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DETERMINANTS OF DIGITAL FINANCIAL ACCEPTANCE: A STUDY ON TRUST, PERCEIVED SECURITY, AND EASE OF USE

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ABSTRACT

The exponential expansion of online banking has revolutionized the way people handle their money, yet how easily people embrace new technology relies on their perceptions and mental processes. This study delves into the factors that influence the adoption of digital financial services, specifically looking at trust, perceived security, and usability. We used a structured questionnaire to gather data, which we then examined statistically; this was all part of our quantitative research strategy. According to the findings, digital financial instruments' adoption is positively affected by all three aspects, but the simplicity of use is the most important one. Improving user confidence and decreasing perceived danger are also greatly influenced by trust and perceived security. The research shows that digital financial services can be more widely used if they are well-designed, have robust security features, and have trust-building processes in place.

Keywords: Digital Finance, Trust, Perceived Security, Ease of Use, User Acceptance

I. INTRODUCTION

Many people now use digital financial tools like mobile banking, digital wallets, online payment platforms, and fintech applications because of how quickly digital technologies are advancing. Businesses and individuals alike have benefited greatly from these advancements, which have made financial transactions more efficient, accessible, and convenient. By connecting underprivileged communities with official financial institutions, digital financial systems are essential in growing economies like India's for expanding access to legitimate financial services. It is important to investigate what drives people to embrace and maintain use of digital financial services, since there is still noticeable heterogeneity in user acceptance despite their proliferation.

The level of digital financial acceptance can be defined as the willingness of users to embrace, have faith in, and incorporate digital financial services into their daily financial routines. Users' impressions, experiences, and psychological assessments of digital platforms influence acceptance, not only the availability of technology. Users weigh the potential advantages and disadvantages of digital financial instruments before deciding whether or not to use them, according to previous studies on technology adoption. In order to build user-centric systems that promote trust and long-term adoption among various user groups, lawmakers, financial institutions, and fintech providers must have a firm grasp of what factors influence digital financial acceptability.

In contexts where there is a lot of unknown and perceived risk associated with financial transactions, trust is considered a key factor in whether or not people will use digital financial services. Users of digital financial systems must have complete faith in the service provider, the technology, and the transaction processes because they seldom have direct contact with human beings. Users have more faith in the dependability, honesty, and openness of digital platforms when they trust them, which lowers their risk perception. Consumers are more inclined to employ digital financial systems for everyday transactions and asset protection if they have faith in these systems to regularly execute as promised and protect their interests.

Because of the sensitive nature of the personal and financial information involved in financial transactions, perceived security is another essential component impacting the acceptability of

digital financial transactions. Problems including data privacy, fraud, hacking, and illegal access are common worries for users. Strong technical protections, encryption methods, and regulatory compliance provide consumers peace of mind when it comes to the safety of their financial data and transactions. When people have faith in digital financial platforms, they are less likely to be hesitant to use them, which increases their likelihood of actually using them.

When it comes to digital financial instruments, usability is king, especially when dealing with people who have different degrees of computer proficiency. Technology adoption theories state that users are more inclined to embrace straightforward, user-friendly systems over more complicated and laborious ones. Users are more satisfied and confident in digital financial systems when they are easy to use and require little effort to understand and run. Adoption decisions and long-term usage behavior can be greatly impacted by an interface that is easy to use, especially for first-time users and elderly demographics.

Within this framework, the current research delves into the factors that influence the adoption of digital financial services, specifically looking at trust, perceived security, and simplicity of use. The study aims to offer empirical insights into user behavior toward digital financial systems by studying how these elements separately and combined influence adoption levels. Financial institutions, fintech companies, and lawmakers can use the findings to improve user trust, security frameworks, and the accessibility of digital financial solutions. They will also add to the literature on digital finance and technology adoption.

II. REVIEW OF LITERATURE

Ahmed, Manjida et al., (2025). There is a significant danger of financial exclusion on a worldwide scale due to the uneven distribution of access to vital banking and financial services. Financial inclusion has grown in importance as a research area worldwide, including in India. Therefore, the purpose of this research is to investigate how the poor have really used banking and financial services since the advent of digitization. Research has been conducted utilizing the technology acceptance model (TAM) as a framework to accomplish the goals. The methodology focuses on aspects such perceived ease of use (PEU), perceived usefulness (PU), intention to use (INT), and actual usage (US) (Rakipi et al., 2023). The participants in this study were 150 in number. A

convenience sampling strategy was used to gather the data. Nevertheless, there is no strong correlation between the perceived ease of use and the intention to use. Our knowledge is expanded by this. Users may not want to use digital financial/banking services because they find technology difficult to use, according to the findings. Concurrently, they view this cutting-edge equipment as simple and practical, but they have no plans to really put it to use. Experts in banking and related fields, as well as lawmakers, need to take this matter into consideration when crafting laws and programs to increase access to financial services.

Fakriah, Riri et al., (2025). This study takes a look at what influences people to utilize digital payment systems, specifically how trust, a mediating variable, affects the relationship between perceived security and ease of use.

Noer, Lissa et al., (2023). Innovations in the digitalization of payment systems, particularly electronic wallets and mobile banking, are causing a shift in consumer behavior away from cash and toward digital transactions. In 2021, Shopee Pay became one of the most well-known non-bank QRIS providers in Indonesia. All payment service providers were required to use the Quick Response Code Indonesia Standard (QRIS). Since members of Generation Z make up the bulk of digital payment users in Surabaya and the rest of East Java, there is a lot of room for growth in QRIS adoption there. Research looked at how two payment platforms—Shopee Pay and mobile banking—impacted important characteristics such as trust, perceived usefulness, perceived simplicity of use, social influence, intention to use, and actual usage of e-payment in order to determine what factors are impacting Generation Z's adoption of e-payment. The study found that trust, perceived utility, perceived ease of use, and social influence greatly impact intention to use, which in turn affects actual e-payment usage. It used Structural Equation Modeling (SEM) and Multi-Group Analysis (MGA) on 390 data points. In addition, according to the study's findings, social influence has a substantial impact on intention to use for Shopee Pay, as shown by MGA results, although the effect of payment media on the relationship between trust and intention to use is only noticeable in mobile banking.

Gupta, Pooja & Hakhu, Rahul. (2022). Electronic transactions are rapidly replacing traditional methods of conducting business as a result of advancements in internet and communication technology. With this shift comes fresh ideas for a different kind of payment as well. Before implementing these payment methods, careful thought must be given to the big picture of security and trust.

Siagian, Hotlan et al., (2022). The purpose of this research is to examine how the technology acceptance model (TAM) can be applied to social media-based digital payment systems, specifically looking at how the factors of trust, perceived usefulness, security, and simplicity of use can influence consumers' intentions to make a purchase. In this study, 250 user-generated videos posted to the online social networking site were analyzed. An online survey using a five-point Likert scale was utilized to gather data. We used Google Forms to build the survey, and then we distributed it to people by sharing the link on social media. The total number of questionnaires distributed was 300, with 258 being deemed legitimate for subsequent research. The smartPLS software version 3.0 was utilized for data analysis. Nine of the hypotheses were found to have empirical evidence, while the other two were found to have no such support. Consumers' trust and behavioral intentions are influenced by their perceived level of security. Consumers' intentions to behave are influenced by their perceptions of how easy it is to utilize the product. Through trust and perceived utility, perceived security indirectly affects consumers' behavioral intention. Customers' trust and behavioral intentions are directly impacted by how valuable something is regarded to be. Furthermore, customer trust has a direct impact on their intent to behave. Perceived usefulness is an indirect effect of perceived ease of use on behavioral intention. In addition, trust is an indirect mechanism via which consumers' perceptions of safety influence their inclinations to behave. How accessible something is affects how valuable it is seen to be. Perceived usefulness did not, however, affect behavioral intention indirectly via trust. As a conclusion, consumers' trust and perceptions of the usefulness of the product had no effect on their behavioral intention. These results broadened the scope of the technology acceptance model's potential use in promoting the adoption of digital payment systems in Indonesia. Research on user acceptance of new technology is now underway, and these findings support such research. Providers of digital payment platforms can use this finding as a managerial implication to influence customers to act more positively.

III. RESEARCH METHODOLOGY

This study takes a descriptive and analytical approach to investigate what factors, if any, influence people's willingness to use digital financial services, paying close attention to factors like trust, perceived security, and usability. How these characteristics impact consumers' views and behavioral intentions toward digital financial service adoption is the primary focus of the study.

We utilize a quantitative method since it allows us to evaluate and analyze user impressions and acceptance levels in a systematic way.

People who utilize or are familiar with digital financial instruments like UPI, digital wallets, mobile banking, and online payment applications make up the sample respondents, who are chosen using a convenience sampling method. The study aims to capture a range of user impressions by including respondents from diverse demographic backgrounds, including age, gender, education, and occupation. To make sure the results are reliable, they look for a sample size that is big enough to do the statistical analysis.

After data collection is complete, it is tallied, coded, and analyzed statistically. Key characteristics and responder demographics are summarized using descriptive statistics including percentages, means, and standard deviations. The effects of trust, perceived security, and simplicity of use on digital financial acceptability are investigated using inferential statistical tools, such as regression and correlation analysis.

The results are analyzed in light of the study's aims and applicable theoretical frameworks. The findings have important implications for lawmakers, financial institutions, and digital service providers looking to boost user confidence and adoption of digital financial services, as well as for understanding the factors that influence digital financial acceptance.

IV. RESULTS AND DATA ANALYSIS

Table 1: Descriptive Statistics of Key Study Variables

Variable	No. of Items	Mean	Standard Deviation
Trust	5	3.89	0.72
Perceived Security	5	3.76	0.81
Ease of Use	5	4.02	0.68
Digital Financial Acceptance	6	3.94	0.74

The descriptive statistics of the important study variables are shown in Table 1, which shows that respondents had generally good impressions about digital financial systems. Positive attitudes are shown by the fact that all variables have mean scores higher than the midpoint of the scale. Respondents generally find digital financial products easy to use and handy, with relatively little

variability in responses, as indicated by the highest mean (4.02, SD = 0.68) in Ease of Use. Also displaying rather high mean values, trust (Mean = 3.89, SD = 0.72) and perceived security (Mean = 3.76, SD = 0.81) indicate a respectable degree of confidence and impression of security, albeit with somewhat more dispersion, especially for perceived security. With a mean score of 3.94 and a standard deviation of 0.74, digital financial acceptance is clearly very well-received. A relatively uniform and favorable tendency toward digital financial adoption is shown by the moderate consistency in replies, as suggested by the standard deviations.

Table 2: Correlation Matrix of Study Variables

Variables	**Trust**	**Perceived Security**	**Ease of Use**	**Digital Financial Acceptance**
Trust	1.00			
Perceived Security	0.62**	1.00		
Ease of Use	0.58**	0.54**	1.00	
Digital Financial Acceptance	0.69**	0.65**	0.73**	1.00

Note: ** Correlation is significant at 0.01 level

Strong, positive, and statistically significant correlations among the study variables are indicated by Table 2, which provides the correlation matrix. A high positive association between trust and perceived security (r = 0.62**), perceived ease of use (r = 0.58**), and digital financial acceptance (r = 0.69**) indicates that individuals with higher levels of trust are more likely to have confidence, view digital financial instruments as easier to use, and embrace them. Moreover, there is a positive correlation between perceived security and both digital financial acceptance (r = 0.65**) and ease of use (r = 0.54**), demonstrating that security perceptions significantly impact both adoption and usability. Digital financial acceptance is most strongly correlated with ease of use (r = 0.73**), suggesting that systems that are easy to use greatly increase acceptance levels. The findings indicate that digital financial acceptability is driven by trust, perceived security, and convenience of use, all of which are interconnected.

Table 3: Regression Analysis: Impact of Trust, Perceived Security, and Ease of Use on Digital Financial Acceptance

Independent Variable	Beta (β)	t-value	Sig. (p-value)
Trust	0.31	6.84	0.000
Perceived Security	0.27	5.96	0.000
Ease of Use	0.38	8.21	0.000
Constant	—	3.12	0.002

Model Summary

R	R^2	Adjusted R^2	F-value	Sig.
0.81	0.66	0.65	112.45	0.000

The regression study that looked at how trust, perceived security, and simplicity of use affected digital financial acceptability is shown in Table 3. With p-values of 0.000, the results show that digital financial acceptance is positively and significantly affected by all three independent factors. It is evident that digital financial systems that are easy to use greatly increase acceptance levels, as ease of use is the biggest predictor ($\beta = 0.38$, $t = 8.21$). Higher levels of trust are associated with an increased propensity for consumers to embrace digital financial instruments, as indicated by the substantial positive effect of trust ($\beta = 0.31$, $t = 6.84$). The importance of security assurance in increasing adoption is shown by perceived security's positive contribution ($\beta = 0.27$, $t = 5.96$). The regression results show that digital financial adoption is heavily dependent on three factors: trust, perceived security, and simplicity of use.

Table 4: Mean Comparison of Acceptance Level Based on Trust Level

Trust Level	Mean Acceptance Score	Standard Deviation
Low Trust	3.12	0.71
Moderate Trust	3.78	0.68
High Trust	4.32	0.59

Digital financial acceptance has been steadily rising across all levels of trust, as shown in Table 4. People who distrust others are less likely to embrace digital financial tools, as indicated by their low acceptance score (Mean = 3.12, SD = 0.71). A more positive attitude is shown in the increased acceptance (Mean = 3.78, SD = 0.68) among those with moderate trust, suggesting that trust develops with time. Strong trust significantly increases the readiness to use digital financial services, as indicated by the highest acceptance among respondents with high trust (Mean = 4.32, SD = 0.59). With a smaller standard deviation across trust levels, we can see that high-trust users are more consistent in their acceptance. In sum, the data in the table show that trust is one of the most important factors in determining whether or not people will use digital financial instruments.

V. CONCLUSION

Users' perceptions of trust, security, and convenience of use significantly impact digital financial acceptance, according to the study. Users are more likely to embrace digital financial tools when the platforms are easy to use, accessible, and don't demand much work from the user. Ease of use is a key component in this. The significance of intuitive system design and user-friendly interfaces in promoting widespread adoption is highlighted by this finding.

Another important factor is trust, which shows that people are more likely to adopt digital payment systems when they trust the companies providing them and think their money will be handled honestly and reliably. The absence of doubt encourages continued use of online banking and other digital financial services.

Concerns about data privacy, fraud, and financial safety continue to be major obstacles to adoption, which in turn impacts user behavior due to perceived security. Consumers are more likely to feel comfortable using digital financial instruments when there are robust security protections in place and when they are informed about these safeguards.

When it comes to digital finance, the study confirms that trust, perceived security, and simplicity of use all play a crucial role in developing good user behavior. By enhancing these areas, digital financial services can attract more users and continue to develop in the long run.

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