

Smart Phones Will Not Make Banking Safer

By [Big Brother Watch](#)

Global Research, August 15, 2016

[Big Brother Watch](#) 9 August 2016

Region: [USA](#)

Theme: [Global Economy](#)

You may have seen in today's papers a revolution in banking is on its way with the smartphone taking centre stage.

One of the key reasons is to give control back to the customer, to stop banks trying to rip us off and flog us products we don't need. This is all very admirable and a step forward in protecting the consumer.

But, one of the solutions which the Competition and Markets Authority (CMA) have come up with is to encourage us to entrust our banking to a mobile telephone. This will, it is hoped, make us safer and protect us from mis-selling by restricting us from having a conversation face to face with a real person.

Big Brother Watch do not agree. The mis-selling of products wasn't down to face to face engagement being a fundamentally bad way of doing business, it was down to bosses encouraging bad practice. Turning people towards using their mobile devices as a preference to talking through their bank accounts with a real person is not going to solve the problems inherent within the banking industry.

Encouraging people to use their mobile telephones and to bank via apps on their phone may improve convenience but it will not make people's banking experience safer, if anything it will make it more insecure, vulnerable to misunderstanding and open to cyber problems.

First of all it appears the CMA has failed to acknowledge the problems of denial of service attacks our high street banks have already faced. Customers of Natwest and RBS who were unable to access their bank accounts, make payments, had mortgage approvals denied, pay blocked or direct debits halted due to the "IT error" probably haven't forgotten.

This kind of attack is an ongoing problem as is cybercrime and online fraud. [Crime figures released last month](#) show that online crime and fraud currently affects 1 in 10 of us. It can be argued that a large part of the problem is the way in which we use our mobile devices. Increasingly people do their banking on the move using unsecured and therefore vulnerable public Wi-Fi connections, connections which are known to be exploited by hackers, identity thieves and other unscrupulous characters lurking completely unseen online. These unsecured connections are used to target people banking, shopping and sharing their financial details via their phones. When we bank online we are required to go through a whole host of security processes, these do not exist in the same way in mobile app banking.

Even if the Wi-Fi connection is secure can we guarantee the security of our mobile telephone? Yesterday it was announced that over 900 million Android phones were vulnerable to being hacked due to a bug.

These invisible and often unspotted threats are far greater than a bank manager being ordered to attempt to mis-sell you a product.

The creation of PPI repayment schemes has cost the banks dearly, but if the concerns we have outlined aren't addressed, the pot of cash required to reimburse affected customers has the potential to be a whole lot more. That is if they don't turn the blame onto the customers themselves for poor online and mobile security!

Online and mobile banking is not going away, and nor should it. Technology is here and it has an important role to play, but seeing it as the leading solution is a quick fix for absolutely no long term gain. Solving the inherent problems requires a move towards treating customers like people, re-establishing honesty and transparency; encouraging secure and trustworthy relationships in which people can conduct their financial business safely, not shoving people into a world of faceless technology and calling it choice. Encouraging us to trust technology rather than people is not a solution and it is not going to make banking safer for any of us.

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