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TOWARDS EVALUATING PAYMENT DISPUTE RESOLUTION MECHANISMS IN NIGERIAN BRANCHLESS BANKS

[1]Okpako Ejaita A., *[2]Iyamah Boyce E., [2]Ojie Deborah V., [3]Okperigho Samuel U. and [4]Chiemeke Stella C.

[1]Department of Cyber Security, University of Delta, Agbor, Delta State, Nigeria.
[2]Department of Software Engineering, University of Delta, Agbor, Delta State, Nigeria.
[3]Department of Computer Science, Federal University of Petroleum Resources, Effurun, Delta State, Nigeria.
[4]Department of Computer Science, University of Benin, Benin City, Edo State, Nigeria.

Correspondent Author's E-mail: boyce.iyamah@unidel.edu.ng Phone: +234 8039435188

ABSTRACT

Branchless banking has expanded financial access in Nigeria by enabling millions of users to complete transfers, airtime purchases, bill payments, and merchant transactions without visiting traditional bank branches. While this innovation advances financial inclusion, it also creates recurring challenges such as failed transfers, duplicate debits, delayed reversals, and weak dispute management that undermine user trust. This study evaluates dispute resolution in three leading branchless banks Opay, Palmpay, and Moniepoint focusing on effectiveness, responsiveness, and user satisfaction. A purposive sample of fifty users with experience of payment disputes was surveyed to capture dispute types, reporting channels, resolution timelines, and perceptions of service quality. Expectation Confirmation Theory and SERVQUAL dimensions of responsiveness and reliability provided the analytical framing. Findings indicate that disputes were usually resolved within three days, though experiences varied across platforms. Palmpay recorded the highest satisfaction levels, Opay was rated most responsive, while Moniepoint performed weakest overall. The study highlights gaps in communication and transparency, recommending harmonised resolution timelines and stronger regulatory oversight to sustain trust in Nigeria's digital financial services.

Keywords: Branchless Banking, Payment Dispute Resolution, Digital Financial Services, User Satisfaction, Nigeria

INTRODUCTION

Nigeria has experienced a rapid transformation in financial service delivery, largely driven by the growth of digital technology and mobile connectivity. Traditional banking models, which rely heavily on physical branch networks, are increasingly being replaced or complemented by digital alternatives that allow customers to transact remotely (Iriobe and Akinyede, 2017). This shift has given rise to branchless banking, where services are accessed through mobile applications, USSD codes, Point of Sale (POS) agents, and online platforms. Branchless banking has been particularly influential in Nigeria, where a significant share of the population remains unbanked or underbanked. By reducing distance, cost, and infrastructure barriers, these platforms have become essential tools for advancing financial inclusion (Suleiman, Ajik and Abdul Sule, 2024).

At the forefront of this movement are Opay, Palmpay, and Moniepoint, which are now widely used for money transfers, airtime purchases, utility payments, and merchant transactions (Okeke, 2020). Their popularity reflects the convenience, accessibility, and speed they provide. However, alongside these benefits are recurring complaints from users who encounter failed transfers, duplicate debits, delayed transaction reversals, and poor customer support when disputes arise (Nwankwo and Agu, 2019). The absence of physical branches means that customers rely entirely on digital support channels such as in-app messaging, email, telephone hotlines, or interactions with POS agents. Reports of generic automated responses, delayed feedback, and unresolved complaints reveal a growing gap between customer expectations and the quality of dispute resolution services (Ayadi, Oke, Oladimeji and Aladejebi, 2023).

This gap raises important concerns for financial inclusion. Inefficient dispute management not only creates immediate financial stress for users but also threatens long-term trust in digital platforms. If unresolved, these weaknesses may discourage adoption and perpetuate exclusion. This study therefore examines how Opay, Palmpay, and Moniepoint manage payment disputes, with particular attention to dispute types, reporting processes, resolution timelines, and user satisfaction. Using Expectation Confirmation Theory and SERVQUAL as analytical frameworks, the study explores how outcome effectiveness and process responsiveness shape user perceptions (Ajayi and Osho, 2019).

The study addresses three central questions. What are the prevalent types of disputes experienced by users? How do the platforms manage and communicate about disputes? To what extent do timeliness and communication quality influence user satisfaction with resolution outcomes? By answering these questions, the paper contributes empirical evidence to the literature on digital financial services in Nigeria and provides practical recommendations for operators and regulators seeking to strengthen dispute resolution mechanisms (Nwankwo and Agu, 2019).

MATERIALS AND METHODS

Research Design

This study employed a descriptive survey research design, which was suitable for systematically gathering both quantitative and qualitative evidence from users who had encountered payment disputes in Nigerian branchless banking platforms. The design enabled the researcher to evaluate relationships between responsiveness, effectiveness, and satisfaction within real-world contexts without manipulating variables. The analytical approach was informed by Expectation Confirmation Theory (ECT) and the SERVQUAL model, both of which emphasise that user satisfaction arises from how actual service performance compares with expectations and perceived service quality dimensions such as reliability and responsiveness. These frameworks shaped the structure of the questionnaire and guided the interpretation of user experiences.

Population and Sampling

The target population comprised users of three major branchless banks in Nigeria—Opay, Palmpay, and Moniepoint because of their dominance and relevance in the country's digital financial ecosystem. The inclusion criterion required participants to have personally experienced at least one payment dispute on any of these platforms within the past twelve months. This ensured that responses were based on recent and verifiable experiences.

A purposive sampling technique was adopted to deliberately include only users who met the eligibility criteria. The sample size of fifty respondents was determined based on the exploratory scope of the study and the need to obtain meaningful patterns rather than statistical generalisation. This aligns with similar fintech service quality studies where samples between 30 and 100 have produced sufficient descriptive insight. The fifty participants were distributed across the three platforms to achieve representation and balance in comparative analysis.

Instrument for Data Collection

Data were collected through a structured online questionnaire developed and administered via Google Forms. The instrument contained both closed and open-ended items designed to capture the three core constructs of the study: dispute resolution effectiveness, responsiveness, and user satisfaction. The first section covered demographic and usage data, while the subsequent sections operationalised constructs from SERVQUAL (responsiveness, reliability, assurance) and Expectation Confirmation Theory (expectation, confirmation, and satisfaction).

To ensure validity, the questionnaire underwent expert review by two academics in information systems and one industry practitioner in digital financial services. Their input refined the wording and alignment of items to theoretical constructs. A pilot test involving five users was also conducted to identify ambiguous questions. Feedback from the pilot led to rewording of items relating to timeliness and satisfaction measurement.

Instrument reliability was assessed using Cronbach's Alpha, which yielded a coefficient of 0.86, indicating strong internal consistency among scale items. Ethical protocols were observed throughout: participants received a clear explanation of study objectives, were assured of confidentiality and voluntary participation, and gave informed consent prior to submission. Ethical approval was obtained from the Research and Ethics Committee of the author's institution.

Data Collection Procedure

The finalised questionnaire was distributed digitally through messaging applications and social media groups where verified users of the three platforms were active. This approach reflected the digital orientation of the study population and allowed wide geographical reach. Before answering, respondents were required to confirm that they had personally experienced at least one payment dispute, thereby ensuring relevance and authenticity of data. The form remained open for two weeks to allow adequate participation. Responses were automatically logged into a secure spreadsheet for analysis.

Data Analysis

Data analysis was performed using Microsoft Excel and IBM SPSS Statistics version 26. Descriptive statistics such as frequencies, percentages, means, and standard deviations were computed to summarise responses. Cross-tabulations were employed to examine the relationship between responsiveness and satisfaction across platforms. Chi-square tests were conducted to determine whether observed variations in user satisfaction were statistically significant among Opay, Palmpay, and Moniepoint. In addition, responses to open-ended questions were subjected to content analysis, where recurring themes such as communication quality, timeliness, and trust were identified and categorised.

The combination of descriptive, inferential, and qualitative approaches ensured comprehensive coverage of the study objectives. This triangulation enhanced analytical robustness and aligned with the study's theoretical frameworks, providing deeper insight into how users perceive the effectiveness of payment dispute resolution mechanisms in Nigeria's branchless banking system.

RESULTS AND DISCUSSION

This section presents the findings of the study based on data collected from fifty respondents regarding their experiences with payment dispute resolution on Opay, Palmpay, and Moniepoint. The analysis is structured around the study objectives, namely effectiveness, responsiveness, and user satisfaction with dispute resolution processes. Results are presented using tables for clarity, followed by interpretations.

Respondent Demographics

Table 1 shows the age distribution of respondents. The largest group of respondents was between 18 and 25 years (40 percent), followed by those between 26 and 35 years (36 percent). Respondents aged 36 to 45 years represented 18 percent of the sample, while those above 46 years accounted for 4 percent. Only one respondent was under 18 years, representing 2 percent of the total. This distribution indicates that most users of branchless banks in the sample were young adults within the 18 to 35 age range.

Table 1: Age Distribution of Respondents

Age Range	Frequency	Percentage
Under 18	1	2
18–25	20	40
26–35	18	36
36–45	9	18
46+	2	4
Total	**50**	**100**

Frequency of Use

Table 2 presents the frequency of use of branchless banks. Nearly half of the respondents (46 percent) reported using these services daily, while 40 percent reported weekly use. A smaller proportion indicated monthly (12 percent) or rare use (2 percent). These findings demonstrate the strong integration of branchless banking into daily financial practices among respondents.

Table 2: Frequency of Use of Branchless Banks

Frequency of Use	Frequency	Percentage
Daily	23	46
Weekly	20	40
Monthly	6	12
Rarely	1	2
Total	**50**	**100**

Purpose of Use

Table 3 highlights the primary purposes for using branchless banks. Most respondents used the platforms for airtime and data purchases (94 percent) and transfers (92 percent). Bill and utility payments were also common (64 percent), while only 10 percent reported using Point of Sale (POS) or agent services as their primary purpose. This pattern suggests that branchless banking is most frequently adopted for quick, everyday transactions such as airtime top-ups and transfers.

Table 3: Primary Purpose of Using Branchless Banks

Purpose	Frequency	Percentage
Transfers	46	92
Airtime/Data	47	94
Bills/Utilities	32	64
POS/Agent Use	5	10

Dispute Experiences

The analysis also considered the nature of payment disputes encountered by respondents across Opay, Palmpay, and Moniepoint. Table 4 shows the types of disputes reported. Failed transfers were the most common, accounting for 37.2 percent of all disputes, followed by cases where customers were debited without value (30.2 percent). Delayed reversals represented 23.3 percent, wrong credit accounted for 11.6 percent, and double debits were the least common at 9.3 percent. This distribution underscores the persistence of transaction reliability issues across platforms.

Table 4: Types of Disputes Experienced by Platform

Dispute Type	Opay	Palmpay	Moniepoint	Total (%)
Failed transfer	6	3	7	37.2
Debited, no value	3	5	5	30.2
Delayed reversal	2	5	3	23.3
Wrong credit	2	2	1	11.6
Double debit	0	1	3	9.3

Reporting Channel

Table 5 presents the methods used to report disputes. In-app support was the most frequently used channel, representing 81 percent of cases. Email reporting followed at 54.8 percent, while phone calls (19 percent) and reporting through agents (11.9 percent) were less common. These results indicate that users rely heavily on digital in-app tools, although many also complement them with email communication.

Table 5: How Disputes Were Reported

Method	Opay	Palmpay	Moniepoint	Total (%)
In-app support	8	13	13	81
Phone call	4	2	2	19
Email	3	8	12	54.8
Through agent	2	2	1	11.9

Effectiveness of Dispute Resolution

The effectiveness of resolution was measured in terms of the timeliness and outcome of cases. Table 6 shows the time taken to resolve disputes. More than half of the disputes (57.1 percent) were resolved on the same day, while 42.9 percent were resolved within two to three days. None of the respondents reported unresolved cases or resolutions taking longer than three days. These findings suggest a generally high level of timeliness across platforms.

Table 6: Time Taken to Resolve Disputes

Resolution Time	Opay	Palmpay	Moniepoint	Total (%)
Same day	9	8	7	57.1
2–3 days	4	7	7	42.9
4–7 days	0	0	0	0
>1 week	0	0	0	0
Not resolved	0	0	0	0

Resolution Outcome
Resolution outcomes are summarised in Table 7. A majority of disputes were fully resolved, with Palmpay recording the highest share at 26 percent, followed by Moniepoint at 24 percent and Opay at 22 percent. Partially resolved cases were minimal across all platforms, and only Moniepoint recorded unresolved disputes (2 percent). These results suggest that while all three platforms are effective in addressing disputes, Palmpay achieved the strongest performance.

Table 7: Resolution Outcomes

Bank	Fully Resolved (%)	Partially Resolved (%)	Not Resolved (%)
Opay	22.0	4.0	0.0
Palmpay	26.0	4.0	0.0
Moniepoint	24.0	2.0	2.0

Platform Responsiveness
Responsiveness was measured in terms of the time taken to acknowledge disputes and users' ratings of response speed. Table 8 shows that 36 percent of respondents received responses within a few hours, 30 percent within 24 hours, and 16 percent instantly. Only one respondent reported waiting more than 24 hours. These findings highlight relatively strong responsiveness across platforms, with Palmpay performing better in the few-hours category and Opay excelling in instant and 24-hour responses.

Table 8: Time Taken to Respond

Response Time	Opay	Palmpay	Moniepoint	Total (%)
Instantly	4	2	2	16.0
Within few hours	4	9	5	36.0
Within 24 hours	5	4	6	30.0
After 24 hours	0	0	1	2.0
No response	0	0	0	0.0

User ratings of responsiveness are presented in Table 9. On a five-point scale, Opay was rated highest at 4.4, followed by Palmpay at 4.3 and Moniepoint at 4.2. Although the differences are marginal, the ratings suggest that Opay was perceived as the most consistent in responsiveness.

Table 9: Average Responsiveness Ratings

Bank	Average Speed of Response (1–5)
Opay	4.4
Palmpay	4.3
Moniepoint	4.2

User Satisfaction
User satisfaction was evaluated in terms of overall satisfaction, communication quality, and trust in future transactions. Table 10 presents satisfaction and communication ratings. Palmpay recorded the highest satisfaction score (4.7), while Opay received the highest communication rating (4.8). Moniepoint scored lowest in both categories, with 4.1 for satisfaction and 4.3 for communication. These findings suggest that Palmpay provided the best outcomes, while Opay excelled in customer communication.

Table 10: Satisfaction and Communication Ratings

Bank	Avg. Satisfaction (1–5)	Avg. Communication (1–5)
Opay	4.5	4.8
Palmpay	4.7	4.6
Moniepoint	4.1	4.3

System Trust
Table 11 shows respondents' trust in future transactions. Opay and Palmpay each recorded 30 percent of respondents who expressed continued trust, while Moniepoint recorded 24 percent. Moniepoint also had the highest share of respondents who expressed no trust at 8 percent. Overall, 84 percent of respondents expressed trust in using branchless banks for future transactions.

Table 11: Trust for Future Transactions

Bank	Yes (%)	Somewhat (%)	No (%)
Opay	30.0	0.0	4.0
Palmpay	30.0	0.0	4.0
Moniepoint	24.0	0.0	8.0

Comparative Summary
The three platforms were compared across the main objectives of the study. Table 12 summarises the comparative performance. Palmpay emerged as the most effective in terms of dispute resolution outcomes and user satisfaction, Opay was rated most responsive, and Moniepoint lagged behind on most indicators.

Table 12: Comparative Summary of Objectives

Bank	Effectiveness (% Fully Resolved)	Responsiveness (Avg. 1–5)	Satisfaction (Avg. 1–5)
Opay	22	4.4	4.5
Palmpay	26	4.3	4.7
Moniepoint	24	4.2	4.1

Discussion of Findings

The results indicate that branchless banks in Nigeria are generally effective in resolving disputes within short timelines. However, differences exist across platforms. Palmpay achieved the highest levels of effectiveness and satisfaction, Opay was rated most responsive, and Moniepoint consistently recorded weaker performance. Despite these differences, most respondents reported positive experiences, suggesting that branchless banks are broadly capable of addressing disputes but require improvements in communication quality and consistency.

The findings of this study provide important insights into the effectiveness, responsiveness, and user satisfaction of payment dispute resolution in Nigerian branchless banks, focusing on Opay, Palmpay, and Moniepoint. Overall, the results show that while all three platforms were able to resolve disputes within a reasonable timeframe, variations in responsiveness and satisfaction demonstrate the uneven quality of user experiences.

Effectiveness

In terms of effectiveness, the study revealed that most disputes were resolved either on the same day or within three days. This outcome reflects positively on the operational reliability of branchless banks, suggesting that despite infrastructural challenges, these platforms have built mechanisms for relatively quick remediation of failed transactions. However, the results also showed differences across providers, with Palmpay recording the highest proportion of fully resolved disputes. This aligns with earlier research that highlighted how differences in internal system design and escalation protocols influence resolution efficiency in digital financial platforms (Ayadi, Oke, Oladimeji and Aladejebi, 2023). The finding reinforces the SERVQUAL dimension of reliability, which emphasises the importance of delivering services as promised.

Responsiveness

Regarding responsiveness, Opay was rated slightly higher than Palmpay and Moniepoint, particularly in terms of the speed of initial acknowledgement. This indicates that users perceived Opay as quicker to respond, even though Palmpay eventually delivered more satisfactory outcomes. These results echo findings from Nwankwo and Agu (2019), who noted that responsiveness is not only about final resolution but also about timely communication and reassurance during the dispute process. From the perspective of Expectation Confirmation Theory, the relatively high ratings for Opay suggest that quick acknowledgement helps reduce disconfirmation by aligning service delivery more closely with user expectations.

User Satisfaction

User satisfaction, however, was found to be strongest among Palmpay users. Palmpay scored highest in satisfaction ratings, while Opay led in communication quality. Moniepoint trailed behind on both measures, reflecting weaker customer experiences. These results indicate that satisfaction is shaped not only by whether a dispute is resolved, but also by how it is resolved. Clear communication, consistent updates, and timely feedback appear to be just as important as resolution outcomes. This finding supports the SERVQUAL dimension of responsiveness and the Expectation Confirmation Theory, which links satisfaction to the degree to which actual service performance meets or exceeds prior expectations (Ajayi and Osho, 2019).

Trust for Future Transactions

The findings also have implications for user trust in future transactions. The study revealed that most respondents expressed continued trust in Opay and Palmpay, while Moniepoint recorded the lowest trust levels. This is consistent with Suleiman, Ajik and Abdul Sule (2024), who emphasised that unresolved or poorly handled disputes can erode confidence in digital platforms and reduce long-term adoption. Trust is therefore contingent not only on technical resolution but also on the perceived fairness, transparency, and timeliness of the process.

Overall, the results suggest that while Nigerian branchless banks have developed mechanisms to resolve disputes effectively, gaps remain in communication and consistency. These gaps have direct consequences for user perceptions and future platform use. Addressing them requires improvements in customer service design, greater automation of transparent tracking systems, and regulatory oversight to enforce minimum service standards.

CONCLUSION

This study examined the effectiveness, responsiveness, and user satisfaction of payment dispute resolution in three leading Nigerian branchless banks, namely Opay, Palmpay, and Moniepoint. The results show that all three platforms are capable of resolving disputes within short timelines, with most cases settled either on the same day or within three days. However, the analysis revealed significant variation in user experiences. Palmpay demonstrated the strongest overall effectiveness and satisfaction, Opay was rated highest in responsiveness, and Moniepoint lagged across most indicators.

These findings underscore the importance of both outcome reliability and process quality in shaping user perceptions. Dispute resolution is not only about correcting transactional errors but also about communicating effectively and reassuring customers. Timely acknowledgement and clear updates appear to be critical for maintaining user trust, even when full resolution takes longer. This suggests that improvements in communication channels and complaint tracking could significantly enhance satisfaction and sustain confidence in digital financial platforms.

Based on these insights, three practical recommendations are advanced. First, branchless banks should harmonise dispute resolution timelines to ensure consistency across platforms. Second, operators should introduce transparent case-tracking systems that allow users to monitor the progress of complaints in real time. Third, regulators such as the Central Bank of Nigeria should establish and enforce minimum service-level standards for dispute handling to safeguard consumer trust and financial inclusion.

Limitations and Suggestions for Future Research

Although the study contributes valuable evidence on dispute resolution in branchless banking, it is subject to certain limitations. The sample size was relatively small at fifty respondents, and the purposive sampling method limits the generalisability of findings to the wider population. Data were also self-reported, which may introduce recall bias or subjective interpretation of experiences. Furthermore, the study focused exclusively on three platforms and did not examine traditional banks, back-end transaction protocols, or security concerns.

Future research should employ larger and more representative samples, possibly using probability-based sampling to increase generalisability. Comparative studies between branchless banks and traditional banks would provide further insights into the strengths and weaknesses of each system. Qualitative approaches such as interviews or focus groups could deepen understanding of user experiences, particularly around trust, frustration, and long-term adoption. Finally, future work could explore the role of artificial intelligence and automation in enhancing dispute resolution efficiency and transparency in digital financial services.

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