



PROSPECTS FOR IMPROVING AND DEVELOPING ONLINE BANKING SERVICES IN COMMERCIAL BANKS OF THE REPUBLIC OF UZBEKISTAN

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ABSTRACT	KEY WORDS
The article examines the prospects for improving and developing online banking services in commercial banks of the Republic of Uzbekistan, their remote services while maintaining reliability.	Online banking, remote service, security, money transfers, transformation, technologies.

Introduction

Provision of banking services is the main activity of any bank. In order to make a profit, a banking institution must create its own service that the client needs, determine its price, enter the market with it and sell it.

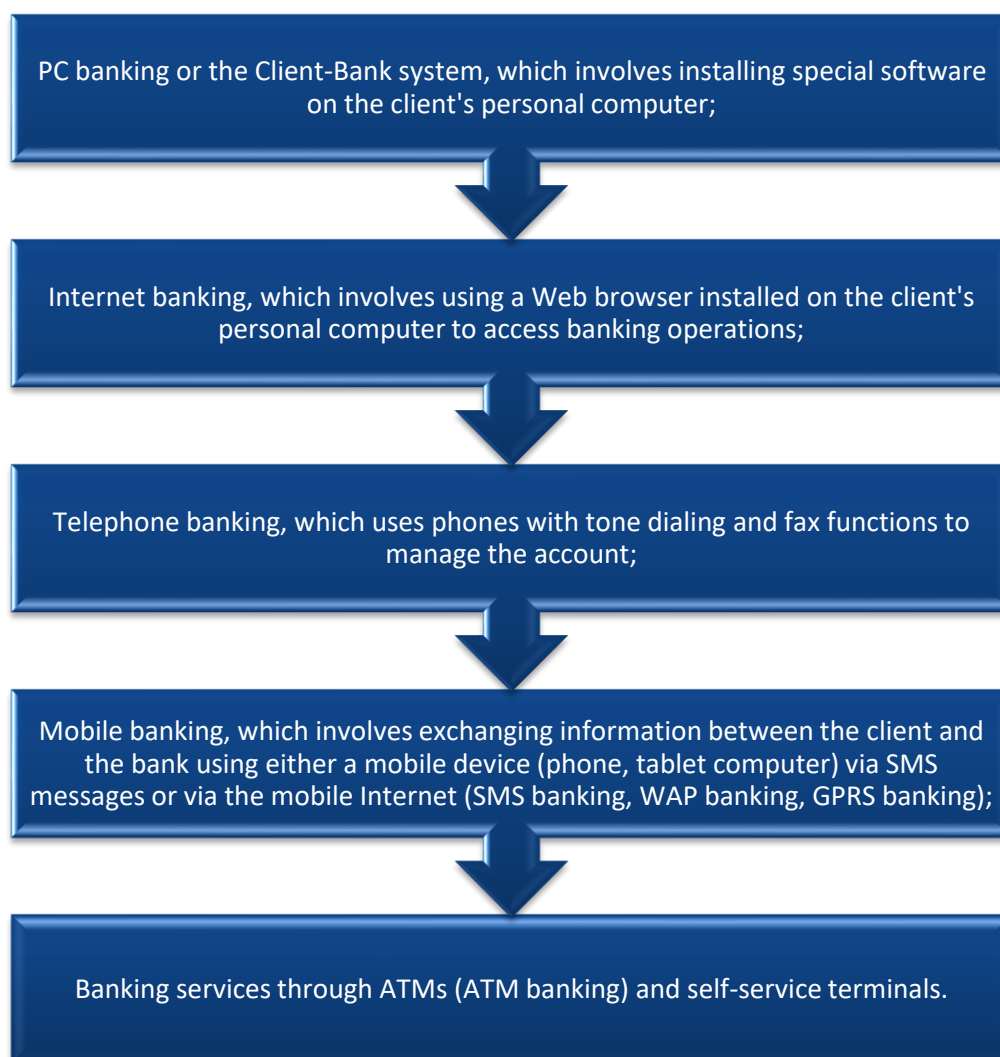
Fierce competition in the banking sector dictates its own terms to banks. It is not enough for clients to simply receive a banking product; they are interested in the quality of the service provided and the time spent on receiving it. It is equally important that the banking service has the necessary characteristics and will ultimately be able to satisfy all the client's needs. For the bank, in turn, the competitiveness of the banking service is important, which, unlike quality, determines a set of consumer and cost characteristics of the banking service that determine its success in the market. That is, the advantage of this particular banking service over others in the context of a wide offer of competing similar banking services.

The impetus for the emergence of new banking services, as well as the strengthening of the role of banks in the economic life of society, are associated with a change in the material form of money. Namely, the widespread use of non-cash funds and settlements. Changes in customer needs and the possibilities of banking services lead to a certain reorganization of their distribution channels. Bank-client cooperation in a stationary room is losing its relevance [1]. The client gets the opportunity to do this using electronic communication systems: phone, tablet or computer.



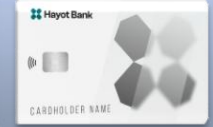

At the current stage of development, for banking systems of various countries of the world, uninterrupted and fast processing of cash and information flows is one of the main tasks of credit institutions. The need to introduce new information technologies is becoming obvious. Various types of online banking services (OBS) are becoming increasingly widespread among such technologies of banking services of commercial banks.

The concept of OBS can be considered from various points of view: starting from such a narrow concept as the provision of specific banking services by a credit institution using software and hardware to a wide segment of the banking market.

The basis of the OBS is the principle of information exchange between the bank and its client, subject to the bank ensuring a high level of security and confidentiality. By competently implementing and developing OBS systems, the bank increases the efficiency of its activities and expands its activities by increasing the level of sales of banking products, as well as attracting new clients by offering them new and more convenient service conditions. The main capabilities of the OBS are various retail business strategies, which are based on the concept of remote banking self-service for clients. This concept is that the client only needs to visit the bank branch once to conclude an agreement. Subsequently, the client has the opportunity to use the bank's services and purchase new banking products remotely, that is, without visiting the bank's office. This process allows banks to make their products not only convenient, but also accessible to a larger number of clients, regardless of the coincidence of their geography, as well as the working hours of the bank branches. Depending on the communication channel chosen by the bank client, the following types of OBS are distinguished:



Internet banking systems are systems designed to provide banking services to clients, providing the ability to perform all standard banking operations via the Internet, except for cash transactions [2]. Using an Online banking system provides a number of advantages:

	a bank client has the ability to monitor their own accounts 24 hours a day (receipt and withdrawal of funds from the account);
	the ability to track transactions performed using the client's plastic cards;
	fast and secure access to online store services;
	no need to install extensive software on the client's personal computer, i.e. the availability of the system for the client, since there is no link to a specific personal computer. And the bank client has the opportunity to work from any device with access to the Internet.

Of course, it is becoming increasingly difficult to introduce radically new changes in the functionality of Internet banking. At the current stage of development of such systems, the service of automatic payments (AP) is becoming widespread. Now many banks can provide such services. The potential for providing such services is enormous. This is due to the fact that the client only needs to set the payment parameters once (terms, amount of payment, details of the recipient of funds) and it will be automatically carried out by the banking system using OBS technologies. Mobile banking is the implementation of the client's management of his bank account using a mobile phone or tablet computer. As a rule, for this, it is necessary to download and install a special application on the mobile device. In most cases, an Internet channel is required to perform banking transactions, less often transactions are carried out by sending SMS messages [3]. It is worth noting that earlier, before smartphones became widespread, SMS banking was considered the main type of Mobile Banking.

Currently, Mobile Banking applications are Internet banking applications with reduced functionality, adapted for small smartphone screens and operating systems installed in mobile devices. SMS banking provides the client with access to accounts and account transactions using the client's mobile phone number, previously registered with the bank. Information exchange between the client and the bank occurs via SMS messages [5].

The number of users of remote banking systems is steadily growing, the number and volume of transactions are increasing. At the same time, the risk of fraudulent actions and theft of funds in remote banking systems is increasing. In order to provide clients with a secure service, a bank must offer comprehensive protection against the actions of intruders. Currently, developers of hardware for combating fraud have prepared an impressive arsenal of tools. The hardware includes many secure

devices for storing keys and generating electronic signatures, devices for generating one-time passwords, devices implementing a hardware trusted environment.

Today, there is already a system for combating fraud in remote banking systems offered to the market, which is an industrial product-service and has been successfully used by commercial banks of the Republic of Uzbekistan and banks of the CIS countries for more than four and a half years. During this time, the wishes and needs for anti-fraud functions from banks were studied and taken into account, and the capabilities of the system were expanded based on the best foreign practices.

The operation of this software product is based on the creation of a model of the bank's client behavior. The parameters of the client's behavior when using the remote banking system are recorded. Deviations from the typical behavior of the client are identified and the probability that the payment document was generated by a fraudster on behalf of the client is calculated. The bank, independently or by involving the company's experts, fine-tunes the client's behavioral model and known schemes for carrying out fraudulent transactions [5]. In fact, the bank forms a set of criteria on the basis of which the system carries out an operational check of client payment documents in order to identify signs of atypical behavior and fraud. The use of a behavioral model allows you to take into account the specifics of the bank's activities and perform individual settings for checking payments unknown to potential fraudsters. At the initial stage of improvement and development of online banking services in commercial banks of the Republic of Uzbekistan, telephone banking was the most popular form of remote services. This happened due to the widespread use and availability of phones. Telephone banking was in high demand from both corporate and private clients. Using the telephone banking system, the client could receive both information services from the bank and manage funds in their accounts. However, the beginning of the mass use of personal computers and the Internet led to the fact that telephone banking was increasingly replaced by other more modern and convenient forms of OBS.

Recently, a division responsible for the latest financial technologies was created in the banking system. The emergence of such a division is a very good sign for the entire banking industry. This will allow commercial banks to speak the same language with the regulator - the language of modern technologies and best practices. The main source of income from Internet and mobile banking is transaction fees, that is, payments and transfers. These functions are playing an increasingly important role in the banking business, since lending is declining in the current conditions. The number and amounts of transactions in mobile banking are growing, and the number of functions used is increasing. A mobile application can significantly reduce the bank's costs for online services. Banks are very concerned about the pricing policy of mobile operators, who are constantly raising the cost of SMS, which is now the main way to transmit one-time passwords to confirm transactions by clients. Financial institutions see a way out of this situation in using push notifications as an alternative - pop-up messages sent via a mobile data channel to the banking application. Push notifications not only cost less, but also arrive faster. However, the user must have mobile Internet, and abroad, for example, not everyone can afford to use it in roaming. In case the push notification does not arrive, banks leave SMS as an alternative. To summarize, we can say that online banking in commercial banks of the Republic of Uzbekistan is one of the striking examples of the use of advanced technologies that allow us to transfer banking services to a completely new quality level. This is not just a new form of providing banking products and services to clients. This is a completely different approach to banking - much faster, more reliable, more convenient and safer than it was before.

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