

REVIEW OF RISK AND PROBLEMS ASSOCIATED WITH ONLINE FINANCIAL TRANSACTION SYSTEMS

ANKUR HAZARIKA^{*}, RANDEEP KUMAR CHAKRAVARTY^{**}

ABSTRACT

E-keeping money frameworks guarantee provoke and sufficient execution of safe budgetary exchanges. Innovative improvement of e-installment builds the potential outcomes of fast and subjective exchanges, yet digital security necessities and their usage advances are basic issues to be considered. In spite of all safety efforts, dangers to the security of e-installments are genuine and intense. Frameworks "splitting" apparatuses and systems are no less mechanically progressed than their countermeasures. Most created nations around the globe give careful consideration to the security of "touchy" data.

The paper examines new data and correspondence advancements which guarantee the improvement of new security implies in e-installment operations and the hazard ascending in conceivable security aggravations. Wellbeing emotionally supportive networks-credibility, approval, privacy, control, inspecting, honesty, and negligible advantages for e-installment-must be planned and connected by the security necessities and measures that must be constantly refreshed and moved forward.

KEYWORDS: E-Payment, E-Banking, E-Keeping, E-Installment, Financial Transaction.

INTRODUCTION

Since the 1990s, one of the major innovative changes in universal money related part is the developing prominence of online budgetary exchanges. Online monetary exchange can be characterized as money related mediator exercises completed on the Internet and it is a sort of budgetary industry reproduction and development in view of the Internet, PCs and present day correspondence advances. For money related establishments, online back gives them propelled business handling and decreased expenses of monetary administrations and causes

them to draw in more clients and exchanging openings through administration comforts. From the monetary shoppers' point of view, Internet keeping money innovations permit them simpler access to budgetary administrations, less expensive bill-paying and efficient in dealing with their funds. Attributable to the points of interest for both monetary establishments and buyers, an ever increasing number of budgetary exchanges are being directed in an electronic-just configuration (Anguelov et al., 2004; Kim et al., 2005).

^{*} Students, M.B.A 3rd Semester, Department of Management Studies, NIT Silchar, Assam-788010.

Correspondence E-mail Id: editor@eurekajournals.com

Regardless of the money related administration proficiency change impacts achieved by the system back, it additionally makes new sorts of dangers and adds new substance to monetary hazard administration. To accomplish the supportable advancement of online fund, awesome significance ought to be connected to the hazard control.

The different elements that have led the monetary organizations to make utilization of electronic installments are:

- **DECREASING INNOVATION COST**

The innovation utilized as a part of the systems is diminishing step by step, which is apparent from the way that PCs are currently very reasonable and Internet is ending up free wherever on the planet.

- **REDUCED OPERATIONAL AND PREPARING COST**

Because of decreased innovation cost the handling expense of different trade exercises turns out to be less. An exceptionally basic motivation to demonstrate this is the way that in electronic exchanges we spare both paper and time.

- **INCREASING ON THE WEB TRADE**

Nowadays E-business has turned into a very charming instrument to pull in substantial pool of potential clients. Regardless of which part of the corner the dealers are sitting in, they can simply focus on their potential clients from a large number of kilometers away. Internet business is a help for the two brokers and the clients.

INTERNET BANKING

Internet Banking, otherwise called internet keeping money, e-managing an account or virtual saving money, is an electronic installment framework that empowers clients of a bank or other monetary establishment to lead a scope of

budgetary exchanges through the monetary foundation's site.

DIFFERENT TYPES OF ONLINE FINANCIAL TRANSACTIONS ARE

NATIONAL ELECTRONIC FUND TRANSFER (NEFT)

National Electronic Funds Transfer (NEFT) is an across the nation installment framework encouraging balanced assets exchange. Under this Scheme, people, firms and corporates can electronically exchange stores from any bank office to any individual, firm or corporate having a record with some other bank office in the nation partaking in the Scheme. People, firms or corporates keeping up accounts with a bank office can exchange stores utilizing NEFT. Indeed, even such people who don't have a financial balance (stroll in clients) can likewise store money at the NEFT-empowered branches with guidelines to exchange reserves utilizing NEFT. Notwithstanding, such money settlements will be limited to a most extreme of Rs.50,000/ - per exchange. NEFT, consequently, encourages originators or remitters to start stores exchange exchanges even without having a financial balance. NEFT works in hourly groups - there are twelve settlements from 8 am to 7 pm on week days (Monday through Friday) and six settlements from 8 am to 1 pm on Saturdays.

REAL TIME GROSS SETTLEMENT (RTGS)

RTGS is characterized as the persistent (ongoing) settlement of assets exchanges separately on a request by arrange premise (without mesh). 'Ongoing' means the preparing of directions at the time they are gotten as opposed to at some later time; 'Net Settlement' implies the settlement of assets exchange guidelines happens separately (on a guideline by direction premise). Considering that the assets settlement happens in the books of the Reserve Bank of India, the installments are last and unavoidable.

The RTGS framework is basically implied for vast esteem exchanges. The base adds up to be transmitted through RTGS is 2 lakh. There is no upper roof for RTGS exchanges. The RTGS benefit for client's exchanges is accessible to banks from 9.00 hours to 16.30 hours on week days and from 9.00 hours to 14:00 hours on Saturdays for settlement at the RBI end. In any case, the timings that the banks take after may differ contingent upon the client timings of the bank offices.

ELECTRONIC CLEARING SYSTEM (ECS)

ECS is a choice method for influencing portion trades in respect of the administration charge portions, for instance, telephone charges, control charges, security premia, card portions and propel repayments, et cetera., which would hinder the prerequisite for issuing and dealing with paper instruments and thusly support upgraded customer advantage by banks/ associations/ organizations/ government workplaces, gathering/ getting the portions.

IMMEDIATE PAYMENT SERVICE (IMPS)

IMPS offer a moment, 24X7, interbank electronic reserve exchange benefit through cell phones. IMPS is an unequivocal instrument to exchange cash right away inside banks crosswise over India through versatile, web and ATM which is protected as well as conservative both in money related and non-budgetary points of view.

OBJECTIVES OF IMPS

- To enable bank customers to use adaptable instruments as a channel for getting to their banks records and dispatch saves
- Making portion less troublesome just with the compact number of the beneficiary
- To sub-serve the goal of Reserve Bank of India (RBI) in electronification of retail portions
- To energize adaptable portion systems starting at now introduced in India with the

Reserve Bank of India Mobile Payment Guidelines 2008 to be between operable transversely finished banks and compact heads in a safe and secured way

- To make the foundation for a full extent of flexible based Banking organizations.

ELECTRONIC PAYMENT SYSTEMS

Electronic Payment is a mainstream strategy for making installments comprehensively. It includes sending cash from bank to bank immediately - paying little mind to the separation included. Such installment frameworks utilize Internet innovation, where data is handed-off through organized PCs starting with one bank then onto the next.

RISKS IN ELECTRONIC PAYMENT SYSTEMS

Electronic payment system frameworks are mainstream in light of their accommodation. Be that as it may, they likewise may posture genuine dangers to customers and money related establishments.

TAX EVASION

Organizations are required by law to give records of their monetary exchanges to the administration with the goal that their assessment consistence can be confirmed. Electronic installment however can baffle the endeavors of duty accumulation. Unless a business uncovers the different electronic installments it has made or gotten over the expense time frame, the administration may not know reality, which could cause tax evasion.

FRAUD

Electronic payment system frameworks are inclined to extortion. The installment is done for the most part subsequent to entering in a watchword and now and again noting security questions. There is no chance to get of confirming the genuine personality of the creator of the

exchange. For whatever length of time that the secret word and security questions are right, the framework expect you are the opportune individual. In the event that this data falls into the ownership of fraudsters, at that point they can cheat you of your cash.

IMPULSE BUYING

Electronic Payment System empowers drive purchasing, particularly on the web. You are probably going to settle on a choice to buy a thing you find on special on the web, despite the fact that you had not wanted to get it, since it will cost you only a tick to get it through your Mastercard. Motivation purchasing prompts disordered spending plans and are one of the disservices of electronic installment frameworks.

PAYMENT CONFLICT

Payment conflict frequently emerges in light of the fact that the installments are not done physically but rather by a mechanized framework that can cause mistakes. This is particularly basic when installment is done all the time to numerous beneficiaries. In the event that you don't check your compensation slip toward the finish of each payroll interval, for example, at that point you may wind up with a contention because of these specialized glitches, or peculiarities.

MOBILE BANKING

MOBILE BANKING BENEFITS

Mobile Banking gives advantages to saving money foundations and clients. It decreases the working expenses of a bank by taking out the requirement for call focuses to give client benefit. Likewise, it decreases finance costs on the grounds that less human specialists are required. Versatile managing an account is financially savvy to a bank, and propelled innovation empowers banks to productively screen saving money administrations. False action is additionally

lessened in light of the fact that clients can get moment updates of different exchanges through their cell phones.

RISKS ASSOCIATED WITH MOBILE BANKING

UNSECURE INFORMATION

There are a few dangers associated with versatile saving money. Getting to money related administrations through versatile managing an account involves submitting individual data through a content informing stage. Programmers can endeavor to get to those messages through unsecure Wi-Fi problem areas. Different dangers include the bank not putting resources into enough encryption security of its innovation. This would leave the client's close to home data open for block attempt.

REGULATORY ISSUES

Saving money foundations utilize telecom operators to deal with their versatile managing an account administration. The utilization of autonomous or diversified telecom specialists makes it troublesome for a nation's national bank to direct keeping money operations to have a widespread arrangement of benchmarks. This implies diverse banks can set up various portable managing an account rules, utilize substandard saving money security programming and charge high expenses for versatile saving money. These issues can cause client perplexity.

VIRUSES

Saving money foundations ensure that their channels are secured by a safe layer to guarantee the wellbeing of their clients' data. Notwithstanding, some cell phones are extremely defenseless against infections, for example, Trojans. These infections give programmers the chance to get to your managing an account data through your cell phone.

SECURITY

A few banks offer greater security for budgetary administrations through their branches versus their versatile keeping money stages. A few banks don't offer portable managing an account benefits because of execution costs or just the dangers related with putting resources into the stage. Different dangers incorporate loss of a client's cell phone. Clients who lose or have their cell phone stolen hazard losing their money related data.

ELECTRONIC PAYMENT AND ONLINE ELECTRONIC PAYMENT

Online electronic payments are not equivalent to electronic payments. In the development of internet business, charge cards have for some time been spoken to by electronic methods for payments, Visas in shopping centers. Numerous lodgings and different spots and things could swipe of the card, POS terminals Regulations, ATM money types of payments. And online electronic payments, online payments also known as electronic currency, comprehensively, allude to an exchange in the online trade of assets; It is a system based electronic budgetary, a business card exchanges for a wide range of electronic apparatuses and media, the electronic PC and interchanges advancements as a methods Electronic information (double information) put away in the bank's PC framework. What's more, through the PC organize framework as the stream of electronic data exchange and payments. Electronic Payment System is the reason for online payments, and online payments framework advancement is a higher type of electronic payments. It makes electronic payments may, whenever, through the Internet straightforwardly to the exchange, settlement and frame e-business condition.

COMMON ONLINE ELECTRONIC PAYMENT SYSTEM

In online shopping online electronic payment function is the key issue to ensure the consumers are fast and convenient, we have to ensure the safety and secrecy of the parties to a transaction, which requires a complete electronic trading systems. Currently, several online electronic payment systems used for:

INTERNET BANK CARD PAYMENT SYSTEM

Counting online credit card, smart card (IC card) payment systems are built up as per the principles set shopping and payment system. Internet clients in particular ways: sending banks drift and secret word encryption sent to the bank for payment, also the payment procedure for clients, dealers and check the authenticity of a demand for payment. At present, local banks had set up such a bank cards for online payments. On the off chance that the Bank of China's "Great Wall Electronic Debit Card", the China Construction Bank "Brunca" The Industrial and Commercial Bank of China's "Peony credit cards," Merchants Bank's "Smart Card", is sheltered, advantageous highlights, is a perfect device for online payments, online shopping is currently in line to pay the principal means of achieving.

E-CASH (ELECTRONIC-CASH) INTERNET PAYMENT SYSTEM

E-cash is a type of information, the currency available for use, there is electronic cash currency. It can be changed over to cash a progression of encoded numerical succession number and after that utilization these arrangements to demonstrate the estimation of all sizes. Pay display is appeared as Figure 1:

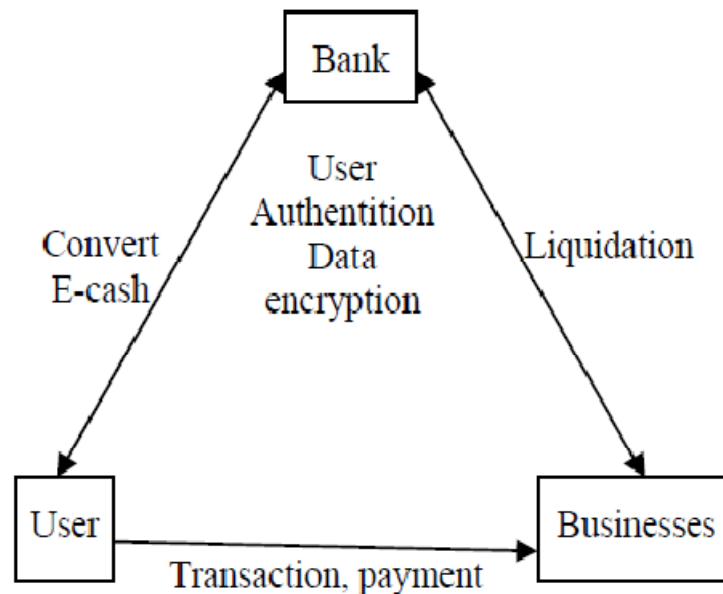


Figure 1.E-Cash (Electronic-cash) Internet Payment System

Its characteristic is as per the following: an agreement between the banks and businesses and approval, identity verification by e-cash to complete it, electronic cash can be kept, affirmation, and transfer to smaller transactions.

E-cash and e-payment systems additionally have the advantage of cash, primarily as takes after: Anonymity; not shadowing; Savings on exchange costs; Savings on transmission costs; Poor hazard; Pay flexibility; Prevent forgery and repeatability. As electronic cash is the "cash" characteristics of China's little general merchandise purchase payment propensities, it is likely to become an imperative means of online payments in China, however China has not yet formally started utilizing. There are many foreign companies to offer electronic cash market. If Digit Cash the unconditional anonymous electronic cash market, Net cash can be provided by anonymous electronic cash market.

E-PURSE INTERNET PAYMENT SYSTEM

Users use e-purse shopping, the first in a personal bank account and users into a certain sum; then the corresponding electronic wallet service system free software to download and introduce

an electronic purse; then download the corresponding website to apply online and access the cardholder "electronic safety certificate". Users shopping direct hits "electronic wallet" symbol and following the importation of their drift. Corresponding data, for example, passwords by e-purse will pay to complete the subsequent work. Modex foreign companies, for example, a brilliant card as an e-purse to the online payment system. E-purse is sporadic little payment exchanges. Continuous used in conjunction with bank cards to help users complete the entire shopping process.

ELECTRONIC CHECK (E_CHECK) INTERNET PAYMENT SYSTEM

Electronic check transfer payments from paper checks to the merits of using digital transmission to transfer money from one account to another account. These electronic check payments in businesses and banks linked to the online password transmission. Most common use encryption keys handwritten signature or personal identification numbers instead of signatures, thus ensuring the safety of this form of payment. Electronic check-cashing process is shown as in the Figure2.

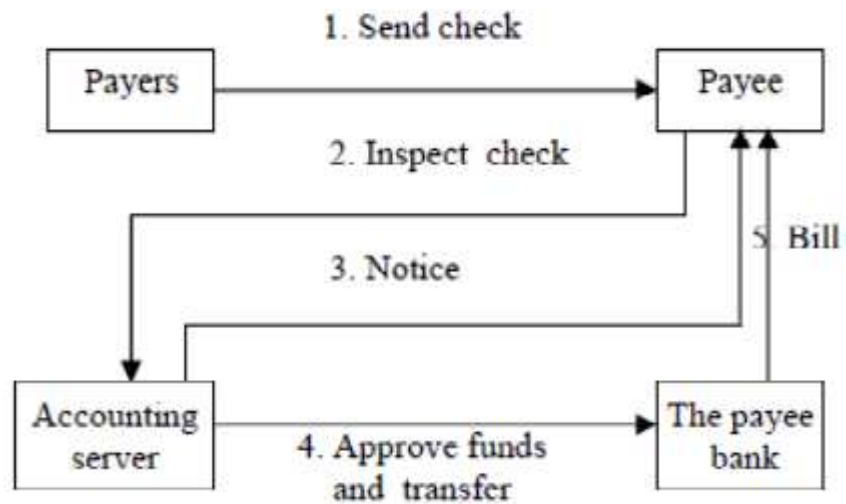


Figure 2. Electronic Check-Cashing Process

Electronic check system at present is an exclusive network system, the international financial institutions, through their own private networks, equipment, software and a complete set of user identification, the standard messaging, data validation and other standardized data transmission agreement completed, thus ensuring safety. In the public system will gradually transition to the future for Internet transmission. This B to B to pay mainly for the payment of transaction needs.

CONCLUSION

One of the mechanical developments in keeping money, fund and business is the Electronic Payments. Electronic Payments empowers us to perform money related exchanges electronically quick and effectively. In spite of the fact that it gives various advantages to clients and business openings, it accompanies dangers, particularly security issues. E-instalments frameworks ought to have dependable and secure techniques to confirm their clients in this manner decreasing the characteristic dangers. The level of confirmation utilized ought to be fitting to the dangers related with them.

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