



LifeSmarts

Learn it. Live it.

Key Points

YOU CAN BANK WITHOUT A BUILDING

Direct deposit, mobile check deposit, and payment apps let you handle money entirely online.

MOBILE BANKING IS MAINSTREAM

Most banks now offer apps and websites that let you manage money without visiting a branch.

SECURITY FEATURES MATTER

Virtual banks use encryption, 2FA, and other tools to protect your account—learn how to use them.

KNOW YOUR OPTIONS

Online-only banks, neobanks, and credit unions may offer different features, fees, and benefits.

Core Concepts

MOBILE BANKING

Using your phone or computer to check balances, transfer funds, and manage accounts.

NEOBANKS

Financial technology companies that operate like banks but are fully digital with no branches.

FDIC INSURANCE STILL APPLIES

Most legitimate online banks are FDIC-insured, just like traditional banks.

DIRECT DEPOSIT & MOBILE CHECK DEPOSIT

These features make it easy to add money to your account without visiting a branch.

ZELLE, VENMO, AND PEER PAYMENTS

Digital wallets and payment apps connect with bank accounts for fast money transfers.

FEES MAY DIFFER

Some online banks have lower fees—others may charge for ATM use or paper checks.

WATCH FOR SCAMS

Phishing and fake banking apps can trick users. Always double-check URLs and app sources.

StudySmart Guide - StudySmart Guide - StudySmart Guide - StudySmart Guide

Banking Without a Branch

Additional Resources

FDIC - Mobile Banking: Rewards and Risks

How mobile banking offers convenience but also introduces security, fraud, and privacy challenges

<https://bit.ly/4lr7qcl>

FDIC - Banking with Third-Party Apps

Not all money in your favorite finance app is actually FDIC-insured

<https://bit.ly/41yaUm4>

YouTube - Mobile Banking Safety: How to Protect Your Finances Online

How to stay safe while using your mobile banking app

<https://bit.ly/4fvwmhA>

YouTube - ONLINE Banks vs. TRADITIONAL Banks - What's the Difference?

Find out if online banking is for you

<https://bit.ly/45cT2jb>

Listen to the Podcast



Explore and Explain

1. How has digital banking changed the way people manage their money compared to traditional banking?
2. What security features help protect your information when banking online or through a mobile app?
3. How can digital banking tools, like budgeting features or mobile check deposit, help you manage money more efficiently?
4. What risks should you be aware of when using only online or app-based banking services?

Understanding how digital banking works can help you use its tools effectively while keeping your personal and financial information safe.

Virtual Banking



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Acronyms

ACH

Automated Clearing House

API

Application Programming Interface

KYC

Know Your Customer

UI

User Interface

UX

User Experience

Vocabulary

ACH TRANSFER

A bank-to-bank transfer used for things like direct deposit or bill pay

CHALLENGER BANK

A smaller, newer bank—usually app-based—that competes with traditional bank

DIGITAL WALLET

An app or service that stores your payment info so you can pay with your phone or computer

DIGITAL-ONLY BANK

A bank that operates entirely online with no physical branches

FDIC CERTIFICATE NUMBER

A unique number showing that a bank is FDIC insured

KNOW YOUR CUSTOMER

A legal process that requires banks to verify your identity before opening an account

NEOBANK

A newer type of bank that operates entirely online, often with lower fees and modern features account

PLAID

A service that connects financial apps (e.g. Venmo, Robinhood) to your bank account

TWO-FACTOR AUTHENTICATION

A security step requiring two forms of ID to access your account

VIRTUAL CARD NUMBER

A temporary or masked card number used to protect your real debit or credit card online