Online Banking

What is online banking

Online banking is an electronic payment system that enables customers of a financial institution to conduct financial transactions on a website operated by the institution, such as a bank or building society. Online banking is also referred as Internet banking, e-banking, virtual banking.

To access a financial institution's online banking facility, a customer with Internet access would need to:

1- register with the Bank for the service
2- Set up some password for customer verification. The password for online banking is normally not the same as for telephone banking.

How to Register for Online Banking
Online banking is an efficient way to monitor your bank balances and transactions. Most banks offer online banking as a complimentary service for account holders. Some online accounts may come with added benefits such as bill pay functions, fund transfer options and even connections with other financial instruments you have with the bank such as a credit card or savings account. Depending on the type of account you have, these added services may be offered at no additional charge, or may require a small monthly fee. Before you can take advantage of any Internet based banking options, you must register for online banking.

1. **Contact your bank and request to sign up for online banking.** If you are establishing a new account, you can request this service during the sign up process. For existing accounts, you can usually call the bank's customer service or go in person to start the registration process. Some banks may offer an online sign up process as well.

2. **Confirm your identity with the bank.** When you request online banking services, you will be asked to confirm your account number and establish your identity. For in-person sign-up, you can present your bankcard or a photo ID like your driver's license. For phone-based registration, you may need to provide your social security number and answer questions to establish your identity. For Internet-based registration, you may need to supply your pin number or other bank specific identification codes.
3. **Establish a user name.** For most online banking accounts, you will be able to create a username and password to easily access your online account. Select a username and password that is simple to remember, but has a high security level. Consider using a combination of uppercase and lowercase letters as well as numbers in your password. Your bank may have security related minimum requirements for passwords.

4. **Install software on your computer required to access your online banking account.** Most banks have minimum browser requirements. If necessary, install the latest supported Internet browser and any other software specified by your bank.

5. **Wait for your account to be activated.** Some banks may offer instant activation, while others may have a slight delay. As soon as your account is established, sign on to your new online banking account to ensure registration success. Some banks may have a secondary activation process for safety that will require you to enter an activation code supplied through the mail that must be entered to keep your online banking account live.

**Source**

[http://www.ehow.com/how_5937705_register-online-banking.html](http://www.ehow.com/how_5937705_register-online-banking.html)
Customer Number

Financial institutions now provide customers numbers, whether or not customers have indicated an intention to access their online banking facility. **Customers' numbers are normally not the same as account numbers, because a number of customer accounts can be linked to the one customer number.** The customer can link to the customer number any account which the customer controls, which may be cheque, savings, loan, credit card and other accounts. Customer numbers will also not be the same as any debit or credit card issued by the financial institution to the customer.

To access online banking, a customer would go to the financial institution's secured website, and enter the online banking facility using the customer number and password previously setup. Some financial institutions have set up additional security steps for access to online banking, but there is no consistency to the approach adopted.
What are available on Internet banking

Online offers some common and specific facilities. The common features fall broadly into several categories:

A bank customer can perform non-transactional tasks through online banking, including-

1- viewing account balances
2- viewing recent transactions
3- Downloading bank statements, for example in PDF format
4- viewing images of paid cheques
5- ordering cheque books
6- Download periodic account statements
7- Bank customers can transact banking tasks through online banking, including-
   including-
8- Funds transfers between the customer's linked accounts
9- Paying third parties, including bill payments and third party fund transfers
10- Investment purchase or sale
11- Loan applications
12- Credit card applications
13- Register utility billers and make bill payments
Special facilities offered by some Internet banking
Some financial institutions offer unique Internet banking services, for example Personal financial management support, such as importing data into personal accounting software. Some online banking platforms support account aggregation to allow the customers to monitor all of their accounts in one place whether they are with their main bank or with other institutions.

Advantages

1- Generally it is secured. Website must has a valid security certificate. Why?

This let's you know that the site is protected from cyber-thieves looking to steal your personal and financial information.

2- 24/7/365 open

It's a very convenient alternative for those that can't get to the bank during normal hours because of their work schedule, there are many reasons for that such as health or any rush issues.

3- You can access your account from anywhere. you can still keep a watchful on your money and financial transactions - regardless of your location.

Conducting business online is generally faster than going to the bank. Long teller lines can be time-consuming, especially on a Pay Day. But online, there are no lines to contend with. You can access
your account instantly and at your leisure.

4- Many features and services are typically available online. For example, with just a few clicks you can apply for

Loans

check the progress of your investments

Check your transactions

Apply for Mortgage

Apply for credit card
Disadvantages

1- It is NOT always secure. Identity theft is very common issue. Once your information is compromised, it can take months or even years to correct the damage.

2- Some online banks are more stable than others. Some operate completely in cyberspace, without the benefit of an branch that you can actually visit if need be. With no way to physically check out the operation.

3- Customer service can be below the quality that you're used to. Some people simply take comfort in being able to talk to another human being face-to-face if they experience a problem.

Although most major banks employ a dedicated customer service department specifically for online users, going through the dreaded telephone menu can still be quite irritating to many. Again, some are considerably better (or worse) than others.

4- Not all online transactions are immediate. Online banking is subject to the same business-day parameters as traditional banking. Therefore, printing out and keeping receipts is still very important, even when banking online.
Telephone banking

Telephone banking is a service provided by a bank or other financial institution, that enables customers to perform a range of financial transactions over the telephone, without the need to visit a bank branch or automated teller machine. Telephone banking times are usually longer than branch opening times, and some financial institutions offer the service on a 24-hour basis. Most financial institutions have restrictions on which accounts may be accessed through telephone banking, as well as a limit on the amount that can be transacted.

The types of financial transactions which a customer may transact through telephone banking include obtaining account balances and list of latest transactions, electronic bill payments, and funds transfers between a customer's or another's accounts.

From the bank's point of view, telephone banking minimises the cost of handling transactions by reducing the need for customers to visit a bank branch for non-cash withdrawal and deposit transactions. Transactions involving cash or documents (such as cheques) are not able to be handled using telephone banking, and a customer needs to visit an ATM or bank branch for cash withdrawals and cash or cheque deposits.

Operation
To use a financial institution's telephone banking facility, a customer must first register with the institution for the service. They would be
assigned a customer number and they may be given or set up their own password (under various names) for customer verification.

To access telephone banking, the customer would call a special phone number set up by the financial institution. The service can be provided using an automated system, using speech recognition and DTMF technology or by live customer service representatives. After calling the number, they would enter on the keypad the customer number and password. Some financial institutions have set up additional security steps for access, but there is no consistency to the approach adopted. Most telephone banking services use an automated phone answering system with phone keypad response or voice recognition capability. To ensure security, the customer must first authenticate through a numeric or verbal password or through security questions asked by a live representative.