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Strategies to Improve Indonesia's Bank Services Brand Credibility in Digital Era

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Abstract: A business issue closely related to banking is data security, which may influence how customers and the public view a bank's credibility. In this regard, this study examines the extent to which brand credibility is influenced by factors believed to enhance its value. Therefore, this research aimed to examine the role of the magnitude of service failures and the quality of complaint handling in the Indonesian banking sector in maintaining brand credibility. This study draws on several concepts used to develop research hypotheses and serves as the foundation for analyzing the dynamics considered relevant to the phenomenon under examination. The research methods applied in this study include a quantitative approach, using several measurement tools adapted from previous studies, and data collection was conducted over time, yielding 260 respondent data points. The data obtained were analyzed using a multivariate approach, leading to the following conclusion: the quality of complaint handling through interaction and empathy demonstrated by frontline staff can be the most dominant driver of increased brand credibility. The managerial implication of this study is that banks need to prioritize efforts to reshape customer perceptions of satisfaction regarding follow-up actions taken to address service failures and improve the quality of complaint handling.

Keywords : *Brand Credibility, Magnitude of Service Failure, Complaint Handling, Banking, Indonesia*

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INTRODUCTION

This article addresses the uncertainty about whether a bank survived or recovered from service issues, or even fatal incidents. According to a study by Martalegowo et al. (2025), the more severe or fatal the incident, the greater the psychological distress experienced by a customer. Furthermore, according to Shams et al. (2020), the psychological distress experienced has the potential to cause trauma regarding the use of the product and brand if the service recovery provided does not meet customer expectations, or, in other words, is traumatic (Berndt & Tierney, 2026). This trauma can undermine brand credibility, potentially leading customers to switch to other brands and even engage in negative campaigns against the brand (Francioni et al., 2025), both through word of mouth and on social media. This will impact the bank's reputation and business. Furthermore, studies on this phenomenon in the banking industry remain limited. Therefore, an in-depth study is needed to examine the destructive impact of

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failure magnitude on bank credibility, as it relates to the quality of customer service at bank outlets.

Every bank must have a standard operating procedure (SOP) for complaint handling, ranging from customer complaint handling procedures and complaint recording to SLA (Service Level Agreement) for resolution, in accordance with Otoritas Jasa Keuangan (OJK) Regulation No. 22 of 2023 concerning Consumer and Community Protection in the Financial Services Sector (OJK Republik Indonesia, 2023). However, this SOP for complaint handling is general. In contrast, the quality of complaint handling will vary depending on the expertise of the frontline staff in conducting the investigation and ultimately the extent to which customer expectations are met (Pottier, 2023). In many cases, such as those studied by Shams et al. (2020), when customers encounter problems, negative service experiences arise. Therefore, frontline staff play a crucial role in resolving these negative experiences and repairing brand credibility tarnished by customer problems (Schneider et al., 2020). These frontline staff efforts should not merely address the technical aspects outlined in the SOP but also involve empathy to restore customer trust (Lajante et al., 2023). As mentioned in the previous paragraph, studies addressing this phenomenon are limited; therefore, it would be interesting to explore the effectiveness of quality handling as a signal of recovery in banking.

To date, the mechanisms by which high-magnitude failures impact brand credibility still require further research, particularly regarding the quality of complaint handling (Shams et al., 2020). In line with the rapid digital transformation of banking, the literature has not explored the extent to which human interaction (Yacoubian, 2025) remains a determining factor in restoring customer trust. Despite the widespread use of technology in banking, research shows that when facing critical incidents, customers seek interactional justice through empathy and responsive frontline staff who validate their emotions (Bougoure et al., 2016). This research gap is crucial because previous studies have rarely demonstrated whether satisfaction from these human interactions can serve as a last line of defense in maintaining brand credibility when technological systems fail.

Therefore, empirical evidence is needed to determine whether Satisfaction with Complaint Handling influences the Magnitude of Service Failure on Brand Credibility. This research confirms that the collapse of bank credibility is caused by fatal incidents, such as the Account Takeover (ATO) case studied by Martalegowo et al. (2025). The decline in credibility is suspected to have occurred because ineffective crisis management reduced customer satisfaction. In other words, the loss of credibility begins with a loss of satisfaction. If this mediation is proven, satisfaction serves as a crucial "first line of defense" against reputational decline. Studies examining the role of satisfaction in the dynamics between the magnitude of service failure and credibility in banks still have room for further research.

Customers who experience service failures serve as direct validators of service quality in assessing frontline employees; Leo et al. (2027) found this. Frontline employees also risk double deviation when they fail to handle complaints, thereby worsening the situation. Therefore, it is necessary to determine whether satisfaction with complaint handling mediates the effect of complaint handling quality on brand credibility. This is crucial to answering whether frontline service quality impacts reputation recovery (credibility) only when the service successfully creates customer satisfaction.

In the banking services industry, service failures vary not only in technical terms but also in magnitude (the perceived severity) of the failure. The magnitude of a service

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failure reflects the extent of the physical, financial, and psychological losses customers experience as a result. Theoretically, the higher the magnitude of a failure, the lower customer satisfaction with the complaint-handling efforts provided. This is based on the principle that severe failures, such as account takeovers, drastically narrow customers' Zone of Tolerance, making their expectations for service recovery very high and difficult to meet (Martalegowo et al., 2025).

Hypothesis 1. Magnitude of Service Failure has a negative and significant effect on Satisfaction with Complaint Handling.

Complaint Handling Quality is an instrument for banking institutions to reduce conflict escalation following fatal service failures. In the digital banking ecosystem, the effectiveness of complaint handling is measured not only by technological sophistication, but by the quality of interaction customers experience through procedural, interactional, informational, and distributive justice (Shams et al., 2020). Human capital through frontline staff is crucial because it provides a human touch through empathy and emotional validation that automated systems such as AI or chatbots cannot replicate.

Hypothesis 2. Complaint Handling Quality has a positive and significant effect on Satisfaction with Complaint Handling.

Brand credibility is the most vital intangible asset in the banking industry because its main function is trust (a high-trust industry). Theoretically, brand credibility, which includes the dimensions of expertise and trustworthiness (Erdem & Swait, 2004), can be destroyed instantly due to high-magnitude service failures. Fatal incidents such as Account Takeover (ATO) are no longer just technical malfunctions, but fundamental violations of the security psychological contract that directly attack customers' perceptions of the bank's competence in managing risk.

Hypothesis 3. Magnitude of Service Failure has a negative and significant effect on Brand Credibility.

Complaint Handling Quality functions as a strategic recovery mechanism that can send a positive signal about a bank's integrity and competence after a service failure. From a Signaling Theory perspective, a bank's actions in responding to customer complaints fairly, quickly, and empathetically are clear evidence of the institution's expertise and honesty (trustworthiness) (Stevens et al., 2018). When banks present effective solutions through quality interactions, this not only reduces customers' anger but also reconstructs their perception of brand credibility, which had been distorted.

Hypothesis 4. Complaint Handling Quality has a positive and significant effect on Brand Credibility.

Satisfaction with Complaint Handling is conceptualized as a positive emotional state resulting from customers' evaluation of the entire problem-resolution process provided by the service provider (Smith et al., 1999). Theoretically, this satisfaction acts as an absolute predictor of whether a brand deserves a second chance. In a banking industry based on absolute trust (a high-trust industry), post-crisis satisfaction is the main instrument for reconstructing bank brand credibility. Customers satisfied with service recovery efforts tend to re-evaluate whether the bank still has good intentions (trustworthiness) and the technical competence (expertise) to protect their assets (Erdem & Swait, 2004).

Hypothesis 5. Satisfaction with complaint handling has a positive and significant effect on brand credibility.

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Satisfaction with complaint handling serves as a mediating mechanism that bridges the experience of service failure to customers' final perception of credibility. In high-magnitude service failures such as Account Takeover (ATO) cybercrime cases, damage to brand credibility does not occur in isolation. However, it depends on customer validation of the recovery provided by the bank (Nikbin et al., 2010). Customer satisfaction acts as a psychological validation filter. If the quality of handling reduces the magnitude of the problem and results in satisfaction, that satisfaction can restore the bank's trust and integrity, which had been distorted.

Hypothesis 6. Satisfaction with Complaint Handling mediates the influence of Magnitude of Service Failure on Brand Credibility.

Satisfaction with Complaint Handling acts as a mediator that determines the extent to which the quality of the service recovery process can be converted into strengthening long-term brand credibility. Theoretically, even if the bank has allocated competent human capital and implemented quality handling standards, a positive impact on brand credibility will occur only if the customer subjectively feels satisfied with the interaction (Hui, 2007). Satisfaction functions as a value transmission mechanism: handling quality signals competence, but satisfaction validates that signal, making customers willing to recognize the expertise and honesty (trustworthiness) of banking institutions.

Hypothesis 7. Satisfaction with Complaint Handling mediates the influence of Complaint Handling Quality on Brand Credibility.

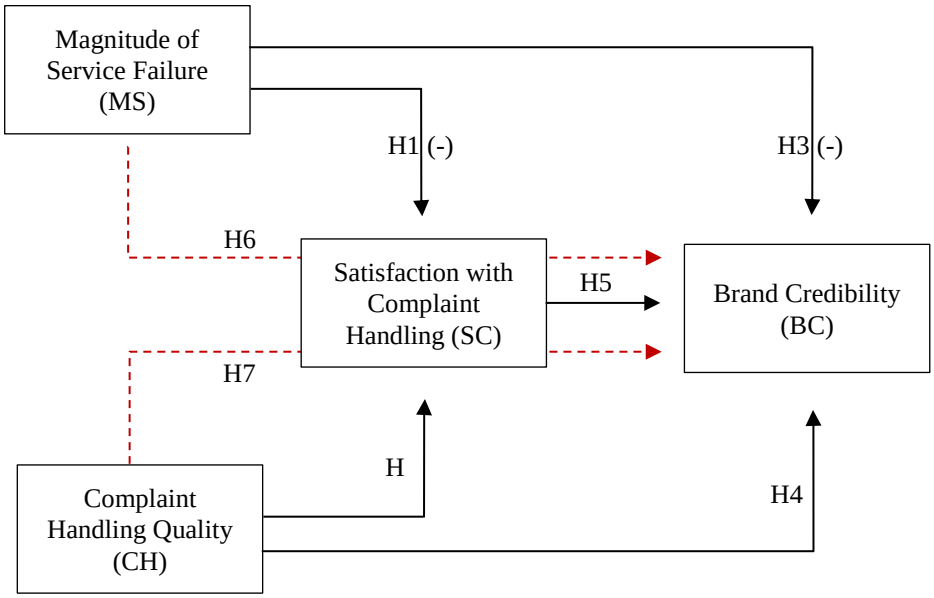

Figure 1. Research Model (illustrated by the author based on the hypothesis statement)

RESEARCH METHODS

Population and Sample

The research population is banking customers in Indonesia who have experienced service failures and made complaints via face-to-face channels at branch offices/outlets (or Banking Hall). Based on Hair et al. (2018), the ideal sample size for SEM analysis is 10 times the number of indicators, so with a total of 18 indicators, the sample target is set at a minimum of 180 respondents.

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Source of Data

Primary data is collected through a survey. Referring to the respondent criteria adapted from Ariesta (2025), the respondents characteristics are: 1) active customers of commercial banks in Indonesia., 2) experienced a service failure in the last 12 months, 3) the type of failure is in the high/fatal risk category (eg: Account Takeover, Cyber Crime, Lost Balance) which triggers psychological stress, and 4). have visited a bank office to resolve a problem (to measure Human Capital performance).

Measurements

Measurement was adopted from various sources: 1) magnitude of service failure was adopted from Smith et al. (1999), Shams et al. (2020), Martalegowo et al. (2025), Bougoure et al. (2016), Rifi and Mostafa (2022), and Bankole (2024); 2) Complaint handling was adopted from Davidow (2003), Istanbulluoglu (2017), Shams et al. (2020), Bankole (2024), Stevens et al. (2018), Wijanarko et al. (2025), Martalegowo et al. (2025), and Richard (1980); 3) Satisfaction with complaint handling was adopted from Martalegowo et al. (2025), Rifi and Mostafa (2022), Liao et al. (2022), Shams et al. (2020), Bankole (2024), and Smith et al. (1999); 4) Brand credibility was adopted from Erdem and Swait (2004), Shams et al. (2020), Sweeney and Swait (2008), and Bougoure et al. (2016).

Technique of Analysis

The data were analyzed using PLS-SEM, following two assessment steps: measurement model assessment and structural model assessment (Hair et al., 2018).

RESULTS AND DISCUSSION

Results

The demographic analysis from data collection showed that banking customers in Indonesia who experience service failures are predominantly female (60.38%), young adults aged 20-30 (50.00%), medium- to long-term customers (5-10 years at 44.23%), and victims of cybercrime (73.07% combined scamming and phishing). These characteristics provide critical insights for designing targeted strategies to improve brand credibility in banking. Table 1 below shows these findings.

Table 1. Respondents Characteristics

Criteria	Category	Frequency (n)	Percentage(%)
Gender	Male	103	39.62%
	Female	157	60.38%
Age (Years)	15 - 20	16	6.15%
	20 - 30	130	50.00%
	30 - 40	73	28.08%
	40 - 50	32	12.31%
	Above 50	9	3.46%
Bank	BCA	64	24.62%
	BNI	62	23.85%
	Mandiri	52	20.00%
	BRI	52	20.00%
	BTN	29	11.15%
	Others	1	0.38%
Length of time as a banking customer (Years)	1 - 5	56	21.54%
	5 - 10	115	44.23%

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Criteria	Category	Frequency (n)	Percentage(%)
Incident types	10 – 20	69	26.54%
	Above 20	20	7.69%
	Scamming	98	37.69%
	Cyber crime	92	35.38%
	Hypnotis	55	21.15%
	Others	15	5.77%
TOTAL		**260**	**100.00%**

To determine the extent to which the items within a single variable are interrelated and capable of accurately measuring the same construct. This test uses the outer loading values for each indicator and the Average Variance Extracted (AVE) value at the variable level. According to the criteria established by Hair et al. (2019), an indicator is considered to have good convergent validity if its outer loading value is greater than 0.70 and the variable's AVE value is greater than 0.50.

Table 2. Convergent Validity

Variables	Code	Outer Loading	AVE	Description
Magnitude of Service Failure (MS)	MS1	0,877	0,747	Valid
	MS2	0,828		Valid
	MS3	0,897		Valid
	MS4	0,854		Valid
Complaint Handling Quality (CH)	CH1	0,826	0,703	Valid
	CH2	0,868		Valid
	CH3	0,824		Valid
	CH4	0,815		Valid
	CH5	0,869		Valid
	CH6	0,826		Valid
Satisfaction with Complaint Handling (SC)	SC1	0,870	0,732	Valid
	SC2	0,869		Valid
	SC3	0,837		Valid
	SC4	0,845		Valid
Brand Credibility (BC)	BC1	0,880	0,748	Valid
	BC2	0,865		Valid
	BC3	0,843		Valid
	BC4	0,872		Valid

The results of the Fornell-Larcker test in Table 3 below show that the root-mean-square error of estimation (AVE) values for each variable are higher than the correlation coefficients between variables in the same column. The root AVE value for Brand Credibility (0.865) is higher than its correlation with satisfaction (0.720), indicating that each variable has good discriminant validity according to the Fornell-Larcker method.

Table 3. Fornell-Larcker

Variabel	BC	CH	MS	SC
BC	**0,865**			
CH	0,441	**0,838**		
MS	0,205	-0,124	**0,864**	
SC	0,720	0,592	0,219	**0,855**

The test results in Table 4 below show that all HTMT values between variables are below 0.90. The highest value was in the relationship between Satisfaction (SC) and Brand Credibility (BC) at 0.815, which is still within an acceptable range. The low HTMT values

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for other variables—such as the relationship between Magnitude of Service Failure (MS) and Brand Credibility (BC), which was only 0.223—confirm that these variables measure distinctly different dimensions. Based on the HTMT validity test results, all indicators are valid.

Table 4. Heterotrait-Monotrait (HTMT)

Variabel	BC	CH	MS	SC
BC				
CH	0,485			
MS	0,223	0,145		
SC	0,815	0,658	0,239	

Based on the multicollinearity test results in Table 5, all research indicators have VIF values ranging from 2.018 to 2.848. These values are well below the 5.00 threshold, indicating that the indicators do not exhibit problematic multicollinearity. This result suggests that each indicator provides unique and sufficiently distinct information in measuring the respective constructs, with no substantial redundancy or high correlation among the items. Furthermore, the relatively low VIF values confirm that the relationships among the indicators remain within an acceptable range for the measurement model. Since these criteria are met, the measurement model is deemed sound and free from multicollinearity issues that could interfere with parameter estimations and the interpretation of results in structural equation modeling.

Table 5. Multicollinearity

Variables	Code	VIF	Description
Brand Credibility (BC)	BC1	2,590	Non-multicollinearity
	BC2	2,342	
	BC3	2,078	
	BC4	2,393	
Complaint Handling Quality (CH)	CH1	2,203	
	CH2	2,848	
	CH3	2,298	
	CH4	2,279	
	CH5	2,781	
	CH6	2,379	
Magnitude of Service Failure (MS)	MS1	2,644	
	MS2	2,230	
	MS3	2,412	
	MS4	2,181	
Satisfaction with Complaint Handling (SC)	SC1	2,455	
	SC2	2,390	
	SC3	2,018	
	SC4	2,094	

Based on Table 6 below, all variables in this study have Cronbach's Alpha, Composite Reliability (rho_c), and Composite Reliability (rho_a) values that far exceed the minimum threshold of 0.70. The Complaint Handling Quality variable has the highest values for Cronbach's Alpha (0.916), Composite Reliability (rho_c) (0.934), and Composite Reliability (rho_a) (0.921). Thus, it can be concluded that the items within this variable

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exhibit a very high level of internal consistency. Overall, these results demonstrate that all instruments used to measure Brand Credibility, Complaint Handling Quality, Magnitude of Service Failure, and Satisfaction are highly accurate and free from measurement bias. With the requirements for convergent validity, discriminant validity, and construct reliability met, the measurement model (outer model) in this study is scientifically valid for use in testing the structural model (inner model).

Table 6. Reliability

Variables	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)	Description
Brand Credibility (BC)	0,888	0,888	0,922	Reliable
Complaint Handling Quality (CH)	0,916	0,921	0,934	
Magnitude of Service Failure (MS)	0,889	0,920	0,922	
Satisfaction with CH (SC)	0,878	0,878	0,916	

Based on Table 7 below, the Brand Credibility (BC) variable has an R^2 value of 0.522 and an adjusted R^2 value of 0.517. This indicates that the Customer Satisfaction (Satisfaction) variable, along with its predictor variables (Magnitude of Service Failure and Complaint Handling Quality), collectively explains 52.2% of the variance in the bank's Brand Credibility. Meanwhile, the remaining 47.8% of the variance is explained by other factors outside this research model, such as long-term reputation, brand equity, or other external banking factors not examined in this study. The R^2 value of 0.522 falls into the moderate category, demonstrating that the research model has reasonably strong predictive power in mapping how a bank's brand credibility can be restored or influenced through customer satisfaction following a security incident.

Table 7. Coefficient Determination

Variables	R-Square	R-Square Adjusted
Brand Credibility (BC)	0,522	0,517

The hypothesis testing process in this study was conducted in two stages using SmartPLS 4. The first stage involved the PLS Algorithm, which produced estimates of path coefficients, outer loadings, and R^2. Figure 3 shows the graphical output of the SmartPLS PLS algorithm. The second stage involved bootstrapping with 5,000 subsamples, yielding T-statistics and P-values to test significance.

Table 8. Bootstrapping

H	Path	Original Sample	T-Statistics	P-Values	Result
H1	MS -> SC	0,296	6,670	0,000	Not Supported*
H2	CH -> SC	0,629	18,947	0,000	Supported
H3	MS -> BC	0,062	1,364	0,172	Not Supported
H4	CH -> BC	0,043	0,758	0,449	Not Supported
H5	SC -> BC	0,681	13,785	0,000	Supported
H6	MS –> SC -> BC	0,202	5,867	0,000	Supported
H7	CH -> SC -> BC	0,428	10,332	0,000	Supported

*Although the result is statistically significant, H1 predicts a negative effect. Because the estimated effect is positive, the hypothesis is not supported

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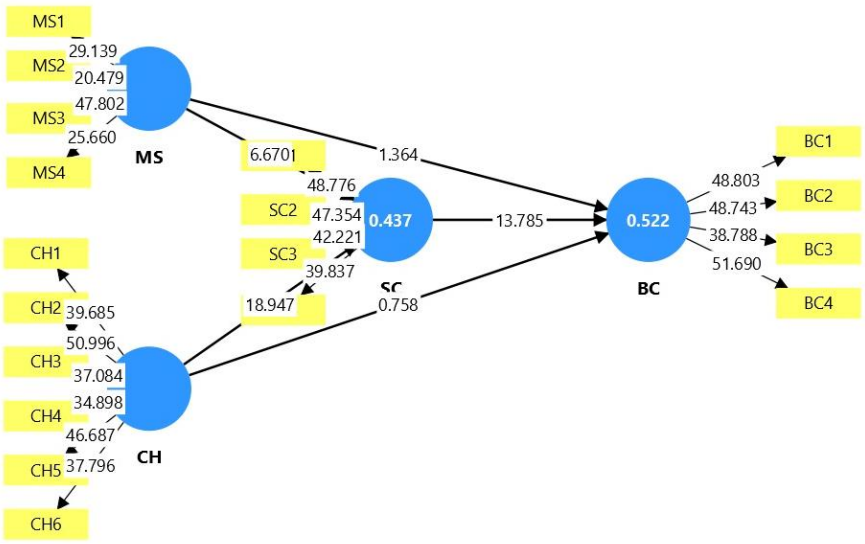

Figure 2. Structural Model

Influence of Magnitude of Service Failure on Satisfaction with Complaint Handling

Based on the test results, the path coefficient is 0.296, with a t-statistic of 6.670 (6.670 > 1.96) and a significant p-value of 0.000 (0.000 < 0.05). Statistical testing found that the magnitude of service failure experienced by customers was in line with the level of customer satisfaction in the complaint-handling process. These findings contradict the research hypothesis, so H1 is not supported; that is, greater failure is associated with greater satisfaction with complaint handling, but this may be due to recovery efforts that reduce dissatisfaction. Descriptive statistics show that respondents rated the magnitude of banking service failures in the high category (MS: 3.51). When the incident occurred, respondents felt great emotional turmoil when faced with a sudden loss of balance, and they gave a high rating to the indicator (MS2: 3.53), which stated: "The security incident that I experienced made me feel very anxious, panicked, or afraid." Panic about losing balances occurs because customers assess the lost assets as having significant value, as seen in the indicator (MS1: 3.49). "The balance or money lost in the security incident was very significant to me," with the respondent feeling that the loss of the balance was a fatal and threatening event because the bank failed to protect customer money, in line with the indicator (MS3: 3.48), which stated that the incident was "very fatal because it threatened the security of my data and savings". The loss of the customer's savings balance is a bigger problem than technical problems in general, in line with the highest score on the indicator (MS4: 3.54): "The incident I experienced was much more severe and serious than just ordinary technical problems (such as swallowing an ATM card)."

The research findings provide a new perspective that enriches the literature from Shams et al. (2020), which states that the magnitude of service failure is a pure burden. This research aligns with Bougoure et al. (2016), which shows that in a sensitive banking ecosystem, the magnitude of service failures can become a catalyst for banks to demonstrate their integrity. Through appropriate recovery mechanisms, customer trauma can be converted into strong emotional satisfaction in protecting customer rights in times of crisis.

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Influence of Complaint Handling Quality on Satisfaction with Complaint Handling

Based on the H2 test, the statistical results show a path coefficient of 0.629, a t-statistic of 18.947 (18.947 > 1.96), and a significant p-value of 0.000 (0.000 < 0.05). The results show that complaint handling quality has a significant positive influence and is the strongest predictor of customer satisfaction among the variables in this model, so H2 is supported. These statistical tests show that, amid banking transformation through digitalization, human interaction (human touch) through frontline officers remains customers' main hope for certainty when the system experiences a fatal failure.

The findings align with the descriptive statistics of respondents' answers, where the complaint handling quality variable has the highest average value of 3.57 (high category). Respondents' answers show that customers give the highest assessment to the speed of the officer's response without complicated procedures, in line with the indicator (CH1; 3.60), which states, "The bank frontliner responded and processed my complaint quickly and without being complicated." In addition to response speed, customers also value the accuracy of the final solution offered, in line with indicator (CH5: 3.60), namely, "Frontliner offers a final solution that suits the problem I am facing." The statistical results of the respondents' answers become important when compared with the psychological condition of fast movements and appropriate solutions from officers who can relieve negative emotions due to loss of balance, which is in line with the indicator (SC4: 3.22) regarding the success of handling in "reducing the feeling of disappointment or anger that I felt".

Influence of Magnitude of Service Failure on Brand Credibility

Based on the results of statistical testing, the influence of magnitude of service failure on brand credibility has a low path coefficient of 0.062, a t-statistic of 1.364 (1.364 < 1.96), and a p-value of 0.172 (0.172 > 0.05). These statistical tests show that the magnitude of service failure does not significantly influence bank brand credibility, so hypothesis (H3) is not supported. The results show that banking customers in Indonesia tend to separate momentary security incidents from the reputation of institutions tested over a long period, so fatal failures do not immediately destroy customers' trust in the bank's big name.

The relationship between banking service failure and brand credibility is visible in respondents' emotional turmoil: the service failure respondents experienced was in the high category (MS; 3.51), but this condition did not linearly destroy their perception of bank credibility. Customers honestly express mental shock when a balance is lost, in line with the indicator (MS2: 3.53), which states, "The security incident that I experienced made me feel very anxious, panicked, or afraid." This panic stems from the fact that the loss of balance felt by respondents is highly significant, in line with the indicator (MS1: 3.49), which states, "The balance or money lost in the security incident has a very significant value to me." The customer perceives this incident as a fatal threat to their financial security, as reflected in the indicator (MS3: 3.48), "I feel this security incident is very fatal because it threatens the security of my data and savings." The magnitude of the problem is seen as far beyond routine banking technical problems, in line with the MS4 score, which is the highest score (MS4: 3.54), confirming that "The incident I experienced was much more severe and serious than just ordinary technical problems (such as swallowing an ATM card)."

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The Influence of Complaint Handling Quality on Brand Credibility

Based on statistical testing of the influence of complaint handling quality on brand credibility, the model produces a path coefficient of 0.043, a p-value of 0.449, and a t-statistic of 0.758 (0.758 < 1.96). These statistical tests show that officers' complaint-handling quality does not significantly influence the formation of bank brand credibility; therefore, hypothesis (H4) is not supported. The test results reveal a psychological phenomenon under ATO conditions: customers separate officers' friendliness as an interpersonal aspect from system reliability as the foundation of institutional credibility.

The relationship between complaint handling and brand credibility is reflected in the descriptive statistical results of respondents' answers: customers give very high appreciation to officers' performance in resolving cases, with an average of 3.57 (High), but this fails to lift the brand credibility variable, which is stuck at 2.86 (Fair). Customers were very satisfied with the speed aspect where officers "acted quickly to handle reports... without complicated procedures" (CH1; 3.60) as well as providing solutions that "suited the problem I was facing" (CH5; Mean: 3.60). Even though customers feel sincere empathy (CH3; 3.54) and very polite service (CH4; 3.55), customers still give the lowest assessment on the bank's professionalism aspect in restoring the system systemically (BC4; 2.83). This shows that good frontliner behavior is a standard of service obligations (expected service) but is not a strong enough signal to prove that the bank has "very capable technological expertise to prevent similar security incidents" (BC3; 2.87).

The Effect of Satisfaction with Complaint Handling on Brand Credibility

Based on the results of statistical tests, it shows that the path of influence of satisfaction with complaint handling on brand credibility produces the most dominant path coefficient value in the research model of 0.681 with a very significant t-statistic value of 13.785 (13.785 > 1.96) and a significant p-value of 0.000 (0.000 < 0.05). These results show that customer satisfaction with complaint handling positively and significantly influences the formation of bank brand credibility, so hypothesis (H5) is supported. The test results show that banking credibility results from institutional performance in satisfying customers during a crisis, with consumer satisfaction acting as the main entry point to restore the bank's shaky credibility.

The relationship between consumer satisfaction and brand credibility is reflected in respondents' cognitive and emotional transformation: satisfaction with service complaints is in the sufficient category, with an average of 3.23, and is the main driver of increased bank credibility, which averages 2.86. When customers feel relieved and satisfied with the final result or bank decision, as reflected in the indicator (SC1; 3.26), their perception of the institution's honest reputation and goodwill immediately increases, in line with the indicator (BC1; 2.88). Likewise, when customers feel that officers handle complaints much better than previously imagined (SC2; 3.22), this strengthens their confidence that the bank continues to uphold its commitment to fund security (BC2; 2.85). The statistical results show that customers' satisfaction with service at branch offices (SC3; 3.22) is a cognitive requirement that makes them willing to recognize the bank's professionalism in restoring its system (BC4; 2.83).

Influence of Magnitude of Service Failure on Brand Credibility through Satisfaction

Testing the sixth hypothesis explores the phenomenon in banking crisis management, namely the role of satisfaction with complaint handling (SC) as a bridge that connects the impact of large service failures on bank brand credibility. The statistical

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analysis shows that the path coefficient for the indirect effect is 0.202, with a strong t-statistic of 5.867 (5.867 > 1.96) and a significant p-value of 0.000 (0.000 < 0.05). These results show that satisfaction with complaint handling significantly mediates the relationship between the magnitude of service failure and brand credibility, supporting hypothesis (H6). These statistical tests show that a fatal failure will destroy the bank's reputation, especially if customers are dissatisfied (emotionally and procedurally) during the resolution process.

The transformation flow starts with the customer's emotional shock, which is high (MS: 3.51), with customers feeling very panicked and anxious (MS2: 3.53) because they have lost a balance that is very meaningful in their lives (MS1: 3.49). In critical situations where the incident is considered more serious than an ordinary technical problem (MS4; 3.54), the bank's credibility depends on how satisfied the customer feels when complaining. When the bank provides a sense of relief through the final results (SC1; 3.26) and calms the customer's anger (SC4; 3.22), the customer's perception of the bank's credibility is automatically restored. Customers ultimately continue to believe that the bank is an honest institution with good intentions (BC1; 2.88) because they see real proof of its commitment to the safety of their funds (BC2; 2.85) amid a storm of crisis.

The Influence of Complaint Handling Quality on Brand Credibility through Satisfaction

The second mediation path shows a stronger influence, with an indirect influence coefficient of 0.428, a t-statistic of 10.332 (10.332 > 1.96), and a p-value of 0.000 (0.000 < 0.05). The mediation test results show that satisfaction with complaint handling mediates the influence of complaint handling quality on brand credibility; therefore, H7 is supported. Descriptively, complaint handling quality is in the high category (CH: 3.57), with very responsive officers (CH1: 3.60). However, excellent officer quality alone does not improve the bank's credibility directly (H4 is rejected). Mediation testing shows that officer interaction quality restores the bank's good name (BC: 2.86) only if these interactions are successfully converted into customer satisfaction (SC: 3.23). The coefficient value of 0.428 indicates that frontline officers' role as the spearhead of restoring the bank's reputation depends entirely on their ability to create a sense of satisfaction in customers' minds.

Contextually, to achieve a relational level such as brand credibility (BC), banks need emotional support in the form of customer satisfaction. For customers, good officers are the minimum standard, but the bank's credibility will only be recognized again if the handling provides a complete sense of relief. The synergy of this transformation is evident in how officers' high performance (CH: 3.57) was converted into emotional satisfaction, which strengthened the bank's credibility. The flow starts with officers responding quickly to handle reports without complicated procedures (CH1; 3.60) and providing a final solution that suits the problem faced (CH5; 3.60). Very polite service quality (CH4; 3.55) and empathy (CH3; 3.54) were shown to create a sense of relief and satisfaction with the final results of bank decisions (SC1; 3.26). Once the customer felt that the way the officers handled complaints was "much better than I previously imagined" (SC2; Mean: 3.22), a new cognitive conclusion emerged that if the officers were so sincere in trying their best to help (CH6; 3.53), then the bank was an honest institution that always had good intentions towards its customers (BC1; 2.88).

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CONCLUSION AND RECOMMENDATIONS

This study aimed to examine whether customers perceived the bank's efforts to recover from service failure. Therefore, this research proposed seven hypotheses; based on the statistical results, four hypotheses were supported, and three were not.

Implementation of the Recovery Empowerment policy for frontline officers. Given that complaint-handling quality is the dominant driver of satisfaction, bank management is advised to give customer service staff, or frontliners, broader authority to provide instant solutions or on-the-spot administrative compensation. This step aims to take advantage of the critical moment when customers experience panic to create a positive surprise effect (or delight) that triggers the Service Recovery Paradox phenomenon.

Providing an Investigation Tracker feature on digital banking applications. To close the gap between officer friendliness and institutional credibility, banks need to build a transparent digital notification system regarding the progress of security investigations. With this transparency, customers can see that the bank's technological infrastructure is working professionally to protect them, helping restore the institution's credibility more quickly.

Conduct an emotional satisfaction audit through the Post-Recovery Follow-Up mechanism. Banks are advised not to close report tickets, but to conduct special monitoring to ensure customers have truly reached complete relief. Since satisfaction is the sole mediator of credibility, banks can offer additional appreciation or free account protection features to customers affected by incidents as a step to lock in loyalty and restore the bank's good name.

Developing a digital security literacy program that is preventive and humanistic in nature. To mitigate the psychological impact of major service failures, banks must actively educate customers about independent security measures. If customers feel they have good control and understanding, the perception of fatalities related to technical problems can be minimized, making the workload on the complaint-handling department more manageable.

Strengthening Institutional Security Branding in communication media. Management needs to strengthen brand communications that highlight the bank's track record of technological expertise and its history of overall security system resilience. This is important to ensure that customers' positive assessments of officers' performance in the field can accumulate linearly into increased trust in the bank's institutional credibility in the long term.

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