



## DIGITAL BANKING AND FINANCIAL INCLUSIONS

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### ABSTRACT:

Financial inclusion is a Multidimensional approach, with technology intervention in financial inclusion, electronic banking activity in rural. India leads to increased use of financial services and better living standards. In the rising market many people using mobile phones still are not able to access banking products and Financial Services. This indicates a huge Untouched market for commercial banks main aim of this study is to Understand that Variable factors that would act as drivers towards the adoption of mobile financial services and improve stranded of living and be give attention to uses of mobile services to understand the new technology and identifies people behavior towards adoption and uses of banking services.

**Key words:** - *Financial Inclusion, Multidomestic intervention, Electronic banking.*

### INTRODUCTION:

The digital banking definition is banking done through the digital platform doing away with all the paper work like cheques, paper in slips, demand draft and so on . It means availability of all banking activities online. Digital banking can be done either through a laptop , tablet or mobile phones .

A digital bank represents a virtual process that includes online banking a beyond as an end to end platform .

Revolt ,fidor, simple N-26 and monzo are some of the better known digital banking systems out their today using which customers can open an account in minutes on their phone, whenever wherever they want.

Digital banking involves the digitization of all traditional banking products, process and activities to serve customers through online channels. This includes the following :

- 1) Obtaining bank statements
- 2) Cash withdrawals
- 3) Fund transfers
- 4) Checking savings accounts
- 5) Opening deposit accounts
- 6) Loan management
- 7) Bills payments

8) Cheque management

9) Transaction records monitorings

With digital banking, all bank branch services are available 24/7 on mobile phones, computers and compatible smart devices .Digital banking software makes all traditional services easier to access, understand and manage.

This approach allows banks to test lower risk concepts before moving parts of the old legacy business to the new systems. Notable examples include goldmansachs, MAUUS,RBS,BOand state bank of india ,YONO, which gave more than 26 million customers and reached profitability within 18 months. The state below proves the assumption that digital transformation will be a top priority for banks the 2021.

### FINANCIAL INCLUSION:

It is defined as the availability and equality of opportunities to access financial services. It refers to process by which individuals and business can access appropriate, affordable and timely financial products and services. These include banking loan, equity and insurance products .

Financial inclusion aims to bring in digital financial solutions for the economically

underprivileged people of the nation. It also intends to bring in mobile banking or financial services in order to reach the poorest people living in extremely remote areas of the country. Financial inclusion can empower people and communities to meet basic needs, such as nutritious food, clean water, housing, education and health care.

Financial inclusion also has a critical role in the efforts to help people prepare for respond to and recover from global health and economic crises such as covid-19.

### **BENEFITS OF DIGITAL BANKING:**

#### **1) CONVENIENCE:**

The ability to bank wherever and however is one of the main benefits of mobile and online banking solutions our smartphones and computers are typically readily available allowing 24/7 account access to take care of any no. of banking tasks quickly.

Mobile banking apps for instance allow you to deposit cheques from the comfort of anywhere. At the same time one can check balance, transfer funds and setup a notification to alert. If overdraft our acc. All without the need to visit a branch it's a real time saver.

Digital banking also offers longer tail conveniences such as the ability to go cashless.

Paying with cash isn't as convenient as an electronic transaction they are better from a cleanliness stand point. A cashless society with digital transactions is much more efficient and it allows for much better management of financial resources.

#### **FEATURES:**

Banks might offer personalized financial advice saving tools big purchase calculators or even virtual assistants who can help them decide splurges they can truly afford.

Features like peer-to-peer payments rank lower in terms of value still the ability to send money within minutes to anyone in the nation through mobile banking app can be handy and many banks now offer this features. Locating

nearby ATMs cardslessATM, withdrawal and budgeting and tracking tools

#### **ONLY ALL IN ONE DATA PLATFORM :**

Banks are continuing to advance the features offered on their digital banking platforms. Automated saving tools and push notifications alerts for things like low balances or overdrafts are common places, in some cases can even activate a new debit or credit card.

The best online banks for online digital banking offering the best. Experiences have well rated mobile apps and websites with robust features. This mobile and online platform can help to accomplish daily banking tasks, better control finances in some cases connect to a community of like-minded individuals.

The current scenario in India only 38% of the scheduled commercial banks have branches in these remote locations and over 2/3rd of the unbanked population are common of the financially excluded population that has opened bank accounts in the country, less than 30% are operational.

#### **CHALLENGES FACED BY DIGITAL BANKING:**

The challenges are highly significant both for banks that offer online banking but also for their customers, who depend on the banks to operate effectively dive in:

- 1) Shifting banking habits
- 2) Security
- 3) Technical issues
- 4) Lack of personal relationship
- 5) Changing banking landscape

#### **CHALLENGES TO FINANCIAL INCLUSION:**

- 1) The need to improve financial literacy
- 2) Lack of formal identification documents
- 3) Consumer protection.
- 4) The rural poor and gender inequality.
- 5) Promoting the use of the transaction account

#### **RESEARCH METHODOLOGY:**

It is the specific procedure or techniques used to identify select process and analyse information about a topic. The study is dependent on secondary data.

**CONCLUSION:**

- 1) Considerable increase in mobile banking usage.
- 2) Increase in online shoppers.
- 3) ATM is still the preferred point of contact with a bank
- 4) Younger consumers are fast adopting to digital services.
- 5) Higher aadoption and usage of digital services by higher income consumers.

6) Financial inclusion is a win-win situation for the financially excluded the corporates, the gov. and the banks.

7) Bankers can support by financing the agree products including their preservations and sales.

8) Corporates can sale/market their products to the large untapped can rural markets.

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