

## E-BANKING CHALLENGES AND SERVICES OFFERED BY DIFFERENT INDIAN BANKS

Nonihal Chavhan  
Research Scholar – Management  
Prestige Institute of Management  
Gwalior (M.P.)  
[nonihal19chavhan@gmail.com](mailto:nonihal19chavhan@gmail.com)

### **Abstract**

*In the development of the economy, the Indian banking industry has mostly been a collaborator. The building was built on which the nation's industrialization occurred. Banks are entities helping to make capital available for industrialization from unproductive to productive industries. E-banking is a fully automated service based on information technology platforms for traditionally banking clients' products. Customer access to accounts, the ability to shift money between multiple accounts or pay via e-channels is provided by e-bank services. When people abuse the Internet it is called cyber crime, and India has seen a significant increase in the number of people who are committing cyber crimes in recent years. The Information Technology Act, 2000, contains the provisions for Indian cyber law. We can state that the Indian banking sector has seen a full transformation in the last few years. The banking industry is confronted with numerous obstacles, but it also offers numerous opportunities. E-banking, on the other hand, has radically transformed the face of the Indian banking industry. However, there is still a significant need for increased customer knowledge of e-banking services in India, which can be met by doing thorough market scanning and analysis.*

**Keywords:** *E-banking, challenge, services India, bank, etc.*

### **1. INTRODUCTION**

In the development of the economy, the Indian banking industry has mostly been a collaborator. The building was built on which the nation's industrialization occurred. Banks are entities helping to make capital available for industrialization from unproductive to productive industries. The loan structure

allows the family and the business sector to invest in the future, and it enables an institution to park funds for future uses. There has been a fast transition in the banking sector in India. Around a decade ago, this sector was confined to the nationalized and cooperative banks. Then the multi-national banks came, but just a few served the wealthy. One may

consider the past a mediaeval banking in the banking industry, where all of the same bank's offices worked as an independent silo of information and there were essentially no cross-channel balancing (ATMs, net banking, Tele-banking, etc.).

The first main reason for this transition is the enhanced internet security and encryption. Secondly, banks do not like to lose any Possible market share to banks that offer their services on the Internet quickly the face of banking has shifted in the last 10 years from competition to changing technologies and lifestyle. E-banking is becoming the next big thing in the banking industry, which has given the banking industry numerous new options. The study addresses the challenges and potential of the banking industry in India in this environment. E-banking is a fully automated service based on information technology platforms for traditionally banking clients' products. Customer access to accounts, the ability to shift money between multiple accounts or pay via e-channels is provided by e-bank services.

## 2. E-BANKING CALLENGES

- **Global technology implementation:**  
An adequate amount of infrastructure and human capacity building needs to be in place before developing countries can utilize global technologies for their local needs.

Many consumers in undeveloped nations either do not trust the infrastructure they need or do not have access to it to process e-payments.

- **Enhanced support for the public:** In the past, most of the e-financing initiatives were the outcome of cooperative efforts of corporate and public sectors in developing nations. It is crucial that cooperative effort between private and public sectors and multilateral institutions, such as the World Bank, be formed to enable public funding of e-financing related activities, if public sector has not the necessary resources to carry out the project.
- **Confidentiality, integrity and authentication:** these three aspects are very crucial in the banking sector and were managed successfully worldwide prior to internet arrival. Communication over an open and hence unsecured channel, such as the Internet, could not provide the best basis for bank customer relations, since confidence could be partly lost.
- **Customer satisfaction:** Customer satisfaction is a key challenge in today's competitive sector, because clients have several types of banking services available to them.

- **Competition:** Nationalized banks and competition banks compete with international and emerging private sector banking institutions. Competition in the banking sector presents a range of problems for the banks including product positions, innovative ideas and channels, new market trends, cross-selling ads in management and organization. By transforming people into machine power, banks reduce manual power and obtain the greatest machine power output, they limit their administrative folio. Skilful and specialized human resources have to be used and targeted employees are appointed to achieve results.
- **Technology of Management:** The development or acquisition of correct technology, it is appropriate deployment and then maximizing use of it is vital if high service and efficiency standards are to be achieved and maintained while remaining cost-effective and offering shareholders sustainable returns. Early technological adopters are making substantial progress in competition Technology management is thus a major challenge for the Indian banking sector.

E-Banking has grown to dozens of millions of users globally since the late 1990's. The recent source in India is e-banking. Non-branch banking services were only launched in the early 1990s. The economy was launched in 1991 and foreign banks entered. You brought with you new technology. Banking goods have become increasingly competitive. The need for product and service differentiation has been felt. There appears to be no place now in the excellent old manual processes on which Indian Banking has relied for generations. The ICICI Bank receives the credit of web-based money keeping in India. In 1999, Citibank and HDFC Bank received money advantages from the web. The Indian Legislature and the Save Bank have adopted a couple of measures to promote the promotion of saving money from E in India. With effect from 17 October 2000, the India Administration established IT Demonstration 2000 which legally accepted electronic exchanges and other ways in the field of electronic trading. In order to ensure that e-saving funds will generate sound lines, e-money challenges associated with accounting will not pose a risk to financial reliability, Saving Bank checks and investigates the legal and various demands of e-dependence.

The IT Vision Document 2011- 17 was created for the reserve bank and banks that are providing an indicated path for enhancing IT use in the banking sector by a high-level Committee led by Dr. KC. Chakrabarty and

### 3. INDIAN E-BANKING EVOLUTION

representatives of IIT, IIM, IDRBT, Banks and the Reserve Bank. Indian commercial banks have taken a number of steps to address the strain from increased competition, including E banking. For people in the general sector banks, the opposition has been particularly strong, as the recently established private segment and remote banks are pioneers in e-conservation money. In the 1990s, the Electronic Clearing Administration (ECS) was pushed to take the mass and tricky installations into account. Another symbol called National Electronic Clearing Cell was propelled to deal with various loans to receive accounts by September 2008. Center operations of the National Electronic Clearing Administration (NECS) are arranged by part money funds. The exchange framework for retail support was familiar with the authorization for electronic reserve exchange for persons with the individual installment in the 1990s.

#### **4. INTERNET BANKING AND INDIAN LAWS**

When people abuse the Internet it is called cyber crime, and India has seen a significant increase in the number of people who are committing cyber crimes in recent years. The Information Technology Act, 2000, contains the provisions for Indian cyber law. The Reserve Bank of India established a "Working Group on Internet Banking" to evaluate the various issues of Internet Banking and to make recommendations. The Group has

concentrated its efforts on three primary areas of e-banking, including (i) technological and security issues, (ii) legal difficulties, and (iii) regulatory and supervisory issues, among others. The Reserve Bank of India has accepted the suggestions of the Group, which would be implemented in stages.

Because there is no applicable statute in India, a bank's obligation would be based on the terms of a contract. When liability is contractual, it means that the bank is bound by the terms of the contract to keep the information about its clients' accounts confidential. If transactions are carried out through an open network, such as the internet, then an internet service provider (ISP), in addition to the bank, may be held accountable in the event of a security breach involving the network. It is necessary to assess the feasibility of enacting sectoral data protection regulations in the e-banking industry. Indian policymakers can learn from countries that have preferred sectoral legislation over comprehensive legislation on ad hoc basis. Phishing is a huge concern for banks and Internet banking users since it is the art of fooling someone into providing personal information in order to fraudulently obtain their sensitive information such as passwords and credit card numbers. As phishing is not specifically defined as an offence under the Information Technology Act 2000, law enforcement agencies must rely on generic provisions of the Indian Penal Code, such as

cheating and criminal breach of trust, to prosecute those who engage in the practice.

## 5. BANKS' USE OF THE INTERNET FOR BANKING SERVICES

➤ **ICICI Bank:** The Industrial Credit and Investment Corporation of India (ICICI) established ICICI Bank as a wholly owned subsidiary in 1994. ICICI Bank was formerly called as the Industrial Credit and Investment Corporation of India Bank, and it was then rebranded as ICICI Bank. ICICI Bank Ltd. is India's second largest financial services corporation, with its headquarters in Mumbai, the country's commercial capital. Customers can access their accounts through ICICI Bank Online Banking Services, which puts the bank right at their fingertips. With ICICI Bank online Internet banking, banking has become a pleasure, as transactions and services are delivered instantly. The services that are supplied are completely secure and one-of-a-kind. Online account transactions and operations, credit card and account applications and payments, stock trading and investments through mutual funds, bill payment and statement creation, as well as a virtual demonstration of each service are all covered in this section.

➤ **HDFC Bank:** HDFC Bank was established in 1994 by the Home Development Finance Corporation Limited (HDFC), which is India's largest housing finance organization. It was one of the first companies to get approval from the Reserve Bank of India (RBI) to establish a bank in the private sector, a process known as "in principle approval." According to the Reserve Bank of India's liberalization rules, the Bank began operations as a scheduled commercial bank in January 1995. By purchasing Centurion Bank of Punjab in 2008, HDFC Bank increased its branch network to more than 1,000 locations. Net Banking is the name given to the e-banking service provided by HDFC Bank. Customers can use their laptops to conduct banking transactions from anywhere at any time via net banking. Today, the mobile phone itself serves as a financial bank. Customers of HDFC Bank can now access their accounts and take advantage of a variety of banking services through the banking's mobile banking service. It enables users to not only access all of the necessary information about their bank account on their mobile device, such as balance details and transaction history, but also to transfer funds between their accounts.

Customers can complete the customer on their mobile phone using Net Banking on Mobile.

- **State Bank of India (SBI):** State Bank of India (SBI) is a financial institution that provides financial services to Indian citizens. The State Bank of India is India's largest bank, with a network of more than 13000 branches and 5 partner banks spread throughout the country, including the most distant regions. The State Bank of India (SBI) provides a comprehensive variety of banking products and services to both corporate and retail customers in the Indian market. The State Bank of India (SBI) offers an e-banking service known as Online SBI. Customers, both retail and corporate, can conduct banking transactions from any location at any time. A consistent and secure support infrastructure is provided by the State Bank of India (SBI) for electronic banking, allowing customers to access banking services for accounts in over 13,000 branches across India. This e-banking facility offers a variety of retail financial services to customers. These are the ones to look out for: Online demand draughts are now available to customers. 2. Clients have the option of transferring funds to their own and

third-party fund accounts. 3. Customers can credit beneficiary accounts through the use of the RTGS or NEFT features, respectively.

- **Bank of Baroda (BoB):** Bank of Baroda (BoB) is an Indian financial institution. Bank of Baroda is the third-largest bank in India, behind State Bank of India and Punjab National Bank, according to the Financial Times. BoB was placed 763 on the Forbes Global List in 2000, according to the publication. Its total assets are estimated to be around Rs. 3583 billion. It has a large banking network, with about 3409 branches and offices, as well as over 1657 ATMs. It intends to open an additional 400 banking locations in the near future, according to its plans. Because it offers a wide range of banking and financial goods and services through numerous delivery channels and specialized subsidiaries, it serves both corporate and retail consumers. "Baroda Connect" is the name of the e-banking service provided by Bank of Baroda. BoB provides 'anywhere, anytime' banking services through this channel. Through this service, BoB offers tailored financial services to both retail and business customers alike. Customers can take advantage of the following services through the



'Baroda Connect' platform: 1. Customers can see a summary of their deposit and loan account balances. Customers can access all of their account information online with a single user id and password. Customers have the ability to examine their account statements.

## 6. CONCLUSION

We can state that the Indian banking sector has seen a full transformation in the last few years. The banking industry is confronted with numerous obstacles, but it also offers numerous opportunities. ATMs, credit cards, real-time gross settlement (RTGS), debit cards, mobile banking, and other financial advances have transformed the Indian banking sector. However, more new solutions are required so that the obstacles faced by e-banking may be overcome and opportunities can be used efficiently by the financial institutions. E-banking, on the other hand, has radically transformed the face of the Indian banking industry. Banking is no longer limited to the old physical branch system, in which banking professionals must be present in person in order to facilitate banking transactions. However, there is still a significant need for increased customer knowledge of e-banking services in India, which can be met by doing thorough market scanning and analysis.

## REFERENCES

1. Santhosh, Mr & Sv, Santhosh. (2019). A study on prospects and the challenges of Mobile Banking in India.
2. Palanisamy, Revathi. (2019). DIGITAL BANKING CHALLENGES AND OPPORTUNITIES IN INDIA. EPRA International Journal of Economic and Business Review. 10.36713/epra2985
3. Surulivel, S. T. (2010). A Study on the Impact of Technology on the Performance of Indian Banking Industry (Doctoral Thesis). Viewed on November 30, 2017 <http://hdl.handle.net/10603/5600>.
4. Raghuramapatruni, Radha. (2015). Problems and Prospects of e-banking in India.
5. Boro, Kamaleswar. (2015). Prospects and Challenges of Technological Innovation in Banking Industry of North East India. The Journal of Internet Banking and Commerce. 20. 10.4172/1204-5357.1000134.
6. Chavan, J. (2013). Internet Banking - Benefits and Challenges in an Emerging Economy. International

Journal of Research in Business  
Management (IJRBM), 1(1), 19 – 26.

7. Goel, Geetika & Nandan, Tanuj & Upadhyay, Ashwani. (2008). Internet Banking in India: Issues and Prospects. The IUP Journal of Bank Management. VII. 47-61.
8. “E-Banking: A Case of India”, R. K. Mishra and J. Kiranmai (2009), The Icfai University Journal of Public Administration, Vol. 5, No. 1, pp. 55-65, 2009.
9. E-banking- New emerging trends in Indian banking industry, Gupta, P., Mishra, C. M. (2012), Research Journal of Economics and Business Studies, 1(10), 1-3.
10. E-banking challenges and opportunities in the Indian banking sector, Haq, S., Khan, M. (2013), Innovative Journal of Business and Management, 2(4), 56-59

\*\*\*\*\*