goal that they can without much of a stretch receive such services. The quickly expanding web clients in India can be a major chance and managing an account industry ought to encash this chance to draw in more web clients to embrace e-banking administrations.

Commendable Client Services

Commendable client administrations are the best brand ministers for any bank for developing its business. Each commitment with client is a chance to build up client confidence in the bank. While expanding rivalry client administration has turned into the spine for deciding about the execution of banks.

Internet Banking

Obviously, online fund will pick up and there will expand assembly as far as item

contributions saving money administrations, share exchanging, protection, credits, considering the information warehousing and information mining advances. Whenever any place keeping money will wind up normal and should upscale, such up scaling could incorporate banks propelling separate internet banking services as separated from customary banking administrations.

Retail Lending

Of late banks have received client division which has helped in redoing their item folios well. Hence retail loaning has turned into a center territory especially in regard to financing of shopper durables, lodging, autos, and so forth. Retail loaning has likewise helped in risk dispersal and in improving the earning of banks with better recuperation rates.

INDIAN POSITION

Indian situation in keeping money is not up to the mark in contrast with the created economies. In 1966, ICICI Bank stepped up with regards to beginning e-banking administrations in India. The period from 1996 to 1998, can be characterized as early appropriation stage for web banking in India. In any case, public sector banks were the late adopters of e-managing of account administrations. SBI possesses the pride of being pioneer among open area banks to begin giving internet-based services to its clients. In spite of the fact that it encountered gigantic increment in use of e-banking in 1999, because of lower ISP web expense and charges, expanded PC infiltration and educated condition. The way toward giving e-banking benefits out in the public sector banks being moderate and the banks express that the principal purposes behind this are the absence of administrative system and lucidity of e-managing an account procedure. Adding to these reasons, absence of responsibility and eagerness of banks and controlling powers to the change winning in the PSU banks oversee the moderate adjustment of digital banking framework in PSU banks in India. E-banking is seen as development of traditional saving money administrations. Although, there were many cases that contradicted the legal framework of Indian e-banking, such as, Banking Regulation Act 1949, The Reserve

Bank of India Act, 1934, and the Foreign Exchange Management Act, 1999.

However, various administrative issues with respect to online business have been tended to by the Information Technology Act, 2000. Still there are unaddressed hazy areas that have not been characterized legitimately and even no useful execution mode has been prescribed by sacred foundations. The IT Act, 2000, indicated the foundations for banks to begin internet banking facilities and characterized safety efforts for the banks. Be that as it may, it thoroughly relies upon the responsibility of banks in receiving these measures to give such services. And RBI issued various rules for web banking in India and it audits them occasionally. It is obligatory for banks to have an earlier endorsement from RBI to give any new online administration. In spite of the fact that this rule was suspended later, and banks have been given independence for e-banking services, yet they need to guarantee that online services offered by them should go under arrangements of the Reserve Bank of India.

Presented below are a few charts, which depict India's progress towards e-banking:

FUTURE PROSPECTS

Contrasted with banks abroad, Indian banks offering on the web benefits still have far to go. For web banking to reach the masses, there must be adequate number of clients and adequate foundation set up. The 'Infinity' product of ICICI Bank Ltd. gets just around 30,000 hits each month, with around 3000 transactions occurring on the net every month through this administration. Despite the fact that different security choices like line encryption, branch association encryption, firewalls, advanced declarations, programmed sign offs, arbitrary pop-ups and disaster recovery sites are set up or are being taken a look at, there is up till now no Certification Authority in India offering public key infrastructure which is completely vital for Internet banking. The client must be guaranteed of an anchored course for its online transactions, if a specialist confirming computerized marks is set up. Clients of internet banking services are required to top

off the application shapes on the web and send a duplicate of the same via mail or fax to the bank. An agreement contractual in nature is entered by the client with the bank for utilizing

the internet banking services. Along these lines, individual information in the application frames is being held by the bank giving the administration.

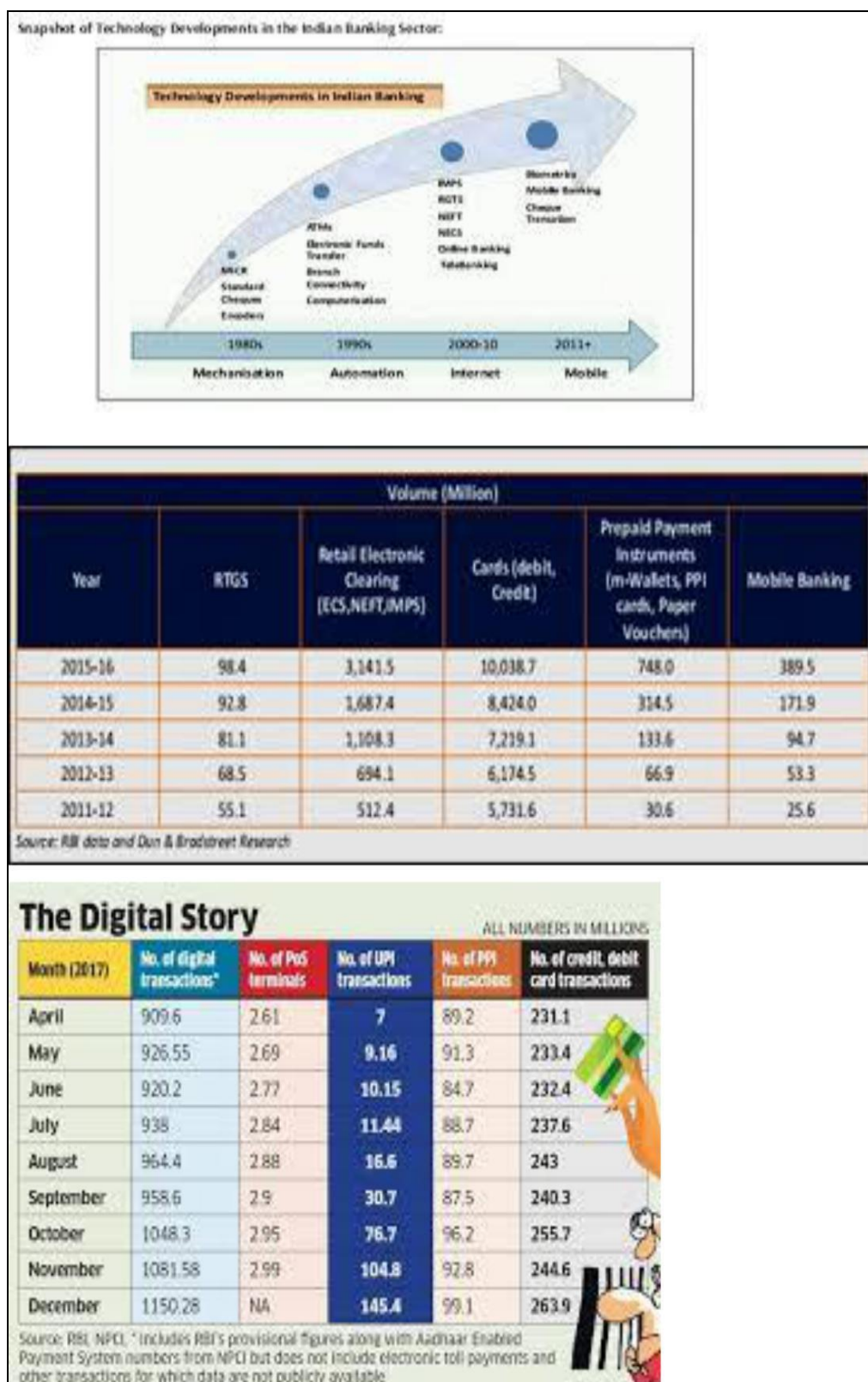


Fig. 1: Technology Developments in Indian Banking [Source: <https://www.rbi.org.in/>]

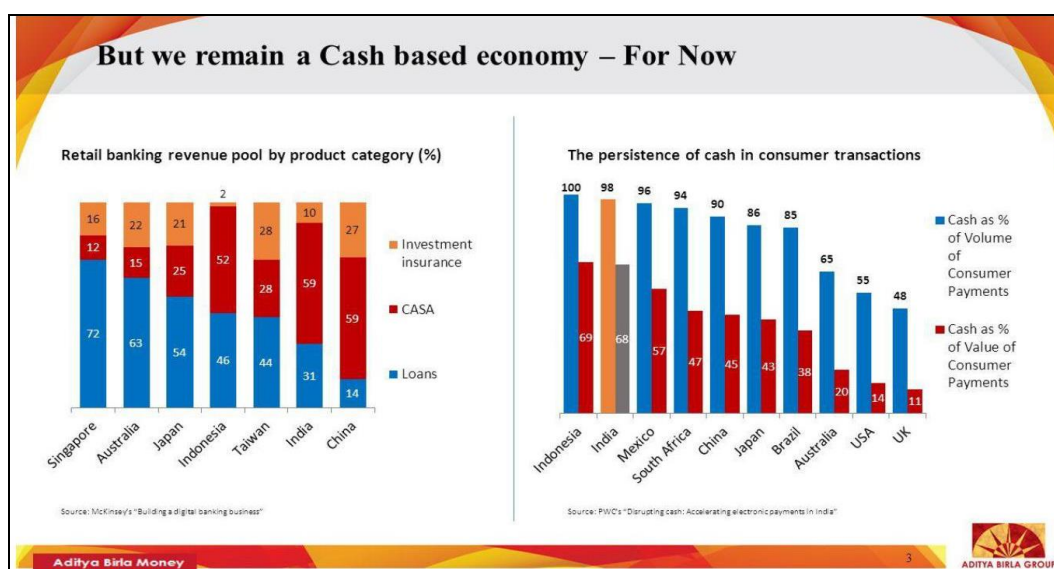


Fig. 2: Comparison between different Cash based Economies [Source: <https://www.abfldirect.com>]

The agreement's subtle elements are frequently uneven, with the bank having the total tact to change or supplement any of the terms whenever. Hence local clients for whom different passages, for example, ATMs, telebanking, individual contact, and so on are accessible, are regularly reluctant to utilize the internet banking services offered by Indian banks. Web banking, as an extra conveyance channel, may, consequently, be alluring/engaging as an esteem added administration to local clients. Non-resident Indians for whom it is costly and tedious to get to their ledgers kept up in India discover net banking money extremely helpful and valuable. The internet is in general society area whereby geographical limits are dispensed with. Digital violations along these lines are hard to be recognized and controlled. With a specific end goal to advance internet banking services, it is vital that the best possible legitimate framework is set up. Government had presented the Information Technology Bill, which had been notified in October 2000. Section 72 of the Information Technology Act, 2000, throws a commitment of classification against revelation of any electronic record, enroll, correspondence and data, except for specific purposes and infringement of this arrangement is a criminal offense. The Department of Telecommunications (DoT) is moving quick to make accessible extra data transfer capacity, with the outcome that Internet access will turn out to be considerably quicker later on. This is relied upon to give a

fillip to net banking in India. The proposed setting up of a Credit Information Bureau for gathering and sharing credit data on borrowers of loaning foundations online would give a fillip to electronic banking. The proposals of the Vasudevan Committee on Technological Upgradation of Banks in India have additionally been circled to banks for execution. In this foundation, banks are moving in for innovative upgradation on an extensive scale and net banking is relied upon to get a lift from such advancements. Reserve Bank of India has stepped up with regards to encouraging ongoing supports exchange through the real time gross settlement (RTGS) system. Under the RTGS framework, transmission, processing and settlements of the instructions will be done on a continuous basis. Gross settlement in a real-time mode eliminates credit and liquidity risks. Any member of the system will be able to access it through only one specified gateway in order to ensure rigorous access control measures at the user level. Generic architecture, both domestic and cross border, aimed at providing interconnectivity across banks has been accepted for implementation by RBI. Following a reference made this year, in the Monetary and Credit Policy Statement of the Governor, banks have been advised to develop domestic generic model in their computerization plans to ensure seamless integration. The above-mentioned efforts would enable online banking to become more secure and efficient. With the process of

dematerialization of shares having gained considerable ground in recent years, banks have also assumed the role of depository participants. In addition to customers' deposit accounts, they also maintain Demat accounts of their clients. Online trading in equities is being allowed by SEBI. This is another area which banks are keen to get into. HDFC Bank Ltd. has tied up with about 25 equity brokerages for enabling third-party transfer of funds and securities through its business-to-business (B2B) portal, 'e- Net'. Demat account holders with the bank can receive securities directly from the brokers' accounts. The bank has extended its web interface to the software vendors of National Stock Exchange through a tie-up with NSE.IT.

CONCLUSION

The time is moving fast and in Indian context, digital banking is establishing its roots. Since the after-math advantages are many, many of the Indian banks have already implemented various internet banking services in their day-to-day transactions with not only when dealing with their customers, rather also in bank-to-bank dealing. But there are many challenges in the form of security risk, privacy risk, trust factor and less awareness among consumers about e-banking are acting as hurdle in the adoption of e-banking facilities. By considering various types of challenges, whether small or big, the government of India is trying its level best to ensure that speed, secrecy as well as security is ensured.

But the fact can't be denied that more and more customers are switching to electronic platform for executing bank transactions, as now, almost all the banks have their official websites accessible via internet in computers, laptops and smartphones and also their official apps are available free of cost to be download via play store with regard to the benefits and usefulness of e-banking/internet banking in addition to "intention of using e-banking/internet banking in the future", it is identified that there are four major benefits, namely "Save time & Cost Less", "Provide accurate, relevant and up-to date information", "Flexible and easily accessible with convenience" and "Assists to share the experience with bank and other customers

more efficiently" from e-banking/internet banking. By using such services, flexibility and accuracy is assured to customers along with convenience followed by "Providing accurate, relevant and up-to date information" and "Saving time & Cost Less". But the fact is that a small point of difference in the perceived level of benefits of e-banking/IB between public and private sector banks as well as between non-users and users of e-banking/IB is present if we analyze the present scenario and its implications.

Regarding the usefulness of e-banking/internet banking, it may be concluded that "Generating the latest reports of banking transactions" is the major usefulness followed by "Funds transfer", "Pay bills using available cash in the accounts" and "Order to buy and sell shares" and private sector banks are providing larger and more economical and viable internet based service to their customers than the public sector banks, since even today, the accuracy and speedy service are the points which differentiated private sector banks from working of public sector banks.

It can be inferred that "low cost and time saving" tend to influence the respective customers' "intention to use the current Internet banking services in the future" whereas "providing accurate, relevant and up to date information", "flexibility and easy accessibility with convenience" and "assisting to share the experience with bank and other customers more efficiently" influence such customers to recommend others, may be relatives, friends, social peer groups, etc., to use e-banking/internet banking in the future". It is further concluded that the bank customers may also continue to use e-banking/internet banking in the future" as it is useful in getting account details and balance statements as well as for transferring funds. Because of the services offered in the form of loan transaction, paying bills using available cash in the accounts, making order to buy and sell shares and generating latest reports of banking transactions, the current customers tend to encourage others of the quality and type of such services being enjoyed by them therefore leading to increase in marketing of that bank's electronic products.

Banking is going to stay, no matter from where it comes or where it goes, or whether any new inventions/amendments take place or not, but one thing is for sure and that is as a tool of modern living and as a lifestyle aid, it is indispensable. If we judge the current popularity and implementing rate, web banking will increase in scope and user base soon. There is an urgent need to adopt and implement such services even by those banks who are still using those traditional or conventional methods of providing their services. As things stand now, using conventional methods of business inquiry, confirmation, order-placement and bill payment is retrograde at best. The speed and accuracy being involved in e-banking leaves the traditional banking in a dark shade. The same holds true for normal vs. online business-related banking. Shopping has become digitized, in the sense that buyer is using internet banking as a mechanism in a domestic setting and payments for goods bought online is now being done via a credit card or direct deduction from a bank account. But the hindrances come in the form of ideologies or bias which some people have while using such modern technology and it, therefore, can't be overridden at once through a single stroke. The rate at which this sector of banking will grow will depend on how many user-friendly facilities are incorporated the additional facilities that will be added and the way the concept is packaged for the general public. It is very unfortunate to say that banks and their customers have rarely agreed on what is a useful facility and what isn't and therefore, a handsome market research and customer polling is required to fill the gap between what is needed in banking and what is available is filled. When that finally happens, the final frontier of online banking will indeed be explored.

SCOPE OF FURTHER RESEARCH

The paper is confined to the area of Indian context and various studies conducted in the past and even at present are showing and hinting that as the time is passing, Indian consumers are opting internet banking services with the time. Considering this in mind, the future studies may be conducted to analyze the various factors which influence the consumer

intention to adopt internet banking services and in the following fields such as:

1. A Study on Importance of e-banking/internet banking in financial inclusion.
2. A study on evaluation of e-banking/Internet banking websites in India.
3. A study on banker's attitude towards e-banking service.
4. A comparative study on Indian and foreign customers perspective towards e-banking services.
5. A study on uses of information technology in identifying financial products.
6. A study on role of e-banking/internet banking in cost reduction and cost control.

"India has seen a dream of Digital India. From latest science to latest technology, everything should be available at the tip of one's finger."

—PM Narendra Modi

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