

Mobile banking

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It's fast, easy to use and available anywhere, anytime, provided you can get mobile phone reception or a connection to the internet. More and more people are using mobile phones to do their banking, and this is expected to accelerate with the rapid uptake of smartphones and increased customer demand for accessibility and ease of use.

Mobile banking also helps you manage your money more easily and avoid overdraft fees. For example, you can check balances while waiting in line at the supermarket checkout to see whether you've got enough money or credit in the relevant account. And you can keep a close eye on your balances to see whether anything looks amiss.

But, according to research undertaken in the United States, the uptake would be even faster if customers did not have concerns about security. And the research suggests that such concerns are not unwarranted. It therefore pays to take precautions. Many of these precautions are the same as you would take for your personal computers, but the main problem is that mobiles are much easier to lose and they potentially have more of your personal information on them!

In this quick guide we outline some of the mobile banking services currently available and give some security tips.

You will generally not be liable for loss arising from any unauthorised use of your phone unless:

- you have acted fraudulently or negligently
- you have contributed to the unauthorised access to your account.

Provided you follow the security tips, your banking service provider is likely to reimburse you for any losses caused by someone unauthorised accessing your accounts.

What types of banking can you do with a mobile phone through your bank?

You can use your mobile phone for banking purposes in a number of ways.

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Texts

You can ask your bank to send you alerts via SMS (texts). This includes real time alerts to your mobile when your account balances are above or below a limit you have pre-set, when an account is in overdraft, when an automatic payment will fail because of insufficient funds, or payments reminders and security alerts. You can also sign up for text banking. This gives you real time balances, allows you to text money between accounts and to pay accounts.

Banking service providers will typically charge you for texts as will your phone carrier.

Text banking is being overshadowed, however, by the rise of the mobile Web and mobile apps, but is useful for people who do not have smartphones.

Mobile web

You can use your mobile phone to access your internet banking in the same way as your personal computer. Some banks also have cut down versions that make it easier to view on mobiles.

Mobile apps

Most banking service providers now also have apps for mobile phones, including for iPhones and android devices. Most apps will also run on iPads and android tablets.

Banking apps let you check balances on your accounts, make bill payments, check foreign exchange rates (but not make international payments yet), view recent transactions, change passwords, and make transfers between accounts. Some use GPS to point you to the nearest ATM or bank branch and provide you with directions on how to get there. Others allow you to send or receive payments via an email exchange, to a mobile phone number or to a Facebook friend.

Soon we should be able to make cardless cash withdrawals from ATMs and deposit cheques by taking a photograph via the mobile phone app, as customers can already do overseas. And banking service providers may enable you to use phones like contactless cards.

Some banking service providers allow you to receive balances through your app without using a password. This is something that you the customer can opt-in to. It is not a service that the bank automatically provides. You can also nominate the accounts you wish to be displayed.

Banking service providers do not usually charge for this type of banking but you will need to have a contract with your mobile phone service provider that includes data as well as calls.

What is bump technology?

Bump technology allows you to transfer money by “bumping” your mobile phone with someone else’s. It uses GPS to locate the parties that have bumped each other.

Some people worry that if you lose your phone or accidentally bump into someone on the street, money could easily be transferred from your accounts. Bumping is not that easy, however! Both parties need the same banking app to use the bump service (although they do not have to belong to the same bank) and they need to confirm the transaction. Further, no information is actually stored on the mobile phone. After bumping and confirming the payment, the information is transmitted back to the payer’s bank for processing through the normal channels. One advantage is that you never have to know the recipient’s bank details so you can’t get that wrong!

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How can you protect yourself when using mobile banking?

Bank apps have considerable inbuilt security, for example, you are prevented from downloading financial data such as statements to your phone. But you never know what hackers are going to achieve next. The following are our top security tips when using your mobile phone to do your banking:

1. Keep your phone safe and monitor your accounts frequently. Tell your banking service provider immediately if you lose your phone or if you notice unusual activity so that it can cancel access to your accounts.
2. Auto-lock your phone and secure it with a password. Set your phone to require an access password and enable your phone to auto-lock in less than five minutes.
3. Only use an app that is provided by your banking service provider and that is downloaded from one of the locations the bank tells you they will publish apps to (usually Apple App Store and Google Play). A number of apps are available that enable you to manage accounts with all your banks. Take particular care if you use these and always ensure that they come from a trusted source.
4. Download and apply app updates regularly. They may be security updates.
5. Update your device's operating system whenever the manufacturer makes updates available. They may include patches for security updates.
6. Set a strong account password that has at least one number and capitalised letter. Do not use your name, birth date or other easily identifiable personal information. Where banks allow 4-5 digit numeric PIN numbers, make sure they are also not easily guessable. Do not disclose your passwords or PIN numbers to anyone or store them in electronic form, especially on your mobile device. It is also good practice to change your password from time to time.
7. Delete any text messages from your banking service provider once you've read them.
8. Log off completely from mobile banking when you've finished.
9. Avoid public wi-fi hotspots that are unsecured and that don't require a password.
10. Only enter your account or credit card information on a site that begins with "https" or that displays the lock symbol. This means the site is secure.
11. Be careful opening attachments in emails you receive on your mobile from sources you don't know. If you are unsure of the validity of the sender then delete the email.
12. Consider obtaining mobile phone security software. Apps are available for android devices that are similar to those used on personal computers. You can also download Find My Phone or Find My iPhone apps. These enable you to locate your device if you have lost it.

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