

Measures to Increase the Popularity Of Banking Services

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Annotation. This article discusses the latest work being done in the world and in our country to increase the popularity of banking services. Of course, through this, banks try to attract more customers and make more profit.

Key words: banks, population of banking services, operations, traditional and non-traditional banking services, bank-client system, kobejing cards, internet banking, pc -banking, telephone banking, video banking and others.

Introduction: After independence, a lot of work is being done in our country to accelerate the liberalization and reform of the banking system, the main purpose of which is to bring the activities of our banks closer to the standards of international banking practice, increasing bank's capital privatization, the application of new modern technologies in the activities of banks and the achievement of efficiency and stability of the economy through the efficiency of banks in general. In this regard, in accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan "On measures to reform the banking system" dated January 15, 1999, to increase the stability of the banking system, expand the participation of banks in lending to the economy, competition in banking tasks in the field of environmental development have been identified.

Main part: It is known that banks, unlike other subjects of market relations, are the driving force of the economy, as an intermediary in the organization and conduct of material production, ensuring the continuity of capital turnover, accumulation of free funds and their surplus money. In the latter case, the money is distributed among the subjects in need.

Another difference between banks and other entities is that they rely heavily on borrowed funds. In general, the state of the economy is determined by such indicators as the activity of banks, the satisfaction of the population with the services they provide, the benefits provided by banks.

Today, in world practice, banks recommend more than 300 different operations to customers. As far as possible, we are starting to make financial decisions that meet the needs of each client, to introduce new banking services. An important and fast-growing branch of banking is the banking services. The more, faster and more convenient banking services are for the consumer, the higher the income of banks from customers and services. Therefore, an important direction of the banking strategy is to increase the number and quality of banking services, the introduction of new, modern banking services. One of the key issues facing the banking system in this regard is to strengthen public confidence in banks, to make banks a reliable partner of the population and businesses. In this regard, it is important for commercial banks to provide loans to large enterprises, small businesses and the public, to ensure timely payments from accounts and to improve the quality of other types of banking services.

At present, the banks of our republic offer both traditional and non-traditional banking services to our people. The most common of the traditional banking services is the attraction of funds by legal entities and individuals to deposits by banks. The accounts of all legal entities are in the form of demand deposits in banks, through which banks serve customers and earn income. That is, for each transaction, the bank retains a fixed interest rate and makes a significant profit. Non-traditional services of the bank include factoring, forfeiting, trust, leasing operations, information and consulting services. The main goal of every business is to make a profit, to make more money than they spend. Banks are no exception. So, based on the above, the bank's income can be divided into three groups according to the form:

- interest income;
- commission for services rendered;
- other income - differences in exchange rates, differences in balance sheet and market prices and etc.

It should be noted that banks are trying to introduce new services from their profits. At present, the introduction of a new type of banking services in the banking system of Uzbekistan, clearly conducting banking operations on the basis of information technology, expanding access to plastic cards for customers, providing the bank and customers with various software, customer service at home great attention is paid to the development of the display system. This is because connecting a personal computer to a banking computer system allows client to perform the following operations: get a current account balance, get acquainted with the rules and instructions; receive a report on the movement of funds in the account for the relevant period; settlements for goods and services; securities and other transactions.

As mentioned above, at present, commercial banks of the country offer banking services to their customers through the "Bank-Client" system. Customers - users of the system receive a floppy disk and a password from the bank, after which they can fill out a payment order and send it to the bank via a modem after the electronic signature. All this is done remotely. The

bank accepts documents, checks and if there are no deficiencies, the funds are automatically transferred from the client's account. The system "Bank – client" transfers payment documents to the bank, receives statements from the client's account, receives copies of payment documents on the receipt of funds on the client's account, exchanges information with the bank via electronic text messages, information provides a minefield of data acquisition and ensures the confidentiality, storage and authenticity of the data transmitted.

Today, home customer service is becoming the main form of retail banking. Services provided to customers by bank branches, credit and payment cards, services based on the use of ATMs form a single system of banking services provided to customers at home. Banking programs based on modern new technologies in the banking system of the Republic are designed for automated interaction between the bank and the customer, which contributes to the growth of operational management of funds and the creation of the following opportunities:

- + save time and money by not having to come to the bank every day;
- + the client voluntarily chooses a bank, regardless of the long proximity of the address;
- + provide banking services to citizens who are customers of the bank, and to legal entities in their offices by creating an automated workplace;
- + expand the range of customer service in the field of operations and information;
- + increase the productivity of bank accountants;
- + ensuring high-speed and high-quality listing of operations.
- + the operation of the bank's client software package is based on the exchange of data in a file between the bank and the client through a communication network.

If we look at the reforms that have taken place in recent years, we can see that market mechanisms for the provision of services in the banking system are being introduced, their range is expanding, and financial transparency for entrepreneurs and the population is not increasing. In particular, new banking services have been introduced to facilitate currency exchange operations for the population, and opportunities have been created for individual entrepreneurs to purchase foreign currency. At the same time, there are a number of problems and shortcomings in the observance of the rights and legitimate interests of consumers of banking services, especially in the regions and the expansion of financial transparency, as well as confidence in the service culture and the banking system. The law "*On additional measures to increase the popularity of banking services*" provides detailed information on this. In particular:

- first, the over-centralization of authority in lending decisions hinders a clear demarcation of responsibilities between parent banks and their branches;
- second, sophisticated loan application processing mechanisms limit the ability to obtain loans quickly;
- third, the lack of access to microcredit by commercial banks does not allow to increase the level of microcredit, high interest rates on the services of microcredit organizations and pawnshops often lead to a deterioration in the financial situation of consumers;

- fourth, the low level of development of the retail banking market and the lack of modern approaches to establishing partnerships with customers create the basis for excessive bureaucracy and red tape;
- fifth, the lack of a state processing organization for cashless payments on the basis of bank cards affects the level of security, continuity and reliability of retail payment systems and the implementation of innovative projects open to the general public. hinders the advancement of modern technological solutions;
- sixth, the collection of fees and other charges for the consideration and disbursement of loans (microloans) leads to an increase in the real value of the debt;
- seventh, the inclusion in the contracts of the right to unilaterally change service tariffs, interest rates on loans and deposits, as well as the provision of one service on the condition of using an additional service violates the rights of consumers of banking services;
- eighth, the existence of restrictions on the withdrawal of foreign currency from bank payment cards and the insufficient number of ATMs do not allow to provide the required level of service in foreign exchange transactions.

The fact that such problems and shortcomings still exist is a source of frustration. However, it should be noted that our banks have been trying to penetrate the financial market for the last 5-10 years. The Central Bank is tasked with overcoming these problems, further improving the mechanisms to ensure the protection of the rights of consumers of banking services and increasing the level of financial transparency, taking into account the picture of innovative development. However, in our opinion, it is wrong to leave everything to the Central Bank. This is because it is better to develop an environment where there is competition between banks and for those who work hard to win in this competition. After all, we are not saying that our country's banks do not have a competitive environment. On the contrary, the competitive environment between commercial banks is improving due to new operations and regular updates of customer service. For example, JSCB "Qishloq Qurilish" bank with 42 branches, 33 mini-banks, 11 "Banking Service Centers", 201 branches has paid attention to banking services to provide the population in accordance with modern requirements. Also, the Ministry of Finance of the Republic of Uzbekistan, the Ministry of Information Technologies and Communications and the Central Bank approved on May 30, 2018 "Development and support of contactless payments, including the use of international payment systems, as well as the development of the regulatory framework in this area" "complex measures for 2018-2019, the task is set to introduce co-payment cards in several payment systems in conjunction with international payment systems, which are being implemented today.

In particular, it is no exaggeration to mention the issuance of Kobejing cards, which combine the payment systems Uzcard and UnionPay, as well as VISA classic and VISA Gold international payment cards. VISA classic international payment cards allow client to make payments at any institution with the VISA logo in more than 200 countries around the world. Currently, 3D-Secure services are being introduced to protect VISA Classic cards issued by banks from fraud via the Internet. Bank customers have the opportunity to use VISA classic and VISA Gold international payment cards for the following purposes: treatment in foreign countries, education, hotel reservations and payment for services, purchase of products in

retail and online stores, get discounts from various trade and service companies, receive medical and legal assistance if necessary, as well as pay for meals and withdraw cash through ATMs.

Last year, for the first time among the banks of the country, JSCB “Qishloq Qurilish Bank” together with the payment system “Uzcard” launched an automated currency purchase service at ATMs with “Sash-in / Sash-out” function. In turn, it is possible to deposit foreign currency directly to the bank card through an ATM. Today, the bank is working to increase the number of ATMs that provide this service. Our banks have never been quiet on test days. The reason is that the interest of the customer is paramount. Another convenience is that the bank’s mobile application allows people to receive remittances from more than 170 countries in national and foreign currencies, and most importantly, to transfer the money directly to a plastic bank card. In general, the changes seen by the bank in the introduction of digital banking and retail - a new banking service, create a number of conveniences for customers, as can be seen in the following figures. Currently, more than 46 ATMs 24/7 self-service outlets are at the service of our people around the clock. They allow people or clients to make more than 35 payments without visiting bank branches. The existing 45 automated currency exchange ATMs exchanged \$ 2.725 million last year. Since the launch of ATMs, more than 3 trillion 168 billion soums have been cashed through them until last year. Today, the total number of ATMs is 207, of which 95 are UzCard and 112 are HUMO plastic cards. There are general 20089 terminals and 178 kiosks.

Despite the fact that our people are facing a test case of the coronavirus, our banks have not neglected to provide remote banking services to the population. The bank's mobile application has launched an online service for accepting applications for plastic cards and delivering orders to customers’ homes. Work is also underway on projects such as obtaining all types of bank cards (international Visa Mastercard, Unionpay virtualcard, UZCARD, HUMO, co-branding), all types of terminals online, creating a virtual card and e-wallet, further improving mobile payments.

In short, the penetration of the Internet in the banking sector, and thus the formation of Internet banking, one of the modern banking services, is contributing to the further improvement of banking. Undoubtedly, the development of the Internet in the banking system, the involvement of strong professionals and the implementation of modern banking operations is a priority. It is known that the practical application of Internet banking in the banking system of developed countries leads to a huge number of opportunities in the banking sector. There are now more than 400 banks around the world offering such services. As mentioned above, Internet banking is a type of remote banking, which means that banking services are provided outside the bank, between the client and the bank employee. If the system is fully automated, the customer will be able to access it at any time. There are also 4 main types of remote banking services:

1. Internet banking;
2. PC banking;
3. Telephone banking;

4. Video banking.

In PS banking, the customer can access his account through his personal computer. In this case, the bank and the customer communicate via modem, not via the Internet. Video banking is an interactive form of communication that uses a device called a kiosk. They are usually installed in crowded places. Telephone banking is the most popular type of remote banking, which provides banking services over the phone. It is currently the most convenient system for a commercial bank. In the West, the global network of Internet services originated in connection with the logical development of home banking technology. It should be noted that the provision of remote banking services in the home began in the 1980s, clearly these are services provided over the telephone network.

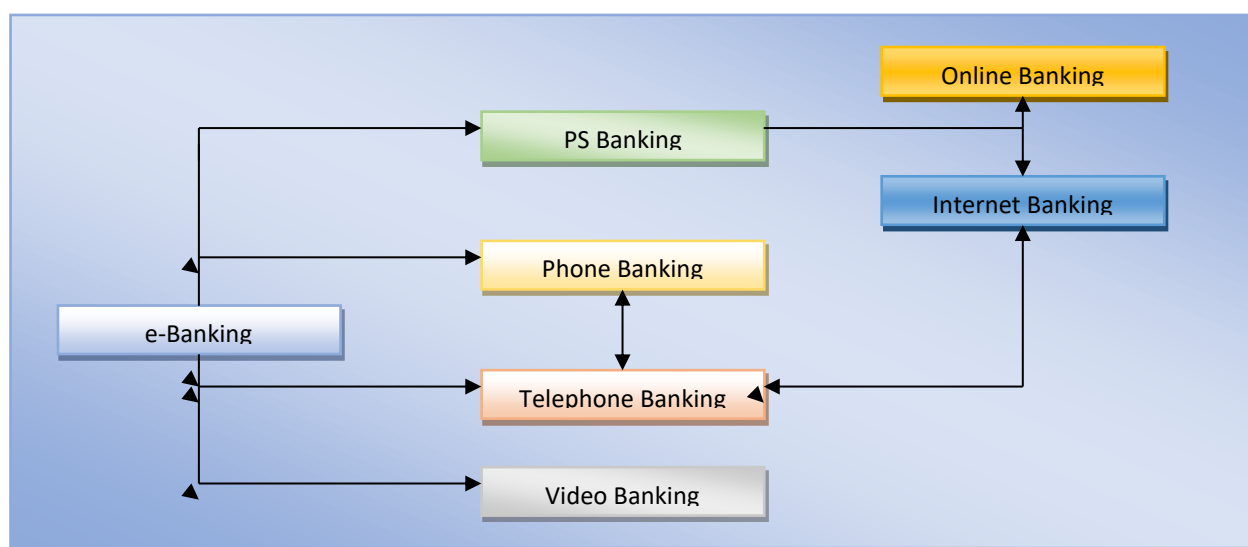


Figure 1. Scheme of remote banking services for customers

Conclusion: In conclusion, the positive results of the bank's activities in protecting the legitimate interests and rights of consumers of banking services, expanding the popularity of banking services, especially in remote areas, are mainly related to the professionalism of employees. requires constant improvement of theoretical knowledge and practical skills. Regulation of relations and provision of services in this area, including the optimization and development of units engaged in retail business, the development of remote service channels, the development of new and improved products, the implementation of the principle of retail customer service, Improving technologies aimed at improving the quality and culture of customer service is one of the most pressing issues facing banks today. To do this, first of all, it is necessary to strengthen and increase public confidence in the banking system.

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