

Original Article

Adoption of Digital Payment Systems and Its Impact on Financial Inclusion

Jatteppa Pujari

Assistant Professor, Department of Commerce G. P. Porwal Arts, Commerce and V. V. Salimath
Science College Sindag Dist. Vijayapura Affiliated to Rani Channamma University, Belagavi

Email: jatteppapujari123@gmail.com

Manuscript ID:

Abstract

JRD -2026-180324

ISSN: 2230-9578

Volume 18

Issue 3

Pp. 128-135

March- 2026

Submitted: 17 Feb. 2026

Revised: 27 Feb. 2026

Accepted: 12 Mar. 2026

Published: 31 Mar. 2026

Digital payment systems have revolutionized the financial industry with fast, secure, and accessible financial transactions. Explosive growth of financial technology (FinTech), mobile banking and digital wallets are enabling new means of advancing financial inclusion, especially in developing economies. Financial inclusion means access to and usage of affordable financial services by individuals and firms at risk of being excluded from the formal financial sector, especially poorer households and smaller enterprises. This is a conceptual research paper that explores, by mixing literature and theory-hand in hand of financial inclusion and digital payment system with variety of literature review. This evaluation investigates selected digital payment channels including mobile payments, internet banking, unified payment interfaces, and digital wallets and their potential contributions to extending financial inclusion to currently underserved populations. Enabling aspects such as tech infrastructure, digital finance, regulation and social trust are also discussed in this paper. Additionally, the conceptual framework proposed in this article illustrates the various pathways through which digital payment adoption can contribute to greater financial inclusion by facilitating access, lowering transaction cost, and expanding usage. In conclusion, the key findings of this conceptual analysis are that these systems enable to close the gaps of financial access and therefore leading to comprehensive economic development. Our findings offer valuable guidance for policymakers, financial institutions, and technology providers seeking to design strategies that not only bolster digital financial ecosystems but also help build inclusive financial services.

Keywords: Digital payments, financial inclusion, FinTech, Mobile banking, Digital finance

Introduction and background related to the study

The rise of financial technology (FinTech) has revolutionized the design and dynamics of contemporary financial systems with novel digital solutions that facilitate faster, safer and more convenient financial transactions, transforming the way in which individuals and enterprises interact with financial institutions and access financial services worldwide, as digital payment systems like mobile wallets, internet banking platforms, contactless cards, and unified payment interfaces (UPI) have dramatically increased the speed, transparency, and inclusiveness of financial transactions while decreasing the absorption of cash-based economies, as in recent years, the global penetration of smartphones, connectivity, and digital financial infrastructure has fueled the uptake of digital payments, with the World Bank reporting that about 76% of adults globally had access to a financial account by 2022 in comparison with only 51% in 2011 largely driven by the proliferation of mobile banking and digital payment technologies in enabling individuals to perform financial transactions remotely without needing traditional banking infrastructure (Demirguç-Kunt et al., 2022), and according to the Bank for International Settlements, digital payment transactions have surged significantly worldwide with real-time payment systems and mobile payment platforms having become essential components of financial ecosystems particularly in emerging economies where conventional banking services remain constrained (BIS, 2023); however, despite these advancements, many people globally, especially those living in rural settings, low-income households and small informal businesses, continue struggling to access formal financial services owing to effects such as insufficient banking infrastructure, expensive transaction costs,



Quick Response Code:



Website:

<https://jrdvrb.org/>



Creative Commons (CC BY-NC-SA 4.0)

This is an open access journal, and articles are distributed under the terms of the [Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International](https://creativecommons.org/licenses/by-nc-sa/4.0/) Public License, which allows others to remix, tweak, and build upon the work noncommercially, as long as appropriate credit is given and the new creations are licensed under the identical terms.

Address for correspondence:

Jatteppa Pujari, Assistant Professor, Department of Commerce G. P. Porwal Arts, Commerce and V. V. Salimath Science College Sindag Dist. Vijayapura Affiliated to Rani Channamma University, Belagavi

How to cite this article:

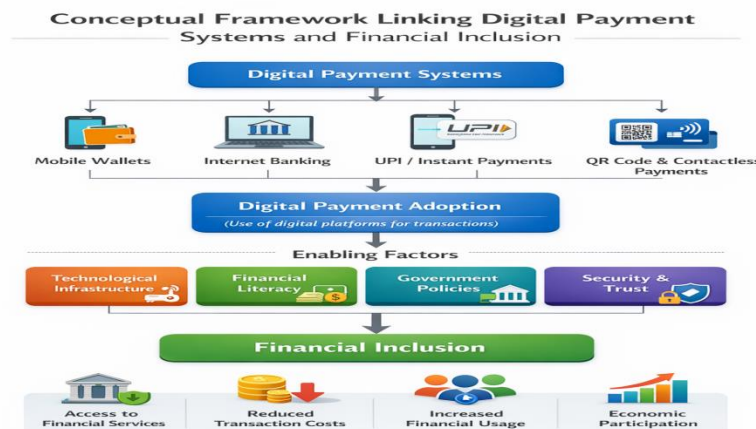
Jatteppa Pujari, (2026) Adoption of Digital Payment Systems and Its Impact on Financial Inclusion. Journal of Research & Development, 18(3), 128-135.

geographical barriers, insufficient financial literacy, and mistrust in financial institutions which leads to persistent poverty hindering economic engagement and development opportunities especially in underdeveloped regions of Asia, Africa, and Latin America where in some areas millions of people still depend solely on cash transactions and informal financial structures (Ozili, 2020); in this regard, financial inclusion has become a vital policy goal for governments, international agencies, and financial institutions as it seeks to guarantee individuals and enterprises receive useful, affordable, and reliable financial services—including savings accounts, credit, insurance, and payment services that fulfill their financial requirements and support poverty alleviation, economic empowerment, and sustainable economic growth setting forth the roots of financial inclusion (World Bank, 2022), while digital payment technologies have been increasingly recognized as important drivers of financial inclusion as they minimize operational expenses, improve accessibility, and allow individuals to partake in formal financial systems using digital devices such as smartphones and mobile applications without requiring close proximity to bank branches, hence removing the financial accessibility hurdle between urban and rural inhabitants; moreover, the incorporation of digital payment systems with government financial initiatives, digital identification systems, and mobile communication technology have further extended prospects for inclusive participation in financial systems like the growth of digital payment platforms such as India Unified Payments Interface (UPI) processing more than 117 billion transactions in 2023 even highlighting the transformative impact of digital finance infrastructures in the course of extending financial access like convincingly shaping the financial behaviour of previously unbanked civilizations (National Payments Corporation of India, 2024); most scholars substantiate that digital financial services play an important role by lowering transaction costs, ameliorating financial transparency, enhancing financial security, and facilitating efficient finance procedures for individuals and small enterprises, hence underpinning the broader economic participation and substantiating the enactment of inclusive financial systems in order to adopt digital payment systems which further amplify financial accessibility whilst motivating elevated participation in conventional financial practices such as saving deposits, digital e transfers, micro credit usage and minute-sized business transactions which then collectively contribute towards ameliorating financial inclusion and advancing economic sustainability; hence, within the context of rapid evolution of digital financial technologies reflecting their potential of solving persistent access limitations to finance it is important to explore the conceptual link between the uptake of digital payment systems and inclusive financial development by compiling insight from quashes from the empirical literature to delineate the supportive role of digital payment technologies themselves in serving as catalysts for inclusive financial development truly across both developed and emerging economies.

Conceptual Background

Digital payment systems represent a fundamental component of the modern digital financial ecosystem and refer to technologically enabled mechanisms that facilitate the electronic transfer of funds between individuals, businesses, and financial institutions through digital channels without the direct use of physical cash, thereby enabling efficient, secure, and real-time financial transactions across diverse economic environments; these systems are built upon advanced information and communication technologies, mobile network infrastructure, and integrated financial platforms that allow users to conduct payments, transfers, and settlements through devices such as smartphones, computers, point-of-sale terminals, and other connected technologies, which collectively contribute to the transformation of traditional financial service delivery models into digitally driven financial environments, while also supporting broader economic digitalization; the rapid expansion of digital payment infrastructure over the past decade has significantly accelerated the global shift toward cashless transactions, particularly with the widespread adoption of smartphones and the expansion of internet connectivity, which according to the International Monetary Fund has enabled digital payment platforms to become essential instruments for facilitating financial transactions and expanding financial service access in both developed and emerging economies (IMF, 2023), while the European Central Bank also highlights that digital payment innovations are reshaping payment ecosystems by increasing transaction efficiency, enhancing transparency in financial flows, and improving operational efficiency within financial institutions (ECB, 2023); contemporary digital payment systems encompass a wide range of technological solutions including mobile-based payment platforms, online banking services, peer-to-peer transfer applications, quick response (QR) code payment systems, near-field communication (NFC) contactless payments, and interoperable digital payment infrastructures that enable seamless integration between banks, payment service providers, and financial technology firms, thereby creating a highly interconnected digital financial environment that supports rapid financial transactions and improves the overall customer experience; globally, the volume of digital payments has grown substantially in recent years as individuals and businesses increasingly rely on electronic transaction platforms for everyday financial activities such as retail purchases, bill payments, remittances, and business transactions, with industry data indicating that the total global digital payment transaction value is projected to exceed USD 14 trillion by 2027 as digital financial technologies continue to evolve and expand across financial markets (Statista, 2024), demonstrating the increasing reliance on digital payment infrastructures within modern economies; moreover, the integration of innovative technologies such as cloud computing, artificial intelligence, biometric authentication, and blockchain-based payment networks has further strengthened the security, speed, and reliability of digital payment systems while reducing operational costs and improving scalability for financial service providers, thereby encouraging greater adoption among consumers and

businesses and enabling financial institutions to offer more efficient payment solutions; scholars also emphasize that digital payment systems contribute significantly to improving financial efficiency and promoting economic participation by reducing transaction time, minimizing operational costs associated with physical cash handling, and facilitating transparent financial transactions that enhance trust and accountability within financial systems, ultimately supporting the broader development of inclusive and digitally enabled financial infrastructures that align with the evolving needs of modern economies (Nicoletti, 2017; Vives, 2019).



Above image showing the conceptual background related to the study linking the digital payment systems and financial inclusion

Financial Inclusion

It indicates a process in which individuals and companies, in particular those of small and medium size, have access to banking industry products and operations—finance inclusion access is opening and using an account at a formal financial organization which is a necessary step for broader participation in economic activities; financial inclusion is a subset of inclusive economic development, and the topic of it has received attention globally in recent decades, since a substantial segment of the global population served as a gap for decades; financial inclusion is recognized as a key base for sustainable economic growth, along with many benefits for the vast majority of the people with access to financial services; access to services that offer a profit margin environment allows family units to save money for the future, helping to track finances, makes it easier to account for cash, as well as the ability to obtain credit in terms of business and everyday family needs; financial inclusion can contribute to the financial stability of individual households and small medium enterprise, it can also expand the deposit base of the financial institutions, helps to reduce economic disparities at the national and regional levels, and encourage stable growth potential, maintain financial stability locally; according to the Global Findex Database, almost 2 billion adults, are still unbanked; approximately 71% of adults in developing regions owned an account in formal financial institutions in 2021, an improvement from 62% in 2014, indicating remarkable progress towards financial inclusion (Demirguc-Kunt et al. 2022); sustained economic growth, however is recognized to be mainly focused on people who already have access within the past decade and the potential for future gains, a potential that pushed advances in technology encouraged—globalization, allow financial institutions and other organizations to offer digital services to billions of people who may never set foot in bank offices, digital financial services overcomes traditional physical location by venturing into restricting infrastructure, transactional costs, lack of confidence with respect to banking access process, even when socio-political issues come to pass, business models tend to be resilient gradually.

Literature Review

This linkage between digital payment systems and financial inclusion has attracted increasing scholarly attention in recent years, as scholars attempt to determine the avenues through which innovation in financial technology can ameliorate long-standing constraints on financial access, which is especially relevant in developing and emerging economies where large shares of the population remain excluded from the formal financial system, and a growing body of literature has established that the ongoing proliferation of digital financial services, including mobile payments, internet-based banking systems, and e-money regimes, appears to have significantly enhanced the accessibility, affordability, and efficiency of financial transactions for individuals and microenterprises; and while early empirical literature highlighted the transformative potential of mobile financial services in facilitating inclusion by enabling non-bank holders to access digital financial ecosystems, studies from several African and Asian economies are indicative of

this trend as they have shown that mobile-based financial services expanded access to financial services like savings, payments, and microcredit for unbanked groups (Jack & Suri, 2014); and other researchers emphasize that digital payment technologies reduce transactional costs and geographic distances that have hampered access to formal banking infrastructures, such that consumers in rural and remote areas are more easily able to engage in financial transactions indirectly through mobile devices and internet-enabled platforms, without the requisite presence of physical branch facilities (Aker & Mbiti, 2016); and subsequent studies have underscored the importance of digital financial infrastructure as an enabler of an inclusive financial system by improving both efficiency and transparency in financial exchanges while also reinforcing trust in formal financial institutions, which induces greater financial participation by disadvantaged populations (Ozili, 2021, and studies investigating global financial inclusion trends have shown that the rise of digital payments platforms are a significant driver of the increase in account ownership and use of formal financial services worldwide, with the World Bank estimating that two-thirds of the global population over the age of 18 utilized digital payments in 2021, further emphasizing what is increasingly seen as the role of digital technologies in facilitating inclusive financial ecosystems (Demirguc-Kunt et al., 2022); the empirical literature has established that the adoption of digital payments positively impacts inclusion rates by providing more availability and reliability of access, together with low operating expenses for financial service providers, which helps target affordable financial products to economically active but previously unreached groups of the population (Arner, Barberis, & Buckley, 2017), and more recent studies, applying research in emerging economies, demonstrate that government initiated digital finance pushes, regulatory supports for digital financial progress, as well as the distribution of digital citizenship to financial platforms have further sped up strengthening financial systems through establishing access points for financial services in a secure and effective manner, and despite the obstacles of the pandemic (Suri, 2017); and many scholars argue that digital financial services can play an important role in the meta development frame too, through the many pathways available to enable efficient government benefit transfer machinery, small business cash barriers, and household resource management, which ultimately enhances economic inclusion and resilience in developing regions (Klapper, El-Zoghbi, & Hess, 2016), even as the latest academic discussions emphasize proximate factors such as digital literacy and infrastructure, and that complementary digital consumer protection policies, such as cybersecurity, must also rise with these financial mobility concepts in order to ensure that digital financial services do not reinforce historic inequity but serve their intended purpose (Chen & Divanbeigi, 2019); and thus the literature continues to lend evidence to the notion that digital payment systems represent a pivotal underclass economic mechanism by diminishing barriers to financial access and exchange and strengthening access to formal financial systems, technology adaptability, financial participation by traditionally excluded groups, and making an inclusive (and increasingly essential) resilient financial ecosystem applicable in both developed and developing economics between exchange networks of greater size, velocity, and sophistication, making them an essential topic of continuing research on the evolution, consequences, patterns, and practices of economic behaviors and technologies that have the potential to evolve formal financial architectures, degrees of financial institutional trust (amid changes in the architectures of formal systems), and the effect that such alternative financial technology progression can have on financial inclusion, social equity, and development within the cultural contexts of fast evolving digital economies all over the world.

Objectives of the study

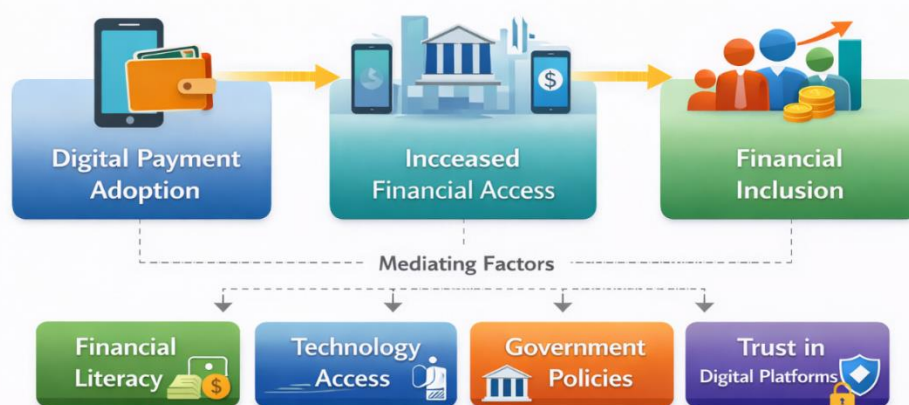
The main objectives of this study are:

1. To examine the concept and evolution of digital payment systems.
2. To analyze the concept and importance of financial inclusion.
3. To explore the relationship between digital payment adoption and financial inclusion.
4. To identify factors influencing the adoption of digital payment systems.
5. To develop a conceptual framework linking digital payment systems and financial inclusion.

Conceptual Framework

The conceptual framework for the research on adoption of digital payment systems and their influence on financial inclusion is based in the theoretical understanding in which technological innovation presents in finance as a driver of expanding access to formal financial systems by enabling individuals and businesses to efficiently, cheaply and safely perform financial transactions through digital platforms, bridging the gap between financially included and excluded individuals and enterprises; in this framework, digital payment adoption is defined as the independent variable representing the extent to which an individual or business uses electronic form of payment technologies including mobile payment applications, online banking platforms, digital wallets and instant payment interfaces in order to make payments, indicating the increasing penetration of financial technology in everyday economic life, further backed by the availability of recent global financial data showing that, over the last decade, digital payment usage expanded rapidly globally, with more than 76 percent of adults worldwide now using digital payment services, whether through bank accounts or mobile money in 2022, demonstrating how deeply embedded digital financial technologies have become in modern financial ecosystems (Demirguc-Kunt et al., 2022); expanding the framework, digital payment adoption is posited to be directly contributing to the increase of financial access, and also serves as a mediating factor necessary in linking digital financial technologies with financial inclusion greater outcomes because digital payment

systems allow people to make transactions without actually entering a physical bank infrastructure, helping reduce geographical barriers, transaction costs and administrative requirements that limit access to officially available financial services, in particular for rural populations, low-income households and small enterprises of developing economies; however, the extent to which digital payment adoption fulfillment facilitation the financial inclusion, is directly moderated by a number of factors that are mediating and changing the relationship nature in terms of how and how much consumers use up digital financial technologies, such as financial literacy, defined as the required knowledge and understanding to effectively and responsibly use digital financial services used and consumed; technology access, existing means of technology supply such smartphones, internet progress and structure necessary for the participation and functioning of digital financial ecosystems; government policy and regulation structures, institutional effort in digital financial regulations, payment interoperability and financial inclusion reflexes to extend digital financial services; and trust in digital platforms, consistency of building user trust and security, regulation and confidentiality of digital payment mechanisms and its reliance that influences purchasing behavior; and recent research report that in countries where digital infrastructure is firm, regulating laws coerced, and higher financial literacy in sample areas prevail digital financial services are adopted to a greater extent with better financial inclusion outcomes and its sustainability in strengthening and calling back into policy making the current mediating factors affecting the interlinked nature of digital payment technologies and consumer financial participation (Sahay et al., 2020); hence, tracking within the conceptual framework, financial inclusion is considered as the dependent variable, the final outcome of digital financial innovation, signifying the stage of willingness and access to formally supplied financial services by individuals and businesses, such as savings, loans, insurance and payment services, through regulated financial institutions; and, thus, expansion of digital payment systems should be considered predominantly a driver of financial inclusion, enabling effective financial transactions, encouraging account ownership, enhancing financial participation of previously unbanked masses and impacting the economic development by improving economic involvement of individuals and enterprises in broader terms, through integration of digital ecosystems into FDIs first and second stage of economic growth cycles.



Above image showing Conceptual Framework related to the study

Discussion

The fast-paced growth of digital payment technologies has become a revolutionary aspect of contemporary financial systems as it offers new solutions that bridge a longstanding gap in financial access, especially in low and middle-income countries, which since a long time, have a greater part of the population deprived of formal financial services (with digital financial platforms such as mobile payment systems, internet banking systems and real-time digital transaction networks allowing individuals and small enterprises to perform financial activities with unprecedented speed, safety, and simplicity) without depending exclusively on traditional banking infrastructure (i.e., physical bank branches or manual cash-based systems), but rather directly transformational for rural and unbanked recipients who face systemic barriers to accessing banking institutions due to geographical seclusion, elevated transaction fees, slothful banking infrastructure, and less than ideal financial literacy; where digital payment technologies help users carry out financial movements including payments, remittances, savings transfers, and business exchanges via the usage of mobile devices and web-based platforms leading to financial access expansion and significant reductions in the operational limitations imposed by conventional banking services; the recent global financial figures confirms that digital financial services have played an essential function in expanding financial access to mainstream (the World

Bank communicating that around 64% of adults around the world used digital financial services in 2021 which is a significant regression than previous years and displays the increasing reliance on digital technologies over financial transactions within industrialized and developing economies alike (Demirguç-Kunt et al. (2022)), another finding that raise root projection is reporting that digital financial transactions' global value is on track to pass by USD 15 trillion by 2027 as government, financial institutions, and technology companies chip away at digital financial infrastructure and payments (PwC, 2023); beyond the access-enhancing proposition, digital payment frameworks also raise transparency and accountability around financial transactions by making electronic records that lessen the risks of informal cash movements and improve financial oversight, creating a climate of reinforced financial requirements and more extensive economic stability; digital payment technology integration on the other hand, with government welfare plans, digital identity systems, and mobile communication networks has enabled improved delivery of financial instruments and public utilities to the people, especially during the economic crises and public disasters, meaning that the execution of digital financial platforms facilitates the quick solution of financial support, thus reinforcing economic adaptability (economic control) while encouraging inclusive economic growth; academic studies also show that the reception of digital payment systems drives financial participation by persuading individuals to register formal financial report, access digital financial services, and build up better financial administration between devices, with digital payments, they, in the aggregate, leads to financial inclusion and long-term economic empowerment of underserved individuals (Suri & Jack, 2016); therefore digital payment systems are becoming an essential pathway toward inclusive financial systems through access to easy financial transactions, increased financial productivity, limitation of cash-based financial frameworks, and broadening economic participation by individuals and small size businesses within increasingly participatory global economies (He et al., 2021; Jayaraman et al., 2022).

Policy Implications

The expansion of digital payment systems will have significant policy implications for governments, financial regulators and financial institutions that seek to strengthen financial inclusion and promote inclusive economic development in developing and emerging economies, as access to formal financial services remains uneven and large segments of the population continue to rely on cash-based transactions, while maximizing the potential for digital financial technologies to expand financial access ultimately rests on the ability of policymakers to develop comprehensive approaches that address structural obstacles to digital financial inclusion and ensure that digital financial ecosystems are secure, inclusive, and sustainable; one of the most important policy priorities is the promotion of digital financial literacy programmes, because the effective use of digital financial services by individuals cannot occur without adequate knowledge and skills pertaining to digital payment platforms, online banking systems, and electronic financial transactions, and research indicates that limited financial and digital literacy is a key barrier preventing many persons —particularly in rural and low-income communities— from obtaining the full benefits offered by digital financial services, underscoring the need for targeted education programmes, public awareness initiatives, and financial education measures that improve user confidence and enable responsible digital financial behaviour (OECD, 2023); in addition to improving financial literacy, policymakers must also prioritize strengthening digital infrastructure, including through the expansion of broadband internet connectivity, improvement of mobile network coverage, and investment in secure and interoperable digital payment platforms that facilitate seamless financial transactions across distinct financial service providers, given that reliable digital infrastructure is key to supporting the widespread adoption of digital financial services, particularly in rural and remote areas where technological limitations continue to hinder access to digital financial systems, and international financial institutions stress that the expansion of digital infrastructure increases financial services accessibility and efficiency while lowering the average cost of financial transactions (World Bank, 2023); finally, another critical policy area is enhancing cybersecurity measures and consumer protection frameworks to protect users from digital fraud, identity theft, and cyber-attacks that undermine confidence in digital financial systems, as strong regulatory oversight, data protection policies, and secure authentication mechanisms are necessary to ensure that digital financial services remain reliable and trustworthy for users, especially with the growing volume of digital financial transactions internationally; moreover, policymakers are also encouraged to promote collaboration between traditional financial institutions and financial technology (FinTech) companies, as partnerships between banks, payment service providers, and technology firms can accelerate financial innovation, improve service delivery, and expand the availability of affordable digital financial services to underserved populations by leveraging the technological ability of FinTech firms alongside the regulatory expertise and institutional infrastructure of established financial institutions, and recent studies emphasize that competitive collaborative ecosystems play a key role in establishing scalable and inclusive digital financial solutions that can effectively serve marginalized communities and small businesses (Arner, Buckley, Zetsche, & Veidt, 2020); as such, comprehensive policy frameworks that integrate financial education initiatives, digital infrastructure development, robust cybersecurity regulations, and collaborative financial innovation strategies are necessary to ensure that the expansion of digital payment systems positively contributes to curbing financial exclusion, promoting economic participation, and supporting sustainable economic growth in a world with increasingly digitalized financial environments.

Conclusion

The conceptual insights presented in this study highlight that digital payment systems are increasingly being recognized as a transformative innovation for promoting financial inclusion by offering more convenient, accessible, and lower-cost financial services in both the developed and developing world, as the adoption of digital payment technologies have fundamentally restructured the traditional financial service delivery method by allowing individuals and small/micro-entrepreneurs to engage in financial transactions without dependence on physical banking infrastructure, thus overcoming geographical limitations to financial access creating the opportunity of financial engagement for the targeted populations of rural regions, low-income households, women, and microentrepreneurs, which have limited access to formal banking systems due to limited bank branches and traditional banking infrastructure, they usually have to face more documentation, and high-cost nature of traditional banking; the emergence of digital payment systems in countries with higher smartphone penetration and internet connectivity becomes an important mainstream financial service as recent global financial statistics indicate that digital payment systems have become one of the most widely utilized financial services worldwide, with around two-thirds of the adult population using digital payment platforms in transactions such as merchant payments, bill payments, and peer-to-peer transfers, the global industry reports also assert that the value of digital payment transactions continues to grow exponentially driven by increasing degree of financial service digitalization and supportive policy frameworks for cash free economies the increasing degree of financial service digitalization; within this direction of policy and technology emphasis with the new digital payment systems, the digital payment systems provide financial access by enabling the users to open and operate financial accounts through mobile terminals, have a more cost-efficient nature than cash-centered financial transactions, increase transaction transparency and traceability and provide more reliable and secure means of financial transfer, hence enabling higher engagement of excluded groups by strengthening more financial participation in formal financial systems; furthermore, through the delivery of social welfare payments using digital payment systems, greater sustainability of inclusive economic systems is ensured through the nature of digital payment systems during economic disruptions and public emergencies, by providing an important sustainable mechanism of financial transactions and financial aid/ support delivery mechanisms; the digital payment systems provide an important sustainable mechanism of financial transactions and financial aid/ support delivery mechanisms; thus, by reinforcing the identified conceptual insights in this study highlight that the overall expansion of digital payment systems has important transformative potential for promoting financial inclusion, higher financial participation rates, and promote inclusive economic development by lowering barriers of access to financial services and increasing financial engagement of previously marginalized and unbanked and underbanked populations in the newly digital data transmission-based financial ecosystems, however to fully receive the financial innovation return, great and constant efforts will be needed throughout the financial market by banks, financial institutions, and technology providers—to overcome the identified barriers by enhancing digital literacy, further investing in technological infrastructures, cyber-security systems, and regulatory measures and frameworks to maintain the digital financial innovation in a more inclusive, dependently secure, and accessible environment for all segments of the society; furthermore, the digital payment systems provide an important sustainable mechanism of financial transactions and financial aid/ support delivery mechanisms; thus, by reinforcing the identified conceptual insights in this study highlight that the overall expansion of digital payment systems has important transformative potential for promoting financial inclusion, higher financial participation rates, and promote inclusive economic development by lowering barriers of access to financial services and increasing financial engagement of previously marginalized and unbanked and underbanked populations in the newly digital data transmission-based financial ecosystems, however to fully receive the financial innovation return, great and constant efforts will be needed throughout the financial market by banks, financial institutions, and technology providers—to overcome the identified barriers by enhancing digital literacy, further investing in technological infrastructures, cyber-security systems, and regulatory measures and frameworks to maintain the digital financial innovation in a more inclusive, dependently secure, and accessible environment for all segments of the society; thus, the digital payment systems provide an important sustainable mechanism of financial transactions and financial aid/ support delivery mechanisms; therefore, digital payment systems provide an important sustainable mechanism of financial transactions and financial aid/ support delivery mechanisms; therefore, as an exploration of the potential transformative role of digital payments on increasing the accessibility of financial resources examined in this study provides insights for togetherness—by focusing on conducting the empirical research using cross-country datasets, national financial inclusion indicators, and digital payment usage statistics suitable formulation of the role of digital financial technologies at a national economy and country levels and in encouraging greater demand-driven financial participation and opportunity ensuring the social equity serve as a potential area of future research, as there will be a need to monitor and evaluate the effects of and explore and create information assets and experiences designed to uncover a path to the wealth created using a digital payment system, in the new global venue of an empowered consumer and data-surveillance environment of transparent financial inclusion, which can ultimately benefit financial inclusion outcomes.

References

1. Aker, J. C., & Mbiti, I. M. (2016). Mobile phones and economic development in Africa. *Journal of Economic Perspectives*, 24(3), 207–232.

2. Allen, F., Demirgüç-Kunt, A., Klapper, L., & Peria, M. S. M. (2016). The foundations of financial inclusion: Understanding ownership and use of formal accounts. *Journal of Financial Intermediation*, 27, 1–30.
3. Arner, D. W., Barberis, J., & Buckley, R. P. (2017). FinTech and regulatory technology: Impact on regulators and banks. *Journal of Banking Regulation*, 19(4), 1–14.
4. Arner, D. W., Buckley, R. P., Zetzsche, D. A., & Veidt, R. (2020). Sustainability, FinTech and financial inclusion. *European Business Organization Law Review*, 21(1), 7–35.
5. Asian Development Bank. (2022). *Accelerating financial inclusion through digital finance*. ADB.
6. Bank for International Settlements. (2023). *Annual economic report 2023*. BIS.
7. Beck, T., Demirgüç-Kunt, A., & Levine, R. (2007). Finance, inequality and the poor. *Journal of Economic Growth*, 12(1), 27–49.
8. Chen, M., & Divanbeigi, R. (2019). Can regulatory reforms spur financial inclusion? *World Bank Policy Research Working Paper*.
9. Demirgüç-Kunt, A., Klapper, L., Singer, D., & Ansar, S. (2022). *The Global Findex Database 2021: Financial inclusion, digital payments, and resilience in the age of COVID-19*. World Bank.
10. Donovan, K. (2012). Mobile money for financial inclusion. *Information and Communications for Development*, 61–73.
11. European Central Bank. (2023). *The future of digital payments in Europe*. ECB.
12. Gomber, P., Koch, J., & Siering, M. (2018). Digital finance and FinTech: Current research and future research directions. *Journal of Business Economics*, 87(5), 537–580.
13. International Monetary Fund. (2022). *Financial inclusion and development: Recent impact and challenges*. IMF.
14. International Monetary Fund. (2023). *Digital money and financial services: Implications for financial stability*. IMF.
15. International Telecommunication Union. (2022). *Measuring digital development: Facts and figures*. ITU.
16. Jack, W., & Suri, T. (2014). Risk sharing and transactions costs: Evidence from Kenya's mobile money revolution. *American Economic Review*, 104(1), 183–223.
17. Khera, P., Ng, S., Ogawa, S., & Sahay, R. (2022). Measuring digital financial inclusion. *IMF Working Paper*.
18. Klapper, L., El-Zoghbi, M., & Hess, J. (2016). Achieving the sustainable development goals: The role of financial inclusion. *World Bank Group*.
19. McKinsey & Company. (2023). *Global payments report 2023: Transforming the payments landscape*. McKinsey Global Institute.
20. Nicoletti, B. (2017). *The future of FinTech: Integrating finance and technology in financial services*. Palgrave Macmillan.
21. OECD. (2023). *OECD/INFE toolkit for measuring financial literacy and financial inclusion*. OECD.
22. Ozili, P. K. (2018). Impact of digital finance on financial inclusion and stability. *Borsa Istanbul Review*, 18(4), 329–340.
23. Ozili, P. K. (2020). Financial inclusion research around the world: A review. *Forum for Social Economics*, 50(4), 457–479.
24. Ozili, P. K. (2021). Digital finance research and developments around the world. *Journal of Sustainable Finance & Investment*, 11(2), 196–210.
25. PwC. (2023). *Global payments report 2023*. PricewaterhouseCoopers.
26. Sahay, R., von Allmen, U., Lahreche, A., Khera, P., Ogawa, S., Bazarbash, M., & Beaton, K. (2020). *The promise of fintech: Financial inclusion in the post-COVID-19 era*. IMF.
27. Statista. (2024). *Digital payments worldwide: Market statistics and forecast*. Statista Research Department.
28. Suri, T. (2017). Mobile money. *Annual Review of Economics*, 9, 497–520.
29. Suri, T., & Jack, W. (2016). The long-run poverty and gender impacts of mobile money. *Science*, 354(6317), 1288–1292.
30. United Nations. (2023). *Financing for sustainable development report*. United Nations.
31. Vives, X. (2019). Digital disruption in banking. *Annual Review of Financial Economics*, 11, 243–272.
32. World Bank. (2022). *Financial inclusion overview*. World Bank.
33. World Bank. (2023). *Digital financial services and financial inclusion: Global developments*. World Bank.
34. World Economic Forum. (2023). *Digital financial inclusion: The role of fintech in expanding financial access*. WEF.