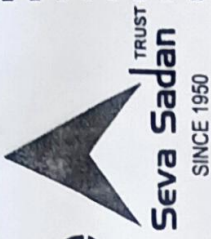




**Seva Sadan College of Arts, Science & Commerce**  
**Ulhasnagar, Dist. Thane - 421 003. India**



Affiliated to University of Mumbai

# Certificate

This is to Certify that Dr./Ms./Mr. Prashant Siddhanta Kadam  
of Sonopant Dandekar College  
has participated/ presented paper entitled The study of Electronic Fund Transfer System  
in One day International Multidisciplinary Conference on "Use of Digital Technology in  
Business, Financial Services and Education Systems; Challenges & Opportunities" organized  
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Ulhasnagar on 9th February, 2019

*Y. M. B. N. B.*

Dr. Gulabchand K. Gupta  
Principal & Convener



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## THE STUDY OF ELECTRONIC FUND TRANSFER SYSTEMS

Prof. Prashant Siddharth Kadam

Sonopant Dandekar Arts, V. S. Apte Commerce and M. H. Mehta Science College, Palghar

### ABSTRACT

An electronic funds transfer system (EFTS) is a transfer system in which money can be transferred to business or individual accounts without requiring paper money. Electronic funds transfer systems are used for payroll payments, online transfers, mortgage payments or bills payments. Due to its benefits, electronic funds transfer systems are promoted all financial institutions. This research paper of study of electronic fund transfer system is described several electronic fund transfer services. Compare several types of electronic currency, list consumer protections under the Electronic Funds Transfer Act.

### INTRODUCTION

Electronic banking, also known as electronic fund transfer (EFT), uses computer and electronic technology are replacing other paper transactions. EFTs is initiated through devices like mobile phones, computer, debit and credit cards or password and login id that let you, or those you authorize, access your account. All financial institutions including banking system use, unified payment interface (UPI) credit and debit cards and Personal Identification Numbers (PINs), Login id and password for this purpose. Some use other types of debit cards that require your thumb impression, signature or a scan. For example, some use radio frequency identification (RFID) or other forms of "contactless" technology that scan your information without direct contact with you. The federal Electronic Fund Transfer Act (EFT Act) covers electronic consumer transactions.

An electronic funds transfer system (EFTS) is a transfer system in which money can be transferred to business or individual accounts without requiring paper money to change hands. Electronic funds transfer systems are used for payroll payments, debit or credit transfers, mortgage payments or other payments. Due to its benefits, electronic funds transfer systems are promoted by all financial institutions.

### RESEARCH METHODOLOGY

The entire study based on secondary data collected from various online study webs site, the financial institution web site, governments' webs site.

### SEVERAL ELECTRONIC FUND TRANSFER SERVICES

#### ATM's

Automated Teller Machines (ATMs) also called 24-hour tellers are electronic terminals which give consumers the opportunity to bank at almost any time. To withdraw cash, make deposits or transfer funds between accounts, a consumer needs an ATM card and a personal identification number. Some ATMs charge a usage fee for this service, with a higher fee for consumers who do not have an account at their institution. If a fee is charged, it must be revealed on the terminal screen or on a sign next to the screen.

#### Direct Deposit and Withdrawal Services

Direct Deposit and Withdrawal Services allow consumers to authorize specific deposits, such as paychecks or social security checks, to their accounts on a regular basis. It is also possible to authorize the bank, for a fee, to withdraw funds from your account to pay your recurring bills, such as mortgage payment, installment loan payments, insurance premiums and utility bills.

#### Pay by Phone

Pay by Phone Systems let consumers phone their financial institutions with instructions to pay certain bills or to transfer funds between accounts.

#### Point-of-Sale Transfer

Point-of-Sale Transfer Terminals allow consumers to pay for retail purchase with a check card, a new name for debit card. This card looks like a credit card but with a significant difference the money for the purchase is transferred immediately from your account to the store's account. You no longer have the benefit of the credit card "float", that is the time between the purchase transactions and when you pay the credit card bill. With immediate transfer of funds at the point-of-sale, it is easy to overdraw your checking account and incur additional charges unless you keep careful watch on spending.

## CONSUMER PROTECTION -- ELECTRONIC FUNDS TRANSFER ACT

The 1978 Electronic Funds Transfer Act is the governing statute while the Federal Reserve Board's Regulation E provides guidelines on electronic funds transfer card liability. The regulations require that:  
A valid EFT card can be sent only to a consumer who requests it.

Unsolicited cards can be issued only if the card cannot be used until validated.

The financial institution must inform you of your rights and responsibilities under the law in a written Disclosure Statement, including the procedure to correct errors in your periodic statements.

The user is entitled to a written receipt when making deposits or withdrawals from an ATM or using a point-of-sale terminal to make a purchase. The receipt must show the amount, date and type of transfer.

Periodic statements must confirm the amount of all transfers, the dates and types of transfers, type of accounts to or from which funds were transferred, and the address and phone number to be used for inquiries regarding the statement.

### Problems and Errors

You have 60 days from the date a problem or error appears on your written terminal receipt or on your periodic statement to notify your financial institution. If you fail to notify the financial institution of the error within 60 days, you may have little recourse. Under federal law, the financial institution has no obligation to conduct an investigation if you have missed the 60-day deadline.

### Lost cards

If you report an ATM or EFT card missing before it is used without permission of card holder, the card issuing company cannot hold you responsible for any unauthorized withdrawals. If unauthorized use occurs before you report it, the amount you can be held responsible for depends upon how quickly you report the loss.

If report, the loss of debit and credit cards within two business days after realize the card is missing but report of loss within 60 days after checking financial statement, could lose as much as Rs. 30000 because of an unauthorized withdrawal.

If you do not report an unauthorized withdrawal within 60 days after your statement is mailed, you risk losing all the money in your account plus the unused portion of your maximum line of credit established for overdrafts.

### CONCLUSION

Financial self-sufficiency is the strategic objective for EFTS. Electronic funds transfer system enable society easiest, quick and safest transaction for payments. It's saved lot of time and paper work. Upgrading technology and advanced software with the help of internet mobile phones are replaced to computer, paper work. Due to its benefits, electronic funds transfer systems are promoted by all financial institutions.

### ABBREVIATION

EFT's - An electronic funds transfer system

PAN - Personal Identification Numbers

ATM - Automated Teller Machines

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