**What is online banking? Online banking, also known as internet banking, e-banking or virtual banking, is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website**.

* To access a financial institution's online banking facility, a customer with internet access would need to register with the institution for the service, and set up a password and other credentials for customer verification.
* The credentials for online banking is normally not the same as for telephone or mobile banking. Financial institutions now routinely allocate customers numbers, whether customers have indicated an intention to access their online banking facility or not.
* The customer visits the financial institution's secure website, and enters the online banking facility using the customer number and credentials previously set up. The types of financial transactions which a customer may transact through online banking are determined by the financial institution, but usually includes obtaining account balances, a list of the recent transactions, electronic bill payments and funds transfers between a customer's or another's accounts.
* Most banks enable a customer to download copies of bank statements, which can be printed at the customer's premises (some banks charge a fee for mailing hard copies of bank statements).
* Some banks also enable customers to download transactions directly into the customer's accounting software. The facility may enable the customer to order a cheque book, statements, report loss of credit cards, stop payment on a cheque, advise change of address and other routine actions.

**Advantages of online banking** There are advantages on using e-banking both for banks and customers including: permanent access to the bank; lower transaction costs/general cost reductions; access anywhere; less time consuming; very safe and secure method; helps to transfer money immediately and accurately; security of account.

**Security of online banking:**

* Security of a customer's financial information is very important, without which online banking could not operate. Similarly, the reputational risks to the banks themselves are important.
* Financial institutions have set up various security processes to reduce the risk of unauthorized online access to a customer's records, but there is no consistency to the various approaches adopted; however, the use and need for a secure website has been almost universally embraced.
* The most common security login system is where a **PIN** (personal identification number) represents a password, used for the login and a **TAN** (transaction authentication number). represents one-time passwords to authenticate transactions.
* TANs can be distributed in different ways, the most popular one is to send a list of TANs to the online banking user by postal letter.
* One of the greatest security risks are “phishing” schemes that duplicate bank Web sites and ask customers to log on to their accounts. Others send e-mails, purportedly from the bank or their employees, asking for sensitive personal financial information; Often the two work in tandem, with an e-mail containing a link that directs recipients to a bogus bank site.
* Both these scams are designed to steal user IDs and passwords as a customer types them in, giving a thief access to the person's financial accounts.
* **It is important to note that a bank will NEVER email or call you asking you for your personal ID or password.**

**Top tips to ensure your account security:**

* **ALWAYS** look closely at the website address in the address bar.
* **ALWAYS** ensure the website address begins with https:// rather than http:// (the ‘s’ indicating a secure site)
* **ALWAYS** ensure that you are connected to the correct website address.
* **ALWAYS** ensure that no warnings are displayed by your browser when arriving at the site.
* **ALWAYS** make sure the bank's padlock is displayed in a corner of the site before you log on.
* **ALWAYS** keep anti-virus and anti-spyware software up to date.
* **ALWAYS** ensure your password is a strong one and that you have a record of it kept in a secure place.
* **ALWAYS** ensure you logout completely from a publicly accessible computer e.g. in a hotel or café.
* **NEVER** respond to a warning email purporting to be from your bank.

**Main Irish banks with online facilities:**

* AIB - <https://aib.ie/ways-to-bank/internet-banking>
* Bank of Ireland - <https://personalbanking.bankofireland.com/ways-to-bank/365-phone-and-digital-banking-support/registration/>
* Ulster Bank

***If you bank online, there are risks and threats, so a certain level of caution and awareness on the part of the user is essential to keep your information/account secure***