



Development of Card Business and Provision of Access to Banking Services for Residents of the Territories

Erkin Khodjaev¹, Parviz Usmonov²

¹ Professor, Samarkand Institute of Economics and Service, Uzbekistan

² Independent researcher, Samarkand Institute of Economics and Service, Uzbekistan

Abstract: The article discusses the development of the card business. It is noted that in the development of the card business, an important role is played by the creation of the infrastructure necessary for carrying out appropriate operations for servicing bank cards, attention is also paid to the lack of development of the potential for using bank cards as a means of payment. Especially the network of enterprises accepting bank cards for payment is not sufficiently developed. Suggestions are given to avoid significant office costs, i.e. expenses for the maintenance of offices, for access to banking services for residents of territories remote from the locations of banking divisions. The article also notes the need for the implementation by the units of the National Bank of Foreign Economic Activity of the Republic of Uzbekistan in the Samarkand region, within the framework of the implementation project, technologies of non-cash payments of the population. Special emphasis is placed on improving the quality of customer service in order to attract customers. One of the areas of banking services provided should be round-the-clock services throughout the week, regardless of the location of the client.

Keywords: banking services, integration, cashless payment, salary, Internet, interbank payments, bank client, bank cards, tax payments.

Introduction

The formation, development and provision of stable functioning of bank cards within the national payment system is one of the priority directions for the development of digitalization of the banking sector.

The functioning of the country's monetary system is influenced by both economic and political relations both inside and outside the country. This indicates a high level of social significance of the card business. Its smooth operation should ensure the ease of mutual settlements, transfer of funds, lending and daily settlements.

In modern conditions of digital development of the economy, there is a significant revival of credit institutions in the formation and introduction of new banking technologies, including by increasing the issue of bank cards, turnover on them, diversification of services provided using bank cards.

A bank card is a financial asset through which the bank provides a large number of retail services to customers. That is, when organizing a card business, the question arises about the qualitative implementation of cooperation between the bank's divisions and its management in the retail sector.

In parallel, it should be noted that not all the possibilities of using bank cards have been put into practice. At the same time, the profitability of transactions carried out through bank cards is directly related to thei

Literature review

The theoretical and practical aspects of the activities of commercial banks for the development of payment systems using plastic cards are studied in sufficient detail in the works of such well-known foreign economists as Islam, S. and Daoud Ahmed, M. [1], Rui-Chi Wu, Rui-Shun Chen, etc. [2].

Some aspects of the development of non-cash money turnover have been studied in the works of scientists from neighboring countries: Sitnikova A.I. [3], Sheshukova E.S. [4], Kapkaeva A. R. [5], Kalinchenko Yu.P. [6], Khodov L. G. [7], etc.

In Uzbekistan, some theoretical problems of the development of the plastic card market and its impact on the improvement of monetary turnover in the country are highlighted in the works of Primova A.A. [8], Baygazin A.M. [9], Hidoyatullaev A. [10], J.R.Zaynalov [11], S.S. Aliyeva [12] and others.

Results and discussion

In the development of the card business, an important role is played by the creation of the infrastructure necessary for carrying out the relevant operations. The infrastructure of the region intended for servicing bank cards is presented in Table 1.

The potential of using bank cards as a means of payment is not fully developed in the territory. Employees of enterprises and organizations, receiving wages on the card, face the need to cash out funds due to an insufficiently developed network of trade and service enterprises accepting payment cards. Out of 2,724 trade and service organizations operating on the territory of Samarkand, the number of trade and service points where transactions can be made using bank cards, as of January 1, 2022, amounted to 106 units.

Table 1. The number of trade and service points of the Samarkand region of the Republic of Uzbekistan in which it is possible to make transactions using bank cards

Districts of the Samarkand region	Number of ATMs		Number of installed payment terminals	
	Total	including with the function of accepting cash	Total	including with the function of accepting cash
City of Samarkand	7	4	31	31
Samarkand district	3	2	54	35
Jambai district	3	2	25	24
Akdarya district	1	2	7	4
Pastdargom district	1	2	7	3
Kattakurgan district	3	2	5	3
Ishtykhan district	3	2	3	3
Total by region:	21	18	132	103

One of the features of the development of the bank card market is the optional presence on the territory of the classic division of the bank, which avoids significant office costs, i.e. the cost of maintaining offices. Many banks issue cards to their customers by sending the card by mail. And repayment of the loan or replenishment of the card account is carried out through ATMs equipped with cash-in modules, or (in case of replenishment) by transferring all or part of the salary to the "card account" in the bank. The NSC established in There are ATMs in Samarkand with the possibility of repayment of loan debt on loans and interest for their use, the function of paying utilities and other payments has been implemented. You can find out about the debiting of funds

from the account, the receipt of funds to the bank card account, the balance of funds and the operations performed by connecting the mobile banking service.

Access to banking services for residents of territories remote from the locations of banking units should be implemented by a subdivision of the NBVED branch in the Samarkand region within the framework of the project for the introduction of non-cash settlement technology for the population (hereinafter - TBRN). In accordance with the project for the implementation of the TBRN, the post office with its numerous branches can become the bank's agent for providing banking services to the population at the place of residence. Currently, through post offices, it will be possible to perform operations for opening and replenishing deposits, replenishing payment cards, transferring funds from "card" accounts between individuals, including interbank payments, payments to suppliers of goods (services). Within the framework of the TBRN, it will be possible to restore work on transferring wages, scholarships, pensions and other social benefits to bank cards. At the beginning of 2022, the banking division issued 3,918 cards, the number of transactions made using them is an average of 7,010 transactions per month in the amount of 11.0 billion soums. Integration of banking divisions and post offices of the territory is one of the ways to solve the problem of accessibility of banking services in remote areas of the Samarkand region for all segments of the population.

Improving the quality of service can play an important role in attracting customers. One of the directions is to provide a wide range of banking services around the clock throughout the week at any location of the client. The emergence of the latest technologies will allow the introduction of remote service systems (hereinafter referred to as RSS) for bank card holders on the territory, enabling customers located anywhere in the world to manage their accounts in real time. As of January 1, 2022 banking divisions have opened 121107 "card" accounts with remote control, including 222491 accounts for individuals.

It may be especially relevant for business entities operating in those localities of the territory where banking services are provided by internal structural divisions of the NSC only to individuals. Out of the total number of accounts with RSS for 2021 (318 accounts of economic entities), 125 accounts were accessed via Internet banking. The rest of the customers use an outdated telephone banking system (voice banking), which involves a dialogue between an economic body and a bank unit (see Fig. 2).

Over the past year, there has been a decrease in the activity of the population of Samarkand in the segment of Internet banking. If during 2020 individuals used 1,140 accounts not related to bank card payments, with remote access via the Internet, then in 2021 – only 118. This is due to the fact that the possibilities of Internet banking are not fully implemented by banking units. The main provider of banking services of the National Bank of Ukraine, which has the largest customer base, except for money transfers from one bank account to another within the bank and payment for mobile communication services, has not yet implemented a set of services needed by consumers, such as utility payments, landline telephone service, Internet service providers. payments. And the quality of communication in the Samarkand region with the conditions of its location leaves much to be desired.

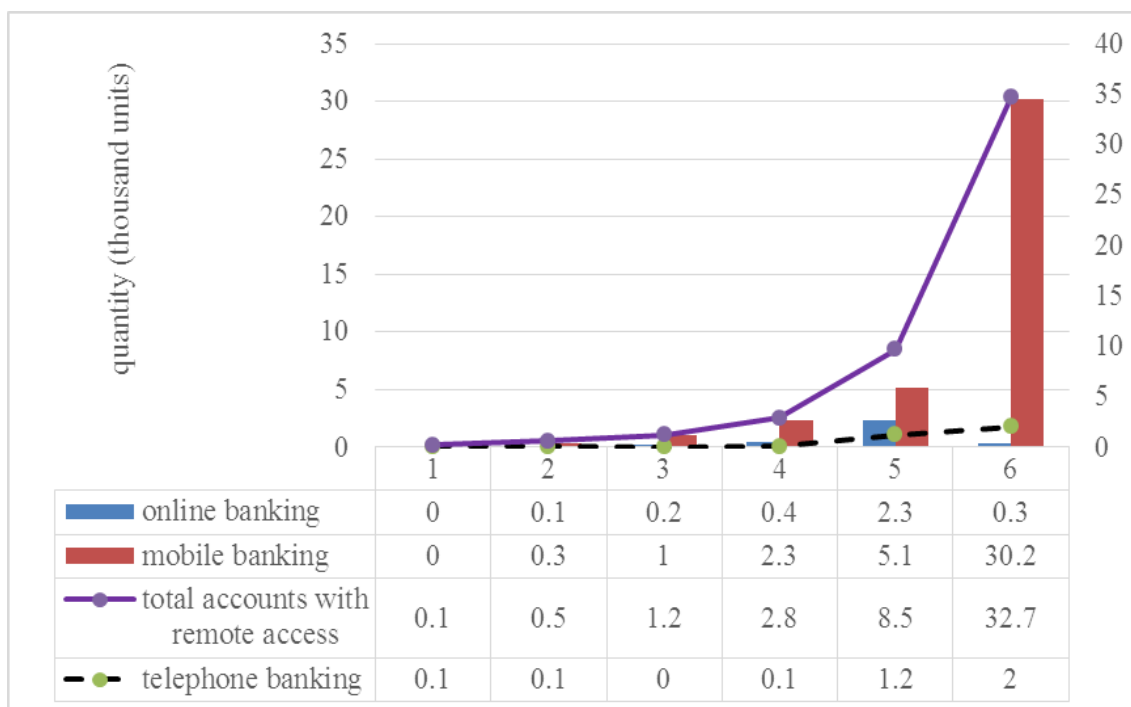


Fig. 2. Accounts with remote control

In turn, over the past six years, the number of accounts with mobile phone access has increased especially rapidly, by 1,620 times. The most common service of the territory is carrying out operations to pay for mobile communication services and transferring funds from a card to a card of one issuer, with SMS notification of customers about all movements of funds related to the status of card accounts.

Compared with the average indicators for Uzbekistan, the proportion of accounts with remote access is quite low in Samarkand, which is due to the underdevelopment of the corresponding infrastructure in this vast territory. At the same time, the average volume of account payments in the first half of 2020 was 9.7 times higher than the average in Uzbekistan.

Conclusion

Taking into account the territorial specifics of the Samarkand region, the significant remoteness of settlements from each other and the absence of any other transport on the territory, except aviation, there is a significant need for the development of full-fledged stationary and mobile banking, which will reduce the disparity in the availability of many banking services, expand the geography of banking services without the participation of cash.

References

1. Islam, S. and Daud Ahmed, M. (2012), "Business process improvement of credit card department: case study of a multinational bank", *Business Process Management Journal*, Vol. 18 No. 2, pp. 284-303. <https://doi.org/10.1108/14637151211225207>
2. Ruey-Chyi Wu, Ruey-Shun Chen and J. Y. Chen, "Data mining application in customer relationship management of credit card business," 29th Annual International Computer Software and Applications Conference (COMPSAC'05), 2005, pp. 39-40 Vol. 1, doi: 10.1109/COMPSAC.2005.67.
3. Ситникова А. И. Проблемы организации безналичного денежного оборота в России //Наука и образование сегодня. – 2018. – №. 1 (24). – С. 31-36.
4. Шешукова Е. С. Наличное и безналичное денежное обращение в современной российской экономике //Экономика и социум. – 2016. – №. 5-2. – С. 1001-1009.
5. Капкаева А. Р. Безналичный денежный оборот //Вестник магистратуры. – 2016. – №. 11-2 (62). – С. 130-132.

6. Калинин Ю. П. Безналичный денежный оборот //Вестник Московского университета МВД России. – 2015. – №. 9. – С. 52-54.
7. Ходов Л. Г. Безналичный денежный оборот растет в ущерб наличному //Горизонты экономики. – 2017. – №. 6. – С. 114-116.
8. Примова А. А. Инновационные аспекты экономического развития Узбекистана //Инновационное развитие. – 2017. – №. 4. – С. 78-80.
9. Байгазина А. М. Особенности внутреннего контроля расчётов безналичными денежными средствами в коммерческой организации //Ответственный редактор. – 2020. – С. 169.
10. Хидоятуллаев А. Особенности денежного обязательства в гражданских правоотношениях //О ‘zbekiston qonunchiligi tahlili. – 2011. – №. 1-2. – С. 46-49.
11. Баева, Е. А., Баев, В. А., Мялкина, А. Ф., Коровина, Л. Н., Ибрагимов, Н. А., Хусайнов, Р. Ш., ... & Черемисина, Т. Н. (2020). Современные стратегические аспекты развития бухгалтерского учета, аудита, статистики и налогообложения.
12. Зайналов Д. Р., Алиева С. С. Факторы, ограничивающие получение фермерскими хозяйствами банковского кредита //Направления повышения стратегической конкурентоспособности аграрного сектора экономики. – 2016. – С. 104-109.