

Too much security reduces trust in online banking

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The more security measures banks impose on internet banking the more customers lose faith in the system's ability to protect their money, a Massey University study has found.

Tightening security measures for online banking may make the process technically safer but paradoxically the more identity-checking steps are imposed before a customer can get down to business, the less trusting they feel.

Amid growing global concern over security surrounding online banking – and many high-profile thefts by hackers – Diploma of Information Sciences researcher Kanshi Zhang investigated how increased security affected a customer's sense of trust and security.

Mr Zhang organised an experiment involving four mock registration pages similar to those used for online banking transactions. The first required participants to complete two identity-checking steps; the others required four, six and eight separate steps.

Although most New Zealand banks currently require only two security steps, banks in China, Japan and Korea commonly require up to eight.

One participant who anecdotally reported using a Chinese online banking system in New Zealand said having to fulfill six identity-checking steps compared with two for a New Zealand bank made him suspicious that the bank was more susceptible to security risks.

Study co-author Dr Hokyoung Ryu, from Massey's Centre for Mobile Computing in Auckland, says usability and user-friendliness are at stake in the battle to ensure online customers feel their funds are safe.

Not only do people struggle to recall an array of pin numbers, passwords and personalised questions, they resent the time these steps take, Dr Ryu says. Online banking system designers need to be mindful of the people using the systems they create.

“There is too much concern about technology. What's needed is more human-oriented technology, not engineering-based technology.”

Speedier alternatives in future may include computerised fingerprint or face recognition systems. The study was presented at the 7th International Conference on Applications and Principles of Information Science being held at Massey's Auckland campus this week.

Source: Massey University

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