

Banking goes mobile, with a few hitches

June 13 2013, by Mark Davis

Dan Brower fished a much-awaited check from his mailbox but didn't have time to swing by his bank's branch. So the Kansas City resident fired up his 2-week-old iPhone, and with just a flick of his finger - disappointment. Commerce Bank's mobile banking application doesn't accept deposits.

"It's funny because with PayPal's app, you can take a picture of your check and put it in your PayPal account," Brower said.

[Mobile banking](#) apps are widely available even if all of them don't do the same things. A photo-based check deposit tool is coming soon to Commerce's bank app.

New mobile banking ideas are popping up, too.

One banking app maker offers a feature that shows [shoppers](#) just what their planned purchase will do to their bank balances, taking into account those coming bills.

"We're not very rational creatures when it comes to shopping," said Lee Wetherington, director of strategic insight at ProfitStars, a division of Missouri-based bank [technology company](#) Jack Henry & Associates Inc.

And what about those who don't have a bank?

No problem. There's a mobile banking app for that, too. It's a new mobile wallet feature on Boost Mobile phones from Sprint Nextel Corp.

that taps into a venture backed by Leawood, Kan.-based Euronet Worldwide Inc.

Cool. Convenient. Time-saving. Free (mostly). Oh, and a little scary.

A survey last fall found that security concerns are one reason mobile banking has yet to catch on as much as banking from the home computer has.

Banking through a computer is nearly as popular as stopping at a branch. And [shopping](#) by phone is nothing new.

But mobile banking is relatively new, and consumers are still getting used to the idea.

A Federal Reserve survey last November found that only 29 percent of cellphone users had done any mobile banking in the preceding 12 months. Fewer than half of smartphone users had.

Those who do tap in from their phones find standard features. Apps allow them to check their account balances, whether it's in a checking account, savings account or credit card. Apps typically let customers transfer money between accounts at their bank, too.

Apps let users see recent transactions and find out whether a particular check has cleared. Some offer email alerts, to remind you that the bills are coming due so you don't forget to pay.

And you can pay those bills using some banks' mobile apps.

Many of these tools are possible with older style phones that don't link to the Internet but can communicate with the bank's computer through text messages.

It's the camera that makes smartphones handier with money these days.

Increasingly, banks' apps allow a customer to take a picture of a check - both sides, please - and remotely deposit it into his bank account.

U.S. Bank is putting the camera to work for bills, too.

Bill-paying features in bank apps generally require the customer to set up each biller by typing in key information such as whom to pay and the customer's billing account number.

U.S. Bank's add-a-biller feature does all that from the smartphone's photograph of the bill.

The bank recently went a step further. Its latest app feature uses that photograph of a bill to set up and make the payment.

Would that be enough to get customers to switch to U.S. Bank?

"We think there's a lot of opportunity there," said Chris Peper, vice president of mobile banking for the Cincinnati-based bank.

Commerce built its first banking app in-house and has been letting customers find them rather than promote them actively. It launched an app for iPhones last summer, and its Android version began early this year.

"We don't rush products or services to our customers until we're sure that it will offer the best experience that our customers expect," said Cindy Tetrault, website and online banking manager at Commerce.

Customers are responding. Mobile apps are one reason Commerce has customers in all 50 states, though its branch network is limited to six

Midwestern states.

Commerce said it sees fewer customer visits to its branches, but Commerce customers bank more than ever, thanks to online and mobile banking.

"We're looking right now at our next generation of mobile apps," Tetrault said.

Some bankers remain in a wait-and-see mode.

"Being a small bank it's hard to be on the cutting edge of technology," said Travis Hicks, president and chief executive of Great American Bank.

Great American, with \$79 million in assets, is among the smallest banks in the Kansas City area.

Hicks said customers like Great American's online banking, but he will wait until mobile banking finishes dealing with the "trials and tribulations" that come with new products.

"It's a product that eventually, like online banking, almost every bank will have," Hicks said.

One of the unsettled issues is price. Would you pay 50 cents to deposit a check by phone?

You will if you're a U.S. Bank customer.

Peper said the feature means customers can skip the trip to a branch, or avoid the cost of a stamp. It becomes a "fee opportunity" for the bank because customers see that extra value, he said.

Tetrault said Commerce was assessing whether to charge a mobile deposit fee when it introduced the feature through its mobile banking app.

Fee decisions are subject to change. Tetrault notes that online bill paying wasn't always free but has become a no-charge feature. Customers ultimately will decide what they're willing to pay for.

Technology also means that being first with an app feature may not be a big advantage for a bank.

Two companies have teamed up to offer a mobile banking option for consumers without a bank.

It's a mobile wallet that is now available on phones from Boost Mobile, a pay-as-you-go cell phone brand from Overland Park, Kan.-based Sprint.

A typical mobile wallet allows a consumer to use his smartphone to pay with his credit card, debit card or bank account. For example, Sprint offers the Google wallet on its phones.

Many consumers, including many Boost customers, don't have a bank account or credit card.

A Boost Mobile wallet customer can load cash onto his phone and use its mobile payment feature to shop. The phone does this through technology developed by Wipit, is a California company backed by Euronet.

Euronet mostly operates automatic teller machine networks around the world.

Kevin Caponecchi, a Euronet executive, said the company invested in Wipit because it was the only mobile wallet aimed at consumers who

don't have banking services and essentially live on cash. They wait in lines a lot to cash checks and pay bills.

Boost's mobile wallet allows them to step out of line and pay bills using their phones. A photo deposit feature to load checks onto the phone is coming soon.

The Boost wallet also comes with a companion pre-paid debit card. It allows the customer to tap into the same cash loaded on the phone whenever mobile payments aren't available at a store.

Other new ideas coming to mobile banking include opening new accounts and helping consumers when they shop.

New accounts are trickier in the mobile world because the bank has to be sure with whom it's dealing. And the customer needs to sign a signature card.

Wetherington said some banks' apps include opening a new account.

Commerce already opens new accounts online and sees potential for the same and other kinds of mobile services on tablets such as the iPad. The larger screen makes more complex steps easier, for example answering questions to verify your identity.

Peper at U.S. Bank said its app is adding features using photos now, and voice-activated features will be next.

Bank of America stretches mobile banking in ways few others have.

It has mobile banking apps for Windows phones and BlackBerrys, not just the widely used [iPhone](#), which uses Apple's operating system, and the many devices that use Google's Android system.

Tetraalt at Commerce said the mobile experience could be broader on a tablet than a phone because of the additional "real estate" available on its larger screen.

There's one other important feature for banking apps that consumers will have to develop: confidence.

The Fed survey found security concerns high among those cellphone users who had not done any mobile banking.

They fear losing their phones or someone stealing them and jumping into their bank accounts. They fear that someone could intercept their data or hack into their phones.

Legitimate concerns, Wetherington said. Consumers need to know - or more precisely, need to be told - how to secure their phones and use the apps safely.

For example, use the password protection feature that locks your phone with a password or number. Hackers might crack that shield, Wetherington said, but it will at least take time.

And that's time enough to call the toll-free number of your wireless phone company (on a borrowed phone, obviously, and assuming you know the number) so it can suspend service to your missing phone and take further action if needed.

Avoid using the banking app - or any others that involve personal information - on open Wi-Fi networks, like the one at McDonald's or Starbucks. Wi-Fi is popular because it is faster than mobile phone networks, but the network needs to be secure to protect passwords and other information you type in.

And look for the image of a closed padlock when you sign into a Wi-Fi network.

MOBILE AND SAFE

-Use your phone's keypad lock so others can't tap into your bank application.

-Rely on Wi-Fi connections that are encrypted and require a password to use.

-Know how to report a lost or stolen phone promptly

LOST OR STOLEN PHONE?

Memorize the customer service number to call your wireless carrier (on a borrowed phone) so it can shut down your missing device.

-AT&T: 800-331-0500

-Sprint: 888-211-4727

-T-Mobile: 800-866-2453

-Verizon: 800-922-0204

BANKING ON APPS

Many banks offer customers a smartphone application that allows users to bank on the run. Here are some common features banking apps offer.

- Check account balances
- Review recent transactions
- Transfer money between accounts
- Find a nearby branch or ATM
- Receive alert when a check clears or as a bill reminder
- Send money to others
- Pay bills and make loan payments
- Deposit a check

HOW DO YOU BANK?

A survey last November showed far more cellphone users had been to a branch in the past 12 months than had tapped their mobile phones to do their banking.

- Branch: 85 percent
- Online: 74 percent
- ATM: 74 percent

-Telephone: 34 percent

-Mobile: 29 percent

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