

# New Ways of Banking

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*Executive Summary - Many banks have introduced novel ways of transferring money. These use the Internet, smartphones and social media. Here we have listed 4 such offerings - IMT from Axis Bank, Chillr from HDFC bank, @icicipay from ICICI bank and Kaypay from Kotak Mahindra bank. Banks need to provide adequate security and protection and users need to take proper security measures so that privacy is not compromised upon and there is no misuse or theft.*

Banks are introducing innovative ways to facilitate monetary transactions for retail customers. This is to give customers better service and also stay ahead of competition and get more customers. They are using digital technology and social media to provide low value transactions. Here is a lowdown on some of them -

Bank	Product/Service	Key Features
Axis Bank	IMT	<p>Axis bank has a service called 'Instant Money Transfer (IMT)'. The user can send money to a recipient using the recipient's mobile number.</p> <p><b>How does it work -</b></p> <p>The customer has to add beneficiaries in the account using Internet banking. If Internet banking cannot be used, the sender can provide the recipient's mobile number and amount to be transferred.</p> <p>The customer inputs an amount to be transferred to the recipient and has to set a sender's code.</p> <p>The recipient receives an SMS indicating he has received money. The SMS contains the amount, SMS code, IMT ID and IMT Expiry date.</p> <p>The recipient can go to the Axis bank ATM and withdraw the money giving these details - sender's mobile number, sender's</p>

		<p>code, SMS code and amount.</p> <p><b>Other details -</b></p> <p>A sender can send a maximum of Rs. 5,000 per transaction and a recipient can receive a maximum of Rs. 25,000 per month.</p> <p>The sender will be charged Rs. 25 (inclusive of taxes) for one transaction.</p> <p>The transaction is simple and there is the facility of cancelling transactions. The recipient need not have a bank account to get the money.</p>
HDFC Bank	Chillr	<p>HDFC has recently launched an application - Chillr which will allow users to send money to their contacts using the smartphone. The app is available for Android, iOS and Windows phones.</p> <p><b>How does it work -</b></p> <p>A HDFC account holder will download the app for free. He has to configure it to associate it with his bank account. He has to register for the M-PIN. He can then send money to his contact using this app. When the transaction is done, the recipient is prompted to download the app and enter his bank details. He can automatically receive the funds remitted to him.</p> <p><b>Other details -</b></p> <p>There are some charges when money has to be transferred to a recipient who has an account with a different bank. A user can transfer a maximum amount of Rs. 5,000 per transaction or day and can conduct a maximum of 10 transactions per day.</p> <p>It is highly secure and transactions are encrypted.</p> <p>If you do not have a person's phone number but the person is near you, you can still transmit amount using the 'Near Me' feature.</p>

<p><b>ICICI Bank</b></p>	<p><b>icicibankpay - Twitter based payment</b></p>	<p>An ICICI Bank account holder can use Twitter to transfer funds using icicibankpay to anyone who has a Twitter account.</p> <p><b>How does it work -</b></p> <p>The sender will have to send a direct message to @icicibank in a particular format in Twitter. He/She will get a passcode. The sender has to share this with the recipient. The recipient will have to log in his Twitter account and click on the link he would have received. The link is a redemption page where the recipient has to enter Twitter details, account details and the passcode. The money will be transferred to the recipient. If the recipient does not have an account in ICICI, he has to enter the IFSC code of his bank to receive the payment.</p> <p><b>Other details -</b></p> <p>The sender can transfer up to Rs. 5000 in one transaction and there is limit of Rs. 10,000 per day.</p> <p>This service can be used for transferring money, prepaid mobile recharge, check balance and check last 3 transactions.</p> <p>The sender will have to pay charges applicable to NEFT or RTGS transactions.</p> <p>The service has a two factor authentication facility.</p>
<p><b>Kotak</b></p>	<p><b>Kaypay</b></p>	<p>Kotak Mahindra bank has a facility called Kaypay which uses Facebook and Google+ to transfer money.</p> <p><b>How does it work -</b></p> <p>Once the account holder has registered for the service, he/she can log in to Facebook/ Google+, select a friend to whom the money is to be sent, enter the account number from which to transfer (if you have linked more than one account number to the Facebook account), enter the account number of the recipient, enter the amount and One Time Password (OTP). A message</p>

		<p>indicating the transfer is sent to both parties and the amount is sent to the recipient.</p> <p>Kaypay can be used not just by account holders in Kotak. Account holders of up to 28 banks can use it to send money and of 30 banks can use it to receive money like Axis Bank, Yes Bank, SBI etc.</p> <p><b>Other details -</b></p> <p>A sender can send a maximum amount of Rs.2,500 per day and there is a monthly limit of Rs.25,000. A recipient can get up to Rs. 25,000 in a month.</p> <p>Charges applicable to IMPS transactions will have to be incurred by the sender.</p> <p>The authentication process is done on the bank's servers and Facebook does not post any details of the transactions without permission. The OTP is generated in a different environment. Bank account details are not shared on the social media websites.</p>
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People are increasingly using the Internet, mobile phones and social media for everything. Banks want to use this medium to increase their customer base and number of transactions. It is imperative that banks use proper security methods to prevent misuse and theft. From a user's perspective, such tools are convenient and also help people who do not have bank accounts. But it is important to take necessary security measures. The bank may also get information on your other activities on social media which might be a compromise on your privacy.

You should view the pros and cons and decide if you need to use this apps and services.