

Integration of Financial Services: The TeleCounter

While more and more sectors of the economy are linked by electronic information and communication technologies, one domain is often neglected: non-commercial clients, i.e. private households. As consumers, they play an important role within the market and they should be integrated into the electronic data exchange chain. This article focusses on the importance of homebanking as an example for electronic links between consumers and banks. It describes the project TeleCounter as an attempt to create a standardized platform for electronic banking in Switzerland.

At present the electronic interface between private customers and providers of financial services is guaranteed by the online dialogue service Videotex. Most of the Swiss banks use Videotex to offer

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their private and commercial customers a wide range of services. The acceptance of telebanking, however, has not yet reached the expected level. What are the reasons? Regarding telebanking services, all banks offer similar functionalities, but every bank has a unique user interface layout, menu structure and set of terms. Regarding the Videotex services:

- The CEPT graphic standard used for Videotex does not provide the required possibilities
- Videotex offers are not presented in a user-friendly structure
- The future of Videotex's operation after 1994 is uncertain

State of the Art in Other Countries

While in most European countries homebanking has to cope with the same difficulties as in Switzerland, considera-

ble progress has been achieved in the US: 'Return of home banking' is the key word. The first generation of home banking systems was characterized by its stand-alone status. Some systems required special terminals, others could only be operated within certain areas due to geographical restrictions of the supporting communication networks. Modern home banking systems use dialogue services such as Prodigy, GENie or America Online. They can be operated all over the US and provide a wide choice of other services.

Changes in the Framework

Various indicators predict a similar breakthrough for a new generation of homebanking systems in Switzerland:

- High performance computers are available at reasonable prices, so that private households can afford the hardware required for homebanking
- A rising acceptance of electronic services has been observed during the last few years
- Providers of financial services have fully automated all routine transactions
- Due to increasing competition, banks are forced to use more electronic sup-

- port for mass transactions in order to cut their costs.

The TeleCounter Project

In view of the above-mentioned changes, a group of leading Swiss banks (Union Bank of Switzerland, Credit Swiss, Swiss PTT, Neue Arbauer Bank/Servag, Swiss Bank Corporation, Telekurs) has decided to work out a common concept for a new home banking system in Switzerland. The Competence Center TeleCounter builds the institutional framework for this project. All participants agreed on the fact that only multibank system will bring about a significant rise in the acceptance of homebanking. The new system is designed to fulfill the following requirements:

- Standardization of various basic services
- Openess for future complements
- Fitness for multibank use
- Suitability for integration with other dialogue applications
- Easy-to-use graphic interface with homogeneous features for all banks.
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In addition to the functionality and the technical features, a security concept is developed which focusses on technical and organizational aspects.

Progress Report

The CC TeleCounter and its partner banks are currently working on the standardization of services, especially on their functionality. The first draft of a catalogue describing the functional requirements is under way. Concerning the organisational / institutional point of view, the general structure and systems organisation of the TeleCounter is being designed. As the TeleCounter is intended to serve as a turntable between suppliers and users of services, the different tasks have to be clearly specified. A detailed communication infrastructure concept for the TeleCounter focussing on the suitability of existing and future communication services available for households is a key component of the project.

Prototype

Key elements of the TeleCounter, especially the Windows 3.1-based user interface (Figure 1), are being implemented in a prototype to provide quicker feedback on design flaws during development. In addition, the 'friendliness' of main security features can be tested. At a later state the TeleCounter prototype will be integrated in an electronic market system for logistics and financial services.

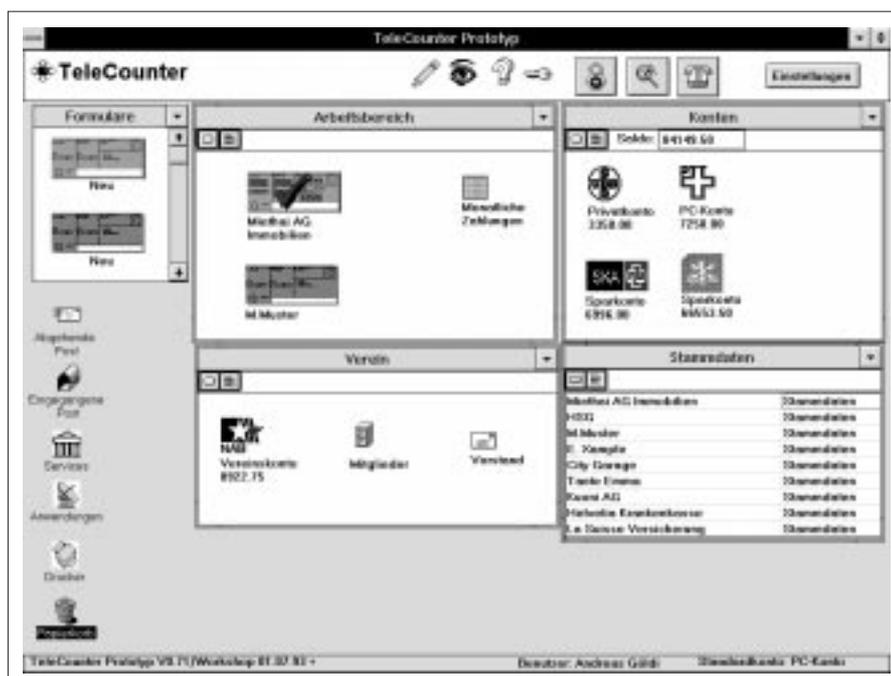


Figure 1: The user interface of the TeleCounter