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FINTECH SERVICES IMPACT ON CUSTOMER SATISFACTION

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ABSTRACT

The swift expansion in financial technology (FinTech) has transformed the conventional financial services, providing new-age products like mobile banking, digital wallets, online investment portals, and lending solutions. As usage of digital modes is increasing day by day, customer satisfaction and trust have been determining forces for adopting FinTech. The current study focuses on the measurement of customer awareness, adoption, drivers of satisfaction, and security issues about FinTech services.

The study relies on the collection of primary data from 60 respondents to measure their usage habits, satisfaction levels, and confidence in digital financial services. It further determines prime drivers like speed of transaction, security, simplicity of use, dependability, and customer care that drive customer experiences. It also looks into fears of data privacy, fraud protection, and cybersecurity that have great effects on consumer confidence in FinTech platforms. This study offers a better understanding of FinTech consumer behavior and generates knowledge that will benefit FinTech firms, policymakers, and financial institutions in enhancing quality services and consumers' experience in the digital finance sector.

Keywords: FinTech, customer satisfaction, digital finance, security issues, speed of transaction, trust in FinTech, adoption of financial technology.

INTRODUCTION

Changes that were swiftly transformational made possible by innovations within the field of financial technology (FinTech). Such an area as FinTech is the umbrella term for diverse digital financial solutions such as mobile banking, digital wallets, online investment platforms, or lending services. For such innovations, convenience, transactional speed, and financial access have significantly been enhanced. However, due to increasing competition in the area, customers' satisfaction and trust have become two major factors that would influence the adoption of FinTech services.

In the last few years, the important adoption of FinTech apps has surged with the increasing use of smartphones, with the penetration of the internet and a general shift in consumer behaviors towards cashless transactions. Digital payment solutions such as Google Pay, Paytm, and PhonePe have integrated seamlessly into everyday financial transactions. Investment platforms like Groww and Zerodha have made stock trading and wealth management easy, and online lending services have simplified getting credit. However, security concerns, data privacy, fraud risks, and customer care have left their dent on consumers' trust in FinTech platforms.

NEED OF THE STUDY

FinTech services will rely more and more on accepted customer experiences and their level of satisfaction adhering to security threats. Good as FinTech is, it does have some thorns: transaction failures, cyber threats, and lack of personalized customer service. The study will assess customer awareness, level of adoption, the key drivers of satisfaction, and trust-related issues, giving some insights on how to improve the FinTech experience as a whole.

LITERATURE REVIEW

Chishti & Barberis (2016) provided a comprehensive overview of the FinTech revolution, discussing how digital platforms, mobile banking, and AI-driven solutions have reshaped financial services. Similarly, Arner, Barberis, & Buckley (2015) highlighted the post-crisis emergence of FinTech as a disruptor, emphasizing its potential to enhance financial inclusion and customer convenience.

McKinsey & Company (2023) reported that the global adoption of FinTech services has significantly increased, with mobile banking and digital wallets leading the sector. According to Statista (2023), over 75% of consumers in developing economies have used at least one FinTech service in the past year, indicating a strong shift towards digital finance.

Puschmann (2017) explored how factors such as transaction speed, ease of use, and customer support play a crucial role in determining customer satisfaction in FinTech. PwC (2023) emphasized that customer experience and security remain the top priorities for financial service providers, with more users expecting seamless and reliable digital transactions.

KPMG's FinTech Trends Report (2022) found that 60% of customers prefer FinTech platforms over traditional banking due to better user interfaces, 24/7 availability, and instant processing. However, challenges such as poor customer support and occasional transaction failures negatively impact user experience.

Philippon (2019) analyzed the relationship between customer trust and FinTech growth, concluding that data privacy and cybersecurity are the two biggest concerns for users. RBI (2023) echoed this finding, stating that a lack of trust in data protection is a major barrier to FinTech adoption in India. Zalan & Toufaily (2017) studied the impact of FinTech on financial inclusion in emerging markets, stating that mobile payments and micro-lending platforms have provided access to banking services for underserved populations. The World Bank (2023) supported this claim, reporting that digital finance has helped over 1.2 billion people gain access to financial services in the past decade.

4.0 OBJECTIVE OF THE STUDY

This research focuses on the following key objectives:

1. To Analyze the usage of mobile banking, digital wallets, investment platforms, and lending services.
2. To Evaluate transaction speed, security, ease of use, reliability, and customer support.
3. To the impact of data privacy, fraud prevention, and cybersecurity on customer confidence.

5.0 RESEARCH METHODOLOGY

SAMPLING AREA- GREATER NOIDA, Uttar Pradesh

This article has 60 valid filled responses

DATA SOURCE

The research was carried out with the help of primary as well as secondary data.

- PRIMARY DATA- Structured questionnaires
- SECONDARY DATA- From various Books, journals.

6.0 DATA ANALYSIS

1. Fintech Services Used by Respondents (User can select Multiple Options which they use)

Particulars	No. of Respondents	Percentage (%)
Mobile Banking	45	75%
Digital Wallets	50	83.3%
Online Investment Platforms	30	50%
Online Lending Services	20	33.3%
Other	10	16.7%

Interpretation:

The majority of respondents (83.3%) use **digital wallets**, followed by **mobile banking (75%)**. **Online investment platforms (50%)** and **online lending services (33.3%)** are less common. A small percentage (16.7%) use other fintech services.

2. Frequency of Using Fintech Services

Particulars	No. of Respondents	Percentage (%)
Daily	35	58.3%
Weekly	15	25%
Monthly	7	11.7%
Rarely	3	5%

Interpretation:

Most respondents (58.3%) use fintech services **daily**, while 25% use them **weekly**. A smaller proportion use them **monthly (11.7%)**, and only 5% use them **rarely**.

3. Primary Reason for Using Fintech Services

Particulars	No. of Respondents	Percentage (%)
Convenience	30	50%

Faster Transactions	18	30%
Cashback/Rewards	7	11.7%
Better Control Over Finances	5	8.3%

Interpretation:

The primary reason for using fintech services is **convenience (50%)**, followed by **faster transactions (30%)**. Fewer respondents use them for **cashback/rewards (11.7%)** or **better control over finances (8.3%)**.

4. Satisfaction Level with Fintech Services

Factors	Very Dissatisfied (1)	Dissatisfied (2)	Neutral (3)	Satisfied (4)	Very Satisfied (5)
Transaction Speed	2 (3.3%)	3 (5%)	7 (11.7%)	25 (41.7%)	23 (38.3%)
Security	4 (6.7%)	5 (8.3%)	10 (16.7%)	22 (36.7%)	19 (31.7%)
Ease of Use	1 (1.7%)	2 (3.3%)	5 (8.3%)	30 (50%)	22 (36.7%)
Reliability	3 (5%)	4 (6.7%)	10 (16.7%)	27 (45%)	16 (26.7%)
Customer Support	5 (8.3%)	8 (13.3%)	15 (25%)	20 (33.3%)	12 (20%)

Interpretation:

- **Transaction speed:** 80% of respondents are satisfied or very satisfied.
- **Security:** 68.4% are satisfied or very satisfied, while 15% are dissatisfied.
- **Ease of use:** Highly rated, with **86.7%** satisfied or very satisfied.
- **Reliability:** 71.7% positive response, but **11.7% dissatisfied**.

5. Issues Faced While Using Fintech Services

Particulars	No. of Respondents	Percentage (%)
Transaction Failure	20	33.3%
Poor Customer Support	18	30%
Security Concerns	12	20%
App/Website Glitches	10	16.7%

Interpretation:

- **Transaction failures (33.3%)** are the most common issue.
- **Poor customer support (30%)** is also a major concern.
- **Security concerns (20%)** and **app glitches (16.7%)** affect some users.
- **Delayed refunds (13.3%)** are the least reported issue.

6. Concern About Security of Financial Data

Particulars	No. of Respondents	Percentage (%)
Very Concerned	25	41.7%
Somewhat Concerned	20	33.3%
Neutral	8	13.3%
Not Very Concerned	5	8.3%
Not Concerned at All	2	3.3%

Interpretation:

Most respondents (**75%**) have some level of concern about security, with **41.7% being very concerned**. A small percentage (**3.3%**) are not concerned at all.

7. Trust in Fintech Platforms with Personal and Financial Data

Particulars	No. of Respondents	Percentage (%)
Yes	30	50%
No	15	25%
Not Sure	15	25%

Interpretation:

While **50% trust fintech platforms**, **25% do not**, and **25% are unsure**, indicating trust issues among some users.

8. Expected Security Measures from Fintech Providers (User can select Multiple Options)

Particulars	No. of Respondents	Percentage (%)
Two-Factor Authentication	45	75%
End-to-End Encryption	40	66.7%
Fraud Detection Alerts	38	63.3%
Stronger Privacy Policies	35	58.3%

Interpretation:

The most expected security feature is **two-factor authentication (75%)**, followed by **end-to-end encryption (66.7%)**. Fraud detection alerts and stronger privacy policies are also important.

9. Experience of Fraud or Unauthorized Transactions

Particulars	No. of Respondents	Percentage (%)
Yes	10	16.7%
No	50	83.3%

Interpretation:

A significant majority (**83.3%**) have not experienced fraud, but **16.7%** have, highlighting security concerns.

10. Willingness to Recommend Fintech Services

Particulars	No. of Respondents	Percentage (%)
Yes	40	66.7%
No	5	8.3%
Maybe	15	25%

Interpretation:

Most respondents (**66.7%**) would recommend fintech services, while **8.3%** would not. **25%** are unsure, possibly due to security concerns or past issues.

FINDING OF THE STUDY

For enhanced use preferences, frequency of use, safety concerns, and overall trust in digital finance, the research places a lot of insights into fintech services and customer satisfaction.

Extent of Use of Fintech Services- Findings suggested that the use of mobile banking and digital wallets were very common announcement, which more relied users in day to day transactions are becoming more and more dependent on financial technology solutions. It also showed some moderate uptake of online investment platforms and lending services and that was mostly among those who were aware of financial services.

The majority of respondents said no, using such services daily or weekly, with the reason for convenience and speed for processing, cashback and reward as the main reasons given for adoption. It is clearly apparent that modern banking and payment transactions are most efficient and appealing through digital financial solutions. Level of Customer Satisfaction: A large percentage of users reported satisfaction concerning the speed at which their transactions were processed compared to the ease of the processes. Many had security, reliability and customer support as part of the concerns raised. On the whole, lack of customer experience was as a result of transaction failures and glitches in mobile applications.

Security Concerns and Trust: A large portion of respondents trusted fintech platforms, however, security as a whole was a concern. Strong security, such as two way authentication, encryption and fraud detection alerts, was expected by users. Some had the experience of fraud or unauthorized transactions, and as such, call for increased data safety.

CONCLUSION

Fintech services beneficiary and customer satisfaction analysis indicate that ownership of digital financial solutions goes at a fast pace. Mobile banking and digital wallets seem to be highly utilized, while investment platforms along with lending services seem to have fairly utilized end-consumer bases.

Customer satisfaction basically relies on the speed of transactions, the ease of use, the security, and reliability. Most sentiments revolve on convenience; however, there are recurrent security, fraud prevention, as well as customer support issues. Many users would love to see some extra security measures, like two-factor authentication or fraud detection alerts, to be able to trust these platforms better.

Therefore, it was not affected regarding the positive perception of the services of fintech, as most would recommend such services. Hence, to maintain and enhance customer satisfaction, fintech companies should align their focus areas with security, reliability, and customer service as a whole. Excelling in those areas will instill more confidence and pull further growth for the fintech space

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