



## EXAMINING THE ROLE OF TRUST IN THE ADOPTION OF DIGITAL FINANCE PLATFORMS

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### ***ABSTRACT***

*The high rate of digital finance platform adoption has transformed financial transactions by providing convenience, ease of access, and effectiveness to the users. Trust is still a determining factor in digital finance platform adoption because security, fraud, and issues of openness are still an issue. This study examines the trust component in digital finance use based on customer attitudes towards security measures, anti-fraud measures, and transparency in the operation of the platform. Through a survey of 200 customers, the research determines the impact of these factors on customers' intent to use and recommend digital finance platforms. From the analysis, security influences trust immensely, and most of the users will still be skeptical about embracing platforms that had hacks. Equally important is understanding terms and conditions, whereby confusing policies may prevent the use of digital finance at all. Additionally, confidence in fraud detection remains moderate and thus more user awareness and fraud prevention systems are needed. Statistical findings of the study based on mean and standard deviation affirm that trust has a direct relationship with platform adoption and likelihood of recommendation. For high trust and adoption, digital finance platforms must stress robust security mechanisms, open and transparent communication, and improved fraud detection mechanisms. Strengthening these will not only increase the confidence of the users but also trigger long-term usage and advocacy for digital financial services. The study provides valuable insight to regulators, fintech innovators, and financial institutions who wish to enhance trust and user adoption in the evolving digital finance landscape.*

**Keywords:** Digital finance, trust, security, transparency, fraud detection, user adoption, fintech, online banking, mobile wallets, financial technology.

### **I. INTRODUCTION**

The fact that online finance platforms have been created has revolutionized the manner in which people deal with their money, with it coming along with convenient access to payments, investments, and banking. With online banks, fintech apps, and mobile wallets leading the way, consumers enjoy a more simple and convenient process of making transactions. Yet, convenience of access from such platforms is becoming increasingly common so fast, while trust remains an overwhelming motivator for adoption and stickiness. Security concerns, data privacy, risk of fraud, and openness shape user trust and adoption of digital finance products. The capability of the platforms to gain the trust of the users through



solid security, open communication, and anti-fraud protection is one of the foremost drivers of usage of the platforms.

This research intends to explore the place of trust in the use of digital finance platforms, particularly on the most important aspects that include security, fraud protection, and transparency. "On the basis of users' perception and attitude, this research intends to find out the biggest problems that bring about distrust and how the use of digital finance platforms can mitigate them." Perceptions of these drivers are of concern to policymakers, banks, and fintechs as they strive to create stronger levels of confidence and facilitate greater use of digital financial services. This paper demonstrates the role that trust plays in the decision-making process of digital finance using good survey response measurement and hypothesizes reasonable mechanisms for creating users' confidence and engagement.

## II. REVIEW OF LITERATURE

Rafferty & Fajar (2022) illustrate that the issue of security exerts minimal influence on the behavioral intentions of digital payment users. Although the studies explicitly indicate that perceived utility is not the primary factor influencing a user's adoption of technology. Meanwhile, variables such as high productivity in system access are viewed as unattainable by users, hence failing to influence their intention to utilize the system.

Deniz Okat, Mikael Paaso, and Vesa Pursiainen (2024) elucidate the role of trust in traditional finance regarding the acceptance of various fintech products, including cryptocurrency, peer-to-peer lending, crowdfunding, robo-advisors, and alternative payment methods. Through an online laboratory experiment, an investment website trial, and a representative sample of Dutch households, we found no substantial evidence that bank trust affects fintech adoption across any product categories; however, there is weak evidence indicating that bank trust may positively influence interest in alternative payment applications. The results refute the notion that orthodox financial trust significantly drives fintech adoption.

Chawla, U., Mohnot, R., Singh, H. V., & Banerjee, A. (2023). The primary objective of this study is to rigorously examine the factors affecting customers' intentions to embrace FinTech products and services, hence enhancing our understanding of adoption and usage patterns within the FinTech sector in the post-COVID-19 pandemic context. This is a quantitative study conducted in five prominent technology-centric cities of India: Mumbai, Bengaluru, New Delhi, Pune, and Chennai. Structural equation modeling (SEM) was employed to analyze the mediating effect on Perceived Trust, focusing on the development of relationships among identified dimensions and their descriptions. This data largely indicates the utilization of financial technology and the extensive adoption of innovative disruptions by contemporary Indian society. Research indicates that the three factors of customer intention to adopt FinTech goods are 'Perceived Security,' 'Perceived Risks,' and 'Perceived Trust.' Perceived Security has a crucial role in safeguarding against cyber-attacks and ensuring data protection, significantly influencing individuals' adoption of FinTech. Likewise, awareness of the potential risks and uncertainties associated with FinTech has been shown to enhance the



desire to adopt. Perceived trust, such as firm trustworthiness and technological affinity, has been identified as a crucial factor influencing adoption.

Jafri et al. (2023). This review synthesizes contemporary Fintech research on banking intents, emphasizing the significance of trust and security, while highlighting current areas of research overlap. In accordance with the ROSES (Reporting standards for Systematic Evidence Syntheses) guideline, a Systematic Literature Review was conducted, analyzing 26 publications sourced from the Scopus and Web of Science (WoS) databases (2009–2022). Thematic analysis produces five principal themes (UTAUT2 variables; risk; trust; quality; and others), which are further categorized into 24 sub-themes. Weight analysis identifies the most effective predictors, including performance expectancy, trust, security, perceived usefulness, and attitude. Additionally, the review identifies deficiencies in the literature and proposes avenues for future research utilizing the TCCM (Theory, Context, Constructs, and Method) framework. This study provides insights to Fintech companies and regulators regarding the optimal attributes of Fintech services that will enhance their acceptance inside the banking sector.

Ayatulloh et al. (2024) investigate the influence of trust, security, and personal innovativeness on the adoption of digital banking platforms. A total of 598 digital banking consumers participated in an online survey conducted using Google Forms. The gathered data were analyzed employing Partial Least Squares (PLS) with Smart-PLS version 4 software. All 11 tested hypotheses were supported, demonstrating that trust, security, and personal innovativeness significantly enhance the constructs of the Technology Acceptance Model (TAM), namely Perceived Ease of Use (EUDB), Perceived Usefulness (UDB), and Intention to Use (INDB). The most notable observation was that personal innovativeness considerably impacted the perceived ease and advantages of electronic banking, necessitating considerable attention. Trust was a minor yet crucial factor in shaping user perceptions of the advantages of digital banking. Consequently, the banking sector must focus on system enhancements aimed at fulfilling user requirements, particularly in facilitating banking transactions. The results of this study provide compelling evidence for the Technology adoption Model (TAM) through the discovery of personal innovativeness, trust, and security in relation to user adoption of digital banking services.

### **III. OBJECTIVES OF THE STUDY**

**The main objectives of the study are stated as follows:**

1. To determine the degree of trust in digital finance platforms.
2. To determine the critical factors that shape trust in digital finance.
3. To measure the impact of security issues on the adoption of digital finance.



4. To determine the level of confidence of users in identifying fraud and scams.
5. To examine the contribution of transparency to building trust.
6. To examine the correlation between demographic variables and trust levels.
7. To determine the user willingness to recommend digital finance platforms.

## IV. RESEARCH METHODOLOGY

### 4.1 Research Design

The research in this study utilizes a quantitative approach to research that employs the survey method to assess the influence of trust on digital finance platform adoption. The study is analytical and descriptive in a bid to reveal the influence of trust, security, transparency, and confidence from the users regarding the adoption of digital finance.

### 4.2 Sampling

The target population are individuals that utilize, or have access to, digital payment systems like online banking, online investments, and mobile wallets. The sample within this research work is 200 participants, selected at random so that they cover the population regarding gender, education level, and age.

### 4.3 Data Collection

Data was gathered through an online self-structured questionnaire with 11 questions. The survey contains:

- **Demographic questions** (for example, gender, age, education)
- **Likert scale questions** to measure trust, security issues, and confidence levels
- **Ranking and multiple-choice questions** to determine significant factors driving digital finance adoption

The questionnaire was made available online through email, social media, and digital finance sites in a bid to guarantee maximum participation.

### 4.4 Data Analysis Techniques

Data gathered was analyzed on:

- **Descriptive Statistics** – In order to present an overview of demographic information and overall trends in responses.



- **Frequency & Percentage Analysis** – In order to determine the spread of trust levels and influences.
- **Mean & Standard Deviation** – In order to determine overall opinion towards security, transparency, and fraud detection.

## V. ANALYSIS AND INTERPRETATIONS

### 5.1 Demographic Profile of the Respondents:

Table 1: Demographics

Particulars	Respondents	Percentage
<b>Gender</b>		
Female	86	43%
Male	114	57%
<b>Total</b>	<b>200</b>	<b>100%</b>
<b>Age</b>		
18–24 years	42	21%
25–34 years	58	29%
35–44 years	49	24.5%
45–54 years	31	15.5%
55+ years	20	10%
<b>Total</b>	<b>200</b>	<b>100%</b>
<b>Education Status</b>		
High school	38	19%
Undergraduate degree	87	43.5%
Postgraduate degree	61	30.5%
Other	14	7%
<b>Total</b>	<b>200</b>	<b>100%</b>
<b>Frequency of using digital finance platforms (e.g., online banking, mobile wallets, UPI, investment apps)</b>		
Daily	79	39.5%
A few times a week	52	26%
A few times a month	41	20.5%
Rarely	22	11%
Never	6	3%
<b>Total</b>	<b>200</b>	<b>100%</b>

Gender make-up of respondents is evenly spread by gender where 57% of the participants are males while 43% are females indicating a highly equitable split in the use of both genders on online finance platforms. The age group is distributed in a way that most of the users belong to the age group of 25–34 years (29%) and 35–44 years (24.5%), which shows that young



adults and middle-aged adults are the major users of digital financial services. Meanwhile, the age group of 18–24 (21%) also constitutes a major percentage because this age group is rapidly embracing digital finance. Conversely, within older generations, usage falls off with 15.5% of them reporting in the 45–54 bracket and 10% for those over 55+, indicating that even older people do not trend towards more contemporary arrangements of finance such as going online.

Educationally, the highest frequency of qualification of the respondents is an undergraduate (43.5%) and postgraduate (30.5%), which supports the fact that higher education is correlated with the usage of digital finance services. This implies that the higher the level of educational exposure, the more confident they will be with financial technology. The frequency of usage also substantiates this trend since 39.5% of the users utilize digital finance daily, while 26% utilize it a number of times a week, which shows the high level of user activity. "However, 20.5% use it occasionally a month, 11% use it infrequently, and 3% never use online finance websites, indicating that despite digital finance being heavily used, there remains a portion of users who might be lacking in exposure or trust towards such services." These results highlight the need for improved trust-building processes, security measures, and money management programs in an attempt to provide wider use across all classes.

### 5.2 Trust in Digital Finance Platforms

**Table 2: Levels of Trust in Digital Finance Platforms**

Particulars	Respondents	Percentage
Strongly Distrust	18	9%
Somewhat Distrust	32	16%
Neutral	51	25.5%
Somewhat Trust	60	30%
Strongly Trust	39	19.5%
<b>Total</b>	<b>200</b>	<b>100%</b>

Table 2 indicates that the majority of the respondents are fairly to very trusting of online finance websites as 30% trust them a little and 19.5% trust them alot. Nevertheless, 25.5% are somewhere in between, and collectively 25% distrust them to some extent. This shows that while there is increased trust, issues of reliability and safety still persist unaddressed.

### 5.3 Factors Influencing Choice of Digital Finance Platforms

**Table 3: Key Factors Affecting the Selection of Digital Finance Platforms**

Particulars	Respondents	Percentage
Security & data protection	85	42.5%
Ease of use	51	25.5%
Brand reputation	29	14.5%
Customer support	21	10.5%
Rewards & incentives	14	7%



<b>Total</b>	<b>200</b>	<b>100%</b>
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Table 3 identifies that data protection and security (42.5%) is the most dominant driver in choosing a digital finance platform, followed by ease of use (25.5%). Drivers like brand reputation, customer support, and rewards & incentives have comparatively lesser influence. This indicates that customers care more about security than convenience and other advantages.

#### 5.4 Impact of Security Breaches on Willingness to Use Digital Finance Platforms

**Table 4: Influence of Security Breaches on User Willingness**

<b>Particulars</b>	<b>Respondents</b>	<b>Percentage</b>
Not at all	12	6%
Slightly	26	13%
Moderately	45	22.5%
Considerably	63	31.5%
A great deal	54	27%
<b>Total</b>	<b>200</b>	<b>100%</b>

Table 4 shows that security breaches have a significant impact on user trust since 58.5% of the respondents affirmed that such occurrences influence their willingness to use digital finance platforms to a large extent or to a great extent. Conversely, 22.5% are moderately affected, while only 19% are barely affected, hence highlighting the need for increased cybersecurity.

#### 5.5 Preferred Security Features for Digital Finance(Multiple Selections Allowed)

**Table 5: Most Preferred Security Features in Digital Finance**

<b>Particulars</b>	<b>Respondents</b>	<b>Percentage</b>
Two-factor authentication (2FA)	132	66%
Biometric authentication (fingerprint/face ID)	109	54.5%
Transaction alerts & notifications	144	72%
End-to-end encryption	97	48.5%
Customer service responsiveness	58	29%

Table 5 illustrates that the most favored security features of users are transaction alerts & notifications (72%) and two-factor authentication (66%), which indicate that users prefer proactive fraud prevention features. Biometric authentication (54.5%) is also a high preference, whereas encryption and customer service responsiveness are low preferences.

#### 5.6 Satisfaction with Transparency of Digital Finance Platforms

**Table 6: User Satisfaction with Platform Transparency**

Particulars	Respondents	Percentage
Very Dissatisfied	19	9.5%
Somewhat Dissatisfied	34	17%
Neutral	62	31%
Somewhat Satisfied	55	27.5%
Very Satisfied	30	15%
<b>Total</b>	<b>200</b>	<b>100%</b>

Table 6 shows that customer satisfaction with transparency on digital finance platforms is split, with 31% being neutral. Although 42.5% are somewhat or highly satisfied, 26.5% are dissatisfied, which means that platforms have improved to do better in terms of transparency in the form of policies and transactions.

### 5.7 Willingness to Recommend Digital Finance Platforms

**Table 7: Likelihood of Recommending Digital Finance Platforms**

Particulars	Respondents	Percentage
Definitely Not	21	10.5%
Probably Not	37	18.5%
Neutral	56	28%
Probably Yes	48	24%
Definitely Yes	38	19%
<b>Total</b>	<b>200</b>	<b>100%</b>

Table 7 indicates 43% of the survey respondents will recommend digital finance platforms, 28% do not care, and 29% will not recommend. This indicates that while trust is on the rise, there is still room for improvement in how secure and transparent that can drive more user advocacy.

### 5.8 Mean & Standard Deviation Analysis of Trust Factors

**Table 8: Statistical Analysis of Trust-Related Factors**

Trust Factor	Scale (1-5)	Mean ( $\mu$ )	Standard Deviation ( $\sigma$ )	Interpretation
<b>Trust in Digital Finance Platforms</b>	(1 = Strongly Distrust, 5 = Strongly Trust)	3.35	1.12	<b>Moderate trust level</b>
<b>Impact of Security Breaches on Usage</b>	(1 = Not at all, 5 = A great deal)	3.61	1.04	<b>Security breaches significantly impact trust</b>
<b>Confidence in Detecting Fraud</b>	(1 = Not Confident at all, 5 = Extremely Confident)	2.98	1.09	<b>Moderate confidence in fraud detection</b>





<b>Satisfaction with Transparency</b>	(1 = Very Dissatisfied, 5 = Very Satisfied)	3.21	1.10	<b>Transparency satisfaction is average</b>
<b>Willingness to Recommend Digital Finance</b>	(1 = Definitely Not, 5 = Definitely Yes)	3.22	1.15	<b>Trust influences recommendations</b>

Table 8 presents statistical data regarding trust factors, showing a moderate degree of trust (3.35) and high security breach use influence (3.61). Trust in fraud detection is significantly low (2.98), although transparency satisfaction (3.21) and willingness to recommend (3.22) show that trust is still a key area requiring constant improvement.

Findings confirm the primary role of trust in the adoption of digital finance platforms. Transparency and security significantly determine the level of trust, and in turn, the adoption as well as word-of-mouth spread of the platforms. Strengthening fraud protection, transparency, and good communication can boost consumer confidence and trust in digital financial services.

## VI. CONCLUSION

The findings in the present research indicate that trust plays a vital role in adopting digital finance platforms. Security, transparency, and the level of trust users place in fraud detection systems play significant roles in the levels of trust. The research indicates that even though there is a large population of users trusting digital finance platforms, fear of data breaches and fraud is the most critical obstacle to full adoption. Moreover, transparency in communication of terms and fees impacts users' confidence, further endorsing the necessity for simple and honest interaction between consumers and platforms.

To gain adoption and build trust, digital finance platforms must focus on improving security controls, improving fraud detection capabilities, and maintaining open communication. Providing robust security features like two-factor authentication and real-time transaction alerts will help to alleviate security breach anxiety. Additionally, improving user education on fraud prevention techniques and having open, transparent communication on policies and fees will foster long-term trust. As more and more people trust online finance platforms, even more will be willing to utilize and recommend these services, accelerating their acceptance in the financial landscape.

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