

Financial Services

Personal and business customers need to be protected with their financiers, this is the reason why there is a legislation taken out called 'Financial Services Act 1986'. This is a recent regulation on UK companies. The 'Financial Services Act 1986' deal with acts, practices or course of conduct likely to defraud or deceive investors.

Only authorized investment businesses have a statutory right to advertise or promote the sales/purchase of investments. The reason why this legislation was taken out was because say for example, if an financial advisor gets commission on certain investments then he/she may advise investor on taking out wrong investments as they gain commission even if it mean the investor loses out on a lot of money. So therefore the investor must state all the possibilities in investing in certain investments.

Over the last few years ICT has developed a great deal. Within half a century, computers and information technology have changed the world and affected millions of lives in ways that no one could have anticipated. ICT is transforming the ways in which we learn, communicate, do business, enjoy our leisure and live our everyday lives. Nowadays whatever career we pursue knowledge of computer skills and concepts is likely to be essential. This is a way that shows that ICT has developed over the years and that is why ICT has a great impact on financial services. Financial services are important to people this day to make sure they have a security in their future. ICT has developed extremely that people can buy investments over the World Wide Web (Internet).

By financial companies having a web page on the Internet it allows people to view information about investments and other financial information. The reason why business like financial services has a web page on the Internet is due to the fact that it is an easy-to-use, graphical source of information, which is opened to millions of people, as people now-a-days own the internet both from home and at work. Also the Internet is a cheap and fast way to communicate with others worldwide; people can communicate by word, picture and sounds. The Internet is available on digital televisions, wap mobiles and game consoles, so therefore if people need to find out any information on their investments like say for example shares they can do just by logging onto the internet by computer or phones etc.

Advantages of Internet

There are advantages to the customers, buying investments. They are:

- 1) Visit standard life, Barclays without having to leave home, at any hour of the day;
- 2) Can find out more/look for the cheapest investor before deciding to buy;
- 3) Can email the company without having to ring them and being on hold.
- 4) Improves the flow of information between advisor and investor.

Advantages of Internet

- 1) Anyone that has the Internet can obtain quick financial reports/advise/information. For example, if competitors in the financial market want to find information on investments that other investor provide at what price or any

promotions that their competitors are doing they can by just going onto their web site, so this is an advantage to the competitors.

- 2) Increasing number of Internet users. This has happened due to the increase of the advertising the Internet more, and the increase of e-commerce. This is an advantage, because it allows the users to be sent loads of adverts or promotion and deal that they are giving. So this way they get a wide range of customers, and also the customers can be from across the world.

Problems with the use of the Internet

- 1) Fraud (Hackers): this is the fastest growing criminal activity in the UK, according to crime figures published in 2000. Banks industry's research has shown that the net generates around 50% of all credit card complaints. In 1999 more than £2 billion was spent on the Internet in UK, and this figure is predicted to grow rapidly. But the public does not fully trust the security of Internet transaction, and many people do not feel comfortable giving their credit card numbers over the Internet.
- 2) Potential Viruses: when downloading a file over the Internet, you can use virus software to make sure the file is virus-free before it can be downloaded. However, some web sites automatically send a program to the web site and run it before anyone gets that chance to check it for viruses. For example, in 1999 a macro virus called Melissa, once on a system using outlook express, took the first 50 entries from the Address Book and then mailed itself as an attachment to the e-mail addresses. The e-mail carried the message 'Here is that document you asked for... don't show anyone else ;-)' . It rapidly spread to millions of computers worldwide, disrupting large systems by overloading servers and causing them to close down.
- 3) Limited number of users worldwide: the reason why this is a problem is because people think that everything revolves around the internet, but not everyone has the internet at home, most big companies do. Not everyone can afford the Internet that is the reason why they do not have it. So financial services will have to as well as use the Internet for advertising but also use things that everyone has for example TVs etc.

Another way for financial services to communicate with their customers is by e-mail, if customers want to ask particular questions or need help on something.

Advantages of e-mail