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A Comparative Evaluation of Complaint Handling from Commercial Banks for Individual Customers between Respondents

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Abstract

Commercial banks are institutions that accept deposits; they serve as financial intermediaries, mobilizing idle funds through deposit-receiving services and then transferring them, primarily in the form of direct loans, to enterprises in need of capital. The aim of this study is to examine the comparative evaluation of handling complaints from commercial banks in Hanoi for individual customers between respondents. Good and fair complaint handling will create a customer perception that the bank has high regard for their customers. If the customer continues to interact with the bank and declines offers from other competitors, then the bank's reputation will be better (Supriaddin *et al.*, 2015) [8]. The study population consisted of commercial banks in Hanoi and their individual customers during the period of 2012–2023. The study's results indicate that there is no difference in assessing the handling of complaints from commercial banks for individual customers between different subjects in terms of genders, marital statuses, academic standards, family platforms, and age. Based on this result, the study proposes some recommendations for commercial banks and bankers. The study suggests that commercial banks in Hanoi should treat handling complaints as a strategic plan. From there, improve the reputation of commercial banks.

1. Introduction

Commercial banks are institutions that accept deposits; they serve as financial intermediaries, mobilizing idle funds through deposit-receiving services and then transferring them, primarily in the form of direct loans, to enterprises in need of capital.
Commercial banks mobilize capital in the following forms: payment deposits, savings deposits, and term deposits. Mobilized capital is used for lending such as commercial loans, consumer loans, real estate loans, and to buy government securities and local government bonds.
The credit intermediation function is one of the most important functions of commercial banks in general. When performing the credit intermediary function, commercial banks act as a bridge between people with excess capital and people with capital needs. With this function, the bank acts as both a borrower and a lender, enjoys the profit that is the difference between the deposit interest rate and the lending interest rate, and contributes to creating benefits for all parties involved, including depositors and borrowers. For depositors, they benefit from temporarily idle capital in the form of deposit interest that the bank pays them. Furthermore, the bank also ensures the safety of their deposits and provides convenient payment services. For borrowers, they will be able to satisfy the need for convenient, secure, and legal business capital by spending and paying without spending much time and effort on finding single capital suppliers. In addition, the credit intermediation function plays an important role in promoting economic growth because it meets capital needs to ensure continuous reproduction and expansion of production scale.
Commercial banks can also create money outside of what the State Bank does, which is to print and issue new currency. Commercial banks still have the capacity to create credit money or book money that appears on clients' payment deposit accounts at the bank while carrying out their duties. This sum of money is a portion of the total used in transactions.
The money creation function is implemented on the basis of two other functions of commercial banks: the credit function and the payment function. Through the credit intermediary function, the bank uses the mobilized capital to lend; the loaned amount

is used by customers to buy goods and pay for services, while the balance on the cash account of customers' payment deposits is still considered part of the transaction money, used by them to buy goods, pay for services, etc. Commercial banks have expanded the economy's overall payment options thanks to this function, thereby satisfying society's demands for payments.

Payment intermediary function: commercial banks act as treasurers for organizations, firms, and individuals, making payments at the request of customers, such as withdrawing money from their deposit accounts. them to pay for goods and services or to deposit into customers' deposit accounts sales proceeds and other revenues at their request.

The fact that commercial banks perform the payment intermediary function has great significance for the entire economy. With this function, commercial banks provide customers with many convenient payment methods, such as checks, payment orders, collection orders, cash cards, payment cards, credit cards, etc. Depending on their needs, customers can choose the appropriate payment method for themselves. Thanks to that, economic entities do not have to keep money in their pockets, carry money to meet creditors, or meet people who have to pay, whether near or far, but they can use the payment method of commercial banks to make payments. Therefore, economic entities will save a lot of costs and time and ensure safe payment. Therefore, this function has promoted the circulation of goods and accelerated the speed of payment and capital flow, thereby contributing to economic development.

At the same time, non-cash payments through banks have reduced the amount of cash in circulation, leading to savings in cash circulation costs such as printing, counting, and preservation costs. Besides, ensuring the provisions of tax law (Circular 78/2014/TT-BTC): The Ministry of Finance stipulates that expense, if there are invoices for each purchase and sale of goods and services over 20 million VND or more, to have VAT deducted and included in reasonable costs, the buyer must make a payment via bank transfer to the seller.

Although commercial banks have waived fees for some services, collecting payment fees contributes to increasing the bank's lending capital, which is reflected in the balance in the customer's deposit account.

When the bank receives a customer complaint, (i) the bank receives comments and has time to review the shortcomings, which is a good opportunity for the bank to see the shortcomings in the process of product and service quality. (ii) Contributing to helping the bank increase customer experience through understanding and recognizing shortcomings, the bank will have strategic plans to improve product quality and provide better service for customers.

The bank handles complaints professionally, and customers after the complaint process will be able to become loyal customers of the company. In danger, there is opportunity. Customer complaints can be negative events, but when handled well and professionally, they will bring a good image and sympathy from customers, which can be spread well.

Complaint handling positively impacts customer satisfaction, trust, and loyalty (Yap et al., 2012 [10]; Supriaddin et al., 2015) [8]. Customers will trust the bank's ability to resolve customer complaints and problems (Supriaddin et al., 2015) [8].

Good and fair complaint handling will create a customer perception that the bank has high regard for their customers. If the customer continues to interact with the bank and declines offers from other competitors, then the bank's reputation will be better (Supriaddin et al., 2015) [8].

2. Literature Review

Depending on personality, some customers take public actions: they complain to the service firm, they complain to a third party, or they even take legal action. Some customers can take private actions, such as switching providers or telling others about their unpleasant experiences. At the same time, some customers do not take any action (Singh, 1988) [7].

There are also different reasons for customers to complain. Wirtz (2018) [9] believes that overall, customers have four reasons to complain: a) obtain restitution or compensation; b) vent anger; c) help to improve the service; d) for altruistic reasons—to help other customers. To handle complaints, companies develop complaint management, which could be described as how companies manage, act, respond to, and, afterward, report customer complaints (Bendall-Lyon & Powers, 2001) [1].

Customer complaints are the most authentic feedback that organizations, firms in general, and banks in particular will receive when bringing products and services to the market, from which they can be used as a basis for development and to learn from experience in other processes and quality.

Slow complaint handling may be seen by customers as incompetence and will have a negative effect on credibility and thus on trust (Ganesan, 1994) [2].

The handling of complaints has become an important aspect of bank management and is one of the main factors behind customer decisions to desert a bank. The SBIF defines a complaint as any written notice lodged with a bank by a customer reporting a specific situation that has not been resolved to the customer's satisfaction (SBIF, 2009) [6].

The customer complaint handling process includes 5 steps. Step 4 is titled "Talk to customers and implement solutions." Bank staff should pay attention to and sympathize with customers' frustrations and negative emotions. customer and sincerely apologize to the customer. For cases where customers make inappropriate or incorrect complaints, but bank employees should understand that the bank's products and services are having problems making customers unhappy. And this should be seen as an opportunity to improve the bank's image with customers. Banks proactively proposing and implementing solutions for customers exactly as discussed is important and necessary in the customer complaint management process. Step 5: "Monitoring the results of complaint handling and customer care" Bank employees should not certify that the complaint handling procedure is finished after the bank has finished it. The bank needs some time to adjust to the complaint handling and customer service procedures and absorb the mistakes made.

3. Research Methods

The descriptive survey method was used to collect data from individual customers of commercial banks in Hanoi, including students, workers, employees, and retired people. The sample for the study was selected at random, and the sample size is are for Hair et al. (2014) [4]. The questionnaire has three parts. The total sample selected is 175 (see Table

1). The data were collected by using a questionnaire. The research methods used are qualitative research methods and quantitative research methods. SPSS software is also used. The tools used for analysis were the t-test and ANOVA.

Table 1: Respondents by genders, marital statuses, family platforms, academic standards and ages

	Frequency	Percent	Cumulative Percent
Gender			
Female	116	66.3	66.3
Male	59	33.7	100.0
Marital statuses			
Married	109	62.3	62.3
Single	66	37.7	100.0
Family platforms			
Have family members who work for banks	99	56.6	56.6
Do not have family members who work for banks	76	43.4	100.0
Academic level			
Bachelor	107	61.1	61.1
Postgraduate	68	38.9	100.0
Ages			
From 18 to 23 years old	42	24.0	24.0
From 24 to 30 years old	43	24.6	48.6
From 31 to 45 years old	50	28.6	77.1
46 years old or older	40	22.9	100.0
Total	**175**	**100.0**	

Information on the data collected is shown in Table 1. It shows that among the respondents, 116 participants are female, accounting for 66.3%; 59 participants are male, accounting for 33.7%; 62.3% of the participants were married, and 37.7% of the participants were single. Among the respondents, 43.4% have family members who work for banks, and 56.6% do not have family members who work for banks. Of these, 42 participants are from 18 to 23 years old, accounting for 24.0%; 43 participants are from 24 to 30 years old, accounting for 24.6%; 50 participants are from 31 to 35 years old, accounting for 28.6%; and the remaining respondents are 46 years old or older, accounting for 22.9%.

4. Results
4.1 Independent T-Test: Different Genders
A comparison of the results of the evaluation of the differences in complaint handling from commercial banks for individual customers with participants of different genders (male and female) can be seen in Table 2. According to the results shown in Table 2, sig Levene's test is 0.594, which is more than 0.05. The variance between males and females is not different. Moreover, the sig value t-test is 0.497, which is more than 0.05, which means that there is no statistically significant difference in complaint handling from commercial banks for individual customers between these different genders (Hoang & Chu, 2008; Hair *et al*., 2009; Hair *et al*., 2014) [5, 3, 4].

Table 2: Differences in complaint handling from commercial banks for individual customers with participants of different genders-Independent Test

		Levene's Test for Equality of Variances		T-Test for Equality of Means						
		F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Complaint handling (CH)	Equal variances assumed	0.285	0.594	-0.681	173	0.497	-0.08109	0.11912	-0.31621	0.15402
	Equal variances not assumed			-0.714	132.787	0.477	-0.08109	0.11361	-0.30581	0.14362

4.2 Independent T-Test: Family Platforms
A comparison of the results of the evaluation of the differences in complaint handling from commercial banks for individual customers with participants in different family platforms (the respondents have family members who work for banks and the respondents do not have family members who work for banks) can be seen in Table 3. According to the results shown in Table 3, sig Levene's test is 0.493, which is more than 0.05. The variance between the

respondents has family members who work for banks and the respondents do not have family members who work for banks is not different. Moreover, the sig value t-test is respectively 0.154, which is more than 0.05, which means that there is no statistically significant difference in the level of complaint handling from commercial banks for individual customers for these different family platforms (Hoang & Chu, 2008; Hair *et al*., 2009, Hair *et al*., 2014) [5, 3, 4].

Table 3: Differences in complaint handling from commercial banks for individual customers with participants in different family platforms-Independent Test

		Levene's Test for Equality of Variances		T-Test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
CH	Equal variances assumed	0.473	0.493	1.431	173	0.154	0.16182	0.11310	-0.06141	0.38504
	Equal variances not assumed			1.454	169.509	0.148	0.16182	0.11128	-0.05786	0.38149

4.3 Independent T-Test: Marital Statuses

A comparison of the results of the evaluation of the differences in complaint handling from commercial banks for individual customers with participants of different marital statuses (not married or single and married) can be seen in Table 4. According to the results shown in Table 4, sig Levene's test is 0.936, which is more than 0.05. The variance between the respondents who were not married and those who were married is not different. Moreover, the sig value of the t-test is 0.132, which is more than 0.05, which means that there is a statistically significant difference in complaint handling from commercial banks for individual customers between these different marital statuses (Hoang & Chu, 2008; Hair *et al*., 2009, Hair *et al*., 2014) [5, 3, 4].

Table 4: Differences in the complaint handling from commercial banks for individual customers with participants from different marital statuses-Independent Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
CH	Equal variances assumed	0.006	0.936	-1.514	173	0.132	-0.17503	0.11558	-0.40316	0.05310
	Equal variances not assumed			-1.533	142.475	0.128	-0.17503	0.11421	-0.40079	0.05073

4.4 Independent T-Test: Academic Standards

A comparison of the results of the evaluation of complaint handling from commercial banks for individual customers with participants of different academic standards (bachelor and postgraduate) can be seen in Table 3. According to the results shown in Table 3, sig Levene's test is 0.824, which is more than 0.05. The variance between bachelor's and postgraduate degrees is not different. Moreover, the sig value t-test is 0.578, which is more than 0.05, which means that there is no statistically significant difference in complaint handling from commercial banks for individual customers between these different academic standards (Hoang & Chu, 2008; Hair *et al*., 2009; Hair *et al*., 2014) [5, 3, 4].

Table 5: Differences in complaint handling from commercial banks for individual customers with participants from different academic standards-Independent Test

		Levene's Test for Equality of Variances		T-Test for Equality of Means						
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
CH	Equal variances assumed	0.824	0.365	-0.558	173	0.578	-0.06448	0.11558	-0.29261	0.16365
	Equal variances not assumed			-0.573	155.098	0.567	-0.06448	0.11251	-0.28673	0.15777

4.5 ANOVA

An ANOVA test was needed to make a comparison of the results of the evaluation of the differences in complaint handling from commercial banks for individual customers between the four subjects, including participants who are from 18 to 23 years old, participants who are from 24 to 30 years old, participants who are from 31 to 44 years old, and participants who are 45 years or older. Table 6 shows that the sig Levene statistic is 0.037, which is less than 0.05, which means that the hypothesis of homogeneity of variance among the variable value groups (different ages) has been violated. Table 7 shows that sig. is 0.307, which is more than 0.05, which indicates that there is not a statistically significant difference in complaint handling from commercial banks for individual customers between the mentioned four age groups (Hoang & Chu, 2008; Hair *et al*., 2009, Hair *et al*., 2014) [5, 3, 4].

Table 6: Test of Homogeneity of Variances

Descriptions	Levene Statistic	df1	df2	Sig.
CH				
Based on Mean	2.896	3	171	0.037
Based on Median	1.493	3	171	0.218
Based on Median and with adjusted df	1.493	3	146.401	0.219
Based on trimmed mean	2.636	3	171	0.051

Table 7: Robust Tests of Equality of Means

	Statistic[a]	df1	df2	Sig.
Welch	1.219	3	90.413	0.307
a. Asymptotically F distributed.				

4.6 The Relationship between the Complaint Handling from Commercial Banks for Individual Customers
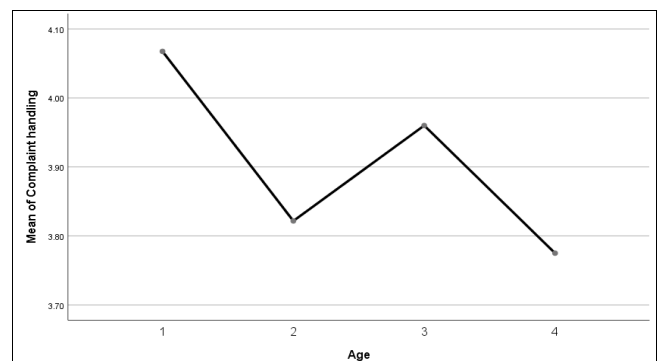
Fig 1: The line graph shows the relationship between the complaint handling from commercial banks for individual customers and each respondent's age

Next, the line graph shows the relationship between the handling of complaints from commercial banks for

individual customers and each respondent's age (Fig 1). Fig 1 shows that this line tends to go down when the respondents' age increases to 24 to 30 years old. But this line tends to slope up when the respondents' age is between 31 and 44 years, and this line tends to go down when the respondents' age is 45 or older. Showing that handling complaints from commercial banks for individual customers is highly valued in 18- to 23-year-olds or 31- to 44-year-olds.

5. Discussion and Implications

The basic contradiction between the phenomenon of excess capital in banks and the lack of capital in the economy (enterprises) is that there are still limitations and negative factors, and there is a lack of intermediary activities in finance and service provision. Therefore, Vietnamese commercial banks should become more and more perfect.

Commercial banks should develop unified and scientific operating regulations, enhance autonomy and independence, modernize facilities and equipment to serve information and service provision activities, penetrate deeper into the economy, improve the professional skills of bank staff, strengthen training, and conduct experience-sharing sessions for staff at commercial banks. Mutual trade so that employees have enough knowledge and understanding to handle customer complaints in the most effective way.

In addition, commercial banks should strictly prohibit employees from arguing with customers during transactions and must always have a gentle attitude and a spirit of readiness to support customers in all situations.

When handling customer complaints, bankers should listen to customers. Bankers do not listen to customers, leading to customers feeling disrespected and problems raised by customers not being recognized. Bankers should see customer complaints as an opportunity to help improve the quality of products and services, increasing the value of the bank in the eyes of customers. Bankers have relationships with many types of customers. In addition to easy-going customers, there are also difficult customers. Work pressure is one of the reasons why customers are dissatisfied with service, a lack of enthusiasm, or a bad attitude among employees.

When handling customer complaints, bankers should not delay providing solutions. In the event that the customer's complaint is not within the staff's authority to resolve, the bankers should politely ask the customer for a specific and clear time limit for handling the problem. Bankers should also ensure the progress of handling complaints within the prescribed time and not let customers remind them of the deadline; otherwise, customers will be even more disappointed and the brand image will be greatly reduced.

6. References

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