

## Is mobile banking truly mobile?

There has been a transition in acceptance pertaining to mobile banking, but is it mainstream? Mainstream implies ubiquitous acceptance. In addition, mobile banking apps, from a technology standpoint are standalone, meaning that mobile banking is a separate and independent product interfaced only with the core banking application using a real-time interface.

Yes, more and more financial institutions are beginning to consider mobile banking as a product offering even though some vendors have significantly over-priced it which serves as an impediment to adoption. The real technology test has to do with the enrollment process. If a customer has to enroll in online internet banking and then mobile banking, it is truly NOT a mobile banking product but only another layer! Layers add to complexity and diminish reliability. In essence, the internet-enrollment-first requirement is a development shortcut that FIs should not allow vendors to take! Furthermore, FIs should not accept the reliability risks associated with this type of configuration. That is; if the internet bank goes down, so does the mobile banking application! Not a good scenario.

Financial institutions and vendors alike should realize that digital natives are not interested in establishing two electronic relationships with their FI let alone the reliability risks. It only takes one bad experience to lose a customer. What they want is one app they can download to their smartphone that connects them to their FI and interfaces with billpay, and that is reliable. One stop, one touch. It is as simple as that!

Furthermore, the slower FIs and vendors are in adopting, accepting and developing mobile banking as the 21st century platform, the more fuel they add to the innovation engine of entrepreneurs. A case in point, NACHA members just defeated a proposed rule change to take the ACH real-time and expand the same-day settlement option. The justification behind this decision was that some financial institutions did not want to adversely impact their Funds Transfer (Wire Transfer) product and the associated revenue. Please, who sends a \$25 wire transfer? Absolutely no vision. That is all entrepreneurs need to continue to develop alternative payment systems that will circumvent and diminish the banking payment system franchise we as an industry are trying to protect.

The implications are greater than we think. As an industry, if the technology we offer does not match the lifestyle of our customers, the banking franchise that will continue to experience erosion of the payment system...one app at a time!

The Wombat!

About the Author

Dan Fisher is president and CEO of The Copper River Group, a consulting firm headquartered in Fargo, N. D., that focuses on technology and payment systems research and consulting for community financial institutions. For nearly 30 years, Fisher has worked in the financial industry using technology to improve the bottom line. He was CIO of Community First Bankshares (now part of Bank of the West), has served as a director of the Federal Reserve Board of Minneapolis, the chairman of the American Bankers Association Payment Systems Committee, and was a member of the Independent Community Bankers of America Payments Committee. Fisher has written numerous articles on banking technology and the payments system. He has authored or co-authored six books and recently published a book titled, "Capturing Your Customer! The New Technology of Remote Deposit." You can contact Fisher at [dan@copperrivergroup.com](mailto:dan@copperrivergroup.com).

P.S. To understand Dan's nickname, check out "About the Wombat" on his website, [www.copperrivergroup.com](http://www.copperrivergroup.com)