
Mobile banking migration hits speed bumps

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The lack of competition among the big four banks is slowing the development of mobile banking in Australia, IT experts say.

The migration to mobile banking has hit speed-bumps in Australia, says Matthew Talbot, a senior vice-president of mCommerce at Sybase 365, a subsidiary of computer software company SAP.

"It isn't taking off as much as it should," he told delegates at FST Media's fifth annual Technology & Innovation - the Future of Banking and Financial Services conference, in Melbourne. "That's because you have to get the operators and the banks to work together, and in this country it's extremely hard.

"Unfortunately with only four banks and three dominant operators, it is very hard to get them to see eye to eye.

"Everyone wants to own the customer, everyone wants a piece of the pie, it's all about cooperation.

"Who owns the customer will own the relationship long-term," he said.

Across the world banks have seized on mobile phone technology as a way of cutting the costs and add another layer of security to existing services.

Over six billion SMS messages a day are sent from mobile phones across the planet, with a growing number comprising confirmations of banking transactions, thanks to global banks working with mobile operators.

Citi, Standard Chartered Bank and HSBC use SMS messaging for every banking service they offer.

In emerging markets where landline phones and bank branches are rare, mobile phones are the only device customers used to transact.

In Germany and Austria anyone with a mobile can pay for goods and services directly out of their bank account and similar but more limited services exist in Malaysia, Mr Talbot said.

National Australia Bank (NAB) head of mobile and emerging technologies Ben Forsyth said the Australian market was starting to consolidate for platform development and standardisation.

Big steps had been made over the past two years and now banks know where their mobile banking customers were located and when they were making transactions, he said.

Foreign banks also offered customers a better banking experience because their services were better designed and they faced more competitors, NAB head of customer experience design Mark Appleford said.

"The big four have had a very cozy time for quite a long time and there really isn't a sense of competition.

"In Europe the reason why you get all that dynamism is the competition."

AAP