



**STUDY OF CUSTOMER BEHAVIOR WITH REFERANCE TO INTERNET BANKING AT
NCR**

Project Report

Submitted towards partial fulfilment for Award of B.COM(H) degree

SCHOOL OF FINANCE AND COMMERCE,

GALGOTIAS UNIVERSITY

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STUDENT'S DECLARATION

Declaration of the Student I hereby declare that the Project Work with the title **STUDY OF CUSTOMER BEHAVIOR WITH REFERENCE TO INTERNET BANKING AT NCR** submitted by Aryan Sarswat and Sumant Jaiswal for the partial fulfilment of the degree of B.COM(H) in the Galgotias University is my original work and has not been submitted previously to any other University /Institution for the fulfilment of the requirement for any course of study is my original work and has not been submitted

I also declare that no chapter of this manuscript, in whole or in part, has been taken from any previous work done by others or by myself. However, any extracts of literature used for this report have been duly acknowledged, with details of such literature provided in the references.

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ACKNOWLEDGEMENT

It is an opportunity to express my gratitude to the individuals who provided sincere cooperation and valuable guidance during the preparation of this project report.

First and foremost, we would like to thank Dr. TEZ SINGH, our project guide, for assigning us such a difficult project. And her genuine advice and inspiration in finishing this project report. Finally, we'd like to thank our friends for assisting me in gathering project-related information. Last but not least, we would like to express our appreciation to GALGOTIAS UNIVERSITY.

SYNOPSIS

By providing online banking services in its branches in 1996, the Industrial Credit and Investment Corporation of India became India's first to embrace electronic banking. HDFC Bank, IndusInd Bank, and Citibank followed suit in 1999, when they began offering online banking services. Internet banking, also known as online banking, e-banking, or virtual banking, is an electronic payment system that allows bank or other financial institution customers to conduct a variety of financial transactions via the financial institution's website. It is an electronic payment system supported by a website that offers an array of products and services of any bank that is possible to work electronically, like payments, transfers, deposits and more. Electronic banking enables customers to access their accounts, conduct financial transactions, and pay bills through the Internet or phone without having to physically visit their banks. This study aims to illustrate the current state of Internet banking in India as well as the scope of services provided by Internet banks. It also aims to investigate the factors that influence the availability of Internet banking services. This also helps to know about the problems faced by the banks for online banking and for the customers too. In order to study customer behaviour in the banking sector, a questionnaire with 32 questions was created and distributed to 600 randomly selected respondents. During the months of February and March of 2014, samples were collected in the Delhi NCR area. It has been discovered that customers are extremely demanding. Customers are aware of internet banking, mobile banking, and other novel services, but their use is limited. Banks must truly motivate their employees to train customers for these services and instil trust in them.

INTRODUCTION

One of the most significant breakthroughs of internet commerce is online banking. The rapid shift in Web technology and the Internet environment can be ascribed to the expansion of e-business. Banking can be divided into five categories as a business: domestic retail, wholesale, international wholesale, investment, and trust. Investment and retail banking, in particular, are heavily influenced by online technology while also reaping the greatest benefits from e-commerce. E-commerce is having a significant impact on the banking industry. Changes in technology, financial regulation shifts, the emergence of new banking institutions, and economic restructuring have all contributed to these changes. Banks are re-designing their cost and profit structures to align with these environmental shifts. To differentiate their financial services, today's banks rely on innovation and technology. As a result of the technological advancements, new products and services are being developed. For example, the way we file taxes and transfer funds has altered as a result of technological advancements. Internet and computers have gained a big presence in recent decades, from small to huge businesses, and even in modest households. The figure depicts the findings of a Cint study of respondents who used internet banking in India in 2018. In India, 63.97 percent of respondents said they use an internet bank during the study. According to a research conducted by Statista in January 2020, just 14% of individuals use their phones for banking purposes. However, many people make digital payments using apps such as BHIM, PHONEPAY, PAYTM, GOOGLEPAY, and others. However, these are regarded as digital payment methods. People who use their phones to do internet banking are still in the minority. As a result, we must encourage people to use online banking services more frequently. Many Indian banks, such as Bank of Baroda, State Bank of India, HDFC Bank, and ICICI Bank, offer online banking services to their customers. The way consumers and banks engage has evolved as a result of technological advancements. Information is now available at the touch of a button. New services provided by internet banking include electronic access to bank statements, fund transfers between accounts, electronic bill payment, usage of financial software, online payment, and transferring payment via credit or debit cards. Without a question, these services have accelerated the pace of retail banking. Without a doubt, the banking business has become more competitive, but this has also resulted in fierce competition among on-banking providers. Many non-banking players have recently established strongholds and are posing a threat to the core banking role players. The availability of various payment choices plainly indicates that if the banking industry does not innovate or create new products, it will expire and be quickly replaced by a new industry. Second, technology can shorten the product life cycle. Many banks are now delivering a variety of appealing financial products in a short period of time. As a result, banks must innovate at a breakneck speed. Without a question, the banking business has undergone a significant transformation. 4 The banking industry is undergoing a paradigm shift as a result of the World Wide Web, Internet, and Electronic Commerce. One of the most notable breakthroughs of electronic commerce is e-banking. The world is rapidly entering the 'Net Age.' The Internet is a global network of computer communication networks that connects the entire world. The rise of e-banking has been aided by the advancement of information technology and the internet. E-banking is the use of new technology to share resources based on financial information in an electronic format, reducing the need for consumers to physically visit bank branches and offices. E-banking allows banks to improve the speed and efficiency of their services to consumers at any time of day (24 hours) and from any location, all while avoiding the necessity for physical presence at the bank and using electronic channels. Virtual banking is the name given to today's banking. Virtual banking uses technology to deliver financial services to customers who do not have direct access to the bank. Automated Teller Machines (ATMs), smart cards, phone banking,

electronic funds transfer at point of sale (EFTPOS), home banking, and internet banking are all examples of virtual banking services. Customers in traditional banking must visit the bank in person to be served with banking operations and to use banking services such as cash withdrawals, account inquiries, account opening, money transfers, and so on. However, e-banking allows users to do financial transactions from the comfort of their own homes using their personal computer, laptop, or smartphone. Consumers who use e-banking can easily access the bank's website to verify their account information and conduct transactions as needed. E-banking is likewise knowledge-based and primarily scientific in its use of numerous electronic gadgets from the computer revolution, therefore it is more of a science than an art. E-banking has evolved into a virtual banking counter where individual and business customers can conduct routine transactions. E-banking refers to the systems that allow financial institution clients, individuals, and enterprises to access information about financial products and services over a public or private network, such as the internet. The NCR region of Delhi is likewise a booming city, with a constantly expanding need for internet banking, allowing banks to gain consumers. There is a lot of peoples who is using traditional banking and now they are opting for online banking because they are opting new technology rather than old one. Also the NCR region is a industrial area where the commercial online banking is on peak of demand which makes a business easy to handle. They transfer funds from one account to another without going to bank physically which helps them to save time. Also NCR region belongs to some villages area where the literacy rate is low so they could not understand the concept of online baking and those are not aware with this. The banks needs to reach to them personally to make them understand about the online banking system. The network service is also not good in some areas of NCR region which is a major drawback of using significant online banking. Also the ATM is considerable in online banking so in NCR the availability of ATM's is not everywhere which is also a drawback. So here we need to understand the concept of the online banking and the technologies related to this. The e-banking is supported around all over the world for national and international transactions. This has different usage cost for different types of uses for transactions. The international transactions may cost higher charges in comparison to national transactions. Different banks has different charges for every transactions and some have zero charges to transact. You can also open a Current account online to operate business transactions through devices without going physically to bank you can do stop cheques, clear dues, pay bills, account statement and many more through a single device. Although the banks has to deliver the e-banking facilities to each and every sector of the country. The e-banking also encourage the scope of e-money which is good for a country and this low down the usage of hard money which helps to overcome from corruption. As I have observed that using online banking is much effective and efficient than other traditional banking, this save time as well as cost effective. For e-banking the banks provide online customer support for solving problems faced by the customers for whatever they have used. While the customer support is given by the peoples hired by the banks to make a customer understand the problems and to overcome from that.

TYPES ON ONLINE BANKING FUND TRANSFER METHOD:-

- **National Electronic Fund Transfer (NEFT)**
- National Electronic Funds Transfer (NEFT) is a nationwide payment system that enables one-to-one money transfers. Individuals, businesses, and corporations participating in the Scheme can electronically transfer funds from one bank branch to another in the country.
- **Real Time Gross Settlement (RTGS)**
- Real-time gross settlement (RTGS) refers to a funds transfer system that enables the instant transfer of money to other person. RTGS continuously settles the payments, transactions of an individual. This is the process where the transaction take places on a fast mode,
- **Electronic Clearing System (ECS)**
ECS is refers to the electronic clearance system uses for fund transfer from one account to another. Its is used for bulky transfers like dividends, shares, salary, pensions. This is being also used by the large institutions and organizations. This method transfer large funds easily to accounts on a same time.
- **Immediate Payment Service (IMPS)**
IMPS provides an instant, round-the-clock interbank electronic fund transfer service via mobile phones. IMPS is a powerful tool for instantly transferring money between banks in India via mobile, internet, and ATM, which is not only secure but also cost-effective in both financial and non-financial terms.

BENEFITS OF E-BANKING:-

Low cost:-

The online banking has made low cost to use because customers do not need to go to the bank to do works and for that bank can save there money by reducing unnecessary costs.

Lower your overhead fees:-

Your business banking fees may be lower if you bank online because online banks do not have to pay for the cost and upkeep of branches, and those savings may be transferred to you. Furthermore, they may have more no-fee options, which will increase your savings.

Transfer money:-

The e-banking has made our life much easier we do not need to wait at banks to transfer money, now we can transfer money to any other account by just one click.

Deposit cheques online:-

Now banks are providing to deposit cheques online which is way better easier than depositing in branch this save time and safe also.

Convenience:-

By online banking anyone can purchase anything at anytime, or make payments faster.

As we know our prime minister has announced demonetization in November 2016 by that old currency of 500rs and 1000rs printed of mahatma Gandhi photo was banned and introduced new currency notes of 500rs and 2000rs printed with historical monuments and agriculture to promotes India and show the tradition of it. Now India is using those notes since last 5 years and from

that time online transactions have become most transacted system ever and till now billions of dollars are transacted in India . online banking helps India to grow more by overcome from corruption.

Now, instead of sacrificing for the use of notes or hard money with the goal of having a large amount of cash, we have increased the use of online banking or virtual money as we have progressed through the years. A lot of things have changed since then, and we are now in a time when the use of virtual currency is on the rise.

LITERATURE REVIEW

E-banking is an modernness that occurs when latest information technologies are combined with traditional banking services. Because e-banking is essentially self-service for customers, it necessitates fewer resources and lower transaction and production costs for banks. E-banking has the potential to improve bank performance in terms of asset growth. The consumers are also attracted to the e-banking because its make their life easy and time saving this helps to manage their account on their own. Bank also takes some major benefits of the e-banking like cost reduction, time saving, opting new technology. The NCR region is in a developing city and there is a lot of peoples who are using online banking and many more peoples are yet to come. NCR is also a industrial area where the industrial need of online banking might also be done through online banking.

Several core capabilities are required to continuously improve the performance of e-banking services:

- 1:- new IT infrastructure.
- 2:- developing transaction security.
- 3:- giving new value-add content.
- 4:- providing different services.
- 5:- Management of customer relationships.

In terms of their needs and preferences, today's consumers are much more discerning when it comes to banking services. Banks must provide services that both satisfy and thrill clients in order to remain competitive. Expectations of accuracy, security, network speed, user-friendliness, user involvement, and convenience are the most essential quality factors driving perceived usefulness of e-banking. The four dimensions of an electronic service quality standard are efficiency, fulfilment, system availability, and privacy. online service quality has no direct impact on customer delight, e-trust or the development of stronger relationships with customers, but it does have a relationship to e-loyalty. As previously stated, the government is attempting to implement numerous initiatives such as the Jan Dhan Yojana, which will make the E-banking sector accessible to even the lowest members of society, and it is for this reason that we have chosen this element. Today, the Modi government is attempting to adopt a growing number of programs and policies aimed at transforming India's economy into a cashless economy. Biometric systems, eye scanners, and other new technological developments This will have a stronger impact on the development of the E-banking sector. As a result, we've chosen this as a critical component. Today in india almost 35 % of the population is operating E-Banking for daily payments. In the future this number will increase by 50-60%. According to a poll on online payments done in India in 2020, 31% of households reported having mobile banking apps on their cell phones. However, 32% of families claimed that they use digital payments in their daily lives.

The popularity of Internet Banking is due to the numerous benefits it provides to both the supplier and the customer. From the bank's standpoint, these are mostly cost-cutting measures. and internet

banking remains one of the cheapest and most convenient ways to conduct business. delivery methods that are effective. Other justifications for adopting . Such services are also competitive, as the internet banking strategy has been an example. For banks, there are various benefits, such as mass customization and more effective marketing. and lower-cost communication, among other things. End-user benefits are numerous as well, and include, among others, the service's convenience, lower transaction costs, and more regular account monitoring. It should be mentioned, however, that some clients are still hesitant to use Internet banking because they are concerned about the system's security.

The Information Technology Act, 2000 was enacted by the Indian government on October 17, 2000, to give legal status to electronic transactions and other forms of electronic business. RBI had established up a 'Working Group' on e-banking to explore several elements of e-banking. This group concentrated on three fundamental aspects of electronic banking.

(1) Concerns about technology and security standards.

(2) Legal challenges and concerns

(3) Issues of regulation and supervision.

The RBI approved the 'Working Group's suggestions and released guidelines on 'online banking in India' for banks to implement in compliance with their recommendations. A report on e-banking was also released by the 'Working Group,' which covered many elements of the technology.

In India, ICICI Bank was the first bank to launch internet banking under the moniker "Infinity" in early 1997. Later, ICICI Bank discontinued online banking services, but the Internet was still in its early stages of development in 1996-1998, with usage increasing in 1999 as a result of decreased online fees, higher PC penetration, and a more technologically friendly environment. E-banking began with ATM use and evolved into telephone banking, electronic financial transfers, direct bill payments, and online banking.

Because it minimises branch networks and the amount of service workers, the internet is the most cost-effective route for delivering bank and financial goods. Bank performance has also improved as a result of e-banking. E-banking has also developed as a major source for increasing efficiency, controlling operations, and lowering costs by automating paper-based and labor-intensive activities, resulting in increased productivity, profitability, and efficiency.

Clients benefit from faster communication and transactions thanks to e-banking. Customers can access a wide range of services through e-banking. Customers may communicate with banks and complete transactions from any location on the planet. Customers have switched from traditional banking to modernised banking, i.e. self-service over the internet, as a result of E-banking.

RESEARCH METHODOLOGY

Study area:- The study will be held nearby the NCR region Uttar Pradesh.

Sample size:- Data sample will be collected through primary sources.

Internet banking customers are becoming increasingly concerned about the security of their banking transactions as well as the privacy of their personal information. Online banking service has become a significant incidence in the banking industry, and it will continue to grow as information and communication technology advances. As a result, the financial industry is gradually experiencing and transitioning from a cash-based system to a cashless system that is more convenient and reliable, with online banking services proving to be extremely important.

DATA ANALYSIS

PURPOSE:- The purpose of this research study is to highlight the current state of Internet banking in India as well as the scope of Internet banking uses provided by Internet banks. It also looks into the elements that influence the availability of Internet banking services.

DESIGN/METHOD:- The information for this study comes from a survey of bank Web sites that was conducted in July 2019. As of March 31, 2018, the sample included 82 banks operating in India. The drivers of the scope of Internet banking services are investigated using a multiple regression technique.

FINDINGS:- In matching to public sector banks, the results reveal that private and international Internet banks have done well in offering a greater range and more advanced Internet banking services. Expansion of the bank, experience of the bank in supplying Internet banking, funding pattern, and ownership of the bank are determined to be key drivers impacting the amount of Internet banking services.

RESEARCH LIMITATIONS:- The study and size of the sample, as well as other elements (market, environmental, regulatory, etc.) that may influence banks' decision to offer a wide range of Internet banking services, are the study's key limitations.

VALUE:- The goal of this study is to fill up large knowledge gaps about India's Internet banking market. The government, regulators, commercial banks, other financial institutions, such as co-operative banks aiming to offer Internet banking, bank consumers, and researchers are expected to benefit greatly from the conclusions of this study. Bankers, as well as the general public, will learn where the banks fall short in terms of Internet banking acceptance and the provision of various products and services. Understanding the factors that influence the scope of Internet banking services is critical for both economists investigating growth determinants and those who create and produce such technology.

ABOUT THE ONLINE BANKING

The resilience of economies and enterprises around the world was put to the test in 2021, with organisations slowly recovering from the pandemic's effects. Without a question, the banking and financial services business faced some difficulties this year. Throughout the epidemic, the sector saw substantial shifts in client trust, albeit most banks remained buoyant, with strong revenue growth and profits.

The epidemic, on the other hand, forced banks to rethink their technological strategy and increase digital/branchless banking, redefine client interactions, and shift the meaning of financial inclusion. However, the most important aspect that influenced bank performance in 2021 and will determine the industry's growth in 2022 is the ability to capitalize on technology investments and create value.

Economic rebirth and the changing regulatory:-

The economy was severely disrupted by the outbreak of the pandemic, and it is still recovering to pre-pandemic levels of growth. However, the Indian economy is gradually gaining traction from the start of 2022, and is predicted to grow at a rate of 6.5 percent in fiscal 2022-23. Despite the fact that the pandemic's third wave has surfaced this year, economists remain optimistic about the economy's recovery, citing increased FDI flows and India's position as one of the most desirable locations for international investors.

Furthermore, as the Reserve Bank of India (RBI) places a greater emphasis on financial inclusion and digital banking models, new laws that require banks to be more regulatory-aware are being implemented. Big Techs that previously entered the lending space have solidified their positions – either directly or through partnerships with regulated financial institutions – posing a threat to banks and necessitating additional consumer protection. In order to control banking and lending processes and ensure a faster economic recovery, the Reserve Bank of India has been working to develop technological and compliance standards for banks and financial institutions.

Reimagining customer relationships:-

Banks and other financial firms realised the importance of anticipating consumer requirements and expectations during the pandemic. It is critical to become a customer-centric and customer-first organisation in order to assure not just market survival but also to retain and grow existing clients. Banks must shift their focus away from transactional services and toward value-driven advisory services for their customers. Clients would consider such services as adding value, which will help banks create long-term connections with their customers.

To collect such internal data efficiently while preserving safety and security, it's vital to use the correct technologies and solutions. However, due to a lack of in-house solutions, most banks are still having difficulty leveraging this data intelligently.

As a result, banks must concentrate on creating the correct software solution to serve as an intelligent intermediate layer that receives and retrieves the necessary client intelligence. This data will enable banks to tailor and customise their advisory services for customers, provide the best counsel, and move away from transactional-focused tactical partnerships.

- **Buy Now Pay Later (BNPL):-**

The notion of Buy Now Pay Later [BNPL] has transformed the financial ecosystem in India, thanks to the rise of financial technology start up . Banks have realised the value of utilising this principle successfully to improve customer experience and develop good attitude. It is today considered the new kind of consumer financing, in which banks provide required credit to customers in interest-free or spaced-out interest-bearing instalments. According to consultancy firm RedSeer, the BNPL market in India is around \$3-3.5 billion (about Rs 22,500-Rs 26,250 crore) and is predicted to expand to \$45-50 billion (roughly Rs 3.37-Rs 3.75 lakh crore) by 2026.

BNPL has the potential to transform the way credit is issued, and banks will need to do background checks on consumers to avoid defaults and the resulting costs. Banks would also be wise to be cautious when conveying the conditions of the credit agreement so that they do not accidentally sell to financially illiterate customers, resulting in debt collection troubles.

- **Digitization and a fast-emerging new ecosystem**

In the aftermath of the shutdown, a 2020 Deloitte survey revealed considerable shifts in customer behaviour, with 96 percent of respondents preferring to use digital transactions to meet their day-to-day funding needs. Concerns about data sharing and security are growing as open banking becomes more widely adopted around the world.

Nonetheless, countries all around the world are laying out their plans for developing a regulatory framework for cross-sector data sharing. With the emergence of an increasing number of fintech startups, India's financial and demographic landscape has changed dramatically in recent years. These businesses have revolutionised the digital payments and loans industry, suggesting a rise in digitalization.

India recently introduced an account aggregation framework for financial data sharing and smooth access by consumers to guarantee an equitable regulatory landscape for all financial institutions. According to government data, digital transactions increased by nearly 90% from 232,000 to over 430,000 in the three years between FY19 and FY21, led by UPI. By 2026, the value of digital payments in India would have tripled, reaching \$1 trillion, compared to \$300 billion in fiscal year 2021.

India's recent statement that it will follow the UN's Responsible Digital Payments standards is expected to simplify and secure the legal landscape.

- **Revolutionizing talent hiring with automation**

In the second half of 2021, there was a wave of Great Resignations across all industries, resulting in increased talent churn, employee job-hopping, and the imminent need to hire replacements.

Companies' typical working patterns were revised as a result of the pandemic, and employees were forced to work in hybrid or remote environments.

The banking industry has faced increased hiring competition and has been forced to pay more to attract and retain talent. To ensure a smooth transition to the new working methods, banks and financial institutions realised the need of harnessing emerging technology such as automation to not only retain existing employees but also recruit the best candidates. Banks have also been able to develop the correct retention strategy and improve and automate employment decision-making processes by utilising such technologies.

FACTORS INFLUENCING ONLINE BANKING SERVICES:

- 1. The perceived usefulness of online banking:-** Intentional and accidental benefits are the two basic categories of perceived usefulness (Lee, 2008). The targeted rewards, according to Lee, are the immediate and concrete benefits that consumers get from utilising online banking services, such as lower transaction fees, higher deposit rates, and chances to win prizes, among other things. Unintended advantages, on the other hand, are tangible and difficult to quantify benefits such as services that allow clients to conduct banking transactions from anywhere on the planet.
- 2. Technology Acceptance Model (TAM):-** TAM has been extensively employed by numerous research in this area of study around the world to assess how technology is being accepted by consumers over time, according to the literature. TAM, which was created by Davis in 1989, is used to describe how a client accepts or rejects the usage of a technology based on its "perceived ease of use" and "perceived utility."
- 3. Government's measures to support online banking:-**In a study conducted in Vietnam by Chong et al (2010), it was discovered that a government's support in relation to consumer intent to use online banking is extremely important. Furthermore, it has been suggested that in order to encourage the adoption of online services such as online banking, online shopping, and online bill payment, governments should provide free basic ICT programmes in elementary schools that focus on the teaching of basic computer knowledge and Internet awareness . The rationale for this is because as more individuals become computer savvy, they will be increasingly willing to accept online services and, by extension, online banking. The government of has provided an enabling legislative and regulatory environment for the banking sector to expand and invest in mobile and internet banking.

The policy's goal is to enable the expansion of a dependable and cost-effective world-class communications setup and facilities, anchored by appropriate high-tech innovations and reachable by improving monetary competitiveness in a knowledge-driven environment. Additional legislation is currently being drafted to support the policy.

Cyber Security Bill

- Data Protection Bill
- Electronic Communications Regulation
- Electronic Regulation on Dumping of Electronic Waste
- National Digital Content Management Bill.

INTERNET BANKING IN INDIA GUIDELINES BY RBI

TECHNOLOGY AND SECURITY STANDARDS:-

- 1:- As mentioned in the report, banks need to appoint a network and database administrator with clearly defined roles.
- 2:- Banks must have a security policy that has been approved by the Board of Directors. There should be a separation of duties between the Security Officer in charge of information system security and the Information Technology Division, which actually implements the computer systems. Furthermore, the information systems will be audited by the Information Systems Auditor.
- 3:- Logical access controls should be implemented in banks for data, systems, application software, utilities, telecommunication lines, libraries, system software, and so on. User-ids, passwords, smart cards, and other biometric technologies are examples of logical access control techniques.
- 4:- Banks should use a proxy server type of firewall at the very least, so that there is no direct connection between the Internet and the bank's system. It enables a high level of control and in-depth monitoring through the use of logging and auditing tools. For sensitive systems, a stateful inspection firewall is recommended, which thoroughly inspects all information packets and compares past and present transactions. A real-time security alert is usually included.
- 5:- All systems on the same LAN as the application server that support dial-up services via modem should be isolated to prevent network intrusions that could bypass the proxy server.
- 6:- It is also allowed that all unnecessary services on the application server be disabled, such as FTP (File Transfer Protocol) and telnet. The application server and the e-mail server should be separated.

LEGAL ISSUES:-

1:- Given the current legal situation, banks are required not only to establish the identity of the prospective customer, but also to inquire about the integrity and reputation of the prospective customer. As a result, while requests for opening accounts can be accepted over the Internet, accounts should be opened only after proper introduction and physical verification of the customer's identity.

2:- From a legal standpoint, the security procedure used by banks to authenticate users must be recognised as a substitute for signature. In India, Section 3(2) of the Information Technology Act of 2000 specifies a specific technology (namely, the asymmetric crypto system and hash function) as a means of authenticating electronic records. Any other method of authentication used by banks should be recognised as a source of legal risk.

3:- Banks are required under the current regime to maintain the secrecy and confidentiality of their customers' accounts. The risk of banks failing to meet the above obligation is high in the Internet banking scenario due to a number of factors. Despite all reasonable precautions, banks may be exposed to an increased risk of liability to customers due to breaches of confidentiality, denial of service, and other technological failures as a result of hacking/other technological failures. To manage such risks, banks should implement adequate risk control measures.

4:- In the Internet banking scenario, banks have very little leeway to act on stop-payment instructions from customers. As a result, banks must clearly inform customers of the timeframe and circumstances under which stop-payment instructions may be accepted.

5:- The Consumer Protection Act of 1986 defines consumer rights in India and applies to banking services as well. Currently, the rights and liabilities of Internet banking customers are determined by bilateral agreements between banks and customers. Considering traditional banking practises and customer rights, banks' liability to customers for unauthorised transfers through hacking, denial of service due to technological failure, and so on must be assessed, and banks offering Internet banking should insure themselves against such risks.

REGULATORY AND SUPERVISORY ISSUES:-

1:- Only banks licenced and supervised in India and with a physical presence in India will be allowed to offer Internet banking services to Indian residents. For the time being, banks and virtual banks incorporated outside the country with no physical presence in India will be barred from providing Internet banking services to Indian residents.

2:- The products should be available only to account holders and should not be available in other jurisdictions.

3:- The services need only to include products in domestic currency.

4The out-in scenario, in which Indian residents are offered banking services by banks operating in cross-border jurisdictions, and the in-out scenario, in which customers in cross-border jurisdictions are offered banking services by Indian banks (or branches of foreign banks in India), are both generally prohibited, and this approach will also apply to Internet banking. Existing FEMA exceptions for limited purposes, such as allowing resident Indians to keep accounts with foreign banks, will remain in effect.

5:- Overseas branches of Indian banks will be permitted to provide Internet banking services to their overseas customers if they satisfy the home supervisor in addition to the host supervisor.

USES BY CONSUMERS IN INDIA OF ONLINE BANKING

India is the 2nd populated country in the world and here the uses of digital operation is growing vastly and on very broad way. A lot of thing has been changed after the innovation of online banking and other banking services in india as we all know the India is not very literate country it has some illiteracy rate compared to other country. Because of illiteracy rate is high the uses of digital banking and other technical things has not been so good.

A lot people in india is not being able to afford smart gadgets or phone to operate online banking operations which let them stay away to the the use of them. The poverty is also the major problem in india which leads them to not use of the online banking because of insufficient fund and knowledge. In India in 1998 the online banking was first introduced by the ICICI Bank in way of internet banking to its customers, and in 2002 mobile banking was first started in india, and back then, transaction were done through SMS. In today's scenario almost every bank provides internet banking facilities and provide online banking services to their customers. With the ongoing drive in india almost 150 millions of people using online banking and most are increasing in numbers by the uses. By the year of 2022 the numbers can go upto 250 million and above.

Around 68% of Indian populations are using online banking in india for their financial transactions and for other uses. The online banking provides so much banking facilities and many more which saves time and money of their customers and this is cost effective for the banking sectors. By this a number of people has gone from traditional banking to online banking.

CREDIT CARDS

A credit card is type of credit facility offered by banks that allows customers to borrow funds up to a pre-determined credit limit. It allows customers to make purchases of goods and services. The credit card issuer determines the credit limit based on factors such as income and credit score, which is also determined by the credit card issuer.

Due to the increasing popularity of credit cards and the growing flow of purchasing products first and paying after some period of time, the Indian credit card industry is expected to grow at a CAGR of more than 25% between 2020 and 2025. In 2019, there were 52 million credit card users in India. Despite this, there are only about 5 credit cards for every 100 people in India, compared to 31 cards in the United States. This demonstrates that India has a higher penetration opportunity. With credit cards becoming more popular, banks are focusing on urban and rural cum semi urban markets to increase their market share.

Credit card is very use full as a online banking sector in india a lot of people in india is using online banking and credit cards approx 5 out of 100 peoples in india. This helps them to use cash less transaction and and online banking services. People all over india are now opting new generation ideas like online banking and other things and now the literacy rate has been increased. Credit card helps customers to improve their purchasing power and make transactions cashless and to make good credit history. This is also a online banking type.

PROBLEMS CONFRONT BY ONLINE BANKING SERVICES

1. Technology and Security:-

As stated in the Group's study, banks should nominate a network and database administrator with clearly defined roles. Banks must have a security policy that has been authorised by the Board of Directors. There should be a separation of duties between the Information Technology Division, which actually implements the computer systems, and the Security Officer/Group, which is solely responsible for information system security. In addition, an Information Systems Auditor will conduct a review of the information systems.

2:-Legal issues:- In light of the current legal situation, banks have an obligation to not only establish the identification of prospective customers, but also to inquire about their integrity and reputation. Accounts should be opened only after proper introduction and physical verification of the customer's identification, even though requests for account opening can be accepted through the Internet.

3:-Regulatory and Supervisory Issues:-The present regulatory framework for banks will be extended to Internet banking as well, as proposed by the Group. Only banks that are regulated and supervised in India and have a physical presence in the country will be allowed to provide Internet banking services to Indian citizens. As a result, banks and virtual banks incorporated outside of India with no physical presence in India would not be able to provide Internet banking services to Indian residents for the time being.

4:- Risks:- When compared to traditional banking, e-banking comes with its own set of risks. In the case of Internet banking, these dangers are particularly pronounced. To begin with, the threat of technological change must be closely monitored. This is necessary to keep up with technology while remaining cost-effective and customer-friendly.

5:- security issues:-Online bankers are always tensed about hackers and anti-social elements while making online payments or transferring money from one account to another. Hacking allows unscrupulous hackers to gain access to online bankers' accounts and misuse their funds.

AUTOMATIC TELLER MACHINE (ATM)

ATM is an hard machine settled in the nearby area of banks or the other populated areas where peoples live. The ATM machines dispose cash to their customers. The machine is being filled with cash of around 25 lack to 30 lack by the person of the bank, this is being only withdrawn by the Debit card issued by the banks. The debit is only issued by the bank to their customers to withdraw money it is made up of hard plastic consists chip inside and a magnetic reader. The card also have a specific number and expiry date and a CVV code which is use full for online transactions and payments.

A person can withdraw money from ATM machine through debit card and take the cash. The limit has been specified by the bank to withdraw cash from 25,000 to 30,000 per day.

Machine is also used to transfer money you need to enter account number and details to send money this also makes our live easy and save time. A lot of things can be done through ATM machines like, PIN changes, balance inquiry, debit card block, etc.

The user of current account holder can also withdraw money through their current account debit card. Some banks also provide the facilities of withdrawing cash through credit cards, this may only charges some tax around 2.6% to 4%.

It is a type of electronic banking services provided by the banks. Some where ATM only allows customers to take only cash and some ATM allows their customers a variety of services. And the first ATM machine was established in near 1960 and after that over 20 lakh ATM machines were established. Some of the ATM take charges for withdrawing money of around 17rs to 20rs excluding GST. This only take places when you have exceded te daily limt of withdraw money from ATM. ATM machines is being owned by the Banks ans credit unions by their own and somewhere the ATM machines are owned by the individual of the large organization on the lease or through franchise.

Some where banks deduct annually using charges of amount around 120rs which is deducted by the banks itself.

ATM machines has changes the entire uses of online banking on a different basis now non educated people can also use ATM by their own and it also has different languages which you opt by your convenience.

SECURITY PROBLEM AND THE DEBIT CARD/CREDIT CARD

As we know a lot of things has been changed through the beginning online banking services and a lot are things are on its way. Security issue is always being the major problem of the banking services, now in a days frauds are still going on on a daily in india and 10 out of 1000 peoples are caught in the fraud this is done through online transaction it is because the security level of the banking is not good at that level to stop frauds. Now after the RBI governance the banks has increased the security level of the transactions and it has encrypted every transaction from end to end. And some where the fraud related to ATM is also being the major problem like if you have lost your card then any one can withdraw money or do online transactions from that. So banks came up with the solution of that you need to put OTP one time password for every transactions held online and if you need to withdraw money from 10,000 and above you need to put OTP in the machine sent to your registered mobile number.

Some of the data is Unencrypted which is very dangerous for the transaction where the fraudsters can steal your data. Somewhere the malware data is also harm full for the transactions here the data is being stored in the devise where you have used your banking facility here a the fraudster can get your server from your device if you have not cleared the data.

Spoofing is also a type of fraud done by the hacker where the hackers create the same website as the original one and try to get customers on their website where they can steal data easily and do fraud.

Some hackers manipulate data from the end user they manipulate the data of the customers and use them to do fraud the manipulated data does not make any differences and look same so it is the fraud done by the hackers silently.

Pros and Cons of Online Banking:-

1:- There are various advantages to internet banking, and it is worthwhile to have the choice. However, some elements of traditional banks and credit unions may appeal to you.

2:-Online banking may be more bother than it's worth if you're not familiar with technology. Plus, malfunctions happen, and there's not much you can do if your computer isn't working. A face-to-face talk may be preferable in difficult situations (such as nagging customer service issues or discussions about several sorts of loans).

3:- There's also the problem of obtaining funds. Online-only banks usually provide you a debit card that you use to withdraw money, but you'll have to look for free ATMs.

CONCLUSIONS

The information in the research report is firsthand. The majority of bank clients in the DELHI NCR District are aware of all online banking services, according to the study's findings. Banks must also take the necessary steps to educate their customers about new technology and other services that they offer. Customers' meetings with bank staff may be extended, and a friendly demeanour is required. It will undoubtedly aid in both the retention and acquisition of existing clients. It will automatically boost the financial services and development of banks in India and around the world. The research report is critical in determining consumer awareness of the Online Banking system and the risks it entails.

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