
Bank Cards and Ways to Improve Their Services

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Annotation: This article describes bank cards, their essence, types, services, payment systems created by banks and the experience of foreign countries in this area. It also explains the overdraft service, the content and benefits of credit cards, and suggests areas for their further development.

Key words: bank, banking services, bank card, plastic card, payment, debit card, credit card, overdraft.

Introduction

Bank plastic cards are one of the fastest growing banking products, which is a means used to make other payments for goods and services, transfer money, as well as withdraw cash through contactless technologies in cashless form.

Development of digital banking services The number of transactions on bank cards using remote banking mobile applications and other Internet applications is growing day by day. As a result, the ability to make deposit and credit operations, currency exchange, international transfers and payments quickly and conveniently is expanding. This is important as it saves people time and further improves their quality of life.

The Strategy "Digital Uzbekistan - 2030" [1], approved by the Decree of the President of the Republic of Uzbekistan dated October 5, 2020 PF-6079 [1] defines the tasks to be performed to create more convenience and improve the quality of banking services and remote banking services gave. This means that conducting research to further improve the field and the topic is one of the most pressing issues.

Analysis of the literature

In general, banking services are a set of actions related to the operational and strategic activities of commercial banks, as well as effective management. Banking services are aimed at attracting customers by offering new services and improving their quality features. Banking services promote the optimal performance of banking operations, and the developed and provided banking services together with banking operations create a banking product.

Banking services are really a set of banking activities, services related to meeting the needs of customers in banking. At the same time, the concept of banking services includes the optimization of banking operations as an important element, as banks should pay attention to the level of efficiency, convenience and quality of this type of service when choosing a service, and feel that these indicators are the basis for their competitiveness.

Banking product - a set of interconnected banking services and operations aimed at meeting the needs of customers of a particular type of banking activity.

The bank's products are:

- ✓ creation of payment funds;
- ✓ Provision of services.

A banking operation is a set of interrelated actions of a bank and a customer, which involves the placement of funds by the bank and is aimed at solving a specific economic problem .

Banking operations can be of three types:

First, banking asset operations;

Second, bank passive operations;

Third, to mediate payments.

Transactions related to the attraction of funds to the liabilities of the bank are the operations related to the placement of funds involved in the assets of the bank. With bank cards it is possible to combine all these operations.

Research methodology

Research methods such as expert assessment, induction and deduction, comparison, system analysis, statistical tables and diagrams, as well as official statistics from the Central Bank of Uzbekistan, the Bank of Russia and the Global No.1 Business Data Platform, as well as foreign and domestic used in the research of scientists.

Analysis and results

Today, the cards used in various non-cash purchases and payments are explained by terms such as "bank card", "bank plastic card", "plastic card".

In general, a plastic card is a general term, a general term that refers to all types of cards that differ in terms of scope of services, technical capabilities, elements. The most important feature of these cards is that they store a specific set of data used in different applications. In the field of money circulation, plastic cards are one of the most advanced means of organizing cashless payments. In a cashless payment system, they constitute a special class of payment instruments that have the characteristics of debit and credit instruments. It follows that a plastic card is a document of a certain form made of plastic, which serves to identify the owner, including financial transactions.

A credit card is a bank card that can be used to make non-cash payments for goods and services at the expense of a bank loan. Unlike a debit (overdraft) card on a credit card, the cardholder (borrower) cannot save (accumulate) their funds.

Debit card - Allows you to save money in your bank account.

In addition, bank cards are divided into the following types according to:

Monthly salary card - is credited to the account of the employee of the organization by the bank, which calculates the salary and other payments of the employee.

Private Entrepreneur Card is a bank card issued to individual entrepreneurs who are not legal entities. A corporate card is a bank card issued to legal entities.

Another type of service provided by bank plastic cards is an overdraft, which means that the overdraft in English (overdraft) - exceeded the plan, overspent.

Lending by the bank to the customer's account for payment in case of lack or absence of funds in the customer's current account. In other words, you can still make payments on a negative balance within a certain limit even after the customer has spent the balance on their plastic card. The bank reimburses the negative balance spent by

the client from the short-term loan account and charges interest for each day used at the rate agreed in the overdraft agreement.

An overdraft is different from a regular loan in that all the funds received in the customer’s account are primarily directed to repay the debt. Sometimes, there is a grace period for using an overdraft, during which no interest is charged for using the loan. It depends on the credit policy pursued by the bank.

While a credit card and overdraft may look the same at first glance, there are significant differences between them.

The credit limit is presented on the credit card with an analysis of the borrower's credit history, creditworthiness, income. In overdraft, the debt limit is set based on the client's average monthly salary of one or two months. Overdraft bank's contracted credit card includes both passive and active operations of the bank.

Currently, we can see offers on overdraft and credit cards through the websites of commercial banks of the republic. Commercial banks are issuing Uzcard and Humo payment cards in national currency and Visa and other types of international bank cards in foreign currency, expanding their infrastructure. Using these provided plastic bank cards and mobile banking applications, you can instantly make international money transfers, currency exchange, cash services and other services..

According to the Central Bank of the Republic of Uzbekistan, over the past two years, the integration of two national retail payment systems Humo and Uzcard with Visa, Mastercard, China Union Pay and Mir international payment systems has been successfully implemented. This will allow users of these international payment systems cards, ie tourists visiting our country, to make payments in the national currency through the Humo and Uzcard payment infrastructure (network of ATMs and payment terminals), creating a wide range of conditions for visitors.

According to the Resolution of the President of the Republic of Uzbekistan dated March 23, 2018 No PQ-3620 "On additional measures to increase the popularity of banking services" [2] 24/7 ATMs, kiosks provide cash and currency exchange, cashless payments and other services.

Bank cards issued by commercial banks of the country will increase by 75.3% of the total population by 2021, or about 25.8 million. The number of used ATMs and info kiosks reached 11.8 thousand, and the number of terminals - 438.4 thousand (Table 1)..

Years / as of January 1st	Number of ATMs and info kiosks (pcs)	Number of terminals (units)	Number of bank cards in circulation (thousand)	Amount of transactions made through payment terminals (billion soums, during the year)
2021	11800	438410	25776	
2020	9203	392361	20547	81000
2019	6859	244913	17686	71020
2018	5632	235712	19226	63712
2017	4954	208536	19523	52972
2016	2345	183060	16316	53050
2015	2012	169581	15215	31324
2014	1733	129679	11068	22758

2013	1417	112712	9503	16308
2012	905	99688	8276	12658
2011	491	85741	7909	10192
2010	363	60631	6059	5700

According to the study of foreign experience in the use of bank plastic cards, as of January 1, 2020, the total number of bank cards issued by banks and credit institutions in the Russian Federation amounted to 285.8 million. of which 248.6 mln. Debit cards and 27.2 mln. Credit cards. An overdraft service has also been launched, and according to official statistics, the number of overdraft cards in 2017 was 34.2 million. formed the body. In the United States, credit cards are used more than debit cards. In particular, in 2018 in the United States 1424.3 mln. 77.5% or 1103.4 million soums of bank cards were issued. 22.5 percent or 320.9 million were credit cards. and debit cards

At a time of rapid development, there are a number of problems in our country in the wider use of bank cards and the diversification of related banking services. Including:

- In the development of bank cards, the main focus is on debit cards;
- Lack of a perfect legal framework for credit cards and overdraft services (Central Bank of the Republic of Uzbekistan "On approval of the Regulation on the procedure for issuing overdraft loans to individuals by bank plastic card", registered by the Ministry of Justice of the Republic of Uzbekistan on July 21, 2017 No. 002900) In accordance with the Resolution of the Board of the Central Bank of the Republic of Uzbekistan dated December 13, 2019 No. 30/12 "On revocation of certain normative legal acts adopted by the Central Bank of the Republic of Uzbekistan" unpublished);
- it is necessary to improve the performance of remote active operations on bank cards;
- Insufficient literacy of the population in banking services, including the use of bank plastic cards;
- Lack of separate statistics on credit cards and overdraft services, etc..

Conclusions and suggestions

The rapid penetration of the digital economy into our daily lives, the ongoing pandemic events have shown the need to further improve bank cards and banking services. In this regard, it is advisable to take into account the following:

1. Improving the regulatory documents of the Central Bank on credit cards and overdrafts, in accordance with modern requirements, in particular, the development of procedures for remote service and its security;
2. Further expansion of practical measures to increase the literacy of the population on the effective use of remote services;
3. Application of effective methods based on the use of innovative achievements of modern information technology in the analysis of customer data on remote servicing of the Bank's active operations;
4. Expansion of the service sector in the framework of the development of the retail service sector and the development of mass products and quality services in high demand in the market, in particular, the introduction of new types of services in the field of plastic card business;
5. Increasing the volume of card services using the payment system GlobUzCard by expanding the fleet of modern banking equipment (info kiosks, multifunctional soum and currency ATMs), etc...

In short, the diversification of modern banks services, their effective organization, as well as a broader reform of the banking system. And increasing the role of banks in financial support of the population can improve the living standards of the population and achieve further socio-economic development of the state.

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