



› Driving the economic development of Queensland ‹

## Internet banking for business

Electronic payment systems including Internet Banking are clearly an important component of the e-commerce supply chain. Logically, payment is a procedure, which would be addressed at a later stage in implementing a comprehensive e-commerce system, after automating the ordering, buying, consigning and logistics procedures.

Most of the major business banks presently offer either a browser based Internet banking service for business or a specialist software based service which you will need to acquire from the bank and install on your computer. Some banks currently offer both.

As can be seen from the final section of this guide, the usefulness, features and capabilities of these services varies widely. In many cases there are constraints on financial transfers, on the flexibility of the bill payment offerings and the range of commercial services offered. Over the past year the banks have been moving vigorously to improve their business offerings.

Four interlinked factors are driving the global acceleration of business banking on the Internet. These are:

1. Accelerating customer demand.
2. Increased competition between banks and the threat of new entrants.
3. The relentless drive by the banks to reduce costs and achieve new levels of efficiency.
4. Worldwide deregulation of the financial services market.

### Benefits of internet banking

Internet banking services can streamline or enhance your internal operational processes in the following areas:

#### Account monitoring

- Real time account balances.
- View transactions.
- Confirming interest.
- Online statements and ordering.
- Electronic statements.
- Customised reports.
- Financial planning calculators.

#### Account management

- Real time account management.
- Bill payments.
- Schedule bill payments.
- Funds transfers.
- Schedule funds transfers.
- Remittance advice.
- Order cheques and cheque books.
- Apply for credit cards.
- Credit and charge card payments.
- Apply for term deposits.
- Apply for loans.
- Change pins and passwords.
- Change address and account details.
- Order bank cheques.



› Driving the economic development of Queensland ‹

## Other features

- Insurance management.
- Online securities trading.
- Foreign currency transactions.
- Currency information.
- Electronic reminders.
- Remote applications (national and international).
- Email services.
- Payroll services.
- Tax credit payments.
- E-cash.
- Financial management tools.
- Specialist trade, securities and agriculture packages.

## Security

Clearly it is important for customers to familiarise themselves with the detailed security arrangements in place for their intended bank and reconcile that with their business work place and practices. Most banks include a “Security Section”, accessible to their personal Internet customers on their Web sites.

The security protections offered by banks, and which customers expect, generally should include:

- Careful publication of their authorized web sites in their publications.
- Verification by digital certificate.
- On screen evidence of security protection, eg padlock icon.
- Protection of PINs and passwords.
- On screen and mouse operated keypads for sensitive information.
- Virus protection.
- Use of 128 (or Higher) -Bit encryption.
- Sophisticated firewalls.
- Stated limits to customer liability for unauthorised use of access codes.

In many cases these broad expectations are exceeded with the banks providing additional security measures such as customised software, hand held authentication and challenge and response devices and additional password protection on all payment transactions.

## Privacy

The *Privacy Act 1998 (Cwlth)* is based on the National Principles for the Fair Handling of Personal Information, it covers the private sector and State Government owned corporations. This Act is just one of numerous Federal and State government initiatives to promote trust in the use of e-business technologies and confidence that personal information will be treated with respect and will not be misused or improperly disclosed to others.

While it is acknowledged that Australian banks have an excellent record regarding security of customer information, surveys show that net users are concerned about privacy issues including transparency, collection, use and disclosure of their personal information. While few banks presently have explicit privacy statements on their web sites, as a minimum standard, banks adopting the Code of Banking Practice are bound by the Privacy and Confidentiality provisions of the Code.



› Driving the economic development of Queensland ‹

The Code of Banking Practice can be accessed on the ABA website [www.bankers.asn.au](http://www.bankers.asn.au). The website also is a useful point of reference for other bank websites. It may be necessary to research the individual bank's privacy policy regarding the collection, use and disclosure of personal and business information.

Banks and financial institutions that are credit providers are subject to the *Privacy Act 1998 (Cwlth)*, which regulates credit reporting. Where an Internet banking facility offers Online credit applications, this legislation applies.

## 2 types of internet banking costs

### 1. Normal costs associated with Internet Activities

As a general rule this requires access to contemporary PCs, commercial strength Internet connections and networking devices, recent versions of software in general use in the Australian business community and recent versions of Netscape and/or Explorer browsers.

### 2. Bank Costs and charges

Also as a general rule, banks have fees and charges relating to the use of their business Internet banking services.

The range of costs varies widely and there does not appear to be any move to standardise fee offerings for competitive purposes. At one end of the spectrum several banks offer services with no additional charges for Internet banking. While at the other end, certain banks require some or all of the following: a software provision fee, monthly charges for software, start-up or installation fees, monthly account fees, transaction fees, funds transfer charges and charges for providing "help" services. In a number of cases these fees are stated to be volume based.

Because this is a complex area and most banks have adopted different approaches to fees and charges, often down to the individual customer level, it is necessary for customers to clarify this issue with individual banks.

## Further information

The following fact sheet provides further information on these issues:

- Benefits of e-commerce