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A Study on the Role of India Post Payments Bank in Promoting Financial Inclusion in Rural India

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On-the-Job Training (OJT) Organisation: India Post Payments Bank (IPPB)

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Abstract

Financial inclusion is meaningful when people can access financial services and use them with confidence, safety and convenience. In rural India, banking access can be affected by distance, documentation requirements, limited familiarity with digital tools, connectivity and uncertainty about how to resolve transaction problems. India Post Payments Bank (IPPB) uses the postal network alongside digital banking services to help address these barriers. This paper studies IPPB's role in promoting rural financial inclusion, drawing on the author's OJT report and practical exposure to customer-facing banking activities.

The internship activities described in the report include Know Your Customer (KYC) updates, Aadhaar and PAN verification, account-opening assistance, mobile banking registration, digital-payment awareness and customer-query resolution. The report also cites IPPB's FY 2024–25 institutional indicators: 11.67 crore customers as of March 2025, 77% rural customers, more than 1.64 lakh banking access points, 1,289 crore digital financial transactions, 5.12 crore Direct Benefit Transfer (DBT) beneficiaries and 4.25 crore mobile app downloads. The bank's official annual report describes growth in customers, deposits and digital engagement, supporting the importance of its combined physical and digital model. □cite□turn0search12□

The research uses a descriptive and exploratory approach. Where the OJT report provides illustrative activity or awareness figures, they are identified as illustrative rather than official IPPB records or a representative customer survey. The analysis indicates that access points and digital tools are important, but service quality also depends on customer understanding, clear documentation guidance, local-language explanations and dependable support. The paper recommends practical financial education, assisted first use, privacy-conscious KYC support and clear complaint-resolution pathways.

Keywords: India Post Payments Bank, financial inclusion, rural banking, digital payments, financial literacy, doorstep banking, KYC, DBT.

1. Introduction

1.1 Background of the Study

Formal banking helps households receive payments, make transfers, pay bills and manage everyday financial needs. However, owning an account does not automatically mean that a person can use it independently. Some customers need help understanding documentation requirements, registering for mobile banking, using Aadhaar-enabled services or checking the status of a transaction. In rural communities, these practical issues can be made more difficult by distance, connectivity and limited exposure to digital banking.



IPPB was developed around the opportunity to combine the postal network with a payments-bank platform. The presence of post offices, postmen and Gramin Dak Sevaks (GDS) provides a familiar point of contact, while digital services can make common transactions more convenient. IPPB's official material describes doorstep banking as a way to provide customer onboarding and banking services in rural, semi-urban and urban areas. □cite□turn0search4□

1.2 Research Problem

The central research problem is how IPPB's physical reach, digital services and customer assistance can help rural customers move beyond basic access towards regular and informed use of financial services. The paper focuses on the customer journey: onboarding, identity verification, service awareness, transaction use and problem resolution. It does not claim to measure a causal effect on household income or poverty because the available OJT material does not contain a controlled impact evaluation.

1.3 Objectives of the Study

- To study the role of IPPB in promoting financial inclusion in rural India.
- To understand IPPB services relevant to rural customers, including account access, payments, mobile banking and DBT facilitation.
- To examine the practical importance of KYC updates, Aadhaar/PAN verification and customer onboarding.
- To understand the role of digital awareness and assisted banking in improving service use.
- To identify operational challenges and recommend practical improvements to customer experience.

2. Literature Review and Conceptual Background

2.1 Meaning and Dimensions of Financial Inclusion

Financial inclusion can be understood through access, availability, affordability, actual usage, quality, trust and awareness. Access concerns whether a customer can reach a service; availability concerns whether the right service is offered through a practical channel; usage concerns whether the service is actually used. Quality and trust matter because customers must feel that transactions are reliable and that they can seek help when something goes wrong. Awareness helps customers understand both the benefits and risks of a service.

For this study, financial inclusion is treated as a continuing process rather than a single event. Account opening is an entry point, while successful activation, awareness, repeated use and problem resolution help make that access meaningful.

2.2 Payments Banks and IPPB's Delivery Model

Payments banks operate under a differentiated regulatory framework designed to support small savings and payment or remittance services. They are not equivalent to universal banks and do not directly provide loans and advances in the same way. As described in the OJT report, IPPB's services include savings accounts, Aadhaar Enabled Payment System (AePS), mobile banking, domestic money transfers, bill payments, DBT facilitation and digital payment options.

IPPB's delivery model is important because digital and physical access can complement one another. A mobile app may be convenient for a confident user, while assisted service may be more appropriate for a customer who is registering for the first time or facing an authentication problem. IPPB's annual report for FY 2024–25 describes the combination of digital innovation and India Post's reach as central to its inclusion mission. □cite□turn0search12□

2.3 Financial Literacy, Customer Trust and Service Quality

Financial literacy is not limited to remembering product names. It includes knowing how to complete a transaction, protecting PINs and OTPs, recognising suspicious requests and understanding where to report a problem. A customer may need a simple demonstration rather than a technical explanation. Staff can support confidence by explaining why a process is required, checking that the customer understands the next step and avoiding promises that cannot be confirmed.



2.4 Research Gap and Framework

The OJT report provides a practical view of the operational steps that connect the idea of financial inclusion to a customer's experience. The relevant gap is not simply whether a service exists, but whether customers can complete the steps needed to use it. The framework applied in this paper is: access and service availability → onboarding and awareness → transaction use → support and resolution → continued participation.

Table 1. Conceptual Dimensions of Financial Inclusion and IPPB's Role

Enabler	How it can support inclusion	Practical outcome sought
Postal and doorstep access	Brings service closer to households	Reduced travel and access barriers
KYC and identity verification	Supports compliant onboarding and account maintenance	Fewer avoidable delays
Mobile banking, AePS and payment services	Provides alternative transaction channels	More convenient service use
Customer education	Explains use, benefits and safe practices	Greater confidence and awareness
Customer-query resolution	Guides customers when problems occur	Trust and continued participation

3. Research Methodology

3.1 Research Design

The study uses a descriptive and exploratory design based on the supplied OJT report, internship-related observations and institutional indicators quoted in that report. It describes the service model and the practical tasks associated with customer onboarding and support. It is not a randomised experiment and does not claim to establish causation.

3.2 Sources and Scope of Information

The principal project source is the OJT report, which describes the internship at IPPB, the activities performed, the challenges encountered and the recommendations developed. The practical areas include KYC updating, Aadhaar/PAN verification, new account-opening support, mobile banking registration, digital-payment awareness and customer-query resolution. Secondary information is attributed in the OJT report to IPPB and relevant public institutions, including the Reserve Bank of India, NPCI and the Government of India.

3.3 Data Handling and Interpretation

A key methodological distinction is maintained between official institutional indicators and illustrative project data. The OJT report explicitly states that its synthetic dataset is intended to demonstrate possible analysis of internship activities, not to represent an official IPPB database. The illustrative counts and awareness percentages are therefore presented only as examples of how service information may be organised. They should not be used as verified branch-level performance measures.

3.4 Limitations of the Method

The study is bounded by the scope of the internship and the information supplied in the OJT report. It does not include a statistically designed sample of rural households, independent verification of all customer responses, or a before-and-after evaluation using measured customer outcomes. The institutional indicators are reported as cited in the project report and should be checked against the original official publications for any formal external publication.

4. Findings and Analysis

4.1 Institutional Scale and Rural Reach

The OJT report cites IPPB's FY 2024–25 annual report as reporting 11.67 crore customers as of 31 March 2025, of whom 77% were from rural India. It also reports more than 1.64 lakh banking access points and 649 banking outlets. These figures indicate a large delivery footprint and a strong rural orientation. They are



institutional measures, however, and do not by themselves establish how often individual customers use services or how well each customer understands them.

Table 2. Selected IPPB Institutional Indicators for FY 2024–25

Indicator cited in the OJT report	Reported figure	Interpretation
Customers as of March 2025	11.67 crore	Large customer base
Rural share of customers	77%	Strong rural focus
Banking access points	More than 1.64 lakh	Wide access network
Banking outlets	649	Formal outlet presence
Digital financial transactions	1,289 crore	Extensive digital activity
DBT beneficiaries	5.12 crore	Role in benefit-related banking
Mobile app downloads	4.25 crore	Significant mobile-channel reach
CASA deposits	About ₹19,345 crore	Growth in current and savings account deposits

4.2 Internship Activities and Customer Support

The activities described in the report demonstrate that financial inclusion depends on routine operational work as well as institutional reach. KYC updates and Aadhaar/PAN verification help customers maintain compliant records. Account-opening support helps people enter the formal banking system, while mobile registration and digital-payment awareness can help them use services more independently. Customer-query resolution is also important because unresolved problems can discourage future use.

The OJT report gives an illustrative total of 250 customer touchpoints, including 92 KYC-related interactions, 84 Aadhaar/PAN checks, 71 mobile-registration support interactions and 58 new-account-opening interactions. These categories may overlap because a single customer can require several kinds of assistance. The counts are illustrative, not verified IPPB branch records.

Table 3. Illustrative Summary of Internship Customer Touchpoints

Illustrative activity in OJT report	Count	Operational relevance
Customer touchpoints	250	Example base for organising activity data
KYC-related interactions	92	Documentation and account maintenance
Aadhaar/PAN checks	84	Identity-verification support
Mobile registration support	71	Digital adoption assistance
New account-opening support	58	Customer onboarding

4.3 Digital Awareness and Assisted Banking

The OJT report includes an illustrative comparison of awareness before and after customer interaction. The example covers UPI/QR, mobile banking, AePS, DBT and doorstep banking. Because the figures are synthetic, they cannot be treated as measured evidence of a real increase or as proof that a specific intervention caused an improvement. They do, however, show how a future verified study could evaluate whether customers understand a service after a demonstration.

Table 4. Illustrative Change in Customer Awareness Before and After Assistance

Service	Illustrative before	Illustrative after		Interpretation note
UPI/QR	48%	78%		Synthetic illustration only
Mobile banking	42%	74%		Synthetic illustration only
AePS	38%	69%		Synthetic illustration only
DBT	55%	82%		Synthetic illustration only
Doorstep banking	34%	67%		Synthetic illustration only



4.4 Barriers in the Customer Journey

The OJT report identifies low digital literacy, network or device issues, incomplete documentation, authentication difficulties, language barriers, customer anxiety and time pressure as practical challenges. These barriers can interact. A customer who does not understand the process may find a technical error stressful, while unclear documentation guidance can lead to repeat visits.

The mitigation approaches described in the report include step-by-step demonstrations, checking document readiness, verifying details, following approved escalation procedures and using simple language. These responses treat the difficulty as a service issue to be understood and addressed, rather than assuming that the customer is unwilling to adopt technology.

4.5 Institutional Reach Does Not Automatically Mean Effective Usage

IPPB's customer and transaction indicators demonstrate scale, but they should be considered alongside service quality. The presence of an access point does not automatically mean that a customer can complete a transaction independently, understands safety precautions or knows how to raise a complaint. Effective inclusion requires that the service be accessible, understandable and dependable over time.

5. Discussion

The evidence supports the view that IPPB's model combines two complementary strengths: a physical network that can reach customers near their communities and digital channels that can make transactions more convenient. Human assistance is especially relevant when a customer is new to digital banking, has documentation questions or needs help understanding a failed transaction.

The official institutional indicators quoted in the OJT report demonstrate substantial rural reach and digital activity. At the same time, the internship activities show why customer-facing processes remain important. Account opening, KYC maintenance, identity verification, app registration and issue resolution form a connected journey. A weakness at any stage may prevent a customer from benefiting fully from the available service.

The illustrative dataset is useful as a demonstration of how activities could be grouped and reviewed, but real operational decisions should be based on authorised, verified records. A future study could use anonymised service data to identify recurring reasons for repeat visits, common digital-registration difficulties and the time required to resolve customer issues. Consistent definitions and privacy safeguards would be essential.

6. Recommendations

6.1 Make Financial Education Practical

Provide short demonstrations for common services such as mobile banking, UPI/QR payments, AePS and DBT-related queries. Explain the steps in plain language and include safety guidance on PINs, passwords, OTPs and suspicious requests. Where appropriate, ask customers to demonstrate the key step themselves so staff can check understanding.

6.2 Improve KYC Readiness

Use a simple checklist of required documents and explain why the information is needed. Where policy permits, check whether documents are complete before starting the process. This can reduce avoidable delays while preserving required verification and confidentiality.

6.3 Use Local and Accessible Communication

Use locally understandable language and examples from everyday life. Avoid unnecessary technical terms, and invite customers to ask questions without embarrassment. Clear explanations are particularly valuable for customers who are unfamiliar with mobile banking or identity-verification procedures.



6.4 Support Safe First Use of Digital Services

Offer assisted registration and first-use support for customers who are new to digital banking. The objective should be to build independence, not to take control of a customer's account. Customers should enter and protect their own PINs, passwords and OTPs, and staff should follow authorised procedures.

6.5 Measure Service Quality as Well as Scale

Alongside account and transaction figures, IPPB could review verified and anonymised service indicators such as common query categories, repeat visits due to missing documents, mobile-registration completion, complaint-resolution time and customer understanding after demonstrations. Clear definitions and privacy safeguards should be used so the information is reliable and responsible.

6.6 Make Complaint Resolution Easier to Understand

Explain where customers can report failed or disputed transactions, what reference details they should retain and how to follow the approved complaint process. Provide accurate status updates and escalate unresolved cases through the appropriate channel without promising an outcome before it is confirmed.

7. Conclusion

This study examined IPPB's role in promoting rural financial inclusion through its postal access network, digital banking services and customer-facing assistance. The institutional figures cited in the OJT report show a large customer base, a high rural share and extensive digital activity. The internship activities provide a practical view of what is needed to make these services usable: KYC updates, identity verification, account-opening support, mobile registration, awareness and problem resolution.

The main conclusion is that financial inclusion should not be measured only by account ownership or network size. It also depends on whether customers can use services safely, understand the process and obtain help when necessary. IPPB's combination of digital functionality and assisted access is well suited to addressing different customer needs, provided that service quality and financial literacy remain priorities.

The study is limited by its reliance on internship material and by the use of illustrative—not verified—activity and awareness figures in the OJT report. It therefore offers a descriptive account and practical recommendations rather than a causal estimate of IPPB's impact. Future research using verified customer data and transparent sampling could assess customer confidence, regular service use and the effectiveness of financial education in greater depth.

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