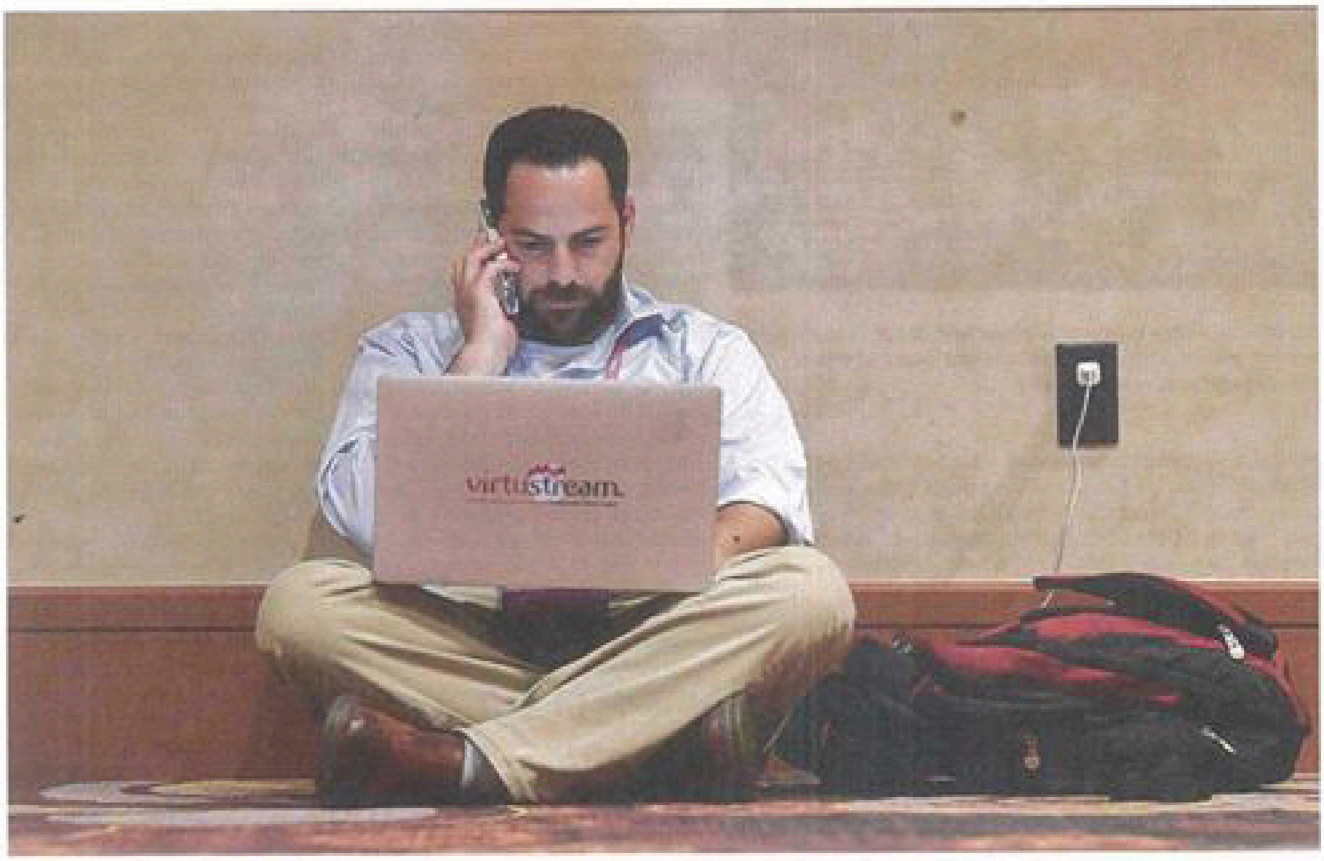

Cybersecurity is the major challenge for GCC social banking as customers unknowingly provide personal information. — *Reuters*

GCC social media banking should gear up for risks

Client comments, questions and feedback must be responded to by a dedicated and trained team

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Banks in the Gulf Cooperation Council (GCC) are adding social media as a permanent channel for retail customer interaction. They are active through Facebook, Twitter, LinkedIn and Instagram. Social media platforms can no longer be considered places where people simply connect and communicate in real-time with the click of a button.

Platforms, such as Facebook, WeChat and Viber are increasingly providing a broad range of services to their users either directly or through partners, making them central to people's lives. Customers expect real-time responses from their service providers. Convenience, personalisation and trust form the foundation of customers, establishing a digital relationship with their bank through social media.

Banks are using social media as an alternative to online banking and an efficient way to process applications. Certain mobile payments service allows customers to send money to each other using Facebook, Twitter, WhatsApp and e-mail or phone number. Banks can use Facebook credentials to verify identity marks, which is important development in social media banking.

High quality content is the primary key to social media success. To produce this content GCC banks often take their own unique approach. In terms of content it could be to market the brand and the product or in engaging customers. GCC banks which have a large numbers of customer complaints should be prepared for new complaints over social media. Because social media is a public platform, customers will post about their negative experiences. As a result, GCC banks have had to implement sophisticated social media policies to handle situations with sometimes emotional clients, since conversations that were previously private and one-on-one are now being broadcast for everyone to see. This is an opportunity for such banks to directly engage with upset customers to address their problems in a meaningful way. Banks also have the option to make this process public so that other customers can see how and why certain issues are resolved.

In the era of social media, the term social banking can also be associated with clients interacting with other clients, their relationship managers or with the bank's experts through secure online platforms in relation to wealth management. Wealth managers can also actively leverage on social media networking.

A common characteristic of successful presences on social media networks is that the posts contain different topics that are highly relevant for high-net-worth individuals. Wealth managers should embrace the shift to visual social media because multimedia content including images, infographics and videos trigger the highest engagement rates. Client comments, questions and feedback must be responded to by a dedicated and trained wealth manager team that constantly monitors all social networks.

Cybersecurity is the major challenge for GCC social banking as customers unknowingly provide personal information. Social media services are always exposed to security risks because it is possible that passwords used on social networking sites are vulnerable to hacking. Fraudsters try to hack into Facebook accounts and other social networking sites. Registering your bank account with social media service exposes your personal information such as birthday, home town, news feed to external elements who could monitor your messages for any extra information. There are chances that some highly professional hackers could read your social media messages containing banking transactions from hacking into your social media accounts online or by remotely hacking your smartphone. By monitoring social media for malicious activity, security and marketing teams of GCC banks can identify profiles advertising pirated content or counterfeit goods, thus saving the organisation potentially millions in lost revenue.

Increased investment in social media also comes with increased compliance risk. A bank's policies and procedures should address the use of social media and how bank employees may interact with a bank's social postings. The bank response and employee training needs to be more rigorous if advertising bank products and services, including depository accounts, wealth management or payments. Regulators recognise social media as a public communication channel subject to existing earnings disclosure, truth in advertising, and data privacy regulations. Social media is changing the way the financial services industry operates; the future is bright for increased financial inclusion, lower costs and better customer service. However, GCC social media banking should gear up for cyber security challenges so as to provide better value proposition to the customers.

The writer is the group CEO of Doha Bank. Views expressed are his own and do not reflect the newspaper's policy.