

DIGITAL BANKING RISKS IN THE PRESENT SCENARIO

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ABSTRACT

Internet transform the life of people by providing convenience for day to day transactions. the availability of Smartphones at cheap prices has increased adoption of internet applications for their activities. Especially for the banking transactions, there is an upward trend regarding the usage of e banking application for carrying out the transactions at convenience. Though there are multiple benefits upon using the internet banking applications , there is a sufficient precautions have to be taken by the customers in order to carry out secure transactions. This paper deals with the various risks that are associated with the use of e banking.

Introduction:

Technology has always provided the convenience and serves to be a factor for the evolution of the Industry. In the banking industry , a major revolution has been caused by the technology , which enables the customers to avoid standing in large queue to carry out their transactions. There is a large amount of manhours of work has been reduced by using the technology products for the banks. There are numerous risks associated with the use of internet banking facility provided by the bank and the awareness of the risks enables the customers to tread carefully in the digital medium for carrying out their transactions.

Risks of e banking:

Fake Links in the Mail Account:

The predominant risk in the online medium is the hackers create a bogus website imitating the bank and lure the customers with the offers which requires to key in the password and other login credentials. Customers think that the mail is sent from the banks and the moment they key in their password , the account remains hacked and thereby the hackers steals the money from their bank account. Customers should not fall prey to such hackers and never disclose any information to such mails.

Phishing:

When customers are accessing their Internet banking applications in a public place using the common computer systems, they have to check if someone is monitoring their systems for their passwords which the customer is keying in for the transactions. Phishing is an attack by which the hacker poses as a customer and tries to steal the data and information related to the bank account of the customers. Customers have to use technologies like two way authentication system, One Time passwords etc.

Virus and Malware:

Nowadays, there is an increasing number of malwares and viruses that is created by the hackers, in order to steal the data from the customers. These viruses are transferred into systems of the customer without their knowledge as background applications and steal the details that relevant for the transactions. These information are then transferred to the hackers, thereby leading to a huge financial loss for the customers. Customers have to install current version of the antivirus and anti-malware software and update them frequently in order to safeguard them from such attacks.

Third party applications:

There are a number of third party applications which look very fancy and useful for the customers. A very few customers usually read all the terms and conditions upon installing the third party applications into their system. The third party applications have an access to your data and information by providing a clause in the terms and conditions upon installation for accessing critical data in the system.

Lottery Scams:

In this type of scam the hacker sends in a mail to the customers stating that they have won a lottery for a huge amount and asks for the banking details for the customers to claim such money. The customer out of his excitement keys in the details and loses the hard earned money by falling prey to the hackers. Hackers usually target the new users for this type of attacks. Banks have to provide a set of safe banking instructions for the customers who are about to start their internet banking transactions.

Conclusion:

There are numerous benefits associated with the use of technology products in the banking sector. Where there are financial transactions, there is a possibility of higher amount of scams to steal the money and the information associated with the customers. Customers have to ensure safe practices in the online banking transactions and in case they face any doubts regarding the transactions, they should never hesitate to clarify with bank. The unsafe transactions and increasing number of victims destroys the brand image of the bank and the education regarding the safe use of technology benefits both the bank and the customer.

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