

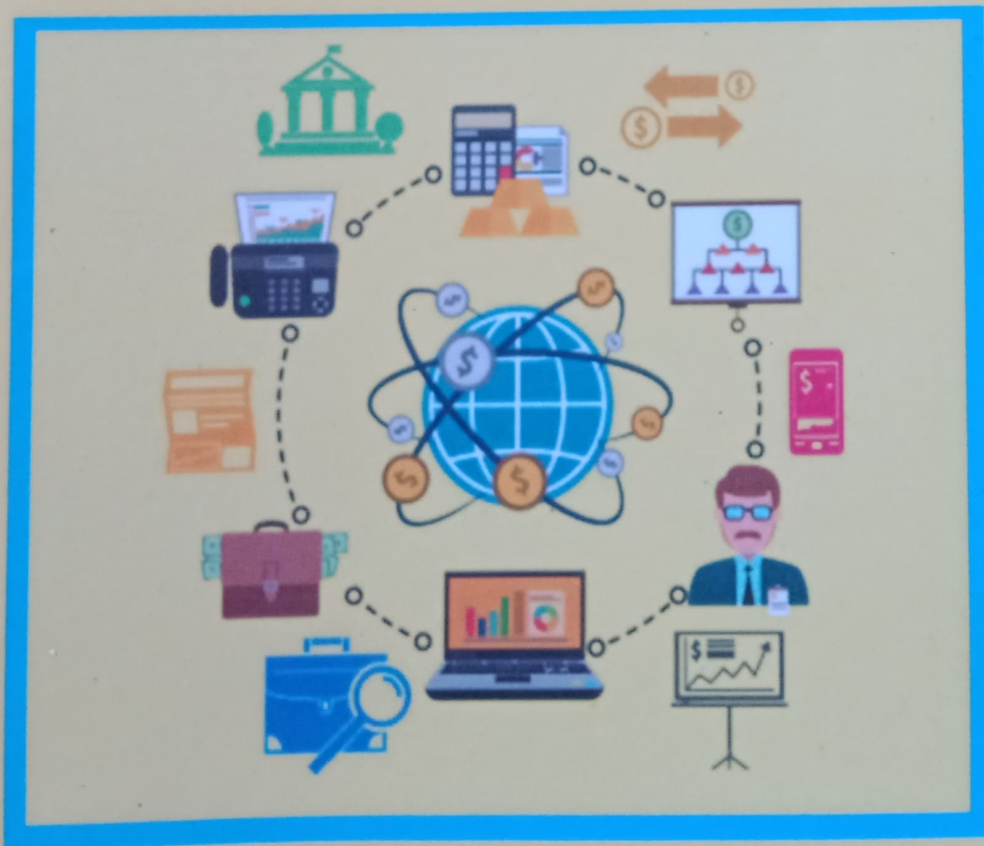


**NALLAMUTHU GOUNDER MAHALINGAM COLLEGE
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DEPARTMENT OF BUSINESS ADMINISTRATION

**RECENT TRENDS IN
COMMERCE AND MANAGEMENT**



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Dr. K. Veerakumar**

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MOBILE BANKING (M-Banking)

D.Divya

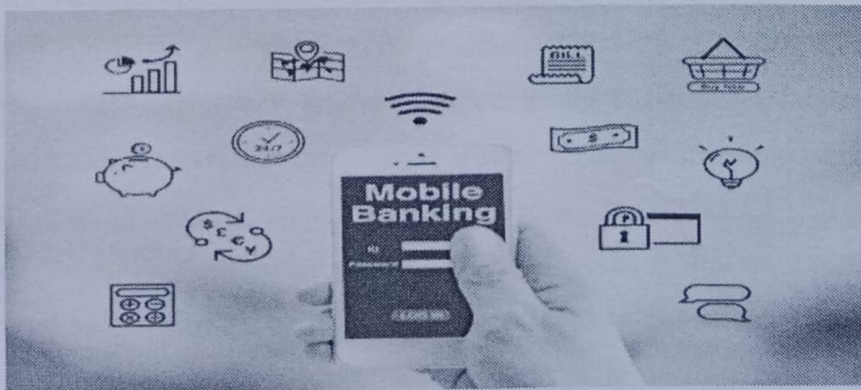
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Topics covered

- ➔ Meaning of Mobile Banking
- ➔ Importance of Mobile Banking
- ➔ Features and Benefits of Mobile Banking
- ➔ Types of Mobile Banking services
- ➔ How to Apply for Mobile banking services
- ➔ Mobile Personal Identification Number –mPIN
- ➔ Major Mobile banking services
- ➔ Mobile banking transaction limit of Bank of India

1. Meaning

Mobile banking is the act of making use of a mobile device such as smart Phone or tablet to carry out the financial transactions. It is available in 24/7 basis. It is provided by banks to their account holders. Mobile banking enables the clients and users to carry out various transactions which may differs from banks to banks. M-Banking uses software called an app which is provided by the financial Institutions. It depends on Internet and data connection to the mobile device.





1.2 Importance of Mobile Banking

Mobile banking services are important because of following points:

- ➔ Mobile banking allows customers to access banking services from anywhere.
- ➔ Businesses and business owners can save their time by making use of mobile applications to process their payments or even receive funds from clients directly to their phone numbers. It is particularly popular among small to medium-sized enterprises (SMEs).
- ➔ Banks are able to cut down on operational costs, though they are maintaining client satisfaction. Client of a bank can make use of their app to request a service, such as opening an account or to schedule debit orders or other payments from an application. It allows for larger transactional volumes which drives business growth.

1.3 Features & Benefits of Mobile Banking

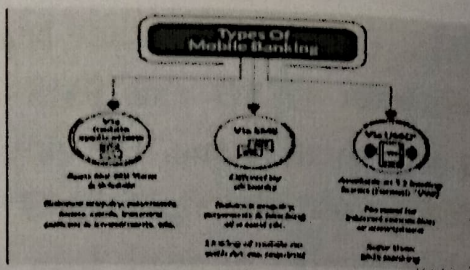
Mobile banking service has the following features and benefits:

1. **Easy Access:** Customer can avail all the banking services at their fingertips. Checking the account balance/statement, transferring money, paying bills are being done using mobile phone. If customer wants to transfer cash from one account to another they won't want visit the bank and wait for the process. They can transfer within a fraction of a second. Customer can send money overseas through banks. It is 24/7 access to accounts, which allows to watch finance and monitor spending constantly.



2. **USSD and SMS:** Banks offer mobile banking services to their customers over USSD and SMS because all the people do not have smart phone. The only thing is that the customers need to use the right SMS format and the registered mobile number to avail SMS banking services and the right code for USSD services.
3. **Safe:** It is totally safe to use mobile banking as the bank gives a set of login credentials that the user can use to sign into the account and can change the credentials at the user preference and then carry out the transactions. This login credentials should not be revealed to anyone - not even the bank. The transactions will be done only if One-Time Password (OTP) is entered sent to registered mobile number.
4. **Cost:** The user need not have to pay any extra charges to avail of mobile banking services. The user can check balance, account statements, transfer funds or pay bills as many times as the user want, and it will not be charged. The User have to pay a nominal charge for few services.
5. **Convenience:** The internet allows banking on a computer or laptop from the comfort at customers home. Mobile banking takes this convenience a step further. One can log in to their account from Smart phone and access it wherever and whenever needed.
6. **Higher security**
Multi-factor authentication (MFA) involves logging into an account using two or more credentials. Banks can link Customer account with mobile device, so that they are alerted when someone else is trying to log in.

1.4 Types of Mobile banking services



1.4.1 Mobile Banking over SMS or SMS Banking

Banks offer mobile banking services over SMS which is called SMS Banking or mobile banking over SMS. Customers need to sign up for this service by registering their mobile number with their bank. Customer can send SMS to the bank to inquire their account balance; they can receive a mini account statement and even for transferring limited amounts of funds. After sending the SMS, customer will receive an SMS from the bank containing the information requested by the customer.

In SMS banking, customers need not want to have a smart phone or internet access to avail of this service. There is a specific SMS format for each service in each bank, and the customer must follow those to get the required information. The customer must send the SMS with the registered mobile number or else the service cannot be availed.

1.4.2 Mobile Banking over Unstructured Supplementary Service Data (USSD)

Unstructured Supplementary Service Data (USSD) service is provided by the banks to those people who do not have a smart phone or access to the internet. The customer can use USSD codes which is provided by the banks to avail banking services. Customers are supposed to dial a prefix code and click on 'send' and then they will receive a menu containing the banking services such as balance inquiry, mini



statement, etc. that can be availed using their phone. This service is quite popular in rural areas where most of the people have neither smart phones nor access to the internet.

1.4.3 Mobile Banking over Wireless Application Protocol (WAP)

Mobile Banking through an application is WAP. Customers can download the mobile application of the concerned bank on their smart phones and avail all the services provided by the respective bank. Almost all banks provide mobile applications for Android and iOS devices. In order to use mobile banking, Customer must register separately and receive the login credentials by applying at the bank, through SMS or through internet banking.

Depending upon the need of the customer, they can download one or more apps provided by the bank and avail mobile banking services.

1.5 How to Apply for Mobile Banking Services?

- The User should register for the Mobile Banking Services at the time of opening an account with the Bank or at the later stage through secured channel.
- The User should download and install the mobile banking application of particular bank where Valid saving or current account are opened and its operation should be single and this application authenticates the user with the applicable credentials and then the user should set mPIN.
- The user should satisfy the necessary eligibility criteria.
- Mobile Banking Services shall be provided to the User, at the sole discretion of the Bank and may be



discontinued by the Bank at any time, without prior notice to the User.

- The User shall use the Mobile Banking Services from the registered Mobile Phone Number.
- The Bank will enable the User to transact mobile Banking Services through mPIN or one time password generated to the Mobile Phone Number of the User or any other mode of authentication that the Bank sees fit within the limit prescribed by the Bank and all transactions shall be bonafide transactions.
- Mobile Banking Services authorizes the Bank to debit the account of the User maintained with the Bank. If the account of the User is 'Dormant' or 'Inoperative' or any total or partial freeze of transaction is implemented on the account, then the Mobile Banking Services will not be available for those accounts.

1.5.1 Mobile Personal Identification Number - mPIN

"mPIN" means Mobile Personal Identification Number which is used for accessing and availing Mobile Banking Services from the user Mobile Handset.

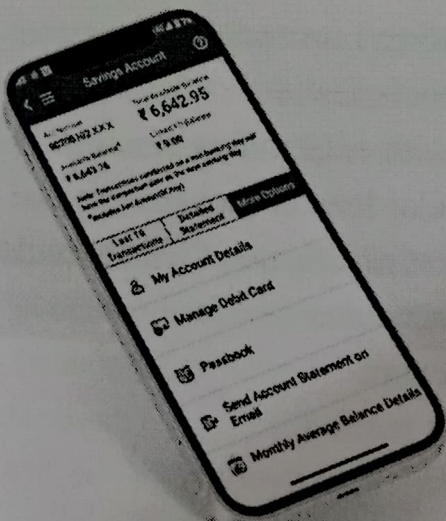
When the User forgets the mPIN, a new mPIN may be created by clicking 'forgot mPIN' option which is provided in the pre-login screen of the Mobile Banking Service and also by following the process uploaded on the Bank Website.

If the User enters the mPIN incorrectly for 3 times consecutively, then the Bank shall block the Mobile Banking Services for the next 24 hours or for such time as the Bank may deem fit, after which the Mobile Banking



Services can be accessed by the User with the same mPIN or new mPIN created by the User.

In certain situation if the Mobile Banking Services has been blocked for entering wrong mPIN two times consecutively, the User shall have to register again to avail the Mobile Banking Services as per the procedure laid down by the Bank.

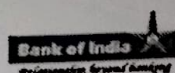


1.6 Major mobile banking services

- ➔ Account Balance Enquiry /Account detail/Mini Statement
- ➔ Fund transfer Within bank or to other banks through NEFT/IMPS
- ➔ Utility Bill Payments
- ➔ Recharge Mobile & DTH
- ➔ View Nominee
- ➔ View Average Balance



- ➔ Download statement
- ➔ Pay Loan EMI
- ➔ Quick Fund Transfer
- ➔ Set standing Instructions
- ➔ Personalize transaction Limit
- ➔ Reset Login PIN/ Transaction PIN
- ➔ UPI (Unified Payment Interface)
- ➔ Create new UPI ID
- ➔ Pay Using UPI ID
- ➔ Payment Channel setting/Limit setting
- ➔ Add and delete Beneficiaries
- ➔ Loan account along with outstanding amount
- ➔ Statement of a particular loan account
- ➔ Download loan interest certificate of loan account
- ➔ Summary of deposit accounts
- ➔ Open new deposit account
- ➔ Apply for chequebook request



Mobile Banking – New enhanced Limits effective from 31-05-2021

Trxn Type	Present Limit				Increased Limit		
	Per Transaction Limit		Maximum Per Day Limit Rs.	Max No of Transactions per day	Per Transaction Limit		Maximum Per Day Limit Rs.
	Minimum Amt Rs.	Maximum Amt Rs.			Minimum Amt Rs.	Maximum Amt Rs.	
Self-Linked Account	1	1,00,000	2,00,000	100	1	No Limit	No Limit
Intra Bank –	1	50,000	1,00,000	100	1	2,00,000	2,00,000
3rd Party Transfer	1	50,000	1,00,000	100	1	2,00,000	10,00,000
IMPS	1	50,000	1,00,000	100	1	10,00,000	1,00,000
NEFT	1	50,000	1,00,000	5	2,00,000	10,00,000	1,00,000
RTGS	2,00,000	3,00,000	3,00,000	20 Per A/C	1	1,00,000	Per A/C
UPI	1	10,000	1,00,000	Per A/C	1	2,00,000	2,00,000
BBPS	1	25,000	1,00,000	100	1	2,00,000	2,00,000



1.7 Mobile Banking Transaction Limit of Bank of India

1.8 Disadvantages of Mobile Banking

- Mobile Banking is not available on all mobile phone i.e it may be available on the high-end smart phone. If the customer does not have a smart phone then the use of Mobile Banking becomes limited.
- Regular use of Mobile Banking may lead to extra charges levied by the bank for providing the service.
- Mobile banking users are at risk of getting fake SMS messages and scams.
- The loss of a mobile device often means that criminals can gain access mobile banking PIN and other sensitive information.
- If there are some problems of technical issues, security concerns and cost constraints mobile banking will not be helpful.

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