

Online Banking and Cyber Risks in Sri Lanka

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Abstract

In the era of globalization Internet banking or online banking has revolutionized an integral activity of our modern twenty first century. In modern days people always prioritize their convenience. Therefore online banking and activities related to the internet make their daily schedules more easy and convenient. The misuse of information technology in the cyber space is clutching up which gave birth to cybercrimes at the national and international level. The percentage of risks and the challenges associated with it is increased. Objectives of this study are to identify the technology adoption in banking activities, identify the types of cyber threats and identify the Cyber Risk Management practices in banks of Sri Lanka. Secondary data were gathered based on Central bank Annual Reports in Sri Lanka and the Survey Report-2015 of National Center for Cyber Security in Sri Lanka. Many banks adopt computer based systems, ATMs, Centralized Core Banking system and Virtual Banking System. Popular cyber risks types in banks are Hacking/Intrusion attacks, Distributed Denial of Service (DDoS) attacks, Malware, Social engineering, credit card fraud, and Phishing. Analyzed data indicate that among internet users, 30% of users use internet for banking activities. Accordingly they are attacked by various types of cybercrimes as in Sri Lanka 2015, Spam Emails- 60%, computer viruses- 90%, phishing attacks-15%, cyber bullying- 5.6%, cyber stalking- 4%. Individual banks as well as the Government and the Central Bank of Sri Lanka (CBSL) have been continuously implementing two main cyber risk management procedures as Baseline security standards and Computer security incident response team. However, even though internet offers variety of benefits to people, recently there are many instances of cybercrimes. To prevent the cybercrimes it is necessary to take certain precautions while operating the computer or internet, educating people on cyber risks and implement necessary rules and regulations are compulsory to avoid these risks.

Keywords : Online Banking, Cyber Crime, Sri Lanka, Cyber Risk Management, internet.

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