

Current Accounts, Home Banking and Cyber Security

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SLIDE 2:

In this module we're going to discuss some concepts relating to current accounts, before exploring the convenience of accessing banking services remotely, as well as their security measures. We will then mention the safeguards that help strengthen home wi-fi and IT security for electronic devices. Finally, we will give you some tips for safe online browsing.

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In order to talk about home banking, we first need to say something about the most widespread banking product, i.e. the current account.

Bank accounts make managing cash easier: the client deposits money at the bank, which keeps it and provides a series of services which include direct deposit of salary payments, credit transfers, direct debits, debit cards and credit cards. Clients can make deposits and withdrawals from their accounts at any time.

Furthermore, current accounts help us manage our money responsibly: they allow us to monitor our expenses, manage our household budget and plan our financial decisions.

It is a safe product: remember that money deposited in one or more accounts held at the same bank is guaranteed up to €100,000.

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In order to be able to choose what type of current account suits us best, we must think carefully about our personal requirements, and look for the most useful and economical product.

Here are some questions we should ask ourselves in order to make an informed choice, especially with respect to the costs and the services that we actually need: Am I opening the account for personal/household use? Is it online only or is it also a brick-and-mortar bank? What kind of card do I need? Above all, how many transactions do I normally carry out each month?

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Depending on our answers, we'll choose one of these types of account:

- The consumer account (ordinary), whose costs depend on the number of transactions made;
- The packaged current account, which has an annual fee that includes a series of services and a number of transactions; it can be 'without a deductible', in which case an unlimited number of transactions are included, or 'with a deductible';
- The convention-based account, which benefits from discounts and favourable terms, thanks to agreements with specific categories of consumers;
- The basic account, a type of packaged account that all banks must provide to customers of limited means;

- The account card, a prepaid card with an IBAN.

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Everyone has a right to a current account! Banks are obliged to offer basic accounts to people with limited financial needs, including migrants and the homeless.

The basic account has:

- standard characteristics in terms of type and number of transactions;
- costs that are simple, transparent and easy to understand;
- costs that are consistent with financial inclusion;

It's also free of charge for people with especially limited means.

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Once you've chosen an account, make sure you monitor it over time: if your requirements or your needs change, or if the costs of the account increase, you can decide to transfer the account-related services to a different account at a different bank.

This is called the right to portability, which means you can transfer all or some of the payment services as well as an account's positive balance to another payment account at a different bank that operates in Italy, in 12 working days at the most. By law, the portability procedure is free of charge.

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How do I keep the costs down?

To check the costs, you can look at the ICC or Comprehensive Cost Indicator, used by banks to offer their consumers an estimate of current account costs for seven different user profiles. Six of the profiles refer to packaged accounts, with fixed annual fees, and one to a 'consumer account', for people who make a small number of transactions. For each profile, an estimate is provided of the type and number of transactions carried out in a year. The ICC is set out in the Fee Information Document, which banks must provide to customers before they open a current account.

If you find that the Statement of Fees provided to you by the bank at the end of the year shows higher costs than those of your ICC profile, you may be able to save some money by looking into other banks' offers.

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Home Banking allows us to use the bank while staying at home: banks and financial intermediaries are providing more and more online services nowadays. All you need is a computer, a tablet or a smartphone to download your bank's app.

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Home banking gives us the opportunity to manage banking and financial products and services without having to physically go to the bank. Covid introduced a lot of constraints that have unveiled a number of ways in which home banking is useful and convenient for many people. Let's have a look at some of them:

- the costs for online services are generally lower;
- it is environmentally friendly due to all the paper that no longer needs to be printed and sent by mail (e.g. bank statements).
- no more queues at the bank teller's window, and overall time savings.

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Some precautions and safeguards are needed when accessing your home banking, on account of online scammers.

Logging into your home banking requires strong authentication, in order to verify the identity of the customer accessing the account's secure personal area and ordering online payments.

Strong authentication measures mean that customers use two or more security elements based on at least two of the following factors:

1. 'Knowledge', such as a password or PIN that only the customer knows;
2. 'Possession', a one-time password generated through a mobile token (a smartphone app) or a hardware token (a device such as a key fob or a USB stick);
3. 'Inherence', something that univocally identifies the user such as their fingerprint or their face.

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Using these security measures carefully allows you to use home banking safely. Practice will allow you to get to know the software and all the related precautions.

One important rule: never enter personal information – such as home banking access credentials, passwords, OTPs (i.e. One Time Passwords), card PINs or any other codes – on web pages or emails or text messages.

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Here's an overview of the activities you can carry out through internet banking:

INFORMATION: You can read your bank statement to check your balance and the list of transactions recorded on your account.

PAYMENT CARD MANAGEMENT: You can manage your payment cards, add money to your prepaid cards, and check your balance and the list of transactions.

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PAYMENTS AND MONEY TRANSFERS: You can carry out transactions: for instance, you can authorize credit and giro credit transfers, set up direct debit instructions, pay your taxes and top up your mobile credit

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LOANS: You can check the status of your current loans, as well as any instalment payments, the outstanding balance and the amount of the loan. You can also apply for a personal loan.

INVESTMENTS: You can trade in financial products (e.g. you can buy and sell securities and monitor the market) and check the returns and the costs of your investments.

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ADVICE: You can ask for advice and assistance, e.g. to get estimates of the cost of banking and financial products, or get help to carry out transactions through the various channels available.

PAYMENTS AND ONLINE PURCHASES:

- You can pay utility bills, manage payment slips, fill in tax return forms (F24) and pay university fees.
- You can use your credit cards or prepaid cards for online purchases.

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Let's now look into some tips for safe online browsing!

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Here are the essential steps:

we'll start with security for your home and electronic devices, then continue with the precautions you should take when browsing online, and conclude with some of the most common online scams, such as phishing.

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The 5 tips to make your home a cyber safe stronghold are:

- 1) Always change the default password on your modem or router, and protect your wi-fi
- 2) Instal security software on all your devices
- 3) Choose complex passwords and don't use the same password for everything
- 4) Review your app permissions and delete those you don't use
- 5) Back up your data and run regular software updates

SLIDE 20:

In order to avoid entering your data or any passwords into websites that might steal them, ask yourself: am I on the right website? That's the question to ask when you browse the internet and shop online, or check your account or any services you may have purchased. There are fake websites that are very similar to the original ones. How can we spot them and avoid falling prey to scammers?

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Look at the address very carefully: Malicious websites often use domain name and addresses that are purposely created to mislead users.

Below are some of their particular features:

- a sequence of numbers such as the one you see in the image, or
- a deceptive address whose domain name looks very similar to that of a known site, but differs in some characters, as in the example you can see.

If you have any doubts about a website's authenticity, read the content of the browser's address bar carefully.

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Before clicking on a link, it is advisable to examine the destination website address: being suspicious could stop you from falling into a trap.

Be wary of buttons and messages urging you to click to win something, such as free gifts or incredible discounts.

For websites such as home banking, remember to:

- type the website address in the address bar and add it to your favourites, so you can get to the website without running any risks.

You can never be too careful!

If you have any doubts about a website's reliability, you can double-check its authenticity by:

- making sure it is a 'well-known' site;
- looking up the official website address on Google;
- checking whether the address is connected to instances of fraud, for instance by adding keywords such as 'scam' or 'phishing' to the search.

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Online scammers are after your data, your PINs, your passwords, and they find ways to tempt you so that they can get them.

The term Phishing comes from fishing. Scammers practice fishing by luring you onto fake websites through emails, text messages and phone calls: DON'T TAKE THE BAIT!!!

SLIDE 24:

For more information on scams, see the infographics on the 'Economics for Everyone' website. Follow the news that will keep you up to date on the latest dangers. Although technological advancements protect us and provide us with new services, fraudsters are coming up with more and more elaborate scams. Don't be overconfident. Always be suspicious and double-check: this way you will be able to ward off any problems. Remember that the time you invest in double-checking will save you from dealing with the unpleasant consequences of a scam in the future!