



FOREIGN EXPERIENCE OF COMMERCIAL BANKS PROVIDING REMOTE BANKING SERVICES

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Abstract

New technologies in the banking system are changing the banking and financial system from today's perspective, and the appearance of traditional banking services is expected to change in the near future. Security is certainly a primary, pressing issue when it comes to providing remote banking services. Security features, such as advanced cryptography and human biometrics, help protect bank customers from fraud, and remote applications make it easier than ever for customers to complete their banking transactions without having to visit a bank branch. Below, we will consider how modern technologies are changing the way banks exchange information and manage money when they provide remote services.

Blockchain technology. Blockchain technology aims to revolutionize banking and financial services. It decentralizes financial management from a central authority to a widespread network of computers. Financial transactions are divided into encrypted packets, or "blocks," which are then added to a "chain" of computer code and encrypted to enhance cybersecurity.

1. Advanced ATMs. ATMs revolutionized banking technology when they were introduced in 1967. The next revolution in ATMs could include contactless payments. Similar to Apple Pay or Google Wallet, you could soon be able to make contactless ATM transactions using your smartphone.

Some ATM innovations are already available abroad. For example, biometric authentication has already been implemented in India, and facial recognition is being implemented in Qatar National Bank ATMs. These technologies help improve overall banking security by protecting against ATM theft.

2. The rise of non-bank credit institutions. Modern technologies used by banks



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allow them to provide consumers with a fast and accurate experience. Since these institutions can devote a large percentage of their resources to modern financial technologies, they can attract tech-savvy customers and innovate faster than traditional banks.

3. Automated financial services employees. Vikram Pandit, who ran Citigroup Inc. during the financial crisis, told Bloomberg in a 2017 interview that up to 30 percent of banking jobs could disappear in the next five years due to technological advances. According to Bloomberg, many of Wall Street's largest firms are already being forced to adapt or find other roles as they embrace technologies like machine learning and cloud computing that automate their work.

4. Mobile and digital banking. The mobile and digital transformation of banking has only just begun, and growth has already been explosive. Banks are investing heavily in digital banking technologies. Artificial intelligence solutions like chatbots often help customers with simple tasks like making payments. In a Forbes survey of bank customer engagement conducted in late 2016, 86 percent of banks indicated that these types of services represent their highest technology investments.

6. Partnerships. Although banks are spending a lot of money on technology, the fastest way to deliver financial innovations in the future may involve strategic partnerships.

As we can see from the above data, remote banking services are provided today in various forms and forms. However, we also considered it appropriate to dwell on the advantages and disadvantages of online banking.

When considering the advantages of online banking, it is worth considering the following. Namely:

Some advantages of online banking are simply that being online allows you to be with the bank remotely, while for others, these are competitive advantages that online banks provide using their pricing structure.

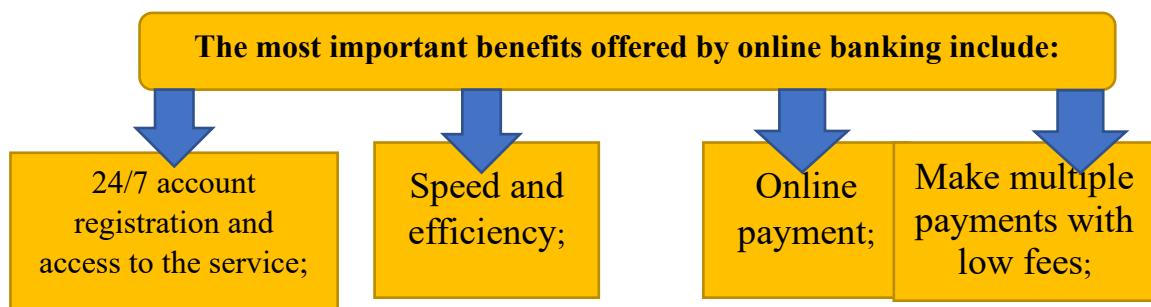


Figure 1. The most important benefits offered by online banking include.

24/7 Account and Service Access. As long as you have an internet connection, you can access your online banking 24/7. Some online banks, like Ally Bank, take this a step further and give you the option to speak to a real customer service agent by phone 24/7. This can be very useful if you don't have internet access or if you need the help of a human brain rather than a computer algorithm.

Speed and efficiency. If you need to transfer money, apply for a new loan, or perform almost any banking transaction, you usually have to wait in line at a bank branch. With online banking, there's never a wait.

Business Accounts and Services Offered by Commercial Banks



Figure 2. Business Account and Services Offered by Commercial banks.

Pay bills online. One of the biggest advantages of online banking is paying bills online. Instead of writing checks or filling out forms to pay expenses, once you've set up your accounts in your online bank, you can simply place a slow order - even less, since you can usually automate payments.

It is doing things like urging customers to protect their personal information from coronavirus-related scams. Even before the humanitarian and economic challenges of COVID-19, the U.S. consumer banking industry was in the midst of a transformational shift. Persistently low interest rates have forced banks to rethink their business models and seek new revenue streams. Consumers' desire for simple, fast digital connections has pressured banks to improve customer experiences, streamline processes, and reevaluate the size of their branch networks. The pandemic has accelerated these existing trends and added new ones.

US Proximity Mobile Payment Users, 2020-2025
millions, % change, and % of smartphone users

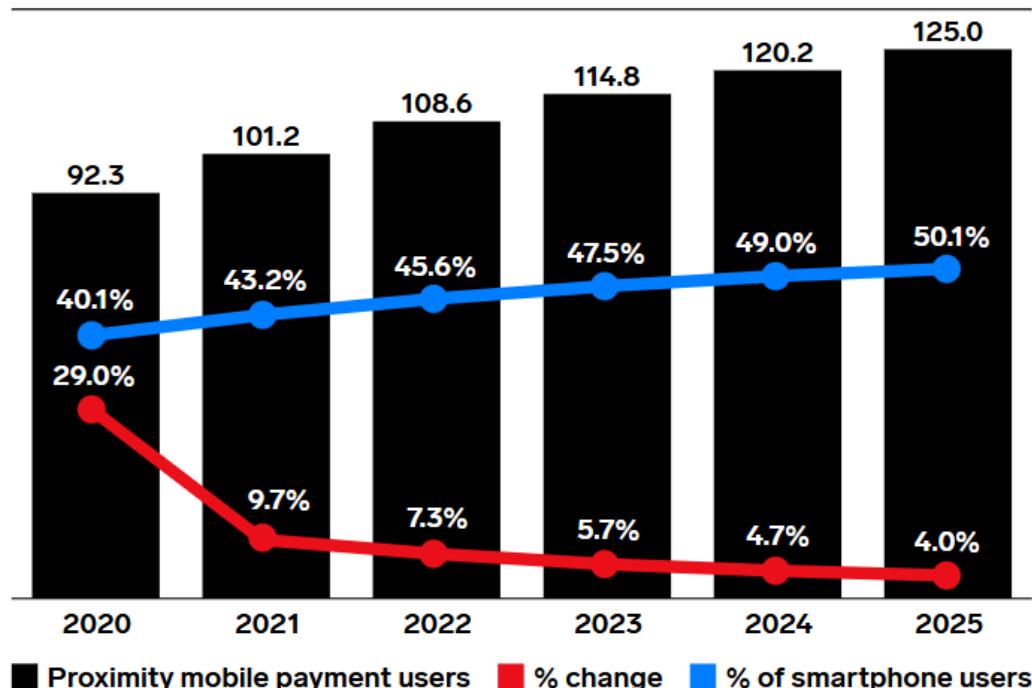


Figure 3. Total annual value of transactions made via mobile devices in the US (as of the beginning of the year, billions of US dollars)



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This chart illustrates the growth of US proximity mobile payment users from 2020 to 2025 in terms of: Adoption is rising steadily, with over 50% of smartphone users expected to use proximity mobile payments by 2025. Growth rate is slowing down, indicating a maturing market. The sharp drop from 29% in 2020 to 4% in 2025 shows that most early adopters have already onboarded. In a year when U.S. Bank customers are turning to digital tools more than ever, the mobile payments deposit feature on the U.S. Bank mobile app has been named best-in-class. Cornerstone Advisors ranked the feature #1 in the industry for customer experience, including deposit limits, error prevention, real-time status updates, automatic withdrawal functionality and more.

Conclusion

1. Remote banking is a set of services that allow bank customers to perform the necessary operations without visiting the bank office, connecting through various means of communication.
2. Remote services provided by banks and their development create a number of positive results and opportunities not only for one party, that is, for customers, but also for commercial banks.
3. The development of banking activities, improvement of service quality and increased efficiency directly lead to a reduction in bank costs, which in turn leads to the development of bank resource utilization practices.
4. The results of the analysis show that those who have a paid account via mobile devices contributed to the growth of account holders in developing countries by 28% between 2025 and 2024.
5. The total annual value of transactions made via mobile devices in the US has reached more than \$1 trillion by the beginning of 2022, which can be attributed to the large-scale attraction of new customers and the quality of the services provided.