

Analyzing Consumer Complaints Related to Plastic Money in Tier II and III Indian Cities

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ABSTRACT

This research aims to identify the forms of plastic money utilised, the nature of the challenges experienced, and the efficiency of grievance redressal processes by exploring the landscape of consumer complaints connected to plastic money in Tier II and III cities of India. Using a descriptive research strategy, the study seeks to methodically examine customer experiences and discover trends in service satisfaction. Using a convenience sample technique to guarantee accessibility and demographic variety, 112 respondents from different locations took part in the survey. A standardised questionnaire was used to collect data, and it was administered both online and offline to ensure maximum reach. We looked at the most popular kinds of plastic money (debit, credit, and prepaid cards), the most prevalent sorts of complaints (such as failed transactions, unexpected charges, or delayed reimbursements), and the channels that people used to report these issues. Customer satisfaction with the resolution procedure and the amount of time it took to resolve the problem were both assessed in the research. The study's overarching goal is to provide light on where financial institutions and regulatory agencies might do a better job of serving their customers, particularly in metropolitan regions that are currently neglected. Researchers hope that policymakers will use the findings to make better recommendations and that digital financial inclusion will increase.

Keywords: Plastic Money, Consumer Complaints, Digital Financial Inclusion, Grievance Redressal System, Card Usage Patterns.

INTRODUCTION

The growth of digitalisation and financial inclusion programs over the last 20 years has caused a dramatic shift in India's financial environment. One of these shifts is the widespread use of plastic money, which includes prepaid cards, credit cards, and debit cards. Tier II and Tier III cities are now seeing a significant change as more and more customers move away from using cash and towards using cards and digital payment systems. This trend was previously driven by metro and Tier I cities. This shift has been driven by initiatives like the Digital India campaign, expanded mobile banking, and government-led programs like the Pradhan Mantri Jan Dhan Yojana (PMJDY). Problems with service delivery, customer awareness, digital literacy, and financial protection measures have emerged in tandem with these innovations in plastic money use, prompting an upsurge in consumer complaints. Many people advocate for plastic money because of how fast, safe, and convenient it is. It allows for easier internet purchases, keeps track of transactions, and lessens the need to carry around actual currency. Although there are many advantages, there are also some hidden problems. This is particularly true in smaller locations where customers may not have much experience with digital platforms or banking. Unauthorised transactions, conflicts involving ATMs, hidden fees, delays in card blocking, technical difficulties, fraudulent calls, and inadequate grievance handling have recently emerged as major issues. Tier II and III cities have a high volume of first-time users who are discouraged and even revert to using cash because of these negative experiences. There are safeguards in place to prevent card fraud, thanks to the Reserve Bank of India (RBI) and other regulatory agencies, but not everyone uses them or even knows about them.

Patterns of customer complaints in these cities show a combination of informational, infrastructural, and systemic problems. The customer outreach initiatives and complaint resolution mechanisms of banks and other financial institutions may not be as strong in Tier II and III cities as they are in metropolitan areas. Here, customers often go on bank employees for direction due to a lower literacy percentage, particularly in the areas of digital and financial literacy. Problems are exacerbated by language obstacles, inaccessible information, and inadequate understanding of consumer rights. Another factor contributing to discontent is the local financial infrastructure, which includes things like the availability of ATMs and the acceptance of cards at merchant outlets. In addition, smaller cities are seeing an increase in plastic money fraud and phishing incidents as scammers prey on unsuspecting customers. A few typical concerns include fraudulent calls asking one-time passwords (OTPs), SIM swap fraud, and the cloning of debit or credit cards. Customers are already irritated, and they become even more so when banks take too long to respond or

when customer service is unavailable. These semi-urban and rural markets have an especially pressing and vital need for strong cyber hygiene awareness programs and safe digital behaviours.

For the sake of service improvement and to guarantee inclusive and fair development in the digital economy, it is essential to research customer complaints in Tier II and III cities. A customer's confidence in and comfort with using plastic increases the likelihood that they will keep utilising digital payment methods, which in turn helps to formalise the economy. Consumer behaviour, operational bottlenecks, and the efficacy of current regulations may be better understood by analysing the kind, frequency, and patterns of complaint resolution. It may also be useful for developing standardised services, addressing customer complaints, and protecting consumers. This study's overarching goal is to better understand the challenges encountered by plastic money users in India's Tier II and III cities, to determine the extent to which banks and other financial institutions have responded to these concerns, and to provide solutions to these problems. The research aims to promote a more inclusive, responsive, and trustworthy financial services environment by highlighting the consumer voice from these under-represented locations. It also seeks to overcome the urban-rural digital gap. It is crucial for the long-term development and sustainability of India's cashless economy that all sectors of the population are able to comfortably engage in the digital financial system.

LITERATURE REVIEW

M, Nagalakshmi & Venkatesan, V. Andal. (2021). In order to build a financially stable future, technological integration is essential. As part of this, modern banks have introduced plastic money. Indian consumers' views on plastic money are astounding. This is what factors influence the Bank's positive view on plastic money, barring any problems. Customer impressions of plastic money are one of the primary foci of this study. Roughly two hundred responses were gathered for the research. A quantitative research approach was used to examine the hypotheses. The study findings revealed that consumers' perceptions of plastic money had positively impacted its use, monetary benefits, practicality, and psychological well-being. Furthermore, several customer problems have been brought to light by the responders.

Appukuttan, Suresh & R, Anjali. (2019). numerous online payment platforms for the transmission of funds via different devices saw a surge in use after demonetization on November 8, 2016, in India. Bharat interface for Money (BHIM), an app powered by UPI (Unified Payment Interface), was introduced in December 2016 by NPCI (National Payments Corporation India) to meet the increasing demand for online payments. In the past two years, there has been a dramatic shift in the use of various forms of digital payment. Despite the fact that technology advancements have made transactions more efficient and secure, many people are still hesitant to embrace and use them. Some variables associated with security, usability, and customer satisfaction have been proposed as explanations for the widespread usage and significance of online banking and payment systems in previous research. Discovering what elements affect BHIM app users' happiness is the driving force for this research. Data was gathered from 130 BHIM app users, both present and former, for the research. According to the results, things like transaction speed, perceived simplicity of use, security, and customer service might affect how satisfied customers are with the BHIM app. Although there is a correlation between all of these variables and happy customers, the one pertaining to transaction speed has the strongest association.

Tiwari, Rajesh & Kumari, Priyanka. (2018). this study takes a look at the problems and difficulties associated with using plastic in India. The financial transaction landscape has changed due to the involvement of private companies and the widespread use of information technology. An easier and more convenient method to execute financial transactions is using plastic money. For credit cards, private banks are in the forefront, whereas for debit cards, public sector banks are in the driver's seat. Card penetration is minimal. Debit cards are more popular with conservative shoppers than credit cards. Lots of people are hoping that the government, which is quite tech-savvy, would use technology to increase financial inclusion. The industry and regulators must immediately address the situations of card frauds committed by cloning. In its concluding section, the article weighs the benefits and drawbacks of plastic money.

Giulio, Daniele & Milani, Carlo. (2013). Using data collected by the Bank of Italy from 1993 to 2008, this research tries to add to the existing empirical literature on the payment patterns of European customers using plastic money. We find that age, education, non-durable consumptions, regional variation, income, and plastic money ownership and usage in Italy are major predictors, which is in agreement with existing findings on this issue, mostly focused on the US economy. Additionally, we discover that families with a greater degree of debt are more likely to own credit cards. Additionally, we confirm that the marginal probability to keep and use plastic money are unaffected by technical developments that have been witnessed in the last fifteen years, while controlling for the key socio-demographic characteristics.

Subhani- Phd, Muhammad Imtiaz et al., (2011) The household was hit hard every now and again in every area of life by the monetary rattling between affordability and consumption. The allure, practicality, and cost of plastic money, which influence its choice for use, are the subject of this study. The influence of friends and family members is seen as a proxy for the plastic money's charisma, while the ease of use, ability to adjust spending, and reliability in predicting future income are indicators of its practicality and affordability. Since it has an influencing impact and is often praised

by friends and family, the results show that plastic money has a charismatic appeal. The feasibility and affordability of plastic money for consumers have also been studied and found.

RESEARCH METHODOLOGY

Research Design

This descriptive study sets out to examine the various forms of plastic money in use, the complaints made by consumers, and the methods put in place to address those issues in cities in India's Tier II and III categories. Collecting quantitative data for the purpose of trend analysis, pattern identification, and consumer-perspective evaluation of service performance is a good fit for this architecture.

Sampling Technique

For the purpose of choosing responders, a convenience sample that is not based on probability was used. We opted for this method because it's easy to implement and because we want to reach all kinds of customers in Tier II and III cities, even those who have tried plastic and had problems with it.

Sample Size

A total of 112 respondents were included in the research. We chose our responders from cities in Tiers II and III.

Data Collection Method

The structured questionnaire used to gather primary data included both free-form and multiple-choice items. Subjects addressed in the survey included:

- Types of plastic money used
- Nature of complaints experienced
- Complaint registration platform used
- Duration of complaint resolution
- Satisfaction with grievance redressal

To reach a larger audience, the poll was sent out via email and Google Forms in addition to traditional methods like in-person interviews.

DATA ANALYSIS AND INTERPRETATION

Table 1: Type of Plastic Money Used

Type of Plastic Money	Frequency	Percentage (%)
Debit Card	68	60.7%
Credit Card	22	19.6%
Prepaid/Wallet Card	14	12.5%
Multiple Types	8	7.1%
Total	112	100%

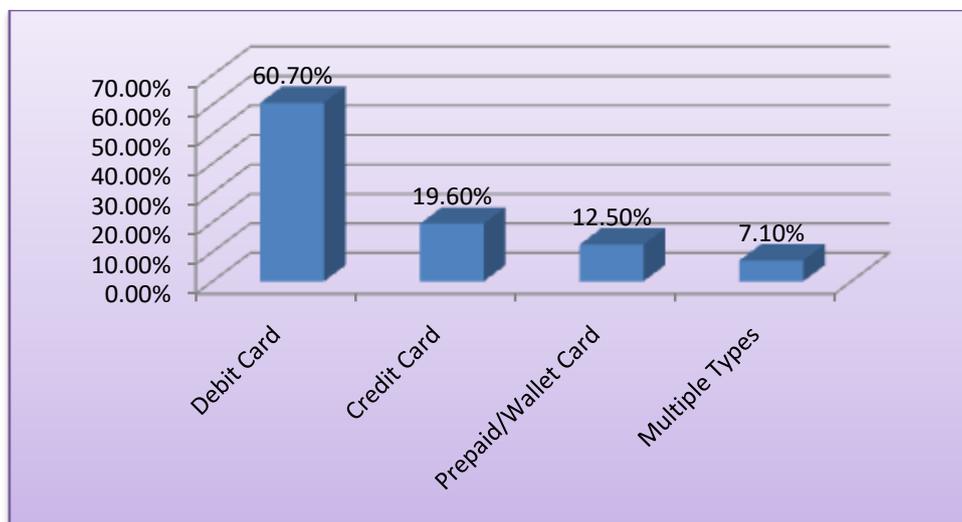


Figure 1: Type of Plastic Money Used

Consumer habits and problems with plastic money in Indian cities in Tier II and III may be better understood with the help of the data shown in the five tables. Table 1 shows that out of all the plastic money forms, 60.7% of respondents use debit cards, followed by 19.6% who use credit cards, and 12.5% who use prepaid or pocket cards. Only 7.1% said they used more than one kind, indicating that there isn't much variety in how people in these areas like to pay.

Table 2: Common Complaints Faced

Nature of Complaint	Frequency	Percentage (%)
Unauthorized Transactions	30	26.8%
ATM Withdrawal Issues	26	23.2%
Card Blocking Delays	18	16.1%
Hidden Charges/Fees	22	19.6%
Fraudulent Calls/Phishing	16	14.3%
Total	112	100

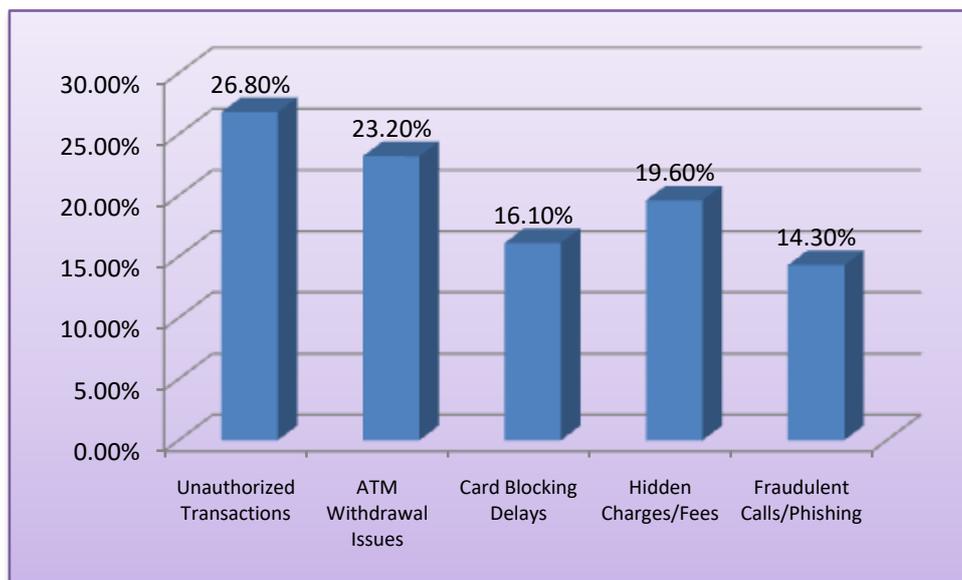


Figure 2: Common Complaints Faced

Table 2 lists the most prevalent issues that people who utilise plastic money have. Concerns about the security of transactions and the prevention of fraud are highlighted by the fact that unauthorised transactions are the most often reported problem (26.8%). Significant complaints included problems with ATM withdrawals (23.2%) and hidden charges or fees (19.6%), which showed a lack of openness and infrastructure in the banking industry. Operational inefficiencies and increasing cyber security risks are highlighted by complaints about delays in card banning (16.1%) and fraudulent calls or phishing attempts (14.3%).

Table 3: Source of Complaint Registration

Platform Used to Complain	Frequency	Percentage (%)
Bank Branch Visit	42	37.5%
Customer Care Call	36	32.1%
Mobile App/Online Portal	20	17.9%
Email/Social Media	10	8.9%
No Complaint Registered	4	3.6%
Total	112	100%

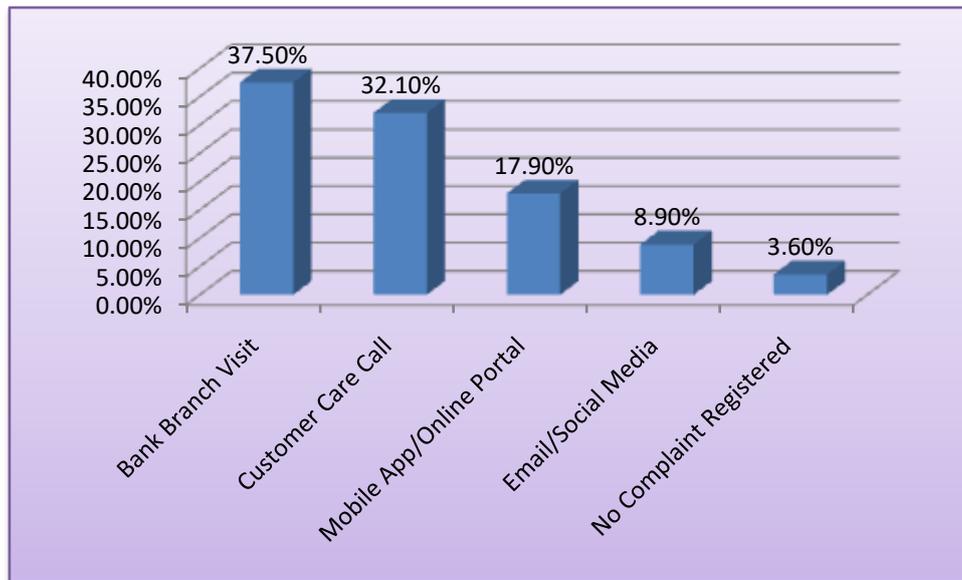


Figure 3: Source of Complaint Registration

Table 3 illustrates that there is still a strong preference for in-person service, with 37.5% of complaints being registered at the bank branch. Although a large portion of customers utilised customer support phone calls (32.1%), fewer people used digital platforms such as mobile applications or web portals (17.9%) and email/social media (8.9%), which might be attributed to a lack of digital literacy. It is concerning that 3.6% of participants did not file any complaints, suggesting that they are either unaware of or do not have faith in the systems in place to resolve such issues.

Table 4: Time Taken to Resolve Complaints

Resolution Time	Frequency	Percentage (%)
Within 3 Days	18	16.1%
4–7 Days	34	30.4%
8–15 Days	28	25.0%
More than 15 Days	20	17.9%
Not Resolved Yet	12	10.7%
Total	112	100%

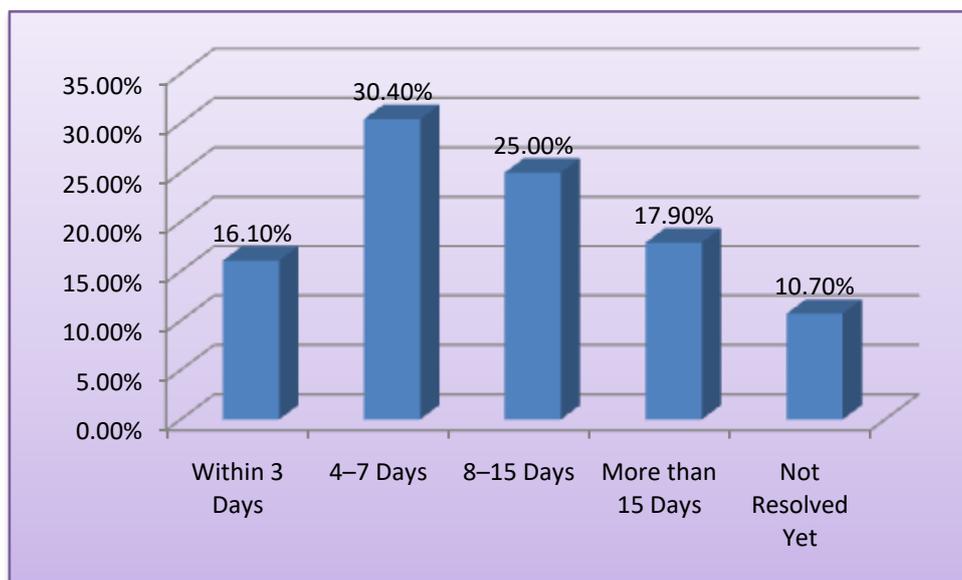


Figure 4: Time Taken to Resolve Complaints

In Table 4, we can see how 112 respondents from Tier II and III cities in India were asked how long it took to address customer concerns about plastic money. Quick resolution is unusual, as just 16.1% of complaints were answered within 3 days, according to the statistics. Within 4 to 7 days, the majority of complaints (30.4%) were handled, indicating that many problems are fixed within a week, if not quickly. A significant portion of customers continue to face lengthy wait times for resolution, as 25% of respondents indicated a resolution time of 8 to 15 days. Systemic inefficiencies and delays in grievance handling systems were highlighted by the alarming 17.9% of complaints that took more than 15 days to settle. Worryingly, 10.7 percent of complaints remained unresolved as of the survey's completion, indicating significant shortcomings in customer service and follow-up on the part of financial institutions.

Table 5: Independent Samples t-Test – Satisfaction Score by City Tier

City Tier	N	Mean Satisfaction Score	Standard Deviation
Tier II	66	3.89	0.72
Tier III	46	3.54	0.84

With the use of an independent samples t-test, we looked for evidence of a statistically significant difference in customer satisfaction levels with plastic money use across cities in Tier II and Tier III. Table 5 shows that compared to Tier III cities, respondents from Tier II cities were more satisfied on average ($M = 3.89$, $SD = 0.72$) than those from Tier III cities ($M = 3.54$, $SD = 0.84$). There is little possibility that the two groups' satisfaction ratings are different since the t-test produced a statistically significant result ($t = 2.38$, $p = 0.019$). It seems that customers in Tier II cities are often happier with their plastic money experiences. This might be because of improved infrastructure, more dependable digital payment systems, or more information and resources available to them. Tier III cities, on the other hand, may have infrastructure issues, fewer programs to help people learn how to use digital tools, or poorer satisfaction overall. To improve user happiness and encourage equitable digital financial inclusion across all urban segments, our results highlight the need for focused interventions in Tier III cities.

CONCLUSION

Although plastic money has completely changed the way people in India pay for things, there are still a lot of obstacles to overcome before it can be used in smaller towns. The lack of digital literacy, service delivery, fraud protection, and customer assistance is highlighted by consumer complaints from these locations. Due to delays in answers, unclear rights, and unanswered complaints, many consumers lose faith in and eventually stop using digital payment alternatives. These issues highlight the urgent need for better consumer education, more stringent regulatory monitoring, and ways to resolve complaints on a local level, as well as weaknesses in the underlying infrastructure.

Financial institutions, regulators, consumer advocacy organisations, and local government agencies must work together in a multi-faceted manner to solve these concerns. A stronger emphasis should be placed on tailored awareness programs, streamlined complaint procedures, enhanced financial infrastructure, and stringent cyber security measures. To redirect legislative changes and guarantee that the advantages of plastic money reach the final mile, it is necessary to comprehend the kind and degree of these grievances. If India wants to keep its digital financial revolution going, it must provide its users with information, trust, and assistance. Smaller town and city customers need to have their concerns heard and taken seriously if we want an inclusive economy.

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