



## **PROBLEMS IN THE DEVELOPMENT OF REMOTE BANKING SERVICES**

Madgazieva Dinara Utkirovna

Chief Accountant, Head of the Financial

Department of the Chirchik Branch of JSCMB "Ipoteka-Bank".

### **Abstract**

The article deals with the problems of development of remote banking service. Also highlights the problems of development of remote banking services and proposes author's approaches to their solution.

**Keywords:** remote banking services, risk, banking technologies, electronic money, financial services.

### **INTRODUCTION**

Although the provision of remote banking services in the commercial banks of the Republic of Uzbekistan is developing year by year, there are no problems in making these services more widespread. It is possible to increase the number of customers by eliminating problems in remote banking services and creating new features in the program. The development of remote banking services in commercial banks is influenced by several factors besides problems. Regardless of this, several regulatory and legal documents have been developed in the banking system of our country, as well as for the development of remote banking services, and intensive work is being carried out. Today, because of increasing the number of customers, attracting many customers and improving the quality of services provided to them, banks are making efforts to increase their income.

In particular, it can be seen from the experience of developed countries that today the quality of remote banking services in the market of financial services determines the success of competition in customer service.

### **Relevance of the Topic**

According to the Decree No. PF-5296 of the President of the Republic of Uzbekistan dated January 9, 2018, "On the Measures to Fundamentally Improve the Activities of the Central Bank of the Republic of Uzbekistan", further development of the payment system, including rapid calculation in real time Organization of an effective information exchange system of commercial banks, provided by remote banking services that enable management and transfer of banking operations, was defined as one of the priority areas of the Central Bank's activity. This indicates the relevance of





research, development, and the need to introduce new modern services and improve the quality of remote services provided by commercial banks.

### **Casting of the Problem**

In recent times, the rapid development of digital technologies around the world is accelerating the processes of revolution in the information field and globalization of the economy. In particular, insufficient development of digital technologies and remote banking services in the banking system of Uzbekistan requires studying the problems in this regard.

### **The Purpose of the Study**

Scientific and practical proposals were developed by the author based on the decrees and decisions of the President of the Republic of Uzbekistan, the experience of developed countries and the scientific research of foreign economists on the elimination of problems in the development of remote banking services in commercial banks.

### **Research Methods**

In the process of preparation of the scientific article, comparative analysis of data based on tables, grouping of data, statistical grouping based on analysis of influencing factors and systematic analysis, and methods of expert evaluation were also effectively used.

### **Main Results**

Providing remote banking services to customers of banks is one of the most promising areas of development of the modern banking system, and a number of factors influence its development. In the development of remote banking services, it is necessary to take into account the factors affecting these services. These influencing factors can be divided into two, i.e. internal and external factors.

In Table 1, the factors affecting remote banking services are divided into external and internal factors. It is important for the bank to study the effect of existing factors on the provision of remote banking services and to maintain its proper system. Internal factors affecting the development of remote banking services include:

First, we can take factors related to the organization of remote banking services to internal factors. That is, every time we introduce remote banking services, it is done by introducing the capabilities of new technologies into the banking system or by supporting its capabilities in the bank. Therefore, banks should first be fully equipped





with banking technologies to establish an electronic payment system and automate banking activities. Then, the system implemented with these technologies should be simple for users, that is, it should be created in such a way that people with low financial culture and less technological knowledge can use it. In addition, the security of personal data of users should be fully ensured by the creators of the system in order for users to trust this system.

Secondly, to popularize remote banking services, it is necessary to conduct the bank's marketing policy wisely. According to him, it is important to create a positive impression on users of remote banking services and their possibilities by holding seminars and trainings to communicate their capabilities to bank clients and residents. Advertising of remote banking services by posting videos about remote banking services in public areas, websites, social media, and television and in the bank's front office and customer lounges can also be effective.

Thirdly, in order to ensure the competitiveness of commercial banks in the market of financial services, commercial banks are improving their services, in particular, in competitive conditions, commercial banks are required to optimize the cost of using remote banking services and improve the quality of service in order to retain customers and attract new customers.

Fourthly, in order to ensure effective use of modern banking technologies and systems of remote banking services based on them, it is necessary to improve bank employees and their skills. Regular training and practical seminars should be organized by the training center of the bank.

Fifthly, the establishment of remote banking services and the legal aspects of all situations in it, the internal regulations and procedures of the Central Bank and commercial banks, i.e., the creation of a normative-legal basis, increases the confidence of users in this system.

Table 1. Factors affecting the development of remote banking services

Nº	Internal factors	External factors
1	<i>Organizational status of banking services:</i> - technological equipment of the bank; - ease of use of remote banking services; - security of personal data in remote banking services	<i>Risks:</i> - operational risk; - financial risk; - other risks
2	<i>Bank's marketing policy:</i> - advertising of remote banking services; - providing information about remote banking services on bank websites and among the population.	<i>Social (social status of citizens):</i> - people's awareness of remote banking services; - confidence of bank clients in remote banking services; - recommending remote banking services by users to their relatives.
3	Types and prices of remote banking services.	Benefits of remote banking services for users.
4	Bank management (bank employees and their qualifications) and level of financial literacy.	Geographical (regional) boundaries of the operating bank, expansion prospects
5	Creation of regulatory framework for remote banking services.	<i>Political factors:</i> - state policy towards banks; - internet speed.



In addition to the above factors affecting the development of remote banking services, several other problematic situations should be eliminated.

First, local residents prefer direct communication with bank employees when conducting their transactions in banks and are used to receiving confirmation documents for each transaction. In order to change the mentality of the population, it is necessary to carry out explanatory work on the possibilities and safety of remote banking services.

Secondly, many people are afraid to use the new modern technology and system for the first time due to the lack of understanding of new remote banking services, because every new software technology causes some difficulties in the beginning. In addition, banks are constantly improving the types of services in their software systems. In the process of improvement, banks should also try to make the programs a little simpler for users; otherwise, it will be difficult for the part of customers who lack technological skills. Therefore, the creation of easy-to-use and multi-functional systems by the IT specialists of each bank will provide its customers with effective services in the competitive environment.

Thirdly, there are frequent power outages in remote areas of our Republic, and as a result, customers cannot be provided with communication services and other financial services on time. The fact that the Internet speed is very low in such places causes all kinds of misunderstandings when using remote banking services. Bank customers in these areas still do their banking entirely at the bank. Therefore, banks should pay attention to the introduction of remote banking services in these regions as well.

Fourthly, for the cost of purchasing and installing modern technologies and software for commercial banks, the introduction of their own special programs based on smartphones and computers allows banks to create new opportunities and save costs in remote banking services. This puts a lot of responsibility on banks' IT specialists and programmers, or requires the support of other local experts.

Fifth, to bring remote banking services to a modern level, communication and the Internet work 24 hours a day, and customers can use remote banking services to make payments until the end of the operating day. If customers are customers of different banks, they can make payments only until 1700 on the current day. That is, remote banking services, like traditional services, are used until the time specified by the Main Information Center of the Central Bank.

Therefore, taking into account that communications and the Internet work 24 hours a day, it is necessary to create a separate platform in banks and consider the possibility of automatic payment operations in remote banking services even when there is no





operational day. This is one of the important tasks that is required to be implemented especially when the economy is becoming digital, the payment system is accelerating year by year, and the number of bank clients is increasing.

## Conclusions

In short, the wide introduction of modern information and communication technologies in the relationship between the bank and the client, including the creation of a mechanism for encouraging the introduction of financial services based on relatively low-cost electronic digital technologies, the opening of 24/7 smart offices in all bank branches throughout our republic, and the introduction of bank cards and their offering convenient services for bank customers and residents of our country by dramatically increasing the number of service equipment (payment terminals, info kiosks and ATMs) is considered an urgent issue today.

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