Save & Spend Online Safely

Many people are concerned that it's risky to bank online, so they miss out on all the benefits. With the right apps, sites, and tips you can safely make your life much easier. One of the reasons for me to get a smartphone years ago was so I could use an app with its camera to deposit a check without taking it to an ATM, mailing it in, or going to the Bank. I also transferred money between my bank, brokerage, and CDs instantly and with ease. You can save trips to the bank, ATMs, no stamps, get notifications, and have instant access anytime from anywhere. Use your smartphone, tablet, or computer to save time and be even more secure than using manual methods like the US mail, checks, and physical credit cards. Encryption is now used on all Banking WiFi or cell connections. Fact is, it is easier for scammers and hackers to take over accounts of people who have not set up online access than people who are online.

Banking, Credit Card, & Websites

Most routine tasks done at a bank branch can be accomplished quickly and easily on your phone, tablet, or computer. You can deposit a check at any time from anywhere by simply taking a photo of the check. Other features include checking balances, getting notifications of payments or activity, paying bills, and transferring funds. Online bill paying can be a time-saver (no opening paper bills, no check writing, no buying stamps). You can set up your account to automatically pay bills each month, such as your rent, mortgage, and utility bills. And if you already authorize certain vendors, like your cable provider, to "pull" money from your bank account electronically, know that "push" payments that you authorize through your bank give you more control over your funds.

EXAMPLES - US Bank, Wells Fargo, Fidelity, and many other financial companies.

COST - There usually are no costs beyond the standard of maintaining your bank account.

RISKS - The biggest risk is that your device is lost or stolen and someone uses it to access your money.

PRECAUTIONS - Protect your device using the security settings. Make sure the device is set to lock automatically after no more than a few minutes of inactivity. It can then be unlocked with your face, fingerprint, or a passcode. Know how to remotely disable access or wipe your device clean if it is stolen or lost. In your banking app or website, enable two-factor (2FA) authentication or passkeys, which usually allows online account access only after you enter a code. Setup notifications for withdrawals from your account. Finally, always use unique and complex passwords and a password manager like BitWarden.

Peer-to-Peer Payments (P2P)

P2P apps help you pay for things without using physical cash or cards with many merchants, friends and family. Once you start transferring money to friends, family members, and others it's hard to believe you ever got along without it. No need to get cash from the ATM or not having money to pay a bill with you. P2P apps usually are used for transfers between people you know, but most small businesses now accept P2P payments, and some informal ones-like farmers market vendors-insist on them. The PC Club uses them for dues, I accept them as payment at my Garage sale, and I split checks when eating out or other debts

EXAMPLES - Apple Wallet (Built in iOS), Cash App, PayPal, Venmo, Zelle, Square, and others..

COST - Nothing, with a few important exceptions. You'll be charged a 3 percent fee if you fund outgoing transactions with a credit card rather than through a bank account. Most P2P apps charge a 0.5 to 1.75 percent fee if you want to instantly transfer incoming funds to your bank account; otherwise, it takes one to three business days. Zelle is the exception in both cases. It doesn't allow credit card transactions, and instant access to funds is standard.

RISKS - Typing in the wrong recipient address and sending money to the wrong person. In such cases, the apps generally won't reimburse users. Nor will they help if you're tricked into sending money to a scammer. Many of the legal rights you have when using a credit card or check don't exist with P2P payments. Funds left in your P2P account may not be insured by the Federal Deposit Insurance Corporation, as they would be in a bank account.

PRECAUTIONS - Before sending money, confirm the recipient's identity with a phone number, email address, or QR code. Consider sending a $1 test payment and confirming it was received before sending large amounts like rent. Move money from your P2P account into an FDIC-insured bank account as soon as possible. And turn on all identity verification options in the app. Also, don't broadcast to the world everyone you send money to, which is the default setting on some P2P apps. For how to prevent that, see "How to Protect Your Privacy".

Digital Wallets

Your physical wallet/purse can be leaner and to crooks, meaner by using a digital wallet. A digital wallet can hold credit cards, debit cards, health insurance cards, medical cards, gift cards, loyalty rewards cards, coupons, driver license, digital event tickets, airline boarding passes, hotel keys, and even to start some cars. For most people a digital wallet serves double duty as your P2P payment app.

EXAMPLES - Apple Wallet, Google Pay, and Samsung Pay. Pay at stores by waving your device at the credit card reader. Some cheap Android phones do not support NFC for contactless payments, so when replacing a phone, check for NFC. Unlike a physical credit card, your phone and account data are protected by passwords, biometric authentication, and encryption if they fall into the wrong hands. The store is sent a one time use card number so your credit card can never be exposed in a data breach.

COST - Generally nothing, but standard P2P fees may apply if you use a digital wallet for P2P.

RISKS - Someone steals your unlocked phone (lock and protect your phone). Your phone dies, and you don't have plastic cards with you. Some stores have not upgraded to contactless payments.

PRECAUTIONS - Make sure security settings are on, and that you can remotely disable or erase your phone if it's lost. Also, keep a separate list of the cards in your digital wallet so that you can cancel them if needed. I use the BitWarden Password Manager to store the customer service phone and account numbers.

Budgeting Apps

Budgeting can help track your expenses, income and spending. The best budgeting apps also provide snapshots of your financial history, help you make savings projections and assist with other goals, such as paying off debt. What works for one person may not work best for you, so try for yourself.

EXAMPLES - Empower, EveryDollar, Goodbudget, Monarch, NerdWallet, PocketGuard, Rocket Money, YNAB (You Need a Budget), Quicken Simplifi, and most banking and credit card companies have an app/site to track spending categories. They help you build and manage a budget by making it easy to track, visualize, and analyze your spending by category and to set savings and debt reduction goals.

COST - A few cost nothing, but many offer free entry level versions and charge between $8 and $18 a month for more robust features. Many also offer a free trial period. Simple bank and credit cards are usually free.

RISKS - If your phone is lost or stolen, your financial information could potentially be exposed if your phone is not secure.

PRECAUTIONS - Use complex passwords, enable biometric and two-factor authentication, and know how to disable your phone from afar if it goes missing. I have talked in the past about the free software GnuCash that I use for my budget. The popular app Mint is no longer supported. Fidelity "Spending by Category" report or US Bank/Plan & Track/Money Tracker are examples of free services from banks.

How to Protect Your Privacy

A concern about these tools is that they might sell or leak your personal information to marketers, businesses, data brokers, and even governments that could use it inappropriately. Start by limiting the information your phone shares with the app. On an iPhone, go to Settings, scroll to the app in question, then deny it access to any features it doesn't need to function, such as location tracking or files. On Android phones, go to Settings, then Privacy, then Permission Manager, then permission type. Check the privacy settings within the apps as well. With Venmo, for example, the "private" setting will prevent all the world from knowing with whom you exchange money. But those controls generally do not prevent apps from sharing your info with third parties that aren't involved in the core service. Some providers let you opt out when you first set up on account. (Read the terms and conditions carefully.)

Additional Links and Information

Carondelet Tech Help Resources: https://carondeletvillage.org/tech-help-resources/
Questions or comments can be sent to: TCKreuzer@gmail.com