A Study of Security Issues of Mobile Payments in a Sri Lankan Banking Context

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Mobile Commerce is growing rapidly, and it is gaining vast acceptance amongst numerous sections of society. This progress can be traced back to technological and demographic developments which have influenced important aspects of the socio-cultural behaviour today. Wireless mobile technologies provide the ability to freely share and access information anywhere and anytime. These abilities extend to electronic commerce systems which allow end users to initiate and participate in electronic transactions over wireless channels. Mobile payment is expected to become one of the most significant applications in mobile commerce. The issue of security has emerged as a major inhibitor of mobile payment acceptance. The perception of security in mobile payment procedures by the customer is one major factor for the market breakthrough of such systems. Here, the major concern is to identify how mobile commerce will drive business growth in Sri Lanka, paying special attention to security issues in mobile payments from the viewpoint of customers. This study was conducted as a descriptive one; therefore, the method of analysis of the data was explanatory, complemented by the use of research instruments. Further, as mobile payments are a relatively new area for research, a qualitative approach using focus group interviews was chosen to explore the viewpoint of officers (such as bankers... etc.) as customers. The findings suggest that the adoption of mobile payments depends on certain situational factors like urgency or the lack of other payment methods. Other substantial barriers to adoption were also recognized, including premium pricing, intricacy, and perceived risks. However, service providers need to pay considerable attention to security issues like authentication and authorization for mobile payment transactions and fraud management in order to establish a smooth run in the process.

Keywords: Mobile commerce, Mobile payment, Security