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Customer Complaints Resolution: A Comparative Analysis of Paytm Payments Bank for the years 2023-24 & 2024-25

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Abstract

Customer satisfaction is not just a fact but it is a powerful strategy for every organization to survive. It is also applicable in the banking industry regardless nationalized banks, commercial banks or any other kinds of banks. Paytm Payments Bank who is concentrating more in digital payments is not free from this phenomenon. This study is aimed to compare the redressal of customer complaints raised for the years 2023-24 and 2024-25 against Paytm Payments Bank. Secondary data is used and tools such as Efficiency Metrics, Comparative Analysis, and Pareto Analysis are used to analyses the data. The analysis as well as testing of Hypothesis proved that the Paytm Payments Bank has much improvement in resolving the customer complaints. It is also found out that they should have a plan to reduce the number of complaints which is with more than 30 days pending in its resolution.

Key words: customer complaints, redressal, customer trust, customer satisfaction

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Introduction

Paytm Payments Bank, one of the key players in Indian economy in digital payments started its functioning in 2017 as a subsidiary of Paytm and they offer saving account services to customers with zero balance facility. Since the Indian Banking System is controlled by Reserve Bank of India the Paytm is also regulated by RBI. It has also offered many other services like payments bank wallet, Debit and ATM cards, NEFT, Fastag, etc.

Customer Satisfaction, like any other banks' priority, is the key responsibility of Paytm Payments Bank. Paytm Payments Bank is not free from mistakes and errors committed and therefore complaints are registered by the customers against their services. The annual statistics of this bank shows that there are good number of complaints have been raised by its customers. Customer satisfaction is the result of error free services as well as the timely resolving of raised complaints, if any. This study has pinpointed to some important insights about the customer complaints analysis with respect to Paytm Payments Bank for the years 2023-24 and 2024-25.

Statement of the problem

The first step of registering complaints with a banker is to address the manager about the complaints faced by a customer in detail. The person concerned will take the remedial action to resolve the registered complaint within his/her jurisdiction. If the customer is not satisfied with the redressal mechanism, he/she can approach the higher authority like Banking Ombudsman Scheme. But this movement is not good to the concerned bank as it is affecting the trust of the customer on this bank. Therefore, every banker will try to resolve the issue within the bank or branch itself. This study is focused to analyze the customer complaints by the Paytm Payments Bank for the years 2023-24 and 2024-25.

Objectives of the study

1. To compare the grounds of the complaints that received by the bank from its customer for the years 2023-24 and 2024-25
2. To compare the disposal rate of customer complaints by Paytm Payments Bank for the years 2023-24 ad 2024-25.
3. To compare the complaints pending with more than 30 days for the years 2023-24 and 2024-25.
4. To check the improvement of customer complaint resolution mechanism of Paytm Payments Bank for the year 2024-25 over 2023-24.

Methodology

- **Research Design**

Analytical research design is used for this study.

- **Data collected and sources of data collection**

Secondary data for a period of 2 years (2023-24 & 2024-25) are collected from the official source of Paytm Payments Bank.

- **Hypothesis**

H0: There is no significant improvement in the complaint resolution mechanism of Paytm Payments Bank for the year 2024-25.

- **Tools used for analysis**

The collected data is analyzed through various tools such as Efficiency Metrics, Comparative Analysis, and Pareto Analysis.

Limitations of the study

- The major limitation of the study is that it is based on the secondary data and therefore all the limitations of secondary data is applicable.
- The study is focused only on last two years' performance and we cannot conclude with a general fact about the customer complaint redressal of Paytm Payments Bank.

Review of Literature

Alarifi et.al. (2023) demonstrated machine learning codes for customer complaints analysis with establishment of logistics regression and SVM models. They illustrated that the business organizations can provide a better understanding on their customers needs and preferences especially with grievance redressal.

Yadav et.al (2022) found out that foreign banks have good position with respect to redressal of customer complaints than Indian banks. The study has compared various grounds of customer complaints with respect to Indian banks and foreign banks summarized that majority of complaints have raised by the customers against SBI and its associates.

Seena (2022) has studied about various grievances faced by bank customers in India. The study revealed that the customers are not ready to register their complaints because the problem is not severe and they think that registering their complaints are waste of time. Those who have registered their complaints are preferring to register complaints with bank manger than Banking Ombudsman.

Sivakumar (2019) evaluated the performance of Banking Ombudsman with respect to various complaints received in its offices for 5 years starting from 2012-13 to 2016-17. The study found out that the major field of complaints are failure to meet commitments/non observance of fair practice code and ATM/Debit/Credit card related issues.

Data Analysis & Discussions

Table No: 1. Analysis of complaints received for 2023-24 & 2024-25

Sl. No.	Grounds of Complaints	Received in 2023-24	Received in 2024-25	Increase or decrease	Per cent of Increase or Decrease
1	Internet or Mobile Banking (prepaid instruments)	85,742	22,228	decrease	74.08
2	Account Opening / Operation of Accounts	63441	3913	decrease	93.83
3	Internet / Mobile / Electronic banking	58289	6490	decrease	88.87
4	Staff Behaviour	8	0	decrease	100.00
5	ATM / Debit cards	2751	122	decrease	95.57
6	Cheques / Drafts / Bills	90	2	decrease	97.78
7	Others	9644	4051	decrease	57.99

Source: Secondary data

It is evidenced in the table 1 that the receipt of complaints in 2024-25 is very much lower than that of 2023-24. A total decrease of 57.99 per cent is recorded for 2024-25 which is an outstanding achievement by the Paytm Payments Bank. It is also a noticeable triumph that all the grounds of complaints have decreased and average decrease in registering complaints in per cent is 86.87. This proved that Paytm Payments Bank is very effective in rendering their services to customers.

Table No: 2. Analysis of complaints resolved and pending for 2024-25

Sl. No.	Grounds of Complaints	Pending at the beginning	Received in the year	Pending at the end	Resolved	Resolved Per cent
1	Internet or Mobile Banking (prepaid instruments)	21,796	22,228	151	43,873	99.66
2	Account Opening / Operation of Accounts	6410	3913	6	10,317	99.94
3	Internet / Mobile / Electronic banking	4305	6490	903	9,892	91.64
4	Staff Behaviour	0	0	0	0	----
5	ATM / Debit cards	462	122	0	584	100.00
6	Cheques / Drafts / Bills	2	2	0	4	100.00
7	Others	874	4051	239	4,686	95.15
8	TOTAL	**33,849**	**36,806**	**1299**	**69,356**	**98.16**

Source: Secondary data

Table No: 3. Analysis of complaints resolved and pending for 2023-24

Sl. No.	Grounds of Complaints	Pending at the beginning	Received in the year	Pending at the end	Resolved	Resolved Per cent
1	Internet or Mobile Banking (prepaid instruments)	117	85,742	21796	64,063	74.61
2	Account Opening / Operation of Accounts	362	63441	6342	57,461	90.06
3	Internet / Mobile / Electronic banking	217	58289	4234	54,272	92.76
4	Staff Behaviour	0	8	0	8	100.00
5	ATM / Debit cards	8	2751	458	2,301	83.40
6	Cheques / Drafts / Bills	0	90	2	88	97.78
7	Others	164	9644	586	9,222	94.03
8	TOTAL	**868**	**219,965**	**33418**	**187,415**	**84.87**

Source: Secondary data

Tables 2 & 3 give a clear picture about the effective complaints' redressal mechanism of Paytm Payments Bank. There are only 1299 cases which are unsolved (resolved per cent is 98.16) at the end of 2024-25 in the place of 33,418 for the year 2023-24 (resolved per cent is 84.87) and it envisages the active functioning of the redressal mechanism.

Table No: 4. Analysis of number complaints pending with more than 30 days

Sl. No.	Grounds of Complaints	Number complaints pending		Number of complaints pending with more than 30 days		Per cent of complaints pending with more than 30 days	
		2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
1	Internet or Mobile Banking (prepaid instruments)	151	21796	81	1,799	53.64	8.25
2	Account Opening / Operation of Accounts	6	6342	0	3344	0.00	52.73
3	Internet / Mobile / Electronic banking	903	4234	149	2023	16.50	47.78
4	Staff Behaviour	0	0	0	0	NA	NA
5	ATM / Debit cards	0	458	0	209	NA	45.63
6	Cheques / Drafts / Bills	0	2	0	1	NA	50.00
7	Others	239	586	206	224	86.19	38.23
8	TOTAL	**1299**	**33418**	**436**	**7,600**	**33.56**	**22.74**

Source: Secondary data

The proportion of >30 days has increased from 22.74% to 33.56% as per the table 4. A drastic increment in internet or mobile banking complaints with more than 30 days is happened for the year 2024-25. It was only 8.25% in the year 2023-24 whereas 53.64% is identified for the year 2024-25.

Testing of Hypothesis

- **Efficiency Metrics**

Resolution Rate = [Resolved / (Received + Pending at the beginning)] * 100

- **2023-24**
  [1,87,415 / (2,19,965 + 868)] * 100
  = 84.87%
- **2024-25**
  [69,356 / (36,806 + 33,849)] * 100
  = 98.16%

The result of efficiency metrics shows that the resolution efficiency has improved significantly in the year 2024-25. The resolution rate for the year 2023-24 is 84.87% whereas it is 98.16% for the year 2024-25. Therefore, it is clear that the resolution mechanism has improved and the null hypothesis is rejected.

- **Pareto Analysis (80:20 Rule)**

Table No: 5. Pareto Analysis of complaints received for the years 2023-24 & 2024-25

Sl. No	Grounds of Complaints	Complaints Received		Cumulative for the year		Per cent of cumulative for the year	
		2023-24	2024-25	2023-24	2024-25	2023-24	2024-25
1	Internet or Mobile Banking (prepaid instruments)	85,742	22,228	85,742	22,228	38.98	60.39
2	Account Opening / Operation of Accounts	63441	3913	1,49,183	26,141	67.82	71.02
3	Internet / Mobile / Electronic banking	58289	6490	2,07,472	32,631	94.32	88.66
4	Staff Behaviour	8	0	2,07,480	32,631	94.32	88.66
5	ATM / Debit cards	2751	122	2,10,231	32,753	95.57	88.99
6	Cheques / Drafts / Bills	90	2	2,10,321	32,755	95.62	88.99
7	Others	9644	4051	**2,19,965**	**36,806**	**100**	**100**
8	TOTAL	**219,965**	**36,806**				

Source: Secondary data

It is demonstrated that the first three grounds of complaints out of 7 categories account for more than 80% all complaints received (table 5).

- Internet or Mobile Banking (prepaid instruments)
- Account Opening / Operation of Accounts
- Internet / Mobile / Electronic banking

The above identified should be the areas to be focused primarily for improving the complaint resolution efficiency.

Conclusion

Redressal of customer complaints are very much important to retain the existing customer with an organization. This study reveals the comparative analysis of customer complaints redressal for the years 2023-24 and 2024-25. The hypothesis tested proved that there is significant improvement in the complaint resolution mechanism of Paytm banks for the year 2024-25. The Pareto Analysis applied the 80:20 rule and is identified the major areas of complaints which occupies more than 80% of total complaints. It is recommended that the Paytm Payments Bank should be more vigilant about the customer complaints with respect to Internet or Mobile Banking (prepaid instruments), Account Opening / Operation of Accounts and Internet / Mobile / Electronic banking and it is also suggested that such areas should be their prime focused areas. Even though the efficiency metrics proved the Paytm Payments bank is efficient in redressal of complaints for the year 2024-25, the percent of complaints with more than 30 days pending are severe. Therefore, the Paytm Payments Bank should be considered this fact more seriously. If all those things are positive, we are sure that the Paytm Payments Bank can be a leading player in the Indian economy.

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