STUDY ON CUSTOMERS SATISFACTION LEVEL OF PAYMENT SYSTEM BY FINTECH COMPANIES

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ABSTRACT
RBI has taken many initiatives in mid-eighties and early nineties to ensure efficient, robust and safe modes of state-of-the-art payment systems based on technology platforms by introducing new financial products. Payment and financial system of any economy that connects and fill the gap between the three stakeholders. Payments and Settlement Act, 2007 (PSS Act) regulates the all the payments, funds transfer, electronic and digital settlement system in India. Board for Regulation and Supervision (BPSS) empowers the RBI Payment and Settlement Department to authorize, formulate standards, and prescribe guidelines and policies to supervise to regulate payment system in India under Section four of PSS Act. new financial technologies (Fintech) have erupted around the world. Consequently, there has been a considerable increase in academic literature on Fintech over the last five years.. Significant research gaps and important questions remain in fintech companies.

Keywords: Fintech, Payments, Customer, satisfaction level

I: BACKGROUND OF STUDY
Effective payment, banking, financial and settlement systems are like the backbone which strengthen the financial systems of any economy. RBI payment & settlement system vision document 2019-2021 states the substantial and innovative development in the last decade. PSA Act, 2007 define payment and banking system of country as a financial system that connects beneficiary and pay for commercial transactions through clearing, funds transfer, payment and settlement service. Payments and Settlement Act, 2007 (PSS Act) regulates the all the payments, funds transfer, electronic and digital settlement system in India. Board for Regulation and Supervision (BPSS) empowers the RBI Payment and Settlement Department to authorize, formulate standards, and prescribe guidelines and policies to supervise to regulate payment system in India. RBI has taken many initiatives in mid-eighties and early nineties to ensure efficient, robust and safe modes of state-of-the-art payment systems based on technology platforms by introducing new financial products. Payment and financial system of any economy that connects and fill the gap between the three stakeholders. These three stakeholders are - One - Borrowers and lenders, financial corporates, banks, non-banking financial institutions. Second - Various types of financial and banking services and products, instruments and Third - Various digital platforms to ensure the safe, secure, accurate and quality customer services. Theme of RBI Payment System Vision 2019- 2021 is 3 E ` s – Empowering, Exceptional and (E) Electronic payment Experience. According to IMF-International Monetary Funds (2019) factsheet on the banking system`s soundness states that an efficient financial system is important for payment system`s growth of any country. Flexible banking system enables the economy of a country to work easily and smoothly to achieve the new challenges posed by technology.

II: RESEARCH OBJECTIVES
1. To study the e-banking existing payment system in India.

2. To analyze the digital banking payment system of customers satisfaction level by Fintech companies .

3. To find out the impact of in banking payment system by Fintech companies on customer satisfaction level

III: LLITERATURE REVIEW
The following literature review has been studied for this research work.

Allen et. al (2020) this paper Fintech, particularly the blockchain, has the potential to be disruptive to financial systems and intermediation. Our aim in this paper is to provide a comprehensive Fintech literature survey with

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relevant research studies and policy discussion around the various aspects of Fintech. **Thakor, A. V (2019)** this paper is a review of Fintech and its interaction with banking. Included in Fintech are innovations in payment systems (including credit markets (including P2P lending), and i **Kavuri, A. S., & Milne, A (2018)** this paper discussed the new financial technologies (Fintech) have erupted around the world. Consequently, there has been a considerable increase in academic literature on Fintech over the last five years. Research tends to be scantily connected with no coherent research agenda. There is much work to be done before this area becomes an established academic discipline. insurance, with block chain-assisted smart contracts playing a role. **Chawla & Joshi (2017)** – this paper aims to examine the Indian customer`s mobile banking adoption factors through online survey of 367 Mobile users. Data collection was done through personal interactions, meetings and group discussions and exploratory factor analysis test, cluster analysis and structural educational modeling was done for mobile user`s customer segmentation. **Kaushik & Rahman (2015)** this paper focus on the paradigm shift of bank`s customer from product`s centric approach towards the self-service technologies. (SSTs) in India. Focus of the financial market players also shifted to customer centric approaches by creating a delightful experience by introduction of various new financial products. **Wessels & Drennan (2010)** this paper discussed identifies and conduct tested data to find factors which motivates customers to accept the M Banking – Mobile and Phone banking services. The Research methodology used in this study was through survey questionnaire collected through web based electronic network applications. The survey was based on expectation of customer`s attitude towards ease of use of mobile banking services, cost, perception to use, compatibility with the income and their lifestyle.

IV: RESEARCH METHODOLOGY

A) **Data collection method:** Primary and secondary data has been used.

B) **Research instrument:**   Well-structured questionnaire was prepared and one to one interaction was done with sample respondents.

C) **Scaling technique used: -**Likert Rating scale i.e. 1-5 scale has been used will be

D) **Method of sampling: -** Sample design is a framework that acts as a basis for detecting sample in accordance with the populations. Samples were selected from respondents from Nagpur District because customers in metro and semi metro city are higher digital literacy.

E) **Sampling size: -** 50

F) **Sampling technique:** Random Sampling technique

G) **Formula used for calculation of sample size**

Sample Size (N) = (Z-score) ^{2} * (Std. Dev*(1-StdDev)) / (Margin of Error) ^{2}

H) **Respondents age** : 18 years to 35 years

I) **Sampling frame :** Fintech Companies

J) **Target area**: Nagpur Region

V: Hypothesis
The following hypothesis tested in the study.

H1: There is significance correlation relationship between banking payment system and customer satisfaction level   by Fintech companies.

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VI: Data analysis and Results

Ho: Satisfaction level = 0

H1: Satisfaction level $\neq 0$

Sample no	Results				
	x 1	**x2**	**X3**	**x4**	**x5**
1	3	4	3	2	3
2	4	3	3	5	2
3	1	4	2	4	3
4	5	3	3	5	2
5	3	3	4	3	3
6	2	2	5	2	2
7	2	2	3	3	1
8	5	2	4	5	2
9	4	3	3	4	3
10	3	1	5	5	2
11	2	2	4	4	1
12	1	3	3	2	3
13	2	4	4	5	2
14	3	2	3	4	3
15	4	1	3	5	2
16	5	3	4	3	3
17	3	4	2	2	5
18	4	5	1	2	2
19	2	4	3	2	2
20	3	3	4	5	2
21	4	4	4	4	3
22	3	3	5	3	2
23	5	3	3	3	1
24	3	4	4	2	2
25	4	4	3	1	3
26	3	2	3	3	1
27	2	2	2	2	2
28	2	2	1	1	3
29	5	2	3	3	1
30	4	3	5	3	4
31	3	5	2	4	5
32	2	4	3	3	3
33	3	5	2	4	4
34	2	4	1	3	3
35	5	2	4	2	2
36	4	3	3	2	2
37	3	3	3	5	2
38	3	5	2	4	3
39	3	1	5	4	4
40	2	2	4	5	5

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41	1	3	3	3	3
42	5	2	4	4	3
43	4	3	3	3	2
44	3	4	3	2	2
45	2	5	2	2	2
46	3	3	1	5	2
47	5	2	4	5	2
48	4	3	3	4	3
49	5	2	4	3	3
50	3	3	2	2	5
Sum	**161**	**151**	**157**	**166**	**130**
Mean	**3.22**	**3.02**	**3.14**	**3.32**	**2.6**
S.D	**4.288**				
Variance	**18.387**				
Skewness	**(-) 2.797**				
Kurtosis	**4.945**				

From the above analysis was carried out over a period of 2 years on 50 fintech companies in Nagpur Region. The mean of Variables are Var1 (3.22) Var2 (3.02) Var3 (3.14) Var4 (3.32) Var5 (2.6) of the 50 fintech companies. The standard deviations was 4.288 , variance 18.387 and Skewness negative (-) 2.797 and Kurtosis positive 4.945 of 50 fintech companies for Variable x1, x2,x3,x4,x5 of the study. As the sample mean falls outside the range which means average mean is 3.06 of Variable x1, x2,x3,x4,x5,Since the mean falls outside   accept H1 and reject H0 of the study.

VII: FINDINGS

1. It is found in study the impact of technology on banking payment systems reflects tremendous increase in usage and acceptance of Internet and mobile banking payments in Nagpur Region.

1. The total 231 digital banking complaints are received during the study period.

2. Out of 50 fintech companies 18 companies   were faced payments problems in Nagpur region

3. The major reasons for the complaints relates to mismatch in the committed services promised at the time of opening of accounts and actual services delivered by fintech companies.

4. Commitment failures (6.9%) , non-compliance with fair customer services (24.18%)

5. The complaints relating to Digital and E Banking and on-line transactions , Cards amounts to 29 % and complaints ATM & Debit Card – 14.1% , Mobile and Electronic Banking – 6 .2% and Credit Card – 7.7%) which has increased 9 % more than previous year.

6. Customer Satisfaction and trust of customer electronic mode of transactions is further affected with rise in number of cyber-crimes and frauds.

VIII: CONCLUSION

Indian Economy has witnessed the highest number of on-line frauds by Fintech companies and customers payments related problems last 3 years. Financial services technology provider showed that 19% of Indian banking customer suffered from on line banking frauds in 2023 and more than 25800 cases of digital fraud with value of Rs. 1.9 billion reported by the industry in India . The main victims of these on-line frauds are young customers from 18 to 32 years of age (25%) who use maximum on line, mobile and internet banking for financial transactions. The Challenges are with increasing adoption of digital banking products, the rate of complaints and frauds are also increasing. It is in this context; the present investigation means to draw out the developments in technology and innovation be fintech companies are better than public sectors bank. The Private   sector bank has

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always taken a lead to deployed advance technology with innovation. . Impact of Global Financial Crisis in (2008), (2013) and 2020-2022 (Covid 2019) has experienced a large churn especially the nationalized Government banks which faced multiple problems like increasing non-performing assets (NPA), adaptation of high tech international and domestic economic downturns and competition from new age Fintech companies. The banking system continues to focus in increasing financial literacy and reducing financial exclusion to uplift Indian financial system and tremendous economic growth in the past decades.

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