

RESEARCH ARTICLE

PROBLEMS AND SOLUTIONS FOR IMPLEMENTATION OF "ONLINE DEPOSITS" IN INDONESIA: DESCRIPTION ANALYSIS

Santi Pisi, Girang Permata Gusti

Sekolah Tinggi Ilmu Ekonomi Boedi Oetomo, Pontianak – Indonesia.
*Corresponding Author Email: b3081201001@student.untan.ac.id

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ABSTRACT

Banking digitalization is an effort to continue to innovate to provide various facilities and conveniences for customers when conducting financial transactions through their smartphones. The online deposit service is one of the financial product innovations that provide online account opening services, without requiring customers to be physically present. This research uses descriptive methods and literature studies to find various problems when the implementation of online deposit products is carried out. The findings of this research are (1) the number of supporting infrastructure facilities for banking digitalization is still relatively limited, (2) many banking terms are difficult for the public to understand, (3) the number of cybercrimes occurring as a result of the increasing number of users in this industry. In this research, the author provides solutions to overcome the problems that arise, (1) improving IT infrastructure, increasing security, (2) online operator facilities that explain directly, (3) updating security and operator knowledge on various new modes that are developing about crime on the internet. This activity will make people believe, comfortable, and willing to place their money in the bank, especially the placement of deposit funds online. This research contributes to the development of knowledge about banking digitalization efforts in Indonesia.

KEYWORDS

Digitalization of banking, online deposits, IT infrastructure, IT security

1. INTRODUCTION

Time investment products that are relatively safe and profitable are deposits. The investment value in the form of interest rates which always rises above bank interest in general and the amount of funds stored is protected by the Deposit Insurance Corporation in case of risk to the bank, making this product suitable for those who want to invest in the long term (Mushtaq and Siddiqui, 2017). But unfortunately, deposits are less popular in the community. The problem is that the investment method is a hassle, starting from the registration process to disbursing deposit funds. But now this condition does not need to happen again in this era of digital technology. All the complexities of conventional deposits have been overcome with the presence of online deposits at several national banks in recent years. Online Deposit is a time deposit product that offers attractive interest rates and provides the best solution. Deposit placement can be done online using E-Banking services. Deposit tenors can be 1 month, 3 months, 6 months, and 12 months (Hadijah, 2018).

Online deposits are a new trend nowadays, where you can open your deposit account online and without having to bother going to the bank to take care of the various requirements, just visit the destination bank's website and fulfill the requirements online, you don't even need to prepare stamps at every opening conventional deposits in general. Although it provides many conveniences, online deposits also have drawbacks. Online transactions including deposits have risks that you need to be aware of, so before deciding to open this time deposit product, it is better to find out the shortcomings of online deposits. Some of the problems related to online deposits are, (1) Not All Banks Serve Online Deposits, (2) Financial

Terms are Prone to Misunderstanding, (3) Cyber Crime Risk (Hadijah, 2018).

This research aims to conduct a thorough study of various problems that arise as a result of the application of advances in digital technology, especially those related to deposits. The digital banking service ecosystem is still relatively limited and financial terms are still difficult to understand by ordinary people, making the trend of online deposit options less attractive to choose from. And many other problems, related to the application of online deposits. In this research, the author provides a detailed explanation of the various obstacles and challenges faced, plus offers applicable solutions to overcome various problems that arise as a result of the implementation of this online deposit system, especially those related to customer personal data.

This research provides benefits for the public to be more careful and aware of various investment offers and various methods of saving money that provides high returns. This research is also useful for policymakers, to properly design various rules related to the management, supervision, and security of customer data and funds. Another benefit for banks is that they have sufficient planning and the right strategy, in the event of various criminal acts that are prone to emerge as a result of the convenience offered by various application platforms for these online deposit providers. In general, online deposits have benefits, including, (1) Competitive interest rates, (2) Can determine the nominal savings, (3) Can Determine Maturity Time, (4) Can't be taken at any time, (5) Can be submitted anytime and anywhere

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2. LITERATURE REVIEW

Banks that provide online customer access are very vulnerable to criminal acts of fraud and counterfeiting, this happened in the case of the Nigeria Deposit Insurance Corporation (NDIC) (2014–2017) the element of prudence in carrying out Banking transactions are vital things to always pay attention to, starting from accuracy in storing personal data, vigilance in sending money online and sensitivity to avoiding various offers that promise high returns in a short time (Odukoya et al., 2021).

Banking services have begun to experience significant developments, where the change from services to customers who initially had to come to the office or automated teller machines, now these services have begun to be replaced with services carried out online. This includes services for the use of Mobile money. With mobile money facilities and the use of smartphones as a means of banking access, it will encourage users to use other financial services such as online deposits (Ndassi Teutio et al., 2021; Ouma et al., 2017). Where this online deposit service is very practical and efficient in providing easy access to banking for users without having to physically come to the office.

Corporate governance has a significant role in determining banking performance, especially if it is related to the implementation and supervision of customer in the form of deposits (Kafidipe et al., 2021). Deposits from customers provide flexibility for banks to manage them optimally so that they can provide mutually beneficial returns between depositors, banks, and borrowers. So, in the current digitalization era that demands good corporate governance and management, the implementation of a deposit service that provides online access for users is something that deserves attention. With good corporate governance, it will be able to avoid various criminal acts that often occur, which in turn will improve the company's performance for the better and development.

The paradigm shift that occurs in society, where currently people tend to use banking as a place to save, rather than as a service to invest in deposits (Jameaba and McMillan, 2018). This shift will certainly have an impact on the performance of the banking sector itself because savings funds can easily move quickly, but for online deposits it cannot, because there are contractual rules that bind the minimum time limit for disbursement. This paradigm shift also provides space for various criminal's activity related to banking crimes, especially in the current era of digitalization. Strict supervision is required for the banking industry to remain healthy and productive when carrying out operational activities. The presence of a deposit insurance institution is one solution to provide peace for the community when banks open online access for users to save and open deposit accounts online.

3. RESEARCH METHODS

This research uses descriptive methods and literature studies, where the author attempts to conduct a study on research topics related to various problems regarding the application of one of the banking financial products in Indonesia, namely 'Online Deposits'. From the problems found through the study of literature, the authors explain solutions to overcome.

4. DISCUSSION

Problems related to the application of online deposits in Indonesia are (Aggregation, 2016; Hadijah, 2018):

1. There are still few banks that provide online deposit facilities.

Although several leading national banks in Indonesia have provided this product, the number is still relatively small. This is influenced by the limitations of technology infrastructure in Indonesia which has not reached all regions in Indonesia so that not all of our people can use the internet as a medium for conducting transactions. The customer reach is still very limited in areas that already support the use of this online deposit.

2. The number of foreign terms that have the potential to cause errors

If you open a conventional deposit account, you will still get guidance and assistance from the bank in filling in the necessary data, especially when you encounter ambiguous terms. However, if you use an online deposit, you have to fill it yourself without the help of a bank officer and the risk of data entry errors is very high. Filling out an online deposit form carelessly is also not a wise action because you will have to endure the difficulties later.

3. There is a Risk of Personal Data Theft, Hacking, and Technical Errors.

Everything related to the internet has one problem in common, namely data theft and use that is not following its function and authority. Not only the problem of online deposits, various cases that are included in the violation of the IT Law have also been recorded. This is the risk you have to bear when using online deposits. So if you want to minimize this kind of risk, conventional deposits are the answer you need to invest using deposit products.

The solutions that the author offers to overcome these problems are:

1. The visions and missions of the government of the Republic of Indonesia, which encourage digitalization in various fields. This vision and mission must be followed by support for improving the performance of the IT infrastructure, so that it is relevant and compatible with changes in financial technology that are running very fast with various innovations in it. Quality human resources must be owned immediately, to encourage changes in people's perspective patterns amid the existing busyness, which can be seen from the increasing trend of internet users who continue to increase. This quality of human resources can be obtained through various ongoing training and guidance to support the implementation of better banking digitalization.

2. Terms in the financial industry that create confusion in the community, causing a significant shift in perspective. With conventional services, the public will be given a comprehensive explanation of each financial product, especially those related to deposits. However, this explanation has not been found when people open deposit accounts online, users must train themselves to quickly understand various financial terms and various banking rules in them. So the solution is the placement of online operator facilities that can provide direct explanations that will help the public to easily understand various financial terms and various banking rules. With the existence of online operators, people can ask questions directly, in the same condition when opening an account directly (by coming to the office).

3. The risk of crime from any online banking activity is always a consequence of developments in the current digitalization era. The risk of personal data theft and technical errors from banking servers has always been a public concern. With various cases that have occurred, people are not easy to believe and again switch to conventional concepts, such as payment by cash, account opening, and financial transactions by coming directly to the office. Then what is the solution, the author argues that banks are obliged to invest in their IT infrastructure very seriously by continuing to improve security and server capacity, so that it remains stable when many users are accessing it. With the support of existing facilities, things such as slow access, system errors and theft of customer personal data can be avoided and even eliminated if banks pay good attention to this digitalization supporting infrastructure. The renewal of the IT system, the renewal of the security system, the improvement of IT infrastructure, the renewal of operator knowledge about various new modes of banking crime, will make banking digitalization efforts run well and directed.

5. CONCLUSION

Online deposits are one of the quick solutions for people in today's digital era. Various convenience and comfort facilities and supported by competitive interest rates make financial service innovations provide new space for banks to be able to add customers quickly and efficiently. However, this service also presents various risks and consequences for customers if they are not careful with various banking access services that can be easily done through their respective smartphones. Problems such as the limited supporting infrastructure, banking terms that are difficult to understand, and the risk of criminal acts that continue to occur, have made banking digitalization efforts slow to develop. Solutions such as improving IT infrastructure, increasing security, online operator facilities that explain directly, updating security, and updating operator knowledge on various new modes that are developing around crime on the internet, will make people trust, comfortable, and willing to place their funds in the banking sector, especially the placement of online deposit funds. The author believes that by implementing the various solutions presented, digitalization efforts in the banking industry in Indonesia will run well and quickly.

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