Driven by the need to provide relevant services for younger and upwardly mobile customers, social networking banking or hashtag banking, is the new buzzword in large private banks. India has 118 million active social media accounts, of which 100 million of which are mobile users.

ICICI Bank and Kotak Mahindra Bank are the early birds offering banking services over Twitter and Facebook in order to stay ahead of the game. ICICI Bank recently launched its Twitter banking service—icicibankpay, to allow customers to execute banking transactions through Twitter. We at Firstpost looked into ICICI’s Bank service as a case in point.

The icicibankpay service allows customers to use their Twitter account for real-time fund transfers, prepaid mobile recharges and to check bank balance. Though the idea of ‘Banking on Twitter’ may sound innovative and cool, it is also frowned on by some
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experts because cybercrime is a well known reality. “With new technological advancements come new security concerns,” acknowledges Pankaj Jain, director, ESET India. “Some advancements are gimmickry and some are truly useful. Social media banking is more of gimmickry and less of need. Banks claim to be using adequate security to protect their social media users, but it’s not infallible. Moreover, don’t we have enough banking convenience? Do we really need to transfer funds by tweeting?” he asks.

However, on the flip side, ICICI Bank's executive director Rajiv Sabharwal insists that payments on Twitter are a safe and secure mode of banking thanks to two-factor authentication. He also points out that back in 2013 ICICI Bank launched a facility to transfer funds through Facebook, called Pockets. Sabharwal claims ICICI Bank now has 30,000 active Pockets users.

**How icicibankpay works**

Icicibankpay works on the concept of one-time password (OTP) and through first following the bank's Twitter handle @ICICIBank and using Direct Messages (DMs). Other than funds transfer, Twitter banking relies on hashtags to carry out various transactions. Users can view account balance by using #ibal, view recent transactions by using #itran and recharge prepaid mobile using hashtag #TopUp.

“As a responsible Bank, our social media banking channels have adequate security measures including second-level authentication, in line with RBI guidelines. It is pertinent to note that since its introduction three years back, no case of any fraudulent transaction has been reported on our social media banking channels, despite many thousands of transactions having been initiated through it.”

**Are there loopholes?**

“Services like those being offered by Twitter, while good for sharing general
information, are not suitable for sharing sensitive information, even though it may use the Direct Message feature,” says eScan’s MD & CEO Govind Rammurthy. “Such services can be adapted for financial transactions, only if it is coupled with Two Factor Authentication (TFA) using two different services, or preferably two different devices. Currently, TFA using the same service is akin to keeping your front door locked, but having your back door open. So, if a service gets hacked, TFA is meaningless.”

The problem seems to be that of security awareness. But even if the security part is taken care of, privacy remains an issue with icicipay. While the bank may claim that they don’t share any financial or account related information, the tweet about initiating the fund transfer between the user and sender’s account is shown on ICICI Twitter handle. For e.g.: If ‘A’ has transferred funds to ‘B’ using icicipay service, the Twitter handle of ICICI will show a tweet saying A has initiated a fund transfer to B. And, anyone who follows the ICICI Bank handle will be in the know.

How banks balance security awareness with a need to stay relevant for Gen X customers and keep privacy issues in mind may decide the outcome of such hashtag or social media banking and whether they will become as commonplace as Internet or mobile banking, or remain a fad.