

The Advantages and Disadvantages of Internet Banking

The number of people with Internet bank accounts has exploded in recent years, with many people seeing it as an easier and more convenient way to control their personal finances.

Almost all banks now have online account options for their customers, allowing them to control such things as money transfers, and bill paying from home, work, or on the move, Smartphone apps have made the process even more easy to access.

There are downsides to doing your banking online too, however – customers who are not experienced computer users, for example, may have problems managing their account, plus there are also major issues involving internet security.

Here, in a list format, are the advantages and disadvantages of internet banking.

Advantages of Internet Banking

Once you are used to having 24 hour access to your account and get used to managing your financial affairs from home and work, it seems difficult to go back. Waiting in line to be served, or on the phone can be frustrating and time consuming.

Internet banking is convenient and quick compared to doing your banking in person or over the telephone. You never have to wait to be served at a bank counter, or work your way through the layers of questions that you often get with an automated phone service. If you know what you are doing, you can check your account balance, transfer money, etc. in a matter of minutes when banking online.

Online access also gives you a sense of control over your account, as you can perform all your everyday banking tasks yourself, rather having to go through a bank staff member, which can sometimes be time-consuming and frustrating. You can also get an easier overview of your account, and search archives for older transactions.

You always have 24 hour banking with banking online. When visiting a bank in person, and sometimes with telephone services too, there are restricted hours of operation.

Banking can effectively be done paperless the vast majority of the time. No need for mountains of statements, letters, to be filed and stored for future reference. Some banks offer deals if you go paperless too.

Most banks now offer you smartphone apps, allowing customer to monitor and manage their finances on the move, as well as via a home or work computer.

It doesn't matter where you are when you do your banking online – you can be in another part of the country to where your bank operates and still have access to your account, or even access your account from abroad for no extra cost.

Sometimes banking via the web is cheaper. This is because it costs the bank less in terms of staffing, property upkeep etc. You can therefore often get some great bargains with internet accounts.

It's often possible to get better interest rates through online banking. Some offers and deals are also only available online.

Disadvantages of Internet Banking

There are some cons of internet banking. The dangers of identity theft and hacking make fraud easier in some ways, for example. You also need to have a reasonable level of proficiency at operating a computer to manage your finances effectively.

You really need to have at least a basic level of internet and computer experience, if you wish to do your banking online. People who are used to traditional banking will find that the online version is completely different. Using a website is not straightforward to a novice and often the help and support from the bank is severely limited (banking websites are often more catered towards selling customers extra banking services, rather than helping them to use the website).

Banking online is completely impersonal. As well as making the experience less friendly, this can create problems with more complex transactions such as applying for a loan. The ability to convey subtle information is often lost when banking online and it is also difficult to know if the person at the other end grasps what you are trying to say.

Online banking also relies on you having at the very least, a working computer and a reliable internet connection. If your computer is unreliable or old, or your connection speed is slow, or patchy, it is a difficult service to use.

Bricks and mortar banks are gradually disappearing from town and city centers, as financial transactions are increasingly carried out online. Some customers miss the personal touch that traditional banks offer, as well as the expertise of the staff.

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