**Is Using VPN for Online Banking Safe?**

With the availability of digital banking and in the wake of pandemic, more people are now using online services to send and receive payments, check their balance, or pay bills. Even though banks impose strict security checks like two-factor authentication, there are still chances of identity theft and financial losses. This is why many people now use Virtual Private Network (VPN) to access their online banking accounts. The question is whether using VPN is safe for online banking or not. Let’s find out.

# VPN Provides More Security

Generally, VPN is considered an important defense measure against data snoopers and hackers. When enabled, it creates an added data tunnel to VPN provider’s server that makes all connections to the internet anonymous. In other words, when you use a VPN, you don’t leave a trace of your online activities. Particularly for public WiFi where the connection is shared between multiple people, using VPN is always recommended. But even in a home setting, using VPN for activity involving the transfer of sensitive data is a good practice.

Particularly when using online banking account, one has to access their personal information such as account number, name, password, and sometimes Social Security information. This information can be accessed and stolen by hackers. With a VPN, the [transactions performed through electronic](http://www.cardzgroup.com/BankCards.html) accounts are safe because of the encrypted data traffic. However, it is always better to avoid using online banking accounts when connected to a public WiFi, with or without VPN.

# When to Use VPN for Online Banking

For added privacy, it is always better to use VPN at all times for online banking. Many times people use VPN on laptops and tablets but forget to use it when doing online banking from phones. It’s important to remember that phones are as susceptible to hackers as any other device.

Consider yourself sitting in a coffee shop working on a project. All of a sudden, you want to check money in your bank account and log into your banking account or application. If you are not using a VPN and connected to a public WiFi, all your information is exposed to hackers to steal. This is why you should remember to install VPN on all of your devices.

# What to Avoid When Using VPN for Online Banking

If you use VPN for online banking and keep switching your server location, your bank will notice you. Always use one server location and stick to it. This way, it won’t look like you are traveling around the world and your bank will not freak out.

The best option is to connect to a server in the same country where you are located. If the bank blocks a transaction suspecting a fraudulent activity, you can call and tell them that it’s you.

# How Does VPN Help Keep Online Banking Safe?

VPN helps keep online banking safe because all your information is encrypted. Rather than connecting directly to the public WiFi, VPN lets you access the internet through a “encrypted tunnel” which allows you to use the internet safely, freely and privately. As the data travels through a different server, hackers are unable to trace it.

# How Much Does a VPN Protect When Banking Online?

Even though VPNs protect privacy to a great extent, they cannot guarantee that you will be absolutely safe. When doing online banking (whether with or without a VPN), make sure that you follow all basic internet safety practices. For instance, you use same password for banking account and Facebook. If you use VPN for bank but not for Facebook, and your Facebook password gets hacked, your banking details are also compromised.

A VPN can help protect your privacy. But only you are able to keep a secure password. VPN is only a tunnel that encrypts data but it cannot safeguard against viruses or phishing scams. It is a part of overall safety precautions when using online banking and one must follow all security practices in order to be completely safe.