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After a relatively slow start, South Africans have flocked to Internet and cellphone banking.

Absa, one of the country's big four financial institutions, announced this week that it had reached 1 million customers transacting online. First National Bank - which sends notification of transactions to 5 million clients by cellphone - unveiled plans on Wednesday to sell Mango airline tickets through cellphone banking. Standard Bank and Nedbank's Internet and cellphone banking services also have seen rising demand.

"Using the Internet has got to be the cheapest way of banking, given the cost of cheques and withdrawing cash," said Christo Vrey, the managing executive for Absa digital channels.

He said consumers paid half what they normally would when using the bank's digital services, such as Internet or cellphone, instead of the traditional charges laid down for people who went into the branch for service or used the ATMs outside their own bank.

At present, 4 million South Africans have access to the Internet, with 2,4 million people banking online. In the past 12 months, the total value of the transactions processed by Absa's Internet banking service was more than R660-billion.

Vrey said more people used the Internet for banking than for shopping, adding that the security for online trading had been proven, although, in June 2003, Absa's online ambitions were rocked by a suspected hacker who stole R530 000 from Absa clients. However, it later emerged that the criminal netted the proceeds through private computers in the clients' own homes after stealing their identities and that the theft had nothing to do with a breach of the bank's security.

Vrey said clients now had a one-time password - which had not been around in 2003 - and this was delivered to the customer's cellphone - a feature also not available five years ago. Accounts cannot be accessed except by the account holder.

He said consumers should still exercise caution when using public computer terminals, erasing passwords and logging off when leaving, and also making sure not to provide account details to e-mail requests.

Vrey said the next frontier for the bank was cellphone banking because it allowed consumers access to their accounts from "anywhere in the world".

Absa has 630 000 customers who use a cellphone to access their accounts. "One no longer has to go into the bank; it is in your pocket," he said.

Len Pienaar, the FNB chief executive officer: mobile and transaction solutions, said the bank has 700 000 customers using cellphone banking services. "We have seen heavy acceleration in growth of users in the past six months," he said.

Pienaar said that, while it was difficult to imagine life without the Internet, up to 80 percent of the population do not enjoy access to the web. "Many people take a taxi and go to town to check their balances, some end up going home disappointed if money promised is not put into their account." With a cellphone, it takes a mere three seconds to get a balance.

He said the bank's decision to team up with Mango to offer customers a cellphone payment option for air tickets was part of FNB plans to extend its services. "One can top up on airtime, purchase airtime for Telkom's prepaid option, obtain prepaid electricity and also pay traffic fines," he said.

Arthur Goldstuck, the managing director of World Wide Worx, the information and technology research firm, said it was cheaper to bank online. He said signs were clear that the cellphone was surpassing online demand.