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Internet banks: What you should know

Smartphone or Internet banks offer certain advantages when compared to classic financial institutions. One big drawback though is their sometimes restricted options for contact.

They have smart names such as “Revolut”, “Neon” or “Zak” and advertise their low fees and cutting-edge apps: The use of smartphone or Internet banks is on the rise in Switzerland, too.

As far as costs are concerned, it is hard to dismiss their advantages when compared to traditional financial institutions. One current case however shows that you should also seriously consider the disadvantages of such a banking solution: As recently reported by [Kassensturz \(https://www.srf.ch/news/wirtschaft/smartphone-bank-kunden-zahlen-teuer-fuer-gratis-dienstleistungen-von-revolut\)](https://www.srf.ch/news/wirtschaft/smartphone-bank-kunden-zahlen-teuer-fuer-gratis-dienstleistungen-von-revolut), the accounts of several “Revolut” Internet banking customers seem to have been frozen. And contacting them wasn’t easy, since it was only ever standard replies that were returned.

Since Internet banks save costs by not providing physical branches, they can offer their products at comparably favourable terms. That there sometimes is a lack of options to contact them in case of query or problems could however have serious drawbacks for customers - the price to pay for these banks’ favourable fees and exchange rates. Traditional banks also increasingly offer similar products, but with the added advantage of better helpdesks/ support.

Some tips for using smartphone or Internet banks:

- You should be aware of the problems involved with foreign banks - you should for instance never expect the same quality and the same kind of support as with traditional financial institutions.
- Don’t have an Internet bank as your only facility, but make sure to also keep an additional account which you can for instance use to pay at favourable terms when on holiday.
- Don’t just rely on one payment facility when on holiday, but always keep a second option available - and this applies across the board, not just for Internet banks.
- Only credit your Internet bank facility with as much money as you will need in the foreseeable future.