

Dear Editor

We refer to Mr Tan Kin Lian's letter "Simplify Internet Banking Procedures" on 7 July 2009.

All banks in Singapore which provide Internet Banking services have implemented Two-Factor Authentication (2FA), an effective tool for enhancing Internet Banking security to enable banks to offer customers a wider choice of online products and services.

In addition to the 2FA for login, banks require customers to key in a one-time password to effect sensitive transactions such as funds transfers. While this requirement is not mandated by the regulators, the Monetary Authority of Singapore's Internet Banking & Technology Risk Management Guidelines V3.0 recommends such an approach where appropriate.

The intention is not to inconvenience customers, but to provide additional security for high-risk transactions. The one-time password can help prevent unauthorised funds transfers during instances when the Internet Banking session is still active but the computer is left unattended by the customer.

As the additional security is for the benefit and protection of customers, it is worth the inconvenience of spending a few extra seconds on each transaction.

Regarding Mr Tan's comment that the bank does not help to mitigate the risk of entering the wrong payee account code or amount, we would like to point out that this is not unique to Internet Banking. In any online transaction/ purchase, customers should carefully review the information they have entered before clicking the "confirm" button to effect the transaction. We appreciate the opportunity to remind customers of this. Thank you.

Ong-Ang Ai Boon, Mrs
Director
The Association of Banks in Singapore