

A Cardless Cash Withdrawal with Special Reference to Private Sector Banks- SWOT Analysis

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Abstract—

The Private –sector banks are held by the private shareholders. Now, Indian private banks introduced Cardless cash withdrawal a new service to their savings bank customers. It is a service that allows users to withdraw money at any time from ATMs around the country without a debit card, and even without a bank account. This service or facility was firstly launched by ICICI bank in India. Many banks from the world have already launched this service. The paper brief the role of Private Banks in Cardless Cash withdrawal- International and Indian Perspective, requirements and steps involved in Cardless cash withdrawal. This paper also makes an attempt to know the SWOT of Cardless Cash withdrawal facility of private banks.

Keywords— Private sector banks, Cardless Cash withdrawal, ICICI bank, steps, requirements, SWOT analysis.

I. INTRODUCTION

Banks, being a financial intermediary and money creator that creates money by lending money is broadly divided into two categories i.e., scheduled and non-scheduled banks. Scheduled banks are further classified as public sector banks, private sector banks and foreign banks. The Private –sector banks are held by the private shareholders. The banks, which came in operation after 1991, with the introduction of economic reforms and financial sector reforms called, “New Private-sector Banks”. The criteria for the establishment of private-sector banks are:

- 1) The bank should have a minimum net worth of Rs. 200 crores
- 2) The promoters holding should be a minimum of 25% of the paid-up capital
- 3) Within 3 years of the starting of the operations, the bank should be offering shares to public and their net worth must increase to 300 crores.

Cardless Cash withdrawal:

Launched firstly by ICICI bank in India on 11th Sept, 2014, this means to withdraw money from an ATM without using a card. It is a service that allows users to withdraw money at any time from ATMs around the country without a debit card, and even without a bank account. The service allows the customers to transfer money from their account to anyone in India with a mobile phone number. Those sending the money must have a respective bank savings account and online banking. This facility is attractive and comes at very little cost, the only hitch is the limited reach -some banks allow cashless withdrawals at select ATMs. This paper makes an attempt to know the SWOT of cardless cash withdrawal facility of private banks.

II. ROLE OF PRIVATE BANKS IN CARDLESS CASH WITHDRAWAL- INTERNATIONAL PERSPECTIVE

Following is some information about the various banks internationally provides the cardless cash withdrawal services:

- Australia: Australian-first – cardless cash. saving from being stranded without cash, have launched an exciting new feature in the CommBank app, allowing customers with an eligible account to withdraw funds from CommBank ATMs without a card. Accessed through the CommBank app, the feature lets make one cardless ATM withdrawal per day with a maximum limit of \$200.
- Europe: Standard Chartered Bank, an international bank which has branches in India has announced that it has enhanced its Mobile Banking Solutions offering with the launch of the service of cardless cash withdrawal & Mobile Commerce in the year 2008.
- Asia: ICICI bank being the first Indian bank to launch the cardless cash withdrawal service in India. Followed by Bank of India, SBI, Axis bank etc., which has also announced the service.
- North and South America: Diebold Bank ATMs allowed the people to avail the service on 18th July 2013 whereas; BMO Harris Bank launched it on 16th March 2015.

III. ROLE OF PRIVATE BANKS IN CARDLESS CASH WITHDRAWAL- INDIAN PERSPECTIVE

Indian private banks have grown so far that they could compete with their services with that of foreign or international banks. This cardless cash withdrawal service is one fine example. A facility that was launched by ICICI bank, a private

bank, in which an account holder can transfer money to a mobile phone user all over the country even without the latter, having an account with any bank.

Any customer who has a savings account with the bank can commence a fund transfer using online banking just by giving only the mobile number and address of the beneficiary. Many banks in India now have started offering the cardless withdrawal facilities to their customers. After 2014, following are the banks that offer this service to their savings bank customer:

- a) ICICI Bank
- b) Axis Bank
- c) Bank of India
- d) IndusInd Bank

IV. STEPS INVOLVED IN CARDLESS CASH WITHDRAWAL

Steps to begin Transfer and Withdraw Cash

- At first, the sender should login to his/her internet banking account or visit the bank personally to send money.
- The next step is giving the details of beneficiary: Payee's name or the recipient's name, his/her Nickname, his/her 10 digit mobile number, then re-enter the mobile number, his/her residential address with City and pin code, which depends on the bank's online banking link.
- After entering the above details, a registration alert containing the unique registration number would be sent to the sender's registered mobile number that completes the registration of beneficiary.
- After successful registration, you can follow normal process of sending the money
- After a transfer is commenced, the sender and the recipient will receive 4 digit verification code and 6 digit reference code respectively on their mobile phone via SMS.
- Now the Sender has to share this 4 digit code he received with the recipient.
- At last, the recipient needs to visit the ATM of the bank and enter the following details: a) beneficiary mobile number b) 4 digit verification code sent by the payer c) 6 digit code sent by the bank and the amount to be withdrawn.

Every bank has a limit for the transaction amount. In Case of ICICI, for every transaction more than Rs.5000 can be able to transfer, while recipient can withdraw Rs. 25,000 every month. The payer would be charged Rs. 25 for each transaction made.

V. REQUIREMENTS FOR CARDLESS CASH WITHDRAWAL

Here, given are the basic requirements for the customers to avail the service. For every transaction the beneficiary must possess some pre-requisites so that the operations may go smoothly. The Sender must have following requirements ready with him/her before he/she commenced the transaction:

- A savings bank account (sender) in the bank by which the money can be transferred
- Internet banking enablement and registering the beneficiary's details like his/her full name, his/her 10 digit mobile number and the complete residential address
- A registered mobile banking facility
- After transferring of money through internet banking, the receiver has to withdraw the whole amount by himself/herself at the same time and within days mentioned of the transfer.
- If in any case the details entered by the recipient found to be incorrect, the withdrawal will be blocked. And the full amount would get credited back to the sender's account.

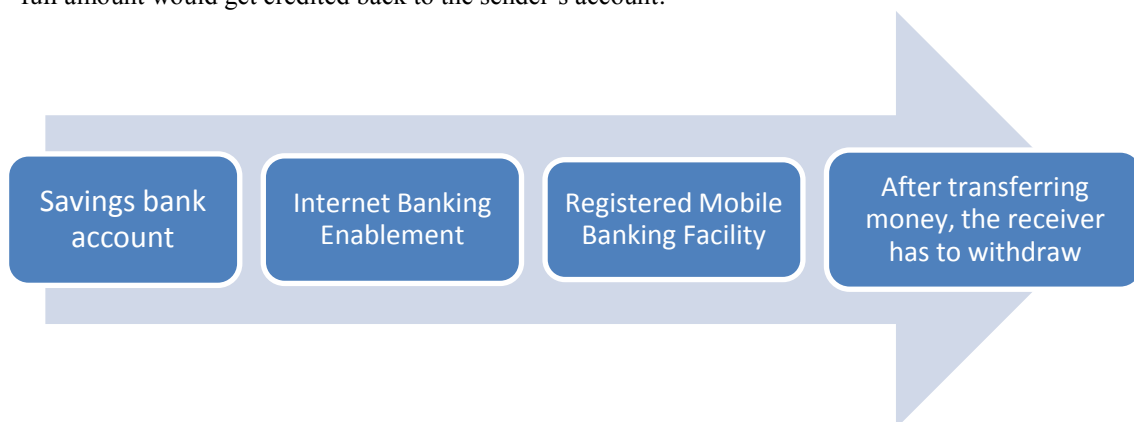


Fig: 1 Phases of Cardless Cash withdrawal

VI. STRENGTH OF CARDLESS CASH WITHDRAWAL

Strength of this facility is for both the customers' as well as banks' perspective. The banks have come up with this plan so that the public, especially the bank account holders may get some advantage in banking. So following some of the benefits to try up this facility provided by the banks:

- The transfer of Funds is easy and secured.
- This facility is most useful when one's ATM card is lost, this facility will rescue
- The service is available for 24*7
- Depending on the bank, the facility is available in the ATM's all over the country.
- Most importantly the Recipient's not required to have a bank account.

Though we have some advantages from this service, we should not ignore the negative part of it. Here are the challenges or weakness could be faced by customer as well as the banks through the service.

VII. CHALLENGES/WEAKNESS IN CARDLESS CASH WITHDRAWAL (CUSTOMER PERSPECTIVE)

- Due to its new nature, the customers may find it difficult to use it in the initial stage.
- The leaking of information is possible as everything is just stored in mobiles, in case of loss or theft.
- The clarity in understanding of terms and conditions is very much important as this is a new dimension of technology.
- People from rural part may find it more difficult as it some steps to activate the service. This may confuse them and lead to providing in wrong information.

VIII. CHALLENGES/WEAKNESS IN CARDLESS CASH WITHDRAWAL (BANK PERSPECTIVE)

- The complicated Technology: the employees of banks must be thoroughly informed or trained in providing the services to the customers.
- Way of the phone operating: the operations through mobile may be found out difficult as there are various types of mobiles each providing different types of OS; Android and Windows. The network service providers with the banks must be clear about the service.
- To make the people get used to the updated technologies: it is initially difficult to make the people to get used to the technology.

IX. OPPORTUNITIES IN CARDLESS CASH WITHDRAWAL (CUSTOMER PERSPECTIVE)

- Innovation and new idea
- Transaction under 10 seconds
- Easily reachable banking services
- Security and steal card
- Privacy
- Anyone can receive the money
- Pre- Preparation
- Authorization process is easy

X. OPPORTUNITIES IN CARDLESS CASH WITHDRAWAL (BANK PERSPECTIVE)

- The bank can have Mobile control and management of marketing campaigns.
- The bank can have Mobile administration and monitoring of ATM Networks.

XI. THREATS IN CARDLESS CASH WITHDRAWAL

Here threats are for both the side that is for customers, as well as the banks' perspective:

- The user may have to irrevocably and unconditionally authorize the Bank to access his Account.
- The User undertakes to provide accurate and complete information wherever required and shall be solely responsible for the correctness and completeness of information provided by him
- Non-Liability in the part of the Bank: a) any failure or loss of any information/ instructions in transmission. b) unauthorized access by any other person to any information /instructions given by the User or breach of confidentiality.
- The User may not hold Bank liable for non-availability of the Facility or non-performance by service providers, if any, engaged by the Bank or any loss or damage caused to the User as a result of use of the Facility for causes which may not attributable to the Bank.
- Bank may withdraw temporarily or terminate the Facility, either wholly or in part, at any time without giving prior notice to the User.
- In case of any amendment in the service, the user may have to suffer which he doesn't update the amendments made to the facility.

Table 1: Table showing the summary of SWOT of Cardless Cash withdrawal

<p>Strength:</p> <ul style="list-style-type: none"> ➤ Easy and secured transfer ➤ 24*7 service ➤ Available at all the ATM's all over the 	<p>Opportunities:</p> <ul style="list-style-type: none"> ➤ Innovation and new idea ➤ Easy authorization process ➤ Mobile control
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<ul style="list-style-type: none"> country ➤ Recipient need not have a bank account to avail the facility. 	<ul style="list-style-type: none"> ➤ Way to monitor ATM networks
<p>Weakness:</p> <ul style="list-style-type: none"> ➤ Difficult for people from rural part to use it ➤ Leaking of information ➤ Complicated technology ➤ Clarity in terms and conditions 	<p>Threats:</p> <ul style="list-style-type: none"> ➤ Banks may be unconditionally authorized to access customer's information ➤ Bank not liable for non-availability of the facility ➤ Banks not liable for any failure or loss of any information ➤ Bank may withdraw temporarily or terminate the facility without prior notice

XII. CONCLUSION

Due to the technological changes and rapid changes in the service sector industry, this paper has made an attempt to understand the New banking service offered to savings bank customers in private sector banks. This facility has satisfied 22% of the people of the world with its launching.

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