BIZCOMMUNITY

Building the infrastructure to support mobile banking

By Natie Snyman

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More and more people are turning to mobile apps to do their banking, rather than face lengthy queues in branches. Banks have latched on to this trend, striving to compete with each other through continually redefining and improving user experience on their apps and portals in order to retain and attract customers. In fact, mobile banking has become such a preferred method of transacting, that South Africa will soon have its first mobile-only bank, Bank Zero.

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However, the purpose of mobile banking is to make it easier, and more user-friendly, for customers to do their banking. No amount of user-friendly benefits and application add-ons will help banks retain a happy clientele if poor infrastructure impedes customers' ability to use their app.

A bank's back-end infrastructure is as important – if not more so – than the bells and whistles offered by a mobile app, and banks need to ensure that their infrastructure is wholly capable of handling the demands of a growing mobile society.

Mobile bank challenges

Earlier this year, a leading bank came under public scrutiny when a connectivity disruption caused their application to fail to deliver the services it needed to. Users turned to social media to complain and - despite the fact that this bank's application is considered to be the leading banking app in South Africa – the bank suffered angry customers and a hit to their reputation. The outage was so widespread, even ATMs were affected.

In an online world, banks face many more challenges than poor, or interrupted connectivity. Security, data storage and bandwidth allocation during peak times also pose a challenge – one which banks should prioritise, particularly in world where social media makes it easy for customers to publicly decry poor service.

Mobile apps require – and use – a lot of data, which is why some banks have even offered to cover data charges for customers using their online platforms. However, if the bank's telecommunications infrastructure is less than stable, or unable to withstand the sheer data volumes generated by app users, then even perks such as free data don't help.

Banks also face strict and stringent regulations on their network build and choices. BSI (German Federal Office for Information Security) approved equipment with protection at optical or layer 1 as well as robust encryption across line speeds of 100Gbit/s and beyond, is vital requirement for financial institutions

Enabling better services

Banks and financial industries need to ensure their telecommunications providers are able to provide the speeds and bandwidth management to cater for peak use times, but also need to provide optimum security across all nodes of the network.

There are many options available today. Some bigger banks are building their own network and telecommunications infrastructure, crossing the line from financial service provider to telecoms provider, while others are leveraging existing infrastructure or creating a hybrid from the two. Either way, they also need to carefully consider other key infrastructure, such as storage, operation platforms and more.

The biggest bug bear that banks face when it comes to combining these infrastructure components is interoperability. While many ICT providers believe their platform is the best, they still need to integrate with the banks own software or firmware, creating complex challenges. Ensuring interoperability of all aspects behind any customer-service enhancing application is a time consuming and complex endeavour.

Collaboration creates harmony

Banks and telecoms have become intertwined, giving rise to the likes of new fintechs; banks that offer telecommunication services as well as traditional financial services. But beyond this, many original equipment manufacturers (OEMs) and software vendors have embarked on a collaboration drive to encourage interoperability.

The days of proprietary-only software, hardware and infrastructure – built and sold so to engender a single-vendor solution across enterprises – are dwindling, and OEMs are realising that to remain relevant, it's important to begin allowing for standardisation and interoperability.

Various forums are being created to drive interoperability between vendors, creating standards and helping to lower overall costs of implementing solid, flexible and user-friendly infrastructure. Software defined networking (SDN) is playing a vital role in how OEMs are delivering solutions, now, and enabling a whole new way of delivering services.

Solving the problems

Banks need to consider their overall intention when it comes to offering apps to the market, and work backwards from there, looking at what infrastructure is available to best support their objective and how they interconnect to the deliver the solution. The overarching element of all these considerations is security, particularly as cybercrime continues to disrupt app services.

Users are cautious. On top of this, banks are under legislative directives to protect not only their customer's interests, but

their personal information as well. Infrastructure needs to be robust, secure and completely capable of managing and storing customer data, without fail.

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