



AKTUAR MOLIYA VA BUXGALTERIYA HISOBI ILMIY JURNALI

Vol. 4 Issue 10 | pp. 74-79 | ISSN: 2181-1865

Available online <https://finance.tsue.uz/index.php/afa>

IMPROVING THE PRACTICE OF PROVIDING BANKING SERVICES TO THE POPULATION



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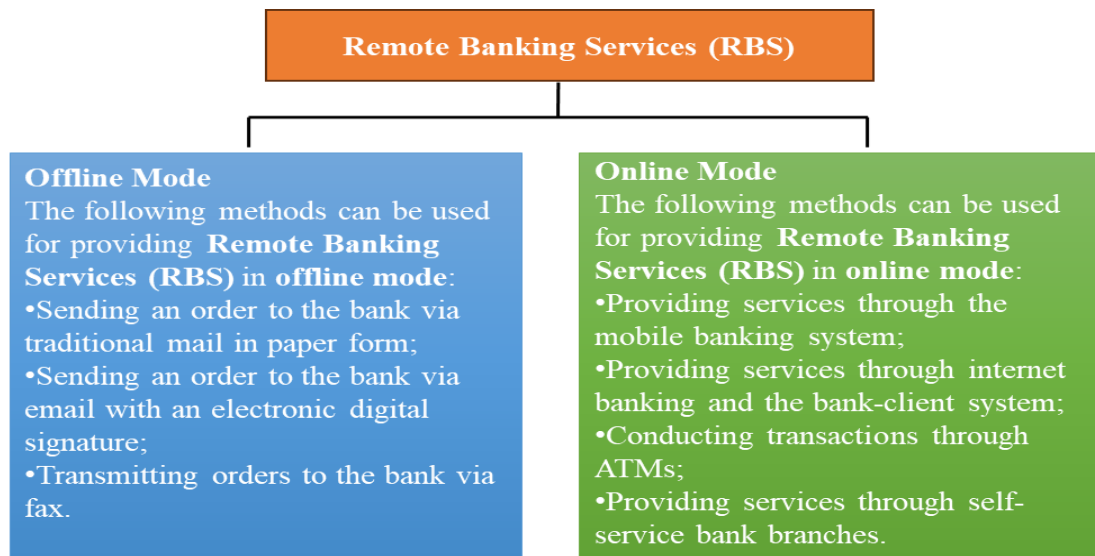
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ABSTRACT. Recently, there have been significant changes in the provision of remote banking services in commercial banks. As a result, commercial banks are conducting explanatory work for their clients on how to use these services, which will lead to their further popularization in the future. This article presents conclusions and recommendations regarding the modern methods of providing remote banking services in the operations of commercial banks and ways to improve them.

KEY WORDS: Bank, commercial banks, information technologies, online, offline, internet banking, mobile banking.

INTRODUCTION. In the modern context, the expansion of innovative activities and the effective use of new tools in the operations of commercial banks are crucial, with the effective utilization of information resources playing a key role. Information technologies enhance the competitive advantage of commercial banks, enrich them with new content, and influence the relationships between them. Furthermore, information technologies significantly impact the competitiveness of banks, changing the types of products offered to clients. In the development of economic relations in the modern era, information technologies have become one of the main factors in the qualitative and effective management of banking resources. The emergence of modern information technologies also influences the strategic policies of commercial banks.

It should be emphasized that providing banking products and services to a client without direct communication with a bank specialist, upon the client's request, can also be considered as remote banking services. There are several key factors that can define the concept of remote banking services, but in our view, the most important factor is the bank's immediate response to customer demands. Based on this factor, the services can be classified into two main categories: offline (off-line) and online (on-line) operations, which represent the two modes in which banks carry out remote banking services.



In implementing remote banking service systems that utilize internet networks for data transmission, banks employ a dual-system approach. Most banks require clients to use special software installed on their computers (client-bank systems) to access these services.

The latest internet banking systems allow clients to connect remotely and use the bank's software without installing any additional applications on their computers. Furthermore, this software can be accessed from any computer. Additionally, using internet banking systems is relatively inexpensive. The reduction in costs enables banks to either charge much lower fees or completely eliminate fees for providing services to clients through internet banking.

BASIC PART. The wide application of innovative information technologies in the banking system is a modern-day requirement. Therefore, our country is creating extensive opportunities for the full development of a national payment system. This system, which allows for real-time settlements between economic entities, plays a significant role in ensuring the stability of the financial market. Moreover, it has a notable impact on the effective implementation of the state's monetary policy, conducting domestic and international payments on time, and managing cash flows.

It is important to note that a solid legislative framework has been established in our country to promote the development of the e-commerce system. Laws such as the "Law on Information Technology," the "Law on Electronic Digital Signatures," the "Law on Electronic Payments," the "Law on E-Commerce," and several other legal documents have played a vital role in the development of the system.

Interactive service types are increasingly developing in the banks of our republic. Improving these services, enhancing their quality and convenience, increasing electronic payments made through plastic cards, and further developing remote service systems are some of the most urgent issues today. Therefore, in recent years, commercial banks have been striving to expand the variety of services offered to clients through the development of retail operations and diversification of their activities.

Clients no longer need to go to the bank branch for specific operations. Remote banking services, such as client-bank, Internet, telephone, or mobile banking, have a number of advantages:

- ✚ **Improved service quality.** With remote banking services, time limitations are eliminated, allowing clients to manage their accounts 24/7. Apart from time flexibility, geographical location no longer matters. Clients can conduct transactions from any point in the world. All that is needed is a computer (or mobile phone) and an internet connection.
- ✚ **Creation of new banking products and their implementation** (or harmonizing and integrating existing financial services with remote communication tools) will increase the bank's competitiveness.
- ✚ **Reduction of branch management costs** results in a decrease in the cost of banking operations.

According to the International Telecommunication Union, currently, 40% of the world's population are Internet users, with the number of users reaching nearly 3 billion this year. Research indicates that in the past five years, the number of internet users has more than doubled. Moreover, the number of mobile phone users has reached nearly 7 billion, with 96 out of every 100 people using mobile phones. In our country, the total number of internet users has exceeded 15 million. Mobile internet users now exceed 9 million, indicating that mobile phones are primarily used for internet access. One more factor contributing to the development of remote banking services is the reduction of bank costs through the provision of remote services to clients.

The net profit derived from the remote banking service system is a difficult issue to calculate. This is because income from the system is indirect. Direct income (for example, fees for using the system) is often very low or nonexistent. Of course, this depends on the bank's policy regarding customer relations. Furthermore, it is difficult to determine a profit-based performance indicator for the "Internet banking" system, which is offered to clients free of charge. The efficiency of remote banking service systems is not measured by the profit they generate, but by the savings on expenses. In other words, banks can reduce costs related to construction or rental, adjust the number of employees and their workloads, and reduce the volume of low-income operations conducted at bank branches.

Recently, retail banking services have been increasingly developing in banks, especially for "sensitive customers". The "Internet banking" service offers clients the following services:

- ✚ Receiving payment invoices;
- ✚ Providing comprehensive information about bank services (loans, deposits);
- ✚ Providing full information on obtaining loans and open deposits;
- ✚ Transferring internal funds;
- ✚ Performing interbank fund transfers;
- ✚ Transferring money for various services.

It is well known that the "Internet banking" service allows clients to remotely monitor their bank account, manage it via a stationary computer or laptop, and do so 24/7 in real-time. "Mobile banking" offers almost the same conveniences, with mobile phones serving as the tool to manage the bank account. In our country, the "Internet banking" service was introduced in 2007 for corporate clients. The next phase of development was the introduction of this service for individual clients.

Opportunities Created by Internet Banking for Bank Clients:

1. **Continuous access to accounts:** Clients can work with their accounts at any time, day or night.
2. **Fully automated, standard operations:** There is no need to input additional parameters for services (for example, to pay for communication services, only the phone number and amount need to be entered).
3. **Time-saving:** No need to wait in line. The time saved by clients not having to wait for responses from the bank's information service center is significant (operations are categorized, the interface is clear and simple, and there is no room for confusion).
4. **Convenient monitoring of bank card transactions:** From the moment of activation, clients can track all payments, see a list of upcoming transactions, and get information about point-of-sale locations and ATMs. Every purchase is instantly reflected in the account statement, allowing the client to maintain better control.
5. **No geographical restrictions:** Transactions can be made from any computer, anywhere in the world.
6. **Low cost for payments:** Accessing Internet banking services is free. In some cases, banks may charge for connection tools (USB keys, dynamic code cards), but these costs are generally low. Subscription fees, if any, are either non-existent or very low. Some services (utility payments, communication services) may not incur any commission fees.
7. **Access to online store services:** Both in Uzbekistan and abroad, a high level of security is ensured. Through the "Internet banking" system, the client can transfer the required sum to a card and then use that card to make payments for any goods or services in an online store.

In fact, the banking system, which is considered a leading sector of our country's economy, needs to adopt modern technologies in its operations to meet the demands of the present day. This is important because, through this, economic entities, small businesses, and private entrepreneurs will be able to make rational use of e-commerce and electronic payment opportunities, which will increase the chances of finding business partners, signing contracts, and quickly entering foreign markets. These opportunities will undoubtedly enhance their competitiveness and contribute to ensuring the stability of our national economy.

The number of users of remote banking services in Uzbekistan in 2023 year

No.	Bank Name	Legal Entities and Individual Entrepreneurs	Individuals	Total
1	JSC "Xalk Bank"	28,942	2,641,778	2,670,720
2	"Agrobank" JSC	78,981	1,814,016	1,892,997
3	TIF National Bank	19,565	891,712	911,277
4	"Asaka" JSC	7,959	626,322	634,281
5	CHECK "Hamkorbank" JSC	56,115	289,755	345,870

6	JSC "Aloqabank"	5,882	251,017	256,899
7	JSC "Qishloq Qurilish Bank"	3,600	194,784	198,384
8	"Microcreditbank" JSC	10,847	182,085	192,932
9	JSC "Sanoat Qurilish Bank"	65,491	108,263	173,754
10	"Ipak Yuli" AITB	6,157	135,708	141,865

There has been a significant increase in the use of mobile banking and SMS banking services compared to traditional "bank-client" services. Among the banks, JSC "Halk Bank," "Agrobank" JSC, and TIF National Bank account for more than 68% of the total users, which is reflected in the large number of branches these banks have across the country. In particular, the number of customers at JSC "Qishloq Qurilish Bank" has been growing rapidly as the bank continues to expand its range of modern banking services. As of January 1, 2019, more than 198,000 individuals and legal entities were benefiting from various banking services through remote banking services at this bank. JSC "Qishloq Qurilish Bank" has been implementing several measures to introduce new types of remote banking services, improve the quality of banking services, make services more convenient for customers, reduce service fees, and expand the scope of services provided.

CONCLUSION. In many developed markets, internet banking has reached a saturation point in recent years, and commercial banks have been focusing more on mobile banking. As the majority of consumers now conduct their operations through mobile banking, some banks have observed a decline in the use of internet banking services. However, both internet banking and mobile banking have been increasing significantly in developing markets. The growth of mobile banking, in particular, has been more remarkable. Bank customers are increasingly opting for smartphones for banking services, leading to rapid growth in mobile banking.

1. Efforts should be made to increase the number of users of remote banking services by disseminating information about remote banking services among the population and strengthening their trust in electronic communication tools and their reliability. Additionally, it is essential to develop relationships and collaborate with foreign companies specializing in the development of software for remote banking services for commercial banks.
2. The following measures would be appropriate to popularize remote banking services:
 - ✚ The widespread introduction of modern information and communication technologies in bank-customer relations, including expanding the range of remote banking services based on digital technologies.
 - ✚ Establishing marketing departments in commercial banks to promote banking services, especially remote banking services, to the public and ensure customers are informed about these services.
 - ✚ Ensuring the quality of internet services in all regions of the country and increasing internet speed.
 - ✚ Providing individuals with access to "Mobile Banking" and "SMS Banking" services not only through bank cards but also by connecting directly to deposit accounts at

banks.

- ✚ Addressing the low level of external service provision in the country, meaning the number of bank cards and equipment for servicing them (payment terminals, infokiosks, and ATMs) in the regions should be significantly increased.
 - ✚ Expanding the range of services available through remote banking systems, including conversion, loan payments, microcredit access, automatic payment processing for recurring payments, and other services.
3. Commercial banks should focus more on providing Internet banking services to individuals, creating new conveniences for them. This includes enabling customers to register and activate services directly through the internet site, simplifying the payment verification process, ensuring that online services are carried out on time, and properly distributing document management time among employees.

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