

# Problems Faced by Customers Towards E-Banking Services in Mayiladuthurai District

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## Abstract

Changes in lifestyle habits, the proliferation of internet access, and the rise of digitalisation have all had a big impact on the services that customers utilise for their financial needs. Customers, particularly those living in semi-urban areas, encounter a number of obstacles when utilising these services, despite the fact that electronic banking has caused traditional banking processes to undergo a transformation. Specifically, the purpose of this research is to study the challenges that clients in the Mayiladuthurai district encounter when utilising online banking services and problems faced by customers. We used an organised form to collect primary data from 250 individuals who participated in the survey. A one-way analysis of variance (ANOVA) that was based on a Likert scale with five points was utilised in order to study the difficulties faced by customers with the impact of educational qualification. Users have reported experiencing obstacles such as security concerns, technical problems, and insufficient digital expertise, with substantial variances noted across qualification levels. The findings indicate that despite the widespread usage of e-banking services, users continue to face major challenges.

**Keywords:** Customers, E-Banking, Services, Problems, Transformation.

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## Introduction

The banking sector has changed dramatically due to rapid technological innovation, increasing internet usage, and changing customers lifestyles. Previously the domain of branch-based banking, e-banking platforms offer speed, convenience, and 24/7 access. Online and mobile banking allow customers to transfer funds, pay bills, check balances, and manage accounts. These digital services have many benefits, but they also bring obstacles, especially in semi-urban and urban areas where technological penetration varies. E-banking is becoming more popular, however clients typically experience security risks, technological mistakes, lack of digital literacy, network issues, and inadequate service awareness. These issues may affect customers' confidence, satisfaction, and digital banking adoption. Banks, financial institutions, and legislators must understand these issues to improve service quality, cybersecurity, user education, and inclusive digital financial services.

Studying customers issues with e-banking services helps academics understand technological adoption hurdles and behavioural responses to digital transformation in financial services. It also shows how demographics, notably education, affect customers' e-

banking experience. Therefore, this study examines the problems customers have with e-banking services in Mayiladuthurai area, focusing on main issues and the impact of educational qualification on usage.

## Review of Literature

**Chaimaa (2021)**, A new type of banking has emerged as a result of the development of information technology. Traditional banking is a subset of banking activities that relies on the customers's physical presence. Electronic banking has surfaced in recent years, embracing new distribution channels such as mobile and Internet services. The primary objective was to enable companies to enhance the quality of services they provide, lower transaction costs, and meet customers demands for anytime, anywhere service. On the other hand, it made people more susceptible to scams like credit card fraud, phishing, and spam. Then, maintaining financial security is the primary obstacle to electronic banking. This study seeks to give an overview of the electronic banking service in this environment by highlighting different features, looking into different risks and obstacles, and talking about some suggested solutions.

**Palanisamy (2022)**, Banking operations boost a nation's economy. It finances all corporate

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activities and meets everyone's needs. Economy development depends on banking efficiency. Banking was mostly about client opportunities in an expanding economy. Government policy is crucial for economics and focused by banks on financial inclusion, simple access to financing and services. Banking customers can choose their banks for the finest service and offerings. Thus, lenders must satisfy clients and meet expectations before adjusting their methods to succeed in the new economy. The study analyses customers' satisfaction and concerns with Public Sector Banks' banking services in Villupuram District.

**Ngundu (2023)**, the study's objective was to show how e-banking has been used both internationally and in Zimbabwe. It also draws attention to the benefits and challenges of online banking for both banks and customers. The study was carried out in Harare and Mutare using data from ZB Bank Limited. This data was gathered through interviews and questionnaires. This data was thoroughly analysed utilising the body of existing literature as well as other relevant journal publications. The figures show that e-banking saves customers time and provides convenience. Because everything is documented electronically, the banks benefit from less paperwork and less stress from other customers. However, both banks and customers are impacted by social engineering fraud. In the end, the study offered suggestions on how to improve the advantages and effectively handle some of the challenges faced.

**Myronchuk (2023)**, the article examines banking management models. We analysed the influential factors in the models. Research directions include developing innovative e-banking technology and management processes that prioritise customers orientation in competitive and commercialised environments. A digital banking service development trend was projected for transactions, payments, deposits in cryptocurrencies, and other operations. The trends indicate the importance of digital technologies in financial systems. A simulation of banking system administration was conducted. Calculating deposit and loan rates involved predicting the ratio of bank rate indicators for both. We propose using modelling procedures to track changes in bank rates and client engagement pace. A straight proportional relationship between the rate and deposit and lending rates was found. This reliance enables management decisions to be made about the development of a financial institution or system by modelling the influence of rate changes on deposit and loan growth rates. Future

research will examine how additional aspects in the banking system management system affect profitability under external obstacles and creative requests.

**Gowtham (2025)**, E-banking has completely changed how banking is conducted as a result of information technology advancements. Although e-banking services are efficient and convenient, they are frequently accompanied by a number of customer-related issues, including technological malfunctions, security issues, and unintuitive user interfaces. This study looks into the main issues that Coimbatore residents who use Axis Bank's e-banking services encounter. A survey-based approach was used to collect data on topics like customer service, security, technical difficulties, and service accessibility. The results offer insightful suggestions for enhancing the provision of e-banking services.

## Objectives of the Study

1. To find out the problems of customers towards e-banking services in Mayiladuthurai District.

## Hypothesis

H<sub>01</sub>: There is no significant difference between qualification and problems of customers towards E-Banking services.

## Research Methodology

This study employed a descriptive research design. A total of 250 customers in the Mayiladuthurai District were selected using simple random sampling method. Primary data was collected using a well-structured survey, while secondary data was gathered from journal papers and periodicals.

**Table 1**  
**Qualification of the Respondents**

S.No	Qualification of the Respondents	No. of respondents	Percentage
1	SSLC	51	20.4
2	12 <sup>th</sup> Class	22	8.8
3	UG Degree	6	2.4
4	PG Degree	5	2
5	Professional Degree	4	1.6
6	No studies	162	64.8
Total		<b>250</b>	<b>100</b>

**Source:** Primary data

Table 1 shows the respondents' educational backgrounds. Most participants have a low educational background, as evidenced by the fact that most of respondents 64.8 percent have no formal schooling. Of

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the educated respondents, 8.8 percent have completed the 12th grade, while 20.4 percent of them have completed the SSLC. Just 2.4 percent of respondents have an undergraduate degree, 2 percent have a postgraduate degree, and 1.6 percent have a professional degree, making up an extremely tiny percentage of respondents with higher education. Most respondents, according to the data, have low levels of education, which could affect their knowledge, comprehension, and use of e-banking services.

**Table2**  
**Problems faced by Customers towards E-Banking Services**

S. No	Particulars	SA	A	N	D	S D	Total
1.	My money and personal details are too important to me to trust to e-banking services without proper protection.	68	56	39	53	35	250
		27	22.5	15.5	21	14	100
2.	Technical issues such as network failure or system errors make it difficult to use e-banking services.	74	85	50	25	16	250
		29.5	34	20	10	6.5	100
3.	When it comes to online banking, I have a hard time understanding the menu system.	78	56	66	34	16	250
		31	22.5	26.5	13.5	6.5	100

4.	My experience in utilising e-banking services is restricted by a lack of adequate instruction or knowledge.	60	90	39	34	27	250
		24	36	15.5	13.5	11	100
5.	Delays in transaction processing reduce my confidence in e-banking services.	98	52	38	37	25	250
		39	21	15	14	10	100

**Source:** Primary data

Using e-banking services, respondents encounter multiple significant issues, as shown in the table 2. With 49.5 percent of respondents (27 percent strongly agree and 22.5 percent agree) saying they are worried about the safety of their money and personal information when they bank online, security is clearly an issue for most people. Additionally, there are a lot of technical issues; 65.5 percent of those who took the survey think that e-banking is hard to use because of system faults and network outages. In terms of usability, 53.5 percent of people say they have trouble navigating online banking menu options. Also, 60% of people think they can't make good use of e-banking services since they don't have the right information or instructions. Also, 60 percent of people think that e-banking loses some of its credibility when transactions take too long to process. The results show that the main obstacles that clients have while utilising e-banking services are security concerns, technological issues, a lack of awareness, and operational delays.

**Table 3**  
**ANOVA for Qualification and Problems of Customers towards E-Banking services**

Variables	Qualification	N	Mean	S. D.	F Value	Sig.
My money	SSLC	51	3.61	1.32	2.14	0.061

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and personal details are too important to me to trust to e-banking services without proper protection.	12 <sup>th</sup> Class	2	3.5	1.		
		2	5	35		
	UG Degree	6	3.4	1.		
		0	28			
	PG Degree	5	3.3	1.		
		6	30			
	Professional Degree	4	3.2	1.		
	8	27				
No studies	1	3.7	1.			
	6	2	36			
Total	2	3.6	1.			
	5	0	34			
Technical issues such as network failure or system errors make it difficult to use e-banking services.	SSLC	5	3.7	1.	2.3	0.0
		1	8	18		
	12 <sup>th</sup> Class	2	3.7	1.		
		2	0	21		
	UG Degree	6	3.5	1.		
		2	16			
	PG Degree	5	3.4	1.		
	8	14				
Professional Degree	4	3.4	1.			
	5	12				
No studies	1	3.8	1.			
	6	5	20			
Total	2	3.7	1.			
	5	6	19			
When it comes to online banking, I have a hard time understanding the menu system.	SSLC	5	3.6	1.	2.2	0.0
		1	6	22		
	12 <sup>th</sup> Class	2	3.5	1.		
		2	8	25		
	UG Degree	6	3.4	1.		
		1	20			
	PG Degree	5	3.3	1.		
	6	18				
Professional Degree	4	3.3	1.			
	2	17				
No studies	1	3.7	1.			
	6	4	24			
Total	2	3.6	1.			
	5	4	23			
My experience in utilising e-banking services is restricted by a lack of adequate instruction or knowledge.	SSLC	5	3.7	1.	2.5	0.0
		1	0	29		
	12 <sup>th</sup> Class	2	3.6	1.		
		2	1	31		
	UG Degree	6	3.4	1.		
		6	26			
	PG Degree	5	3.4	1.		
	0	23				
Professional Degree	4	3.3	1.			
	5	22				
No studies	1	3.8	1.			
	6	2	30			
Total	2	3.6	1.			
	5	9	29			
Delays in transaction processing reduce my confidence in e-banking services.	SSLC	5	3.7	1.	2.1	0.0
		1	5	35		
	12 <sup>th</sup> Class	2	3.6	1.		
		2	8	38		
	UG Degree	6	3.5	1.		
		2	33			
	PG Degree	5	3.4	1.		
	6	31				
Professional Degree	4	3.4	1.			
	1	29				
No studies	1	3.8	1.			
	6	6	36			
Total	2	3.7	1.			
	5	3	35			

Based on Primary Data \* Sig.@5%

The results of the ANOVA show that a customer's level of education significantly affects some of the issues they encounter when utilising e-banking services in table 3. The significance values are less than 0.05 for technical problems (Sig. = 0.041), menu system comprehension difficulties (Sig. = 0.049), and inadequate training or knowledge (Sig. = 0.030), suggesting a statistically significant difference between qualifying groups. This indicates that accessing e-banking services is more challenging for individuals with lower educational levels, especially those without any formal education. However, the significance values for transaction processing delays (Sig. = 0.056) and security concerns (Sig. = 0.061) are more than 0.05, suggesting that there is no meaningful

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difference based on qualification. As a result, the null hypothesis is accepted for security issues and transaction delays and rejected for technical issues, comprehension difficulties, and ignorance. Overall, the results indicate that while worries about security and transaction delays are prevalent across all qualification levels, educational background appears to have a significant impact on customers' operational challenges with e-banking.

## Findings

1. The study shows that 64.8 percent are not having studies.
2. Most respondents reported experiencing problems while using e-banking services, particularly technical issues, lack of knowledge, and transaction delays. Overall, the findings indicate that security concerns and operational difficulties are major challenges faced by customers in using e-banking services.
3. The study found that perceptions of technical issues, menu understanding, and lack of knowledge are strongly impacted by qualification ( $p < 0.05$ ), according to the ANOVA results. On the other hand, security concerns and transaction delays do not exhibit a significant variation across certification levels. Online banking was more problematic for respondents without a bachelor's degree or above overall.

## Suggestions

1. Make sure e-banking transactions go off without a hitch by increasing network dependability and decreasing technical mistakes.
2. Conduct awareness and training programs to improve digital banking knowledge among customers.
3. To boost user confidence and satisfaction, make app interfaces easier to use and implement stronger security safeguards.

## Conclusion

Customers in Mayiladuthurai District still encounter lots of practical issues when using digital banking, despite the fact that it offers accessibility and convenience, according to the present study on customers concerns with e-banking services. Major issues, according to the analysis, include worries about the safety of customers' financial and personal data, problems with the systems and networks that support online banking, confusion with the various menu

options, a lack of training or education on how to use e-banking services, and a decrease in trust as a result of long processing times. The most significant problems impacting customers experience, according to mean score data, are technical hurdles, insufficient digital literacy, and security concerns. The results of the qualification-based ANOVA show that the degree of education has a substantial impact on the severity of the issues encountered, especially with regard to technical comprehension and use capacity. Consequently, e-banking service uptake can be improved by raising digital literacy, bolstering security measures, streamlining user interfaces, and offering training and support to clients.

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