



PROBLEMS IN THE DEVELOPMENT OF REMOTE BANKING SERVICES IN COMMERCIAL BANKS OF UZBEKISTAN

Prof. Suyunov Dilmurod Kholmurodovich

Head of the Department of Business Administration (MBA) of the Graduate School of business and entrepreneurship under the Cabinet of Ministers of the Republic of Uzbekistan, I.f.D.,

Kaytarov Vokhid Doctarant of the Graduate School of business and entrepreneurship under the Cabinet of Ministers of the Republic of Uzbekistan

Article history:	Abstract:
Received: 20 th July 2023	The article lists internal and external factors that affect the development of remote banking services. The article covers problems in the development of remote banking services and presents author's approaches to their elimination.
Accepted: 20 th August 2023	
Published: 20 th September 2023	

Keywords: Remote banking services, Internet site, risk, banking technologies, internet speed, Financial Services.

INTRODUCTION

Although the provision of remote banking services in commercial banks of the Republic of Uzbekistan is developing from year to year, it cannot be said that there are no problems in the further development of these services To eliminate problems in remote banking services and to create convenience in the program, to achieve an increase in the number of customers. In addition to problems, several factors affect the development of remote banking services in commercial banks. nevertheless, a number of regulatory legal documents have been developed and intensive work is being carried out on the development of remote banking services in our country's banking system. Today, banks are trying to increase their income as a result of increasing the number of customers, attracting more customers and improving the quality of services provided to them.

From the experience of developed countries in particular, it can be seen that the quality of remote banking services in the financial services market today determines the success of the competitive struggle in customer service.

In the conditions of reforming the banking system in the Republic of Uzbekistan, special attention is paid to improving the practice of deposit and credit services of commercial banks. In the strategy for reforming the banking system of the Republic of Uzbekistan for 2020-2025, "modernization of banking service, improvement of the quality of credit portfolio and risk management, ensuring stable growth in the volume of commercial bank loans, implementation of technological solutions for assessing financial risks"[2] has been identified as priority areas for reforming the country's banking system.

ANALYSIS OF THEMATIC LITERATURE.

At the present time, a lot of scientific research is being carried out on banking services, its development evolution and its further improvement.

Research on the needs of customers and their satisfaction in the banking services market, as well as such issues as banking services, Russian scientists E.F.Zhukov, O.I.Lavrushin, T.N.Nesterova, A.N.Ivanov, and the French economist S. It is reflected in the scientific research of the De Cussers.

According to O. Lavrushin, a bank is an institution that produces certain products, producing special goods in the form of money, means of payment, in contrast to the sphere of material production. In addition to these products, banks mainly provide services with monetary content[3].

According to the scientist of this Economist, the change in the form of banking is realized using several main trends: an increase in the number of services, an increase in competition, deregulation, an increase in the cost of financing, funds that are too sensitive to interest rates, technological revolution, consolidation and geographical expansion, globalization of banking, an increase in the risk of bankruptcy and a

N. Tkach concluded that the reason for the unsustainable deposits to be claimed was that the commercial banking industry of their use was limited, so that deposits to be claimed by banks would be paid interest at a lower rate. However, since the deposits to be claimed are a cheap resource, with them there is an opportunity to increase the profits that banks receive[4].

N.This conclusion of Tkach is of practical importance for the practice of providing deposit services of banks of Uzbekistan. Because, the Civil Code allows the commercial banks of the Republic to use the demanded deposits of customers as a resource.



In research by O.Aliqoriev, he researches the concepts of banking services, banking operas and banking products and shows that each of these concepts is interrelated and complementary by definition:

Banking service is a manifestation of banking activity that contributes to the optimal execution of banking operations provided to customers.

Banking opera is a complex of interconnected activities of the bank, which envisages the movement of funds and is aimed at achieving an economic result. A banking product is a material form of banking opera, which is considered an object of sale of a loan in the Financial Market[5].

Sh.Abdullaeva has recognized that deposit and credit services are the main services of banks and their dependencies.

A.Mirsoatov believes that it is important in banking to be able to distinguish concepts such as "new banking services and products", which are legally tied to concepts such as "banking operas" or "transactions". Unlike a banking product that can exist autonomously,

banking services represent an additional set of actions that can be of an unfinished nature at the same time[6]. In our opinion, banking services can also be the result of additional actions with completed content. For example, a credit service. The credit service is the result of actions with completed content.

ANALYSIS AND RESULTS

The provision of remote banking services to customers of banks is considered one of the most promising areas of development of the modern banking system, and its development is influenced by a number of factors. In the development of remote banking services, it is necessary to take into account the factors affecting these services. These influencing factors can be divided into two, namely internal and external.

In 1st table, the factors affecting remote banking services are divided into external and internal factors. It is important for the bank to study the impact of existing factors on the provision of remote banking services and maintain its correct system. Internal factors affecting the development of remote banking services include:

Table 1. Factors affecting the development of remote banking services ¹.

No	Internal factors	external factors
1.	Service Bank organizational mode: - banking technologist; - remote service bank; - a remote bank that provides services to persons under threat of extinction.	Risks: - operation risk; - financial risk; - - other risks.
2.	Marketing policy of Banking: - Remote bank for advertising display; - - banks located locally and remotely serviced.	Social (social status of citizens): - people's awareness of remote banking services; - confidence of bank clients in remote banking services; - - recommending remote banking services by users to their relatives.
3.	Intercity banks serve turlari and sarklari.	Useful remote banking services for users.
4.	Bank management (bank employees and their qualifications) and level of financial literacy.	Geographical (regional) boundaries of the operating bank, prospects for expansion.
5.	The fact that a regulatory framework for remote banking services has been created.	Political factors: - state policy towards banks; - - Internet speed.

¹ Compiled by the author



First of all, we can get factors related to the organization of remote banking services to internal factors. That is, in the implementation of each remote banking service, one person is carried out by introducing new technologies into the banking system, or using its capabilities in the bank. Therefore, banks in the first place should be fully equipped with banking technologies for the organization of an electronic payment system and automation of banking activities.

Secondly, in order to popularize remote banking services, it is required to conduct the marketing policy of the bank wisely. According to him, it is important to make a positive impression on those who are interested in these services by conducting seminar trainings to lead the range of remote banking services and their capabilities to bank customers and the population. Advertising these services will also have great effect by posting videos about crowded places, Internet sites, social networks, TV and remote banking services in frontofis and halls of the bank, which work with customers.

Thirdly, in order to ensure the competitiveness of commercial banks in the financial services market, commercial banks are improving their services, in particular, in competitive conditions, commercial banks are required to optimize the cost of using remote banking services and improve the quality of service in maintaining their customers and attracting new customers.

Fourth, to ensure that you can effectively use modern banking technologies and remote banking services systems based on them, it is necessary to improve the skills of bank employees and their skills. Regular educational and practical seminars should be organized by the bank's training center.

From the cradle, the Organization of remote banking services and the internal regulations and procedures of central bank directives and commercial banks, that is, the creation of a regulatory framework, which embodies the current aspects of all cases in it, increase the sense of confidence among users in this system.

External factors affecting the development of remote banking services include:

First of all, when performing financial transactions in remote banking services, the occurrence of transaction risk as a result of negative situations associated with the transaction system and incorrectly carried out operationalization of the user, financial losses in problematic cases in remote banking systems, errors made by users with careful levity and financial

losses in other situations negatively affect the use of remote banking services.

Secondly, the awareness of people about remote banking services, that is, about remote banking services, will be informed by hearing from advertisements, banking sites, loved ones or acquaintances. Especially in free communication in a virtual environment through oral speech, it was recognized that words about remote banking services or communication by loved ones are more influential than the impact of advertising on consumers.

Thirdly, remote banking allows the user to increase the efficiency of his work by using a specific application system and accepting its benefits. In general, customers are positive about the application and use of new technologies, understanding the many benefits of remote banking services provided by banks. thus, it can be recognized that remote banking services are used as an impressive refinement structure in the banking industry.

Fourth, as a result of the increase in the number of customers of banks and the expansion of the godly border of their customers, increasing the number of branches of banks is associated with rough costs, it requires its customers to use the capabilities of modern financial technologies to provide remote banking services and be able to increase the number and territorial limit of customers without

Fifth, over the past few years, the internet has become available in our country to use, sell and serve customers as a channel in the financial market. Currently, commercial banks provide facilities for customer transactions through various transactional models and new banking services, ultimately saving bank customers time, serving to reduce costs, and increasing the speed, transparency, mobility of banking services is increasingly improved. The fact that khukumat pays attention to such banking services at the level of public policy will certainly give its positive result in the future.

In particular, in the decree of the president of the Republic of Uzbekistan dated January 28, 2022 "On the development strategy of new Uzbekistan for 2022-2026" dated PD-60 and in the decrees of October 5, 2020 "On the approval of the strategy" digital Uzbekistan-2030 "No. 6079" and measures to effectively implement it, the total length of fiber-optic communication lines, Although by the end of 2022 it was expressed that each settlement will be able to connect to an internet network at a data transfer rate



of no less than 10 Mbit/s, but there are several problems with innovation and the use of digital technologies:

Lack of sufficient knowledge and skills of customers when using remote banking services and Internet banking;

communication infrastructure is not well developed in remote regions of the provinces;

from the digital technologies that are widely used in international banking practice – Big data and Data basing technologies-not introduced into the practice of banks of our republic;

failure to form a system of indicators characterizing the scale and effectiveness of the use of digital technologies in the banking system;

the absence of a legislative framework governing the practice of using digital technologies in the banking system. Without the basis of legislation regulating the practice of using digital technologies in the banking system, the state cannot fully implement its control function through the central bank.

As of July 2023, Internet speed in Uzbekistan has fallen compared to last year.

Specifically, the main criteria for Speedtest Global Index analysis are download and upload speeds for mobile and broadband Internet networks. According to Speedtest, according to the ranking of countries by mobile Internet speed, Uzbekistan has fallen by 5 points and is ranked 112th (Table 1).

The average loading speed in our country is 20.33 Mbit/s. Compared to neighboring countries: Kazakhstan is ranked 64th (33.91 Mbit/s), Kyrgyzstan is ranked 84th (26.92 Mbit/s), Tajikistan is ranked 137th (9.73 Mbit/s), and Turkmenistan is not represented. According to the results of the study, the fastest mobile Internet in the world is in the United Arab Emirates (205.77 Mbit/s). The second largest is Qatar (186.35 Mbit/s). Kuwait completes the strong three (160.87 Mbit / s).

Table 2. Ranking of leading countries and Uzbekistan in terms of mobile internet speed in the world [7].

N	Country	Mbps
1 ⁻	United Arab Emirates	205.77
2 ⁻	Qatar	186.35
3 ⁻	Kuwait	160.87
4 ⁺⁴	Uruguay	149.08
5 ⁺¹	South Korea	140.49
6 ⁻²	Norway	122.72
7 ⁻²	Brunei	120.84
8 ⁻	Iceland	109.28
9 ⁻	Netherlands	106.27
10 ⁻³	Denmark	101.19
112 ⁻⁵	Uzbekistan	101.19

Table 3. Ranking of leading countries and Uzbekistan in terms of optical fiber internet speed in the world [7].

N	Country	Mbps
1 ⁻	Singapore	247.44
2 ⁺²	Hong Kong (SAR)	242.99
3 ⁻	Chile	240.34
4 ⁻²	United Arab Emirates	238.28
5 ⁺¹	Thailand	211.28
6 ⁺¹	United States	207.32
7-2	China	193.66
8 ⁻	Denmark	192.68
9 ⁻	Spain	178.94
10 ⁺¹³	Taiwan	177.43
87 ⁻²	Uzbekistan	51.6

The situation with broadband Internet access (wired Internet) is slightly better - Uzbekistan took 87th place in the world ranking. The average download speed in the country is 51.61 Mbit/s. Compared with neighboring countries: Kyrgyzstan is in 86th place (51.95 Mbit/s), Kazakhstan is in 95th place (46.33

Mbit/s), Tajikistan is in 130th place (22.01 Mbit/s), Turkmenistan is in 180th place (4 .06 Mbit/s). According to the results of the study, the fastest broadband Internet in the world is recorded in Singapore (247.44 Mbit/s), Hong Kong (242.99 Mbit/s) and Chile (240.34 Mbit/s) (Table 2).



Figure 1. Number of Internet users worldwide (as of June 30, 2023) [8].

World Regions	Population (2022 Est.)	Population % of World	Internet Users 31 Dec 2021	Penetration Rate (% Pop.)	Growth 2000-2023	Internet World %
Africa	1,394,588,547	17.6 %	601,940,784	43.2 %	13,233 %	11.2 %
Asia	4,352,169,960	54.9 %	2,916,890,209	67.0 %	2,452 %	54.2 %
Europe	837,472,045	10.6 %	747,214,734	89.2 %	611 %	13.9 %
Latin America / Carib.	664,099,841	8.4 %	534,526,057	80.5 %	2,858 %	9.9 %
North America	372,555,585	4.7 %	347,916,694	93.4 %	222 %	6.5 %
Middle East	268,302,801	3.4 %	206,760,743	77.1 %	6,194 %	3.8 %
Oceania / Australia	43,602,955	0.5 %	30,549,185	70.1 %	301 %	0.6 %
WORLD TOTAL	7,932,791,734	100.0 %	5,385,798,406	67.9 %	1,392 %	100.0 %

One of the factors that contribute to the development of remote banking services is the increase in the number of users of the internet network. According to the International Telecommunications society, 67.9% of the world's population is currently using the internet, we can see that their number currently exceeds 5.4 billion (1rasm). Accounts show that the number of Internet users increased by 1.4% in 2023 compared to 2000.

Looking at the cross-section of the world's regions, the region with the most internet users is North America, where 93.4% of the population actively uses the internet, 89.2% in Europe, 70.1% in Oceania and Australia, 80.5% in Latin America and the Caribbean, 77.1% in the Middle East and 67.0% of the population in Asian countries use the internet. The region where the Internet is least popular is the African states, with only 43.2% of the population using the service.

The number of users of the internet service of the population of Uzbekistan has increased by more than 31 million. Of these, 29.5 million of the 31 million Internet users use mobile internet. Also, in the last two years, 22,300 additional base stations were installed, bringing their total number to 54.0 thousand.

The mobile coverage rate for the Republic was 99 percent, while broadband mobile Internet coverage was 98 percent[9].

In particular, as of January 1, 2023, the number of mobile subscribers in Uzbekistan was almost 32 million.

Of this, the number of mobile communications at the disposal of the population was 27 million units. The mobile coverage indicator was 75 units per 100 people[10].

The number of mobile communications in Uzbekistan is increasing from year to year. In particular, the number of subscribers per 100 people in recent years (as of January 1):

- 2019 - 65;
- 2020 - 69;
- 2021 - 71;
- 2022 - 73;
- 2023 - 75.

According to Universal statistics, among the countries with the highest number of mobile communications per 100 inhabitants in the world in 2020 are: Macau - 430, Hong Kong - 291, Seychelles - 186, UAE - 185, Thailand - 166, Russia - 163, Japan - 154, Germany - 126, USA - 106, etc.

In Uzbekistan, the number of users of the banking remote services system is also increasing, with the increase in the number of mobile devices from year to year (Table 4).



Number of customers applied remote banking systems as of January 1, 2023. Table 4[11]

№	Bank's name	Legal Entities and individual entrepreneurs		Individuals 23		Total by banks	
		2021	2023	2021	2023	2021	2023
1	National bank	61 633	88 734	1 191 694	1424424	1 253 327	1 513 158
2	Uzbek Industrial and Construction Bank	39 891	62 419	1 667 420	4751274	1 707 311	4 813 693
3	Agrobank	110 104	176 146	2 355 155	4138615	2 465 259	4 314 761
4	Ipoteka-bank	117 298	147 222	1 300 787	2198253	1 418 085	2 345 475
5	Mikrokreditbank	54 221	55 816	682 778	859994	736 999	915 810
6	Xalq bank	95 347	95 383	2 148 750	4154377	2 244 097	4 249 760
7	Garant bank	12 331	8 435	67 635	88667	79 966	97 102
8	Qishloq qurilish bank	20 874	27 822	283 360	380503	304 234	408 325
9	Turonbank	21 928	40 870	194 298	296343	216 226	337 213
10	Hamkorbank	81 270	110 466	918 703	1165323	999 973	1 275 789
11	Asaka bank	28 786	36 566	739 200	911048	767 986	947 614
12	Ipak Yuli bank	24 789	49 921	570 568	1439443	595 357	1 489 364
13	Ziraat bank Uzbekistan	1 674	3 336	17 594	40729	19 268	44 065
14	Trastbank	25 625	41 018	115 976	211032	141 601	252 050
15	Aloqabank	16 687	29 052	375 174	685033	391 861	714 085
16	KDB Bank Uzbekistan	741	1 179	28 724	40961	29 465	42 140
17	Turkistonbank	3 467	0	10 047	0	13 514	-
18	Saderat bank Tashkent	160	298	1 261	2128	1 421	2 426
19	Universal bank	5 613	9 995	73 303	108797	78 916	118 792
20	Kapitalbank	25 872	35 307	200 404	641278	226 276	676 585
21	Ravnaqbank	1 938	2 540	21 923	48378	23 861	50 918
22	Davr-bank	19 661	26 088	60 492	90929	80 153	117 017
23	Invest Finance bank	20 177	28 452	285 243	423329	305 420	451 781
24	Asia Alliance bank	11 991	33 540	174 339	373613	186 330	407 153
25	Hi-Tech bank	1 547		21 012	0	22 559	-
26	Orient Finans bank	17 145	27 996	230 577	422556	247 722	450 552
27	Madad Invest bank	724	1 008	2 209	2434	2 933	3 442
28	Uzagroekspportbank	110	110	1 225	1318	1 335	1 428
29	Poytaxt bank	693	977	3 736	6332	4 429	7 309
30	Tenge bank	221	1 376	1 830	23808	2 051	25 184
31	TBC bank		0	3 159	964145	3 159	964 145
32	ANOR bank	0	14 973		2666075	0	2 681 048
33	UZUM bank	0	0	0	282730	0	282 730
Total by types		822 518	1 157 045	13 748 576	28 843 869	14 571 094	30 000 914

All users of the Internet and mobile communication are promising customers for banks, and the attraction of these prospective customers to the bank by showing the convenience of remote services depends only on the specifics of this bank. because an individual who has stored his funds in a bank can not only receive information about his account through remote banking services, but also make payments for the use of mobile communications, the Internet, television, utilities and many other services like this.

In addition to the factors affecting the development of the above remote banking services, it is necessary to eliminate several more problematic cases.

First of all, local residents prefer correct communication with more bank employees when performing their own operas in banks and are used to receiving supporting documents on each of the operations carried out. This situation requires the population to carry out explanatory work on the imko intentions and safety of remote banking services in order to change the mentality of the population.

Secondly, many people are hovering in the first use of new modern technology and system due to the scarcity of their understanding of new remote banking services, since each new software technology presents some difficulties in its initial use. also, banks are



constantly improving the types of services in their software systems. During the improvement, banks should also try to simplify programs a little for users, otherwise it will be a challenge for the part of customers who lack technological skills. therefore, IT specialists of each bank will be able to create easy-to-use and multifunctional systems that will provide their customers with effective services in a competitive environment.

Thirdly, in the remote districts of our Republic, the rapid shutdown of electricity and, as a result, it is impossible to provide customers with timely communication service and other financial services. The fact that the speed of the Internet in such places is very low causes all sorts of misunderstandings when using remote banking services. In these areas, bank customers still carry out their banking practice in full bank. then. banks should also focus on the introduction of remote banking services in these regions.

Fourth, for the purchase and installation of modern technologies and software for commercial banks at a slightly higher cost, the fact that banks introduce their own special applications based on smartphones and computers allows you to create new opportunities in remote banking services, saving costs. It places great responsibility on the information technology professionals and programmers of banks or requires the support of other local professionals.

Fifth, if communication and the Internet work 24 hours a day to bring remote banking services to a modern level, then through remote banking services, customers can use the transfer of payments until the closing of the Transaction Day. If customers are customers of different banks, payments can be made only on the current day until 17-00 hours. That is, remote banking services, like traditional services, are used by the central bank's main center for informatization until the specified time.

Therefore, taking into account the 24-hour operation of communication and the internet during the day, creating a separate platform in banks, it is necessary to automatically consider the possibility of performing payment practices in remote banking services even when the operation is not on the day. This is especially one of the important tasks that are required to be carried out at a time when the economy is digitizing, the payment system accelerates from year to year, and the number of customers of the bank is increasing.

CONCLUSIONS AND SUGGESTIONS

In conclusion, to create a mechanism to promote the widespread introduction of modern Information Communication Technologies in the relationship between the bank and the client, including the introduction of financial services based on electronic digital technologies with relatively low costs, the opening of 24/7-mode smartofis in all bank branches throughout the Republic, as well as bank cards and equipment serving them (payment terminal, By dramatically increasing the number of Infokiosk and ATMs), the offer of convenient services for bank customers and residents of our country is considered an urgent issue today.

LIST OF BIBLIOGRAPHY:

1. Decree of the President of the Republic of Uzbekistan dated January 28, 2022 PD-60 "on the development strategy of New Uzbekistan for 2022-2026".
2. Decree of the President of the Republic of Uzbekistan No. 5992 of May 12, 2020 "on the strategy for reforming the banking system of the Republic of Uzbekistan for 2020-2025".
3. Lavrushina.A.And Banking. Express course: textbook. 2016. 12 p.
4. Tkach N.D. Deposit operations of a commercial bank//Bulletin of the National Institute of Business. – Moscow, 2016. – No. 4. – pp. 180-189.
5. Aliqoriev O.F. Directions for the development of types of financial services in commercial banks. Dis. i.f.n.- T.: BMA, - 2011. – 28 b.
6. Mirsoatov.A.K. Development of innovative banking services in the conditions of the formation of a digital economy.Autoreferat.2021y. 13 p.
7. <https://www.speedtest.net/global-index>.
8. <https://www.internetworldstats.com/stats.htm>.
9. <https://qalampir.uz/news/uzbekistonda-internetdan-foydalanuvchilar-soni>.
10. https://t.me/statistika_rasmiy/3256.
11. <https://cbu.uz/oz>.
12. <http://ccitt.uz/uz/>.
13. Information from the official website of the Ministry of Information Technology and communications of the Republic of Uzbekistan.
14. Speedtest Global Index statistics of the Ookla Compass.
15. Suyunov D.X. Corporate governance mechanism: problems and solutions.Monograph. - T.: Academia, 2006.



World Economics & Finance Bulletin (WEFB)
Available Online at: <https://www.scholarexpress.net>
Vol. 26, September, 2023
ISSN: 2749-3628,

116.

16. Data from Internet world stats.

17. Hogan J.E., Lemon K.N., Libai B., 2004.
Quantifying the ripple: word of mouth and
advertising efficiency. J. Advert. Res. 44 (3),
271-280.