Mobile Banking: Where Time Stands Still

By Denis Margolin

We can see all kinds of cool mobile apps these days - great apps for sports, stunning games, crazy social apps and anything else you could think of. They provide a fantastic new approach to resolving our day-to-day problems and are dearly loved. Additionally, the media will never stop praising them and describing how creative developers are. Oh, sweet fruits of the mobile revolution, writes **Denis Margolin**

However, there's that one category of apps that almost never makes it to the front pages, one many of us would love to use more but at the same time do not feel particularly attached to: mobile banking apps. Some of us use them, but not very enthusiastically. They do work and they do what we want them to do, but not necessarily in an easy or comfortable way."Functional" is the main word that comes to mind to describe them. But, is this really how it should be?

It has always been difficult for banks to provide easy-to-use interfaces for retail products. Prior to the Internet era, it was all about the customer visiting a branch. The computer systems in the branch were designed for trained professionals who were able to make sense of a myriad of fields appearing on the screen at the same time. It may be hard to believe, but not much has changed since then.

Internet banking is, in essence, an updated copy of old internal systems, which often were spring-cleaned, but are unnecessarily complex and demanding. Mobile banking is a 2.0 version of this initial model: a mobile copy of the Internet model, which itself is a copy of the traditional branch model. This technological anachronism helps to at least partly explain our reluctance to fully embrace mobile banking.

Banks continuously invest to provide their customers with tools to manage their finances. Mobile banking solutions primarily provide day-to-day control over bank accounts - but is this really what retail customers need and want? Our concerns in life are much more diverse than just have control over the account. Yes, we need to plan our finances and make payments - but we are not interested in setting up recipients, entering long strings of numbers and browsing through obscure transaction codes and strange references that do not correspond to shop names, just to understand how much we spend on what. This is the technological heritage from the age of the bank branches.

Do we need to go through this entire struggle? Not necessarily. In fact, there are banks that try to assist their customers by making this process much more straightforward. For example, Citibank provides its US-based customers with an iPad app that helps managing personal finances by providing all sorts of useful graphs and charts - including the projection of upcoming payments and transfers. La Caixa Bank of Spain has incorporated OCR elements, so you can pay bills by scanning the barcodes printed on them, without manually entering anything. The list could go on - there are many really clever things banking apps could do for us.

Then, why don't they all do? It's hard to tell. Some banks do not seem to believe that having a good app is an investment priority to boost their competitiveness in the market. However, they might be wrong. A few friends of mine recently decided to bank with Barclays based on only one reason: its mobile app, which has a few more features than others on the market. It made me think that it might be just the right time for all banks to reconsider their approach to mobile banking.