

# E-BANKING SERVICES IN INDIA

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## 1. Introduction

E-banking is an electronic payment system that enable regulars of a bank or other financial institution to conduct a range of financial transactions through the financial institution website. The net banking system will typically connect to or be part of the center bank system operated by a bank and is in contrast to division banking which was the conventional way customers access banking services. Some banks operate as a "through bank" where they rely completely on e-banking. E-banking software provides personal and commercial banking services such as viewing, recent transaction and making receive or payments. Access is usually through a secure website using a username and password, but security is a key deliberation in internet banking and many banks also offer verification.

## 2. E-banking evolution

The narrative of knowledge in banking started with the use of punched card machines like bookkeeping. The use of knowledge, at that time, was limited to keeping books of the bank. It further developed with the birth of online immediate system and vast improvement in telecommunications during late 1970s and 1980s. It resulted in a revolution in the field of banking with "ease banking" as a buzzword. Through convenience banking, the bank is carried to the doorstep of the customer. The banking industry was merely waiting for these technologies.

## 3. E-banking services

Online banking is a service provided by a bank or other financial institution, that enable regulars to perform over the telephone a range of financial transactions which do not involve cash or papers without the need to visit a bank branch. Online banking time is usually shorter than branch opening times, and some financial institutions offer the service on a 24-hour basis. However, some banks inflict limitations on which accounts may be accessed through online banking and usually limit the amount that can be transacted. The types of financial transactions which customers may transact through online banking include obtain account balances and list of most recent transactions, electronic bill payment, and funds transfer between a customers or to another account.

**Phone banking:** Customers to conduct transactions remotely using a mobile device such as a smart phone or tablet. Unlike the related internet banking it uses software, usually called an app, provided by the financial institution for the purpose.

**E-banking:** The online banking system will typically connect to or be part of the core banking system operated by a bank and is in contrast to branch banking which was the traditional way customers accessed banking services.

**Direct trading:** Online trading is simply buying and selling assets through a brokerage's internet-based proprietary trading platforms. Stocks, bonds, mutual funds, ETFs, options, futures, and currencies can all be traded online.

**RTGS:** RTGS and NEFT are electronic payment systems that allow individuals to transfer funds between banks.

**ECS:** ECS is an electronic mode of funds transfer from one bank account to another.

**Debit card:** A debit card is a plastic payment card that can be used instead of cash when making purchases.

**Credit card:** The card issuer creates a revolving account and grants a line of credit to the cardholder, from which the cardholder can borrow money for payment to a merchant or as a cash advance.

**Automated teller machine:** A financial institution which enables a customer to access automated teller machines.

**E-payment:** An e-commerce payment system facilitates the acceptance of electronic payment for online transactions.

**Electronic funds transfer:** Electronic funds transfer, often called EFT, is a payment method that replaces sending a paper check.

**Online banking:** Online banking provides personal and corporate banking services offering features such as viewing account balance, obtaining statement, checking recent transaction and making payment.

**Railway pass:** Indian Railways has tied up with ICICI Bank and you can now create your railway pass for local trains online. The pass will be delivered to you at your doorstep. But the facility is limited to Mumbai, Thane, Nasik, Surat and Pune.

**Recharging prepaid phone:** Now just top-up your prepaid mobile cards by logging in to internet banking. By just selecting your operator's name, entering your mobile number and the amount for recharge, your phone is again back in act within few minutes.

**Shopping:** With a collection of all kind of products, you can shop online and payment is also completed conveniently over your account. You can also purchase railway and air tickets through Internet banking.

#### 4. Conclusion

The financial sector reforms have brought about significant improvements in the financial strength and the competitiveness of the Indian banking system. The e-banking revolution has fundamentally changed the business of banking by scaling borders and bringing about new opportunities. Therefore, Indian banks need to optionally leverage technology to increase penetration, improve their productivity and efficiency, deliver cost-effective products and services, provide faster, efficient and convenient customer service and thereby, contribute to the overall growth and development of the country. However, hounded by negative issues like identity theft and phishing attacks, banks must be concerned about the attitudes of customers with regard to acceptance of online banking. In years to come, e-banking will not only be acceptable mode of banking but will be preferred mode of banking because of the computerization process adopted by banking sector with a vision to reach Indian banking to every citizen.

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