

## ABSTRACT

Internet banking refers to the use of the internet as a delivery channel for banking services such as balance enquiry, printing statement, fund transfer to other accounts, bill payment and so on, and new services such as electronic bill payment without visiting the Bank branch

The study focused on the assessment of customer's knowledge and perceived risk on internet banking in Tanzania and it was carried out at NMB and Stanbic Bank. The objectives of the study were to assess the customer's knowledge on the distinct qualities of internet banking, to assess the customer's perceived risk on internet banking provided by the NMB and Stanbic bank in Dar es salaam and lastly to propose the effective measures to be taken by Banks on customer's knowledge and perceived risk on internet banking.

The researcher used simple random sampling to select the sample; where by a sample size of sixty (60) respondents were used. The researcher used both primary data and secondary data. The primary data was collected by using questionnaires and interviews. Where by the secondary data was obtained through documentation by surveying different manual, books, Institutional websites and journals.

The researcher concludes that the use of internet banking must be well established since this will help to reduce the crowd within the banking hall and the transaction volume within the Branch will be reduced. However, since there are many challenges for example hacking and scam, security must be maintained in order to protect the customers as well as the Banks so as to be on the safe side all the time.

