

Problems and Prospects of Providing Banking Services to Individuals

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ABSTRACT

This article examines the concept of banking services, its role and place in the activities of modern commercial banks, the main directions, advantages and disadvantages of the development of banking services, some problems encountered in the development of banking services, and some practical proposals and recommendations are given to solve these problems, as well as the study of the activities of foreign banks and the introduction In the modern economy of the Republic of Uzbekistan, the formation and development of a system for providing complex banking services to individuals is an urgent issue.

Introduction: During the transition to a market economy, radical economic reforms carried out in the Republic of Uzbekistan opened a new stage in the development of banking activities. In market conditions, issues related to the problems and prospects of providing banking services to individuals are relevant.

The fundamental economic reforms carried out in the Republic of Uzbekistan during the transition to a market economy marked a new stage in the development of banking. In market conditions, issues related to the problems and prospects of providing banking services to individuals are relevant.

Also, at the meetings of President Shavkat Mirziyoev on November 20, 2023 on the discussion of transformation and privatization processes in the banking system, the current state of transformation processes in the banking system was considered. It was stressed that each bank should conduct an in-depth analysis of the projects it invests in and track the launch, and implement projects with high productivity in areas and sectors.

To implement these changes, it will be advisable not only in the Republic of Uzbekistan, but also to study the activities of foreign banks and introduce new forms and methods of working with individuals.

Material and methods. With research work and scientific theories of a few scientists on the topic closely familiarized. "The provision of banking services to individuals is an area of banking activity, on the one hand concentrated on the interests and objections of the client, and on the other hand, profitable to the Bank" [2, p.22]. "Experts know that the market for banking services for legal entities is already distributed among banks, and the main competition between them has been developing in recent years to attract funds from individuals and small businesses" [3, p.497]. "The particular requirements for running a banking business are established in other, in fact economic, conditions and are not conservative enough with respect to the currently increasing risk level" [4, p.5]. Zharkovskaya E.P. ni believes that "banking services should be provided at home, in the client's office, that is, where it is convenient for the latter, and not in the bank office, where there is direct contact between the client and the bank employee" [5].

Summarizing the above feedback, we can say that the importance of activating the role of banks serving the population is such that it consists in achieving maximum efficiency at the lowest cost, fully meeting the needs of customers for banking services, improving the quality of banking services to individuals, expanding the range of banking services and reducing their cost.

Results and discussions: The main problems of the formation and development of banking work, the theoretical foundations of the activities of the banking services market in the conditions of a market economy are widely and in detail described by domestic scientists and specialists in scientific and educational literature. A comprehensive study of the problem of the development of banking services to individuals in a market economy involves its systematic analysis and synthesis. Some banks gave the Depositor the opportunity to receive interest on the deposit every quarter, month and even every day, and received complex interest deposits with interest accruals, taking into account inflation.

But, nevertheless, there are a number of problems in attracting funds from individuals:

- a decrease in the ability to buy sums, in this regard, not all individuals are in a hurry to entrust their funds to banks, preferring to invest them in foreign currency;
- Wealthy individuals invest in foreign banks, liquid goods and simply store them in a fastener (collecting gold).
- An important role is played by the distrust of individuals in commercial banks.
- Some layer of citizens does not fully know the economic and legal laws.

The main task of banks is to provide high-quality customer service. Currently, banks associate the conquest of the customer base with the introduction and development of new modern services and banking products, in particular, online services. Let's also determine the degree of study of the problem of providing banking services to individuals. In the modern economy of the Republic of Uzbekistan, the problem of the formation and development of a system for providing complex banking services to individuals has been little studied.

The analysis of research on the topic of providing banking services to individuals made it possible to draw the following conclusions:

- the modern stage is characterized by the fact that credit organizations operating in the banking services market have sufficiently accumulated experience in various segments of the financial market, actively develop consumer loans, expand the range of use of bank cards, actively use information and software systems for the formation of customer credit history.
- The positive dynamics of indicators characterizing the banking services of individuals is explained, first of all, by an increase in the confidence of the population in the banking sector. The growth of real existing income of the population, an increase in the number of banking services provided to the population by credit organizations.

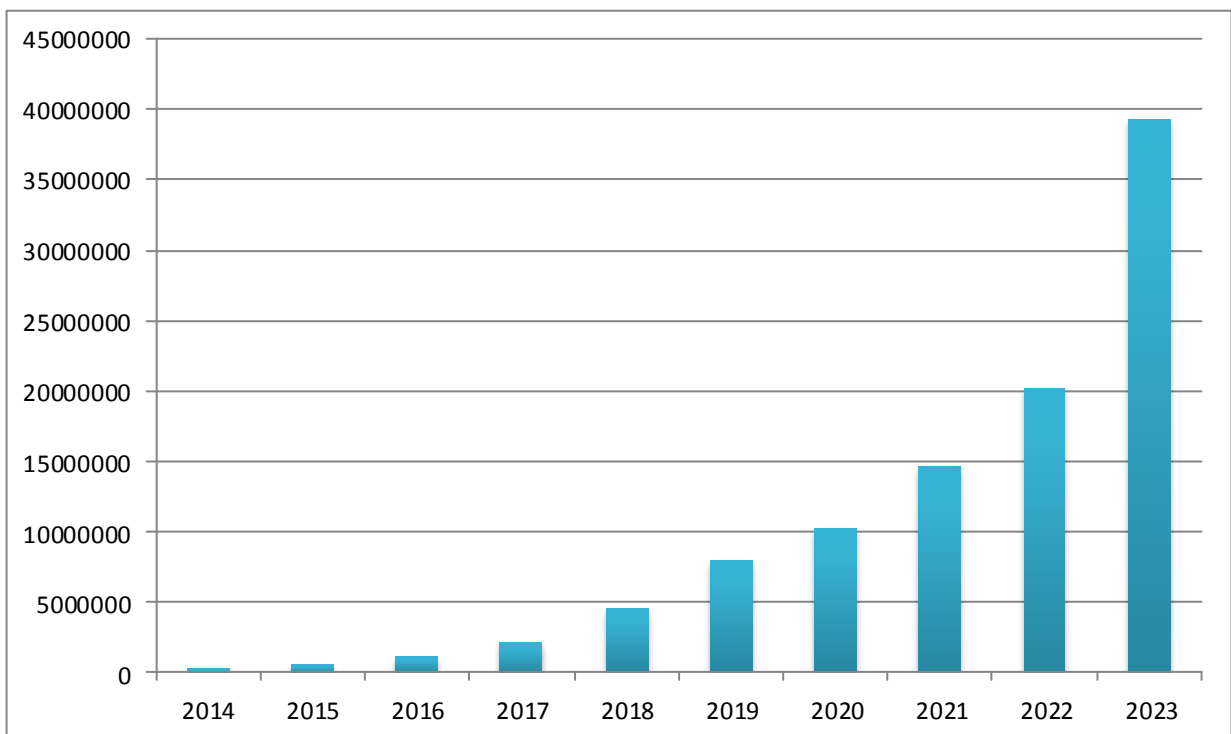
- the development of the local banking sector is characterized by high growth rates, increased competition between commercial banks, the activation of commercial banks in the field of providing banking services to individuals;
- The experience of providing comprehensive banking service to customers of industrialized countries is gradually being introduced by local commercial banks, they begin to provide new services, meet the increasingly complex needs of customers, which increases their competitiveness in attracting credit resources and new customers.

It is information and communication technologies that are the impetus for the emergence of remotely controlled banking services. In addition to problems, the development of remote banking services in commercial banks is influenced by several factors. Nevertheless, a number of regulatory legal acts have been developed and intensive work is being carried out on the development of remote banking services in the banking system of our country. Today, banks are trying to increase their income as well, as a result of increasing the number of their customers, attracting a large number of customers and increasing the quality of services provided to them.

Commercial banks have an extensive network of branches throughout the Republic, and even due to the large number of customers who come to the bank and use its services, they have a relatively large number of users of remote banking services. This indicates that these types of services are developing more and more rapidly.

Online banking (internet banking) is an integral part of banking services that allows you to focus on interacting with customers over the Internet. Today, residents widely use the services of performing real-time card-to-card transactions (P2P) through mobile application programs of commercial banks, making taxes, budgets, utilities and other payments, receiving microcarriages and loan wilting, making online deposits, remotely opening deposit and loan (credit) accounts, making payments from international bank card accounts, conducting online conversion operations and other remote banking services. Now we will consider the dynamics of the change in the number of users of systems providing remote banking services (diagram 1).

Diagram 1. Number of users of remote banking systems (As of 1 October 2023)



As can be seen from the diagram data, in 2014-2023 (the last 10 years) there was a trend in the number of users of remote banking systems in commercial banks of the Republic. Commercial banks have an extensive network of branches throughout the Republic, and even due to the large number of customers who come to the bank and use its services; they have a relatively large number of users of remote banking services. This indicates that these types of services are developing more and more rapidly.

Conclusion

Modern development of the economy, socio-economic relations require active cooperation of the population with the banking sector. For banks, this is considered mutual competition and is indicated by the following set of functions loaded on them:

First, it is a mediation function, that is, commercial banks act as a communication between economic agents in the country's economy, including households. In the form of savings, funds temporarily vacant from the population are collected in the country's banking system, and then sent to investments through commercial banks; resources are formed for the development of the economy. Banks mediate loans, payments, securities transactions. The mediation criterion is profitability for both sides of the transaction. At the same time, payment for borrowed and received funds is formed under the influence of demand and supply of borrowed funds.

Thus, we can say that information about the services and tariffs of the bank is of great importance. The population must freely use the data to determine the risk of cooperation with this financial agent, the possible benefits or losses for themselves. All this emphasizes the relevance of this line of research.

It is necessary to increase the interactive products of banks. For example, financial partnerships such as paid ads, the Trade Commission should be placed in applications. Each bank must create its own regional ecosystem.

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