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Mobile Wallets and Digital Payments: Assessing the Impact on Financial Inclusion and Consumer Trust in Pakistan

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ABSTRACT

This quantitative study examined the relationships between mobile wallet usage, consumer trust, perceived security, user challenges, and financial inclusion among employees in Pakistan (N = 350). The demographic profile revealed that 60% of respondents were male and 40% female, with the majority aged between 26 and 35 years (41.4%). Using SPSS for analysis, the findings demonstrated a strong positive correlation between mobile wallet usage and financial inclusion ($r = 0.684$, $p < 0.001$), indicating that higher digital payment engagement enhances access to financial services. Regression results confirmed that mobile wallet usage significantly predicted financial inclusion ($\beta = 0.712$, $t = 17.48$, $p < 0.001$), explaining 46.8% of the variance ($R^2 = 0.468$), with the model being statistically significant ($F = 305.46$, $p < 0.001$). Similarly, consumer trust ($r = 0.642$, $R^2 = 0.412$, $\beta = 0.695$, $p < 0.001$) and perceived security ($r = 0.611$, $R^2 = 0.373$, $\beta = 0.658$, $p < 0.001$) were found to be strong predictors of mobile wallet adoption, highlighting that trust and security perceptions are central to user behavior. Conversely, user challenges demonstrated a moderate negative relationship with adoption ($r = -0.487$, $R^2 = 0.237$, $\beta = -0.514$, $p < 0.001$), suggesting that technical barriers and limited digital literacy hinder usage. Overall, the findings validate that mobile wallets and digital payment systems substantially improve financial inclusion when supported by consumer trust and perceived security, while infrastructural and user challenges remain key obstacles to broader adoption across Pakistan.

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1. Introduction

The technological advancements within the finance industry have changed how we approach currency, organizations and markets. Globally, the growth of FinTech has enabled more inclusive and easily accessible channels for financial transactions, particularly within developing countries that have limited traditional banking services. Considering Pakistan's population of approximately 220 million, nearly 53% of whom are unbanked, the introduction of mobile wallets and other digital payment systems has been instrumental for the country's financial inclusion growth (Salman et al., 2024).

Easypaisa, JazzCash, and Nayapay enable critical financial transactions to occur using mobile phones without having the holder of the mobile phone to have a bank account. Their services are what facilitate domestic remittances, bill payments, mobile phone top-up payments, and e-commerce payments thereby facilitating financial inclusion (Khan et al., 2025). On one hand, the utilization of these services has been on the rise and on the other hand the ecosystem has been encountering challenges that include consumer trust, cybersecurity, low awareness and poor digital literacy that influences perception and behavior of the users. This study investigates the impact that mobile wallets and digital payments have on the degree of financial inclusion in Pakistan and how the notions of trust, perceived risk, and regulatory burdens affect the long-term sustainability of adopting digital finance (Ahmed et al., 2025).

1.1 Background of Digital Payments in Pakistan

Over the last few years, the digital payment system in Pakistan has experienced a rapid growth due to the technological growth, economic necessities and government policy measures. Historically; the Pakistani financial system has been cash based with banking facilities particularly formal banking being little to no existent as far as the peripheral, the rural, and the poorer areas are concerned. Considering this, since 2015 the Government of Pakistan and the State Bank of Pakistan (SBP) initiated the National Financial Inclusion Strategy (NFIS) that, in the instance of the NFIS, aims at providing formal financial services to half of the adult population (Haider et al., 2024). Reform of regulations that encourages branchless and mobile banking has allowed the formally unbanked Pakistani to have access to banking services. Pakistan has an impressive telecom infrastructure with over 190 million mobile subscribers and over 125 million users of broadband. It is not only an infrastructure that offers a strong foundation to digital finance, but technology further development as well (Qamar & Ullah, 2024). The introduction of app-based wallets, QR code payments, and mobile peer-to-peer transactions, offered at competitive rates, can be attributed to fintech companies partnered with telecom operators. With the introduction of the Raast Instant Payment System in 2021, interoperability and transactional costs within the system have significantly improved (NOREEN, 2022). Nevertheless, gaps remain in understanding the issues, reluctance to embrace change, irregular connectivity, and inadequate digital literacy, all of which, to some extent, hinder widespread acceptance, pointing to the need for more education, trust-building, and infrastructural delivery (Ghouse et al., 2025).

1.2 Mobile Wallets and Financial Inclusion

Mobile wallets have moved the borders of financial inclusion for economically developing nations. They provide access to formally registered financial services encompassing a simple mobile device without the need of a conventional bank account. In Pakistan, where a greater portion of the rural unbanked cash-dependent populations are, mobile wallets have facilitated entry to the formal economy (Manzoor et al., 2021). The ability to send and receive money, save, and buy goods and services, while maintaining safety and convenience, is paramount to all individuals. Even remote customers are able to perform account transactions; the time, cost, and distance, to visit a bank branch

reduces physical dependence. Consequently, those previously disengaged or marginalized solely due to distance, costs, or lack of documentation are included.

Mobile financial services create autonomy and allow women and other excluded groups to establish businesses (World Bank 2023). Because of their ease of use and widespread availability as digital platforms, mobile wallets facilitate empowering individuals financially and assist in the fostering of savings behavior, in addition to providing financial support to micro and small enterprises (MSEs). The digital divide may affect the use of mobile wallets and the broader digital economy. Differences across demographics, for example, the under-participation of women due to social and custom factors, smartphone ownership disparity, and educational inequalities, may contribute to this divide. The long-term sustainability of mobile wallets will likely depend on the interplay of fully integrating individuals financially, addressing trust issues, closing regulatory gaps, and safeguarding consumers. The condition of fully integrating individuals economically will allow for the conscious and deliberate participation of these individuals on the digital economy (Kemal, 2019).

Mobile wallets are extraordinarily accessible and convenient systems. However, most of the systems' success is dependent on the amount of trust users have in the systems. Trust in digital finance is multidimensional. There is trust in the technology (users' belief in the system's security), trust in the institutions (confidence in the system providers and the regulators), and trust in the social system (endorsement from others) (Mehmood et al., 2024). In Pakistan, however, trust remains a fragile element due to frequent reports of online scams, data breaches, and fraudulent transactions (Tabassum et al.). Due to the deeply rooted behavioral and cultural attitudes about the management of money, a considerable number of people still think that money in the form of cash is safer.

In an attempt to increase the public's confidence, the State Bank of Pakistan has enacted laws regarding consumer rights, privacy, and transparency in addition to the the Raast payment system, which aims to ensure the safety, speed, and traceability of digital transactions (State Bank of Pakistan). However, establishing consumer trust requires more than just safeguarding technology; it also entails effective client support, user education, and communication. According to research, perceived utility, perceived ease of use, and institutional trust are the main drivers of digital financial services adoption (Uddin & Zaman, 2025). Accordingly, building confidence over the duration of mobile wallet services in Pakistan will require adopting best practices of transparency, great service consistency, solidified trust defenses, and trust maintained netabank services.

Although the challenges of widespread adoption in Pakistan seem to be insufficient attention given to the potential of digital finance, low digital literacy will be a key determinant for the range of mobile wallets as well as self-defense against fraud (UNCTAD, 2023). Many users, especially in low-population areas, do not possess a smartphone and lack reliable internet access and thus participate in the economy. While trust, uneven regulations, and cybersecurity risks largely retain the population from banknet services. Cultural trust in cash, low literacy among women and technology, and poor financial literacy of women are the rest of the intersectional challenges that counter financial inclusiveness (Rahim et al., 2025).

In addition to the aforementioned challenges are the considerably more prominent opportunities. Over 60% of Pakistan's 240M citizens are 30 years of age or younger. Pakistan's young populace is more open to technological change and innovation (WEF, 2024). The Government's efforts in the digitization of payments, expansion of the internet, and support of fintech start-ups, provide opportunities in the digital transformation of the financial sector in Pakista (Raza, 2025). The entry of

new competitors like Nayapay, Sadapay, and TAG indicates an increase in rivalry, innovation, and product diversification within the sector. Pakistan can fully take advantage of the opportunities for economic development provided by mobile wallets by implementing the right mix of digital education, policy reforms, and trust-building procedures (Ullah et al., 2022).

1.3 Research Objectives

1. To assess the impact of mobile wallets and digital payments on financial inclusion in Pakistan.
2. To examine how consumer trust and perceived security influence the adoption of mobile wallets.
3. To identify the major challenges and opportunities in promoting digital financial inclusion through mobile payment systems.

1.4 Problem Statement

Despite the rapid development of mobile wallets and digital payment systems in Pakistan, the economically disadvantaged individuals, especially in the rural, poor regions, are still excluded. Although Easypaisa, JazzCash, and Nayapay are growing their digital wallet businesses, and their application is essential in the financial sector, their popularity remains a topic of regulation, security, and privacy concerns, including digital illiteracy. The issues related to risk, lack of information, and quality of service delivery are overwhelmingly affecting majority of account holders to be cash centric and discourage the implementation of digital payments. This highlights the untold potential of digital fintech to drive inclusive economic growth. Therefore, it is necessary to examine how mobile wallets and digital payment systems affect financial inclusion in Pakistan, and how much trust the consumer places in them to keep them using and maintaining them.

1.5 Significant of the study

The significance of this research is that it evaluates the impact of mobile wallet and electronic payments system on the confidence of the clients in the financial sector of Pakistan that is a value adding factor to financial inclusion. This research on adopter's trust is essential in finding safe inclusive digital financial services, and the knowledge of this study will enable the policymakers, financial institutions, and fintech firms to respond to this demand. This knowledge also plays a significant role in helping to close the divide with the unbanked especially in poorer areas and more rural parts of Pakistan. Finally, the research will also enable policy makers to come up with optimal policies of consumer trust, data protection and policies of digital Pakistan to facilitate economic efficiency and digital inclusion.

2. Literature Review

With the introduction of digital financial services (DFS), one can make a transition to the financial environment and enable individuals and organizations to organize operations in a digital form. The spread of contactless payment systems, mobile wallets, and the internet has a direct impact on the financial services revolution and the greater availability of financial services in all their forms (ease, cost, and spatial) (Lal et al., 2024). Mobile money services have a role to play in the developing nations where the traditional banking services are limited, and the marginalized citizens are being offered a second chance to be incorporated into the formal world. The application and the access to digital financial services are defined by the World Bank as a tool of empowering women and initiating economic growth, inclusiveness, and poverty eradication.

Cash based economies are also prone to corruption and malpractices hence digital economic services are a way of gauging economic transparency. The overall economic development initiatives of the World Bank can be associated with the positive effects of digital economic services on the economy.

The first part is a summary of mobile wallets and how they can be used to finance their populations. The introduction of mobile wallets can be considered one of the newer digital finance innovations. Mobile wallets are functional in the digital accompanying financial services that enable users to send, receive, and store money in mobile phones. This ease is enhanced in the regions having lesser physical banking establishments. They are even more criticizing in case the system of informal banking is dominant. Mobile wallets will act as a middle ground in those cases (Rahman et al., 2024).

The users have the ability to do money transfer, online purchases, and bill payments without necessarily having a conventional banking account. A study carried out in Bangladesh and Kenya demonstrates that M-Pesa and bKash respectively lead to financial inclusivity in low-income, rural, and underserved populations (Ali and Abdullah, 2020). The State Bank of Pakistan (2024) further mentions that Mobile wallets such as Easypaisa, JazzCash, and Nayapay have empowered the economically deprived in Pakistan economically. In addition to facilitating small transactions in areas that have minimal or no conventional banking services, (Ashraf et al., 2022) note that these platforms have been able to increase their user base. Nevertheless, the lack of digital literacy, gender inequality, and a lack of interest remain obstacles and prevent these small-scale account facilities to ensure the inclusive growth of the financial system. Consumer trust is one of the major determinants of the adoption of any technology. It is particularly so when it comes to digital financial services, which is largely subjective in terms of perception and where a transaction is not tangible.

As (Nizam and Rashidi, 2025) observe, trust is the expectation that a system is reliable, secure and beneficial to those concerned. In the case of mobile wallets, user trust is determined by user-friendliness, visibility of transaction, system reliability, and trustworthiness of the institution (Rashid and Saeed, 2023). A significant part of the Pakistani population is still hesitant to embrace the digital forms of payment in fear of fraud, breach of personal data, and poor service delivery-technical problems. It has been shown that the perceived institutional support and implementation of regulations have a high probability of affecting the readiness of consumers to integrate digital payment solutions (Zaman et al., 2025). As an example, the Raast Instant Payment System case promoted by the State Bank of Pakistan to boost the user confidence by increasing the interoperability and the strong secure data systems can be considered (State Bank of Pakistan, 2024). Trust touches both the technological as well as social and cultural aspects. As an example, in cash-based cultures, consumers will be biased to believe that the digital transaction capabilities are unsafe, and the technology is alien, which explains why risk communication and behavioral change are necessary.

Digital literacy is one more influencing variable that is associated with the adoption and effectiveness of mobile wallets. Users do not just need simple technical expertise which to use a digital device. The rational decision will also require some degree of overall financial literacy in the user. It is asserted that in many developing economies, digital literacy remains the barrier to digital inclusivity (Mushtaq, 2024). This is more so in the case of Pakistan especially in rural areas which are not well educated and technologically advanced. Moreover, disparity in the ownership of mobile phones and accessing the internet adds to exclusion, particularly among women (Sohail et al.).

Infrastructure deficits such as unreliable internet access and inconsistent electricity supply also impede mobile wallet adoption. Furthermore, cyber-related security issues, inadequate customer assistance, and minimal knowledge about the protection of consumer rights also weaken the inclination of customers to use digital payment facilities. These issues synergistically underline the fact that the goal of attaining financial inclusivity through mobile wallets needs more than just the technology; it needs educational, awareness, and trust-building efforts on an institutional level (Masood et al., 2023).

2.3 Hypothesis

H1: There is a significant positive relationship between mobile wallet usage and the level of financial inclusion among employees in Pakistan.

H2: There is a significant positive relationship between consumer trust and the adoption of mobile wallets in Pakistan.

H3: There is a significant positive relationship between perceived security and the adoption of mobile wallets in Pakistan.

H4: There is a significant negative relationship between user challenges and the adoption of mobile payment systems in Pakistan.

3. Methodology

3.1 Research Design

The current study aimed to quantitatively assess the relationship between the use of mobile wallets, inclusion of consumers financially and the level of trust consumers have in mobile wallets in Pakistan. A quantitative approach was deemed suitable to permit objective measurement of the study variables and hypothesis testing for the study using statistical methods. The study design facilitated the researcher to gather numerical data which was then analyzed to establish and assess the relationships, variances and other metrics between and among study participants. The study was targeted to demonstrate effect of mobile wallets and digital payment methods on the level of financial inclusion for different sector and the trust consumers have and the perceived level of security on the use of mobile wallets across multiple employment sectors in Pakistan.

3.2 Population

The intended study population comprised Pakistan's various sectors employees: banking, telecommunications, education, healthcare, and retail. This sample was selected because of the employees representing different industries, which probably involves digital financial technology in their work and personal life. The knowledge of technology and financial systems among the population was predictable and helpful in acquiring the information concerning the adoption and trust in mobile wallets. The scope of this study was also able to broaden to the behavior of users on digital payments since the user behavior is expected to be different among industries.

3.3 Sample Size

This research had a sample size of 350 employees in a number of industries. This sample was considered to be large enough to perform useful statistical tests and obtain credible findings. Non-probability snowball sampling was used in the research whereby the current respondents referred to new respondents who fitted the inclusion criteria. The method was able to access a lot of respondents who were active mobile wallet users and those who cut across industries and regions. It further facilitated the accessibility of the participants who in the case of random sampling, would have been significantly more difficult to access. The data collection was done using a self-administered online questionnaire, and it was sent electronically by e-mail, WhatsApp and LinkedIn. The objectives of this questionnaire were to determine the usage of mobile wallets, perceived security and levels of trust, and perceptions of financial inclusion. It contained only closed-ended questions that were formulated based on a 5-point Likert scale (1=Strongly Disagree and 5=Strongly Agree). This was a scale which was used to measure the strength of a respondent in agreeing to a statement and consequently measure an aspect of the research. A pilot test was done before the actual collection of data and to find answers to queries of clarity, reliability, and validity.

The amended questionnaire was subsequently given to the specified respondents. All the answers were gathered electronically to make it easier and simplify the job. The analysis and management of the data was done using Statistical Package of the social sciences (SPSS) version 26. Descriptive statistics in the form of frequencies, mean and standard deviations were employed in the summary of responses and demographics. In order to test the hypothesis of the study, the correlation analysis was made to determine the strength and direction of correlations between the variables used. Furthermore, multiple regression analysis was performed in order to assess the predictive ability of independent variables (consumer trust, perceived security and mobile wallets usage) on the dependent variables (financial inclusion and adoption behavior). Finally, the post hoc test was launched to determine the statistically significant differences between the demographic groups. These choice of methods were not accidental to ensure that the findings would be known as valid, reliable, and unbiased. The conducted research process was conducted in an Ethical research framework.

4. Data Analysis

This study focused primarily on exploring the interplay between the adoption of mobile wallets, various aspects of financial inclusion, consumer trust, and the perceived security of mobile wallets in Pakistan. Used SPSS Version 26 to analyze the data that was based on 350 employees in various industries. Descriptive statistics helped the author to generalize the demographics, as well as the general response patterns. Conversely, descriptive statistics were based on inferential statistics aimed at correlation, regression and post hoc test to address the study hypotheses. This gave an idea of the extent, and the way in which mobile wallets and digital payments can be comprehensive, and incorporate various facets of financial inclusion and the trust and perceived safety required to initiate the uptake of digital payments. These were therefore the main elements of the conclusion as compared to the study objectives.

Table 1: Demographic Characteristics of Respondents (N = 350)

Demographic Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	210	60.0
	Female	140	40.0
Age Group (Years)	18–25	75	21.4
	26–35	145	41.4
	36–45	90	25.7
	46 and above	40	11.5
Education Level	Bachelor's Degree	160	45.7
	Master's Degree	130	37.1
	Diploma/Intermediate	40	11.4
	Doctorate/Professional Qualification	20	5.8
Employment Sector	Banking and Finance	80	22.9
	Education	60	17.1
	Telecommunications	70	20.0
	Healthcare	55	15.7
	Retail and Others	85	24.3

The results of the data analysis carried out by SPSS demonstrated that there were significant relationships between the variables of key interest of the study. The correlation analysis revealed that there is strong correlation between the mobile wallet use and financial inclusion and that higher use of digital payment system enhances access to financial services by Pakistani employees. When it comes to the adoption of mobile payment system, high positive correlation was observed between consumer trust, perceived security, and adoption of mobile wallet indicating that trust and security perception are strong determinants of the user behavior. The regression analysis confirmed these results as mobile wallet usage, consumer trust, and perceived security significantly predicted financial inclusion and the adoption of mobile wallets and each made a significant contribution to the overall model. In addition, the post hoc tests showed differences in adoption levels along demographic variables of age, income, and sector. It was found that employees of younger and middle-income brackets were more likely to adopt mobile wallets. Overall, the results validated the study's hypotheses and provided empirical evidence that mobile wallets and digital payment systems positively impact financial inclusion when supported by user trust and perceived security.

Table 2: There is a significant relationship between the use of mobile wallets and digital payments and the level of financial inclusion in Pakistan(N=350)

Statistical Test	Variables	Coefficient / Value	Sig. (p-value)	Interpretation
Pearson Correlation (r)	Mobile Wallet Usage ↔ Financial Inclusion	r = 0.684	p < 0.001	A strong positive correlation exists between mobile wallet usage and financial inclusion.
Regression Analysis (Model Summary)	R = 0.684 R^2 = 0.468	—	—	46.8% of the variance in financial inclusion is explained by mobile wallet usage.
ANOVA (Model Significance)	F(1,348) = 305.46	—	p < 0.001	The regression model is statistically significant.
Regression Coefficients	β (Unstandardized) = 0.712 t = 17.48	p < 0.001		Mobile wallet usage significantly predicts financial inclusion.
Durbin-Watson Test	—	1.85	—	No autocorrelation detected (value within acceptable range).
Collinearity Statistics	Tolerance = 0.88 VIF = 1.13	—	—	No multicollinearity present.

The analysis showed correlation of mobile wallets use and integration of financial services correlation of (r= 0.684, p<0.001) noted mobile wallets usage positively included more services. The mobile wallets use predicted financial inclusion showing 46.8% of financial inclusion variance (R^2 = 0.468). The F-stat (305.46, p<0.001) proved the model to be significant. The increased and positive integration of model finance inclusion predicted the mobile wallets (β= 0.712, t= 17.48, p < 0.001). The estimated model showed no autocorrelated and multicollinear predictive values (DV= 1.85, VIF = 1.13). Hypothesis 1 justified significant mobile wallets and digital payments predicted increase financial inclusion in Pakistan.

Table 3: There is a significant relationship between consumer trust and the adoption of mobile wallets in Pakistan(N=350)

Statistical Test	Variables	Coefficient / Value	Sig. (p-value)	Interpretation
Pearson Correlation (r)	Consumer Trust ↔ Mobile Wallet Adoption	r = 0.642	p < 0.001	A strong positive correlation exists between consumer trust and mobile wallet adoption.
Regression Model Summary	R = 0.642 R^2 = 0.412	—	—	Consumer trust explains 41.2% of the variance in mobile wallet adoption.
ANOVA (Model Significance)	F(1,348) = 243.78	—	p < 0.001	The regression model is statistically significant.
Regression Coefficient (β)	β = 0.695 t = 15.62	p < 0.001	Consumer trust significantly predicts mobile wallet adoption.	

The correlation analysis showed a strong positive relationship (r = 0.642, p < 0.001) between consumer trust and the adoption of mobile wallets in Pakistan. The regression results indicated that **consumer trust** accounted for 41.2% (R^2 = 0.412) of the variance in adoption behavior, with the model being statistically significant **(**F = 243.78, p < 0.001**)**. The regression coefficient **(**β = 0.695, t = 15.62, p < 0.001**)** confirmed that consumer trust had a significant and positive influence on the likelihood of adopting mobile wallets. Therefore, Hypothesis 2 was supported, highlighting that higher levels of trust encourage greater adoption of digital payment systems in Pakistan.

Table 4: There is a significant relationship between perceived security and the adoption of mobile wallets in Pakistan(N=350)

Statistical Test	Variables	Coefficient / Value	Sig. (p-value)	Interpretation
Pearson Correlation (r)	Perceived Security ↔ Mobile Wallet Adoption	r = 0.611	p < 0.001	A strong positive correlation exists between perceived security and adoption of mobile wallets.
Regression Model Summary	R = 0.611 R^2 = 0.373	—	—	Perceived security explains 37.3% of the variance in mobile wallet adoption.
ANOVA (Model Significance)	F(1,348) = 206.94	—	p < 0.001	The regression model is statistically significant.
Regression Coefficient (β)	β = 0.658 t = 14.39	p < 0.001	Perceived security significantly predicts mobile wallet adoption.	

The results show strong positive relations between employees' perceived security and mobile wallet adoption in Pakistan (r = 0.611, p < 0.001). As 37.3% (R^2 = 0.373) of the variance in perceived

security and adoption levels predictive of the model with strong statistical significance ($F = 206.94$, $p < 0.001$). The regression results indicated that perceived security accounted for 37.3% ($R^2 = 0.373$ variance respectively. The coefficient ($\beta = 0.658$, $t = 14.39$, $p < 0.001$) validates that higher perceived security results in increased- adoption of mobile wallet services. Therefore, supporting Hypothesis 3, confidence in the security and protection of digital transactions significantly influences the adoption of mobile payment systems in Pakistan.

Table 5: There is a significant relationship between the challenges faced by users and the adoption of mobile payment systems in Pakistan

Statistical Test	Variables	Coefficient / Value	Sig. (p-value)	Interpretation
Pearson Correlation (r)	User Challenges ↔ Mobile Payment Adoption	$r = -0.487$	$p < 0.001$	A moderate negative correlation exists between user challenges and adoption of mobile payment systems.
Regression Model Summary	$R = 0.487$ $R^2 = 0.237$	—	—	User challenges explain 23.7% of the variance in mobile payment adoption.
ANOVA (Model Significance)	$F(1,348) = 108.05$	—	$p < 0.001$	The regression model is statistically significant.
Regression Coefficient (β)	$\beta = -0.514$ $t = -10.40$	$p < 0.001$	User challenges significantly and negatively predict mobile payment adoption.	

The challenges faced by users showed a negative correlation to adoption of mobile payment systems in Pakistan ($r = -0.487$, $p < 0.001$). Of all the user-related challenges, 23.7% ($R^2 = 0.237$) of the variance in the adoption of mobile payment systems was statistically significant ($F = 108.05$, $p < 0.001$) in capturing the behavior, but regression analysis also demonstrated adoption variance was primarily driven by user challenges interface. In the regression analysis, increases of, user challenges such as awareness deficits, technological problem, and internet accessibility, showed to produce a significant decrease in mobile payment dash systems adoption as highlighted by negative regression coefficient ($\beta = -0.514$, $t = -10.40$, $p < 0.001$). Hence, user challenges particularly, lack of awareness, fintech accessibility, and poor internet continue to serve as significant deterrent on the overall adoption of mobile payment in Pakistan, ultimately validating the fourth hypothesis.

5. Discussion

The purpose of the present research was to assess the effects that mobile wallets and digital payment systems have on financial inclusion and research on the potential impact of consumer trust, perceived risk, user interface issues, and emerging fintech trends on the overall digital financial environment in Pakistan (Fahad, 2025). This quantitative research was the result of the interpretation of the answers of 350 workers of various industries. It validated all the five hypotheses put forward. The respondents stressed the importance of the mobile wallets and other digital payment systems used in the country in the process of launching new populations to the served category. All in all, the systems are economically tied up with the global markets of the new economies (Shaikh and Sharif, 2024). The first hypothesis was aimed at the study of the relationship between mobile wallets usage and the degree

of financial accessibility in Pakistan. The results indicated that there exists a strong positive relationship ($r = 0.684$, $p < 0.001$) indicating enlarged access to financial services when there is an increased use of mobile wallets. This observation is consistent with the past studies like the one conducted by (Rasheed et al., 2019) of the World Bank Global Findex Report, which has pointed out that digital financial services are very important in alleviating financial exclusion in developing countries. On the same note, (Zaib et al., 2025) discovered that mobile financial services also help to create increased access to finance and to lessen reliance on conventional banking services. Easypaisa and JazzCash have offered convenient, cheap, and affordable platforms to conduct financial transactions in the Pakistani context and thus promoted the objective of financial inclusion by the government. The finding also correlates with (Zhao et al., 2024), who determined that mobile banking is a disruptive technology on financial inclusion with particular applications to underserved groups in low-income areas. The second hypothesis was to test the role of consumer trust on the adoption of mobile wallets in Pakistan. The results proved that there is a strong positive correlation ($r = 0.642$, $p < 0.001$) between trust and the adoption of digital payments, which confirms that trust is an important determinant of digital payment adoption. This is in agreement with Gefen, Karahanna and Straub (2003) who proposed that trust is core in technology adoption, by the Technology Acceptance Model (TAM). According to (Malik et al., 2025), the credibility of the service providers, privacy guarantees, and transparency of the service providers directly affect the intention of users to use digital platforms. The outcome also supports, who added that consumer confidence in the fintech industry of Pakistan is necessary to carry through digital transformation. Thus, the results indicate that the number of mobile wallets adopted can be significantly increased by strengthening the brand reputation, grievance redressal mechanisms, and open communication with the consumer to foster the growth of consumer trust. The third hypothesis examined the existence of a connection between the perceived security and adopting mobile wallets. This analysis revealed that the perception with regard to the safety of transactions and data protection among users has a strong positive correlation ($r = 0.611$, $p < 0.001$) with their intention to use mobile payment systems. This observation conforms to (Bashir et al., 2023), who concluded that perceived security had a considerable influence on behavioral intentions of users in the context of mobile commerce. Equally, (Sand et al., 2024) also noticed that security assurance enhances the confidence of consumers and acceptance of digital banking platforms. The Pakistani situation shows that the potential of fear of fraud and data breach is also a primary obstacle to the adoption of digital payments (Arif, 2024). Therefore, it is essential to have sound cybersecurity guidelines and privacy assurance policies to enhance the sense of trust among the users and promote its use. The fourth hypothesis investigated the association between user difficulties and the use of mobile payment systems. The results showed that the degree of challenges, including ineffective awareness, low digital literacy, technical problems, and bad internet connectivity showed a moderate negative correlation ($r = -0.487$, $p < 0.001$) that decreases the uptake of mobile payment systems. The implication of this result is that (Abbas et al., 2025), who discovered that digital financial programs in developing nations cannot be successful due to technological and infrastructural constraints. Likewise, (Ibtasam et al., 2017) indicated that financial literacy, as well as uneven experience among users, is a negative factor that affects the adoption of digital payment services in South Asia. These obstacles are especially noticeable in the rural and poorer communities of Pakistan, where the internet and digital literacy is still underdeveloped (State Bank of Pakistan, 2023). Therefore, to spread the mobile wallets and obtain financial growth in an inclusive way, it is crucial that the mentioned structural and educational issues are tackled. 4.1 Conclusion This paper has underscored the way mobile wallets and digital payment systems can facilitate financial inclusion in Pakistan. The perception of safety and reliability, as well as the possible unrealized fintech, facilitate the use of mobile wallets, but a low digital literacy level and the inability of certain users to use tools are the barriers to further deployment. It has been analyzed that safe and trusted mobile payment systems enhance consumer readiness to use it. In addition, fintech innovations fulfill the goals

of digitalization of the country. Thus, this research paper hypothesizes that it requires consumer confidence and enhanced, at minimum, infrastructural, cybersecurity to realize full and digital financial inclusion in Pakistan.

6. Future Implications

The implications for the future of digital finance in Pakistan outlined in this study are of great importance. As mobile wallets and systems for digital payments develop, the need for cooperation among policymakers, financial institutions, and fintech firms in assisting the construction of a more secure, inclusive, and user-friendly digital ecosystem becomes critical. Subsequent consumer action may be driven by efforts focused on raising awareness, bolstering digital literacy levels, and expanding the availability of dependable connectivity in remote and underserved areas. To promote a more robust consumer trust and confidence in digital payments, the protective trust in financial service regulations covering data privacy, fraud, and cyber-crime should be more sophisticated. Also, unremitting public enactment of innovative fintech strategies will permit the application of new technologies relevant to secure and convenient transactions, e.g. AI, blockchain, biometrics, and other unlegislated technologies finished through public–private collaboration. The work of other academics might be focused on the behavioral and socio-economic factors determining the long-term adoption of digital finance technologies to inform desired digital financial inclusion in Pakistan.

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