



The Future of Banking is Here

As we continue to observe Financial Information Month, this week's Money Talks takes a look at some of the products that will chart the future of banking.

Online Banking

Online banking or internet banking allows customers to conduct financial transactions on a secure website hosted by the financial institution. Online banking emerged in the early 80s, however, advances in computer technology over the past ten years and the spread of personal computers have made it more accessible. Customers are demanding increased flexibility in banking hours due to busier lives. With online banking, hours are now round the clock and armed with an ATM card, a customer virtually has banking at his/her fingertips.

Online banking features fall under two categories:

- Transactional
- Non-transactional

Transactional: This usually covers activities of a financial nature like a transfer between accounts, wire transfers, paying a bill or applying for a loan.

Non-Transactional: These usually include non-financial processes like receiving online statements, secured email etc.

Mobile Banking

Mobile banking is the provision of banking and financial services via a mobile telecommunications device. It is literally banking on the go. Now armed with a cell phone, a client can access all his/her accounts and even do transfers and investments from the simplest of mobile phones. The phenomenal growth experienced in the mobile communications sector has resulted in an increase for the demand for mobile banking. As we stated earlier, customers can perform a variety of transactions similar to those conducted via online banking.

Virtual Banking

This type of banking draws on the advantages of online and mobile banking. Virtual or direct banking is a bank without any branches. Because of the huge savings due to the absence of such costs as rent, utilities and salaries to a large number of staff, these banks can offer higher interest rates than regular banks.

By all indications, the future of banking is out of the banking halls and at the beck and call of the client. As peoples' lifestyles change so too their needs and banks must be able to respond in order to compete. The fast-paced nature of our century requires that decisions be made instantaneously and that funds be transferred in a matter of seconds to anywhere around the world. This cannot be done if the client has to visit the bank or call a branch for assistance. Be prepared to see some form of **virtual banking** in Saint Lucia in the future.