



# The Unisys Internet Banking Site: A European Perspective

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By Michael T. Hennigan

Email: [michaelthennigan@unn.unisys.com](mailto:michaelthennigan@unn.unisys.com)

URL: <http://www.internet-banking.com>

JIBC invited Michael to provide a brief description of this project which we feel is a very significant one for Internet banking. He plans to provide insights and analysis based on the project findings over the months ahead.

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The Unisys Internet Banking Group was set up late last year with the aim of exploiting our financial experience and becoming leading Consultants and Integrators in the area of Internet Banking and Electronic Commerce. One of our early observations, however, was the almost complete lack of general information on what exactly banks were doing on the Net. Obviously there was information on individual banks' Web pages, but there was an obvious need for an independent assessment of the situation.

This is what we've done with the Unisys Internet Banking Site at <http://www.internet-banking.com>. Overall we've tried to assess the use that Financial Institutions are making of the Internet, and to do this have analysed about 30 Web sites. We've started with UK and Irish Banks, but will shortly expand this to include French and German sites as well. To facilitate our assessment we've identified for main categories that the Banks and Building Societies fall into. The following extract from <http://www.internet-banking.com/barom.html> explains the categories:

- 1) Net Presence
- 2) Interactivity
- 3) Home Banking
- 4) Internet Banking

## **Net Presence**

This is the most basic category, describing sites which concentrate on providing information but fail to recognise the full advantages that the Internet provides in comparison to paper-based information.

## **Interactivity**

This is the next step up, describing sites which attempt to be interactive with the user. To fall into this category it is not enough simply to supply a feedback form and an e-mail address. The sites need to be well designed and easily navigable, and take advantage of a combination of features such as Java, Java Script, animated graphics, sound and video in order to make the user's visit more interesting and useful. Many banks have included these features, a good example of which is a Java Mortgage repayments calculator.

## **Home Banking**

We have defined Home Banking as the use of proprietary financial software running on a computer in the home, to perform transactions such as fund transfer and bill payment. Banks and building societies are increasingly offering this option and are advertising the fact on their Web pages, in some case allowing their proprietary software to be downloaded from their pages.

## **Internet Banking**

Internet Banking is similar in functionality to Home Banking, with the important difference that it allows access to accounts from a browser, eliminating the need for proprietary software. Banks' Web sites are analysed and put into one of the categories listed above. We have then attempted to calculate a numerical value, or index, which reflects the Banking Industry's use of the Web, and it uses a scale where a maximum score of 100 would correspond to all banks offering full Internet Banking. Of course, this scale is fairly arbitrary, but it gives us a quantitative way of measuring the Industry's progress month-by-month.

The site has been up for a couple of months now, so it is too early for any meaningful statistics charting the rate at which banks are adapting their Internet strategies. However, the site does show quite clearly that in the UK and Ireland nearly all banks have some sort of web presence, but most are in an experimental phase and are using the Web mainly as an advertising tool and to present banking information (i.e. in the first two categories).

Currently very few banks are taking full advantage of the new medium by offering banking transactions over the Internet, but we predict that this will change soon! The other main part of the site focuses on electronic commerce (<http://www.internet-banking.com/ecom.html>), mainly from a technological point of view. A general review of the situation is given together with a comparison of the different payment technologies such as Cybercash, Open Market, and Mondex.