

Budget? Bills? Banking? App to it

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Want to get a better sense of how you're using your money? Great news: there's an app for that.

Australians are showing a healthy appetite for doing their banking on the run. Lots of us are downloading mobile banking apps and some are banking exclusively via smartphone.

When CommBank shared a snapshot of what its 2.5 million unique app users got up to in the course of a single week in June last year, it revealed a buzz of activity.

For starters, app users logged on 10.5 million times. They also spent \$1 million using their phones instead of their wallets; they explored new products within the mobile app 22,000 times; activated their cards via the app 11,900 times and changed their card PIN 7500 times.

But the banking apps still have their limits.

The *State of Mobile Banking 2014* report published by Forrester Research in November last year, included a look at the functionality of Australia's major bank apps.

They allowed users to access balance information (sometimes pre-login); to make payments and transfers; and to start and finish an application for a new product. Some let users make peer-to-peer payments and to carry out some self-service such as reporting a lost or stolen card, or placing a block on it.

Where they were falling short was in the area of money management functionality. They weren't providing users with access to spending graphics; safe to spend indicators; categorisation and aggregation.

Fortunately, just as there's an abundance of apps to help revolutionise your health and fitness, there's a wealth of money apps designed to give you a clearer picture of where your dollars are going and how you're tracking against your goals. Or they can simply make the business of managing your money easier.

Sebastian Urban, 34, has found apps can provide some revealing insights into his spending.

The Sydneysider has experimented with several budgeting apps over the past couple of years. First up, he used HomeBudget.

"It was pretty good for maintaining a budget and general forecasting but what ultimately got me to move away was the ongoing cost of data entry," he says.

"Every purchase needs to be manually added and it just became too much of a burden to keep it up-to-date."

Urban then dabbled with YouNeedABudget. While it looked great, it got the chop for similar reasons.

His latest preference: Pocketbook. It gets his thumbs-up because he doesn't have to enter each expense manually and it auto-categorises his expenses.

"I can then analyse my expenses, split by category, to get an accurate view over time of where I'm spending my money."

So what's he learned after using it for a year?

"That I spend more on bank fees than I earn in interest by a factor of 100, and that I've spent almost as much on parking as on petrol, in the past year, which is actually kind of shocking," he says.

To get started on the app track, we asked some people with expertise in the tech or financial fields to nominate some of their favourite apps for managing money.

Pocketbook

Cost Free

Operating systems iOS; Android

This home-grown app has a rapidly growing list of fans (it celebrated 100,000 users in August last year). What's the appeal? It takes a minute to sync with your household's bank accounts, credit cards and loans.



It can then detect regular bill payments and forecast them and categorise about 80 per cent of your transactions. It tells you about any fees charged to your account and its "safely spend" feature lets you know how much discretionary income you have after your bills are covered.

The latest iPhone app includes balance charts so you can see where you're at in the wealth building journey.

TrackmySPEND

Cost Free

Operating systems iOS; Android

This easy-to-use app can help you get a handle on how you might be frittering away your hard-earned cash. Developed for MoneySmart and the Australian Securities and Investments Commission it lets you track actual spending against a budget or salary or against a spending period or pay period.



Zoe Lamont, founder of the 10thousandgirl financial literacy program, uses it a couple of times a year to have a month-long blitz on miscellaneous spending.

"Using an app is really handy for tracking the little things like that \$50 or \$100 a month that you just can't account for.

"It definitely makes you more aware of what's being spent and your purchasing decisions and I think that subconsciously you spend less because of that," she says, adding that she and her husband are now eating out less and cooking at home more thanks to their latest blitz.

She has a bit of a love-hate relationship with its feature that lets you mark expenses as either a need or a want.

"Sometimes you want to just throw it against the wall," she says, but admits: "It makes you think twice about the purchase."

Expensify

Cost Free

Operating systems iOS; Android

Hate scrounging around for paper receipts at tax-time? Melbourne-based tech coach Megan Lemma suggests this app could be the life-changer you need.



"The reason I like Expensify is it lets you scan your receipts," she says, adding because receipts are thermal they tend to fade if they're not scanned. Although Evernote lets users scan receipts, it doesn't extract the data.

"When you scan your receipts in Expensify it pulls out the merchant, the date, the time, the amount and puts it into a CSV file, so when you go to the accountant you've got all your data in one spot."

Splitwise

Cost Free

Operating systems iOS; Android

We've all been there: wrestling over who owes what at the end of an evening in a restaurant or when the electricity bill lands in a share house.



This app is especially handy for students living in a residential college or flatmates in a share house, says Lemma. It lists what you and other people spent and works out how much you owe and who you owe it to.

It can even send reminder IOU emails.

Good Budget

Cost Free

Operating systems iOS; Android

For some people it's easier to stick to a budget if they divide their money into envelopes each pay period. If that's you, this app, previously tagged the Easy Envelope Budgeting Aid, will float your boat.



Along with envelopes for the recurring expenses in your budget, there's an "irregular" option that lets you contribute to an envelope for every-so-often spending such as presents. Graphics let you see at a glance how each envelope is tracking.

Of course, an app only makes a difference if you use it consistently. One Sydneysider uses TrackMySpend "when he remembers", saying he likes its simplicity compared to other budgeting apps. But recently he's reverted to the old-school method of dividing money between envelopes.

Ultimately, it's whatever works for you.

Where to next?

Australia's finance industry was somewhat slow to get into the app game, according to Stephen Molloy, author of *How Apps are Changing the World*. In 2009, he says, the only finance-related app was one that allowed people to use their iPhone to pay for a Starbucks coffee.

"It was pretty amazing but it didn't even work in Australia."

It wasn't until 2010-11 that Australia's financial brands began to appear in the App Store, with CommBank's Kaching app making its debut in 2011.

Molloy thinks there's still plenty of room for finance apps to improve.

"You'd think there would be some really slick and powerful finance apps but there's no one that's explored them as far as possible."

Personally, he's become more aware of his spending on lunches in food courts and his daily coffee habit by using TrackMySPEND.

About a month ago he started using Wally, a money management app that uses artificial intelligence and algorithms to adapt to the user's preferences and behaviours.

Its location services feature automatically categorises and identifies the venue so you just enter the amount you spent, for instance.

It notifies users when a bill is due or if they've reached their savings goal and brings in a personal element, letting users tag friends and add pictures, so they can see why they spend money and who with.

The Forrester Research report provides some clues on what else might be ahead for banking apps.

According to the report, several European bank apps allow users to photograph a bill to initiate a payment and some European banks offer secure messaging with advisers in-app.

USAA's app allows its staff to see what customers were looking at and doing before they press a button to start a conversation in-app.

When ANZ launched its Grow by ANZ app, which brings together banking, share trading, super and insurance, in June last year, it flagged future versions will include access to virtual advice.

Tim Sheedy, principal analyst, Forrester Research, says Australian apps could be making more of the opportunity to use location to target reward offers. Poland's mBank app, for instance, tailors offers by past spending and location and can display them both before and after login.

Banks could also tailor product offers more specifically to customer needs.

Turkey's Garanti Bank shows sales messages based on a customer's specific money management profile.

"Many of the mobile apps are still very campaign-driven," says Sheedy.

"A marketing person sends a text or a link through the app to get people to open an account because this is the campaign we're running today as opposed to them working out that you're a potential customer for this service and having an automated promotion."

This story was found at: <http://www.smh.com.au/money/planning/budget-bills-banking-app-to-it-20150313-1426n7.html>