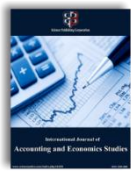
International Journal of Accounting and Economics Studies, 12 (4) (2025) 734-741

International Journal of Accounting and Economics Studies

Website: www.sciencepubco.com/index.php/IJAES
https://doi.org/10.14419/rt91e209
Research paper



Digital Transactions and User Trust: A Conceptual Study on Mobile App Convenience and Security in A Cashless World

S. Swarnalatha [1] *, Dr.M. Kalaivani [2]

[1] Research Scholar, Faculty of Management, SRM Institute of Science and Technology, Vadapalani Campus, Chennai
[2] Associate Professor, Faculty of Management, SRM Institute of Science and Technology Vadapalani Campus, Chennai
**Corresponding author E-mail:ss1467@srmist.edu.in*

Received: July 8, 2025, Accepted: August 14, 2025, Published: August 28, 2025

Abstract

Google Pay, Paytm, and PhonePe, among others, have been attempting to bring the country a step closer to a cashless economy in India. Perceptions of convenience and security, to a great degree, drive the adoption of these platforms because they are widely used. For urban mortgage app users, mobile payment apps provide convenience, and given the massive adoption numbers these apps have accumulated, the convenience has prompted rural and older demographics to consider them, but security is still a major concern. The first part of this paper looks at mobile payment platforms in terms of perceived convenience and security, and socio-economic and regional disparities in mobile payment adoption, and will identify key drivers of user trust. Results and findings of the studies are evaluated using case studies and secondary data. It also looks at the role that government is playing with the help of initiatives, the regulatory frameworks, and technological advancements to achieve the current, as well as the future, landscape of digital payments in India.

Keywords: *Mobile, Payment, Digital, India, Economy, Social*

1. Introduction

In India, in the past decade or so, the face of financial transactions has completely changed, and mobile payment systems have emerged as paramount to India's ambition of leading the country to a cashless economy. Despite historically remaining a cash-dominated space, mobile payments in India have become much more popular with the launch of innovations like UPI (Unified Payments Interface) and apps such as Paytm, PhonePe, and Google Pay. If India is charting this rapid growth to a cashless society, a lot of obstacles stand in the way. Dramatically, the primary challenges caring for these vulnerable users are security issues, lack of digital literacy, and infrastructure in urban areas as compared to rural areas (Lai and Liew 2021).

Through mobile payment platforms, users find convenience in making transactions from anywhere, anytime, no matter the physical or virtual. However, concerns about security—such as the fear of fraud, data breaches, and identity theft—remain a major obstacle to widespread adoption, especially in rural and semi-urban areas. This paper deals with such concerns at a more profound level, examining the adoption of mobile payments in India between urban and rural users, as well as the effects of demographic factors on their adoption and use of the mobile payment systems (Moon et al, 2022).

After a surge in digital payments, India, especially in terms of Unified Payments Interface (UPI), is witnessing a major trend. The UPI transactions stood at around 13,116 crore in FY23-24, as against 92 crore in FY 2017-18, recording a compound annual growth rate (CAGR) of 129 per cent. During the period of just December 2024, total UPI transactions witnessed were 16.73 billion, translating to ₹23.25 lakh crore. As of 2024, UPI contributed to 83 per cent of India's entire digital payment volume (Islam 2024).

Although digital payment adoption is at its peak, trust is still an important issue. This paper indicates that perception of security and trust plays a significant role in the customer's intention to use the digital payment system in India. Nevertheless, the number of high-value cyber fraud cases in India has risen dramatically: in FY 2024, there were over 100 cases and more than $20 million stolen. The events mentioned above underline the criticality of robust security rules, along with educating users to preserve their faith in the digital payment platform

Copyright © Authors. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

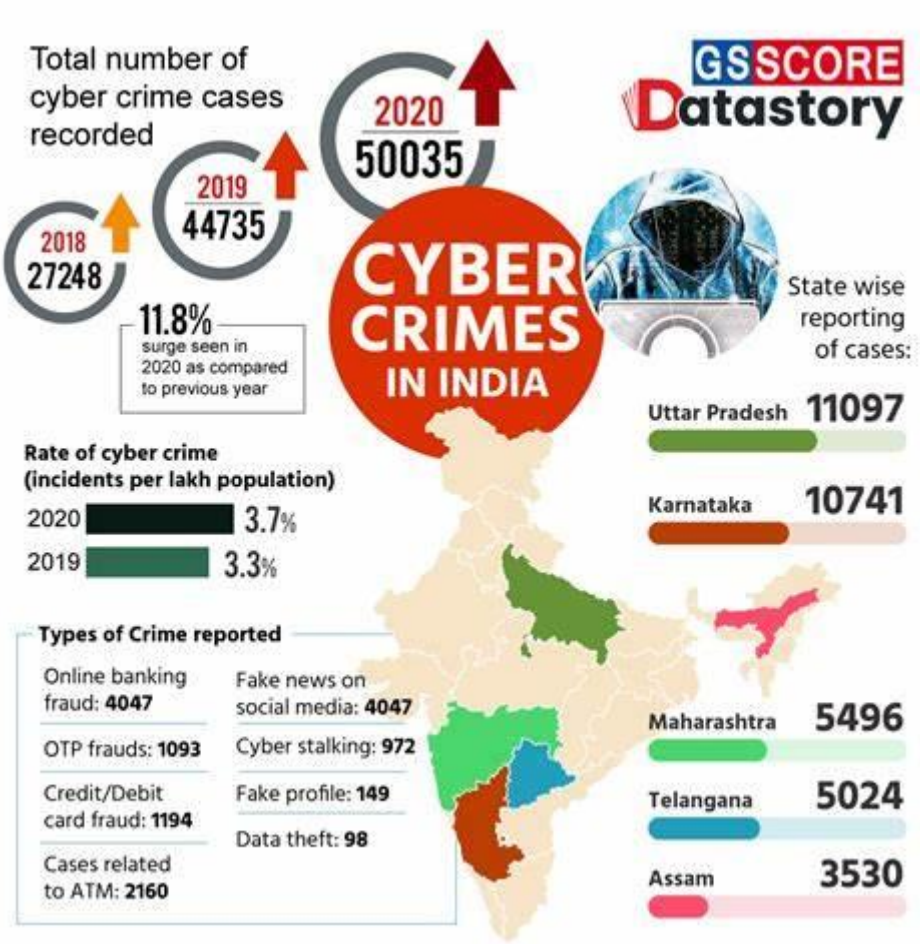


Fig. 1: Cybercrimes in India

Source: Reddit

According to the infographic 'Cyber Crimes in India' (figure 1) brought out by GS SCORE Datastory, there's been a scary rise in the number of cybercrime incidents going up in the country in recent years. The data shows that the total number of cases of cybercrime grew dramatically from 27,248 in 2018 to 44,735 in 2019 and up to 50,035 in 2020, with an increase of 11.8% in just one year. A part of this rise has been due to the fast digitization of financial services, the rise in the use of smartphones, and dependence on online platforms, especially during the COVID-19 pandemic period. It also mentioned that the rate of cybercrime incidents per lakh population was 3.3 per cent in 2019 and 3.7 per cent in 2020, indicating an increasing number of these crimes in proportion to Hyderabad's population (Almaiah et al, 2022).

The variety of cybercrimes reported represents a wide class of threats. Financial crimes were the most prevalent, ranking from number one at 4,047 online banking frauds to number three, credit/debit card frauds (3,499), and further down the line at number 3, OTP related frauds (3,793). In fact, ATM related frauds (2,160 cases) were also significant. In addition to financial loss, cybercrimes that reach social safety included fake news spread through social media, 1,682 cases, cyberstalking, 972, fake online profiles and online death threats, 149, and 98, respectively. This shows psychological as well as reputational damage that occurs due to digital platforms.

However, the highest number of cybercrimes reported was in Uttar Pradesh (11,097), followed by Karnataka (10,741). Maharashtra (5,496), Telangana (5,024), and Assam (3,530) were also the other major contributors. These are population figures as well as digital penetration in these states. To a larger extent, the infographic presents the rising issues within India's digital terrain in order to prove that aggressive cybersecurity steps, firmer laws, as well as a higher level of populace education are needed so that digital inhabitants stay safe (Bhadra et al nd).

There are many reasons why users prefer mobile payment apps to other payment methods. A factor that positively affects the perception of users is those factors like ease of use, speed of transaction, and integration into daily life. Moreover, the wide application of QR code-based payments, particularly in urban areas, has further contributed to the user experience, which enhances the user experience of digital transactions.

1.1 Indian and foreign scenario

The system of mobile payment in India is similar and at the same time different from international ones. Similarly to China, in India, accelerated adoption has been fueled by government incentives and adoption of QR-code payments, but unlike the Alipay and WeChat Pay systems that monopolize commercial usage of digital payments in China, there is overall market decentralization, with interoperability between various banks and fintech apps facilitated by the Unified Payments Interface (UPI). Unlike many African countries, where mobile money operators like M-Pesa serve mainly the unbanked population via basic feature phones and person-to-person SMS-based services, the Indian ecosystem is more centred on smartphones, with cheap data, biometric fingerprinting (Aadhaar), and real-time bank-to-bank money transfer. Global phenomena such as the transition to cashlessness, payment integration with social and e-commerce, and the promotion of financial inclusion through mobile payments are common, but the regulatory-driven, interoperable nature of the Indian infrastructure and the volume of UPI remain unparalleled in the world.

2. Theoretical Framework and Conceptual Understanding

The Technology Acceptance Model (TAM) serves as a foundation that explains human internal processes of deciding to accept and use new technology. As people use TAM has stated, the ease of use (security) perceived and usefulness (convenience) a determining factors in adoption rates. It is more relevant to this type of understanding of mobile payments in India than in other countries, as we illustrate for the cases of ease of use in rural India and security concerns in urban. In addition, depending on the way people perceive threats, Protection Motivation Theory (PMT) can tell us how people behave. About digital payments, users in the Philippines are making their systems safer by avoiding online transactions or using the traditional way of payment out of uncertainty about any security threat. This phenomenon is particularly widespread in rural areas where internet literacy and cybersecurity awareness are lower (Namahoot and Jantasri 2023).
Furthermore, external factors affecting user adoption of new technologies are addressed by the Unified Theory of Acceptance and Use of Technology (UTAUT): trust, social influence, as well as facilitating conditions (e.g, internet, smartphones). This is a model that can be employed to delve deeper into why the mobile payment systems have been more favorable in urban areas as compared to rural areas.
The Technology Acceptance Model (TAM) has been used by many researchers from diverse fields to find how users incorporate and adapt to new technologies. In addition, external factors influencing user adoption of new technologies are considered by the Unified Theory of Acceptance and Use of Technology (UTAUT): trust, social influence, and facilitating condition (e.g, internet, smartphones). This is an example that can be used to dig deeper to explain why the mobile payment systems have had better luck in urban areas compared to those in rural areas. In the Indian scenario, one particular case being evident here is the adoption of mobile banking applications like the SBI YONO and the HDFC mobile. Research evidence suggests that perceived usefulness (including the saving of time and 24/7 banking) has a dominating role in user acceptance, while perceived ease of use only turns out to be crucial for older users or those lacking technological skills (Mohamood et al, 2024). Similarly, in the education sector, the Malaysian universities adopted platforms such as Moodle and Google Classroom, where the TAM indicated that the initial adoption by the students was more attributed to the ease of use, and long-term use was correlated with the perceived usefulness in academic performance. In the UAE, it was indicated by government endeavours in digitization of services through e-government portals that usefulness (e.g., faster access to services) was a strong predictor of use, but cultural trust in the government and security concerns were also important presences that could not be missed out, signalling the need for an expanded TAM model.
Swiggy and Zomato, platforms for online food delivery in India, saw a high in usage, especially during the lockdown due to Covid-19. Users valued the convenience and safety in terms of the usefulness, and a simple user interface contributed to it becoming easy to use. Social influence and customer reviews also impacted the adoption, staying in line with an expanded TAM model that includes subjective norms. The wearable devices, such as smartwatches, have been studied in the U.S. market in the healthcare domain. Findings reveal that the perceived usefulness of health metric monitoring is one of the important determinants of continued use, particularly among monitor-my-activity users. But the ease of use comes to play especially for the aged adults or non-tech savvy individuals (Yang et al, 2021). Another industry that applies is the Chinese e-commerce, where it used mobile apps are used for shopping, such as Alibaba and JD.com. Here, both usefulness (discounts, delivery speed) and ease of use (intuitive design, language support) were highly determining adoption factors, while an assumed environment lessened the need for a TAM framework.

2.1 Importance of the study

The motivation for this study arises from our concern about possible trade off in regards to convenience and security concerns felt by the individual users interacting through the mobile platforms (Purwanto et al, 2024). The possible trade-off can hinder the effectiveness of adopting gamified mobile payment platforms in countries, thus having negative implications on the whole success of e-commerce development in a country. This research study aims to respond to the call of Lu et al. (2019) to think about 'the place where consumers live' as a potential factor that may influence consumer mobile payment adoption, hence placing the current study in a broader context, in this case, India. There are various reviews and cases collected under the study, and a framework is built.

2.2 The Mobile Payment Ecosystem in India

The Indian mobile payment system is one of the widest across the globe, with over 3.5 billion transactions in UPI alone in a single month in December 2024. This proliferation of digital transactions is because of a confluence of factors that include initiatives of governments, technological advancements in phones, as well as the penetration of smartphones.
UPI (Unified Payments Interface) has become the spine of payment done through mobile in India. Created by the National Payments Corporation of India (NPCI), UPI allows users to send money instantly by the way of mobile phones. Google Pay, PhonePe, and Paytm have incorporated UPI in their applications, making the consumers' transactions smooth and instant. UPI's capacity to link customers who use various banks and other institutions in real time has been a game-changer in digital payments in India. The Government of India has also been very instrumental in promoting the uptake of digital payments. The Digital India campaign, which was initiated in 2015, aimed to expand the digital infrastructure and also deliver internet facilities to rural areas. Apart from this, programs like the Aadhaar program (which is a unique identification for every citizen) have also helped in financial inclusion by connecting identity with bank account, thus making mobile payments safer and even more accessible (Islam et a, 2024).
The mobile payment landscape in India has evolved rapidly and drastically in the past decade, because of technological development, the government's impetus, and enhanced smartphone penetration. At the heart of this ecosystem, digital payment platforms like PhonePe, Google Pay, Paytm, Amazon Pay, and BHIM UPI have made peer-to-peer transfers as well as merchant payments convenient and easy. The introduction of the Unified Payments Interface (UPI) by National Payments Corporation of India (NPCI) in 2016 was a game-changer with real-time, interoperable, and very secure transactions across banks and apps. A robust regulatory system is in place and is spearheaded by the Reserve Bank of India (RBI) & MeitY for ensuring financial inclusion & digital literacy. Also, the Digital India initiative and Jan Dhan-Aadhaar-Mobile (JAM) trinity have been fundamental in green-lighting millions of users, particularly within the rural and semi-urban regions. The COVID-19 pandemic also hastened towards a cashless economy as more consumers and merchants embraced contact-less and QR code-based payments. India is one of the countries with the largest volume of digital payments today, with billions of transactions monthly made through UPI. However, challenges like cybersecurity, digital literacy gaps, and infrastructural deficiencies in the remote areas continue to inform the future dynamics of the ecosystem. With the pace of innovation, the attention has now broadly shifted to the voice-enabled payments, tokenization, and AI-enabled fraud detection, making sure that the Indian mobile payments world is strong, inclusive, and future-ready (Zhang et al, 2023).

2.3 Benefits of mobile payments for the economy

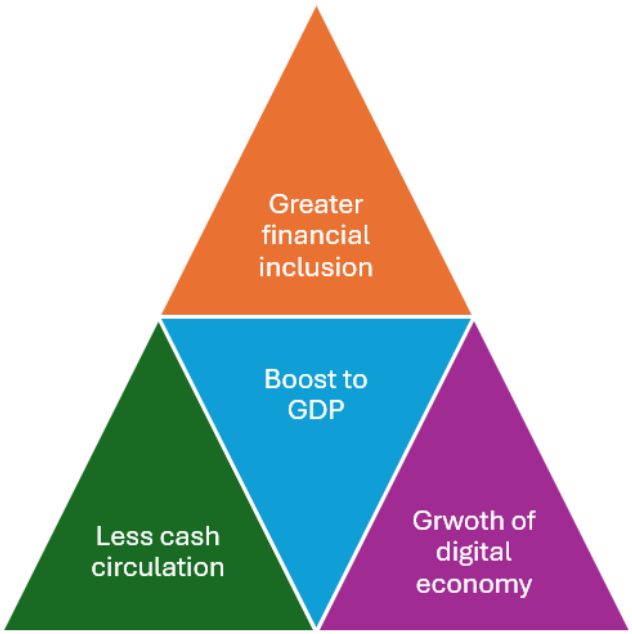


Fig 2: Benefits of mobile payment

Source: Author

Figure 2 is aimed at displaying the multiple advantages of mobile payments within the economy and highlights the contribution to financial inclusion, financial growth (GDP), decline of cash, and the increase in the pace of digitalization. Mobile payments increase access to financial services and combat exclusion by expanding the user base, easily integrating more users into the formal economy, such as in underserved areas with limited access to technologies, payments, and more transactions. This broader inclusion is accompanied by high levels of efficiency in transactions and low operational costs, which stimulates GDP growth. There is also the advantage of reduced costs of printing, distributing, and managing physical money as well as reduced risk of counterfeiting. At the same time, the popularity of mobile payment systems contributes to the growth of the digital economy because they stimulate an increase in e-commerce activity and fintech innovation, as well as the usage of digital services by businesses and industries, which contributes to a stable, technologically driven economic environment.

3. Research methodology

In this research, a conceptual research approach is adopted, which is based on an extensive literature review, applicable critical situations of case studies to examine the digital transactions and user trust levels, in relation to mobile app convenience and safety within a cashless context. Being a non-empirical study, the research relies on scholarly literature, industry reports, publications by governments, and reputable online sources to compile the existing knowledge on the subject. Without going into details of how mobile payment systems work, examples of case studies from sectors like mobile banking, e-commerce, digital wallets, and UPI-based platforms are considered to understand up-to-date implementations of mobile payment technologies and vulnerabilities that actual users are prone to. Technology Acceptance Model (TAM), and trust-based theories are used as the theoretical lenses for analysis of user behaviour, especially in terms of perceived ease of use, perceived usefulness, and perceived risk. By studying patterns and findings from earlier work and empirical endeavors, the paper seeks to reveal essential factors that determine user trust in mobile transactions, and recommend how to improve digital trust in a cashless community (Alhassan et al, 2020). The methodology ensures a complete multi-dimensional vision in terms of the topic, as the method incorporates various perspectives without carrying out a primary collection of data.

4. Discussion

The spread of digital transactions has transformed the financial fabric, and it has led to faster, easier, and, many times, a more inclusive mode of payments. In the Indian setting, examples of such platforms include UPI, Paytm, Google Pay, and PhonePe, which have changed the way individuals and businesspeople deal with money. Although convenience has been the key to the popularity of these mobile apps, trust is a complex and diverse notion in the digital payment ecosystem. This paper, which draws from secondary research and real-world case studies, allows us to understand that trust is not simply established on a technological infrastructure but also on people's understanding of security, transparency, usability, and education of the users.

The case studies analyzed from mobile banking to e-commerce, UPI-based transfers, show that trust levels are determined by users' demographic characteristics such as age, their education, and their digital literacy. For example, younger users – who tend to be more tech-savvy – are typically more willing to try out new capabilities, whereas the older users often place a higher priority on reliability and support in the face of technical problems. The digital divide, especially in rural and semi-urban areas, remains a bottleneck, since there is a lack of awareness, which will make some users victims of phishing scams and other frauds. And trust, as such, thus, is not a generic construction; trust is itself formed by personal experiences, social forces, and the larger digital culture (Leong et al, 2021).

This brings another critical insight about the role of regulation and policy in creating trust. Such initiatives by the government, such as the Digital India campaign, the Aadhaar-Enabled Payment System (AEPS), and regulatory control by the Reserve Bank of India (RBI), have provided a strong platform for secure digital payments. The dynamism of threats in the form of cyber attacks, deep fakes, and fake UPI

links requires ever-evolving regulations with more partnerships between the public and private stakeholders. Part of the trust financial institutions and fintech companies need to rebuild and maintain is investment in AI-powered fraud detection systems, end-to-end encryption systems, and user awareness campaigns.

Ultimately, the discussion emphasises that being able to believe in digital transactions is technical as well as emotional – based on the level of safety the users feel while using the payment apps. Although India has made remarkable strides in building an impressive mobile payment environment, the cashless momentum sustainability revolves around striking a balance between convenience and security, taking constant care of users' safety concerns, and encouraging responsible digital usage through legislation, education, and innovation (Liu et al, 2019).

4.1 Convenience and Its Role in Mobile Payment Adoption

Maybe the most important factor influencing the adoption of mobile payments in India is convenience. The mobile payment apps currently in the market allow users to conduct multiple financial tasks with a few touches on their mobile phones. Transactions, which used to be time-consuming and usually inconvenient, could now be done in an instant, a remote transaction, which is convenient to consumers as well as to businesses. A good example of how convenience has been influencing things is the use of QR code-based payments in India. Small businesses can now receive payments for services rendered through a simple QR code on their mobile phones, in poor rural and semi-urban areas (Moon et al, 2022). As indicated by a report from KPMG India, QR code payments have seen a significant growth in adoption, with more than 1.5 million businesses now accepting this mode of payment throughout India. This mode of payment is very convenient, especially for small businesses, which lacked some ways of accepting digital payments.

The landscape of payments in India presents a wide range of choices, combining the old and new with a combination of traditional and digital options. Unified Payments Interface (UPI) is one of the most revolutionary real-time payment systems that allows for instant money transfers between bank accounts using mobile apps such as PhonePe, Google Pay, and Paytm. Its simplicity and interoperability have seen it become popular among many users. Digital wallets that include Paytm, PhonePe, and Amazon Pay enable users to electronically store funds that will enable easier payments for Charges on mobile recharges, utility bills, and online shopping (Singh and Rajput 2019). Banking cards, such as debit and credit cards, are still common now and then when making transactions online or otherwise. This is convenient and secure. Net banking offers the customers the opportunity to transact financial transactions over the internet, for example, transfer of funds, paying bills, among others, through their bank's website. Immediate Payment Service (IMPS) and National Electronic Funds Transfer (NEFT) are systems of electronic funds transfer whereby customers are able to move money between banks promptly. In addition, the Aadhaar Enabled Payment System (AEPS) provides biometric authentication that supports banking transactions, especially in rural areas. Notwithstanding the rise in online payments, cash remains one of the common modes, especially in areas with low digital infrastructure. Buy Now, Pay Later (BNPL) services have also picked up, whereby consumers can use the offer to make purchases and pay in installments, thus providing increased flexibility in purchasing. This diversified payment infrastructure represents India's focus on financial inclusion and digital approach (Yang et al, 2019).

One of the main findings is that users tend to pay for digital payment apps if they see a usefulness for everyday use, as well as the ease of use related to the constructs of the TAM. But ease of use is not enough to promise continued involvement. Trust becomes the determinative piece, and the most decisive one at that, once the users are fed with media reports of fraud, technical glitches, or data breaches (Oentoro 2021). Even the most intuitive apps can be rejected in such scenarios, on the basis of perceived risks. The talk shows that customers attach great importance to such functionality as two-factor authentication, biometric login, real-time alerts, and rapid customer service, which increases a sense of control and security in users when interacting with the platform.

4.2 Security Concerns and Barriers to Adoption

Even with the conveniences provided in mobile payments, there are still security fears as a major deterrent to India's adoption. Fear of fraud is one of the major issues. Cybercriminals use such practices as phishing, SIM swapping, or social engineering to lure users into disclosing their UPI PINs and One-Time Passwords (OTPs). In fact, an increase in cybercrime in the banking sector by more than 50% was reported by the Reserve Bank of India (RBI) in 2020, and UPI-related frauds were a significant part of it. Absence of cybersecurity awareness in rural India is another urgent problem. Only 25% of the people in the rural areas know about the basic security features as well like two-factor authentication (2FA) or the necessity of password hygiene (Saxena and Tripathi 2021). This absence of awareness exposes the users to the risk of fraud and identity theft more.

To solve those, platforms such as Google Pay, Paytm, and PhonePe have incorporated several security measures, such as biometric authentication, encryption of payment details, and multilayered authentication. Nonetheless, such measures most of the time are not adequate when trying to circumvent the trust deficit among the users, especially in rural areas. The move towards a cashless world, though a move to convenience, efficiency, and even forwardness, is accompanied by a gamut of security issues that become a serious concern to people, businesses, and governments. The fear of cyber-attacks such as phishing, malware, ransomware, and identity thieves who conduct illegal activities through digital weaknesses and gain illegal access to users' financial data. Breaches that expose digital wallets, payment gateways, and banking apps allow personal information to be compromised and result in financial loss. What's more, social engineering attacks have gotten more elaborate, and users are being attacked through phony apps, bogus QR codes, and deceptive SMS or email links. One of the other main problems is the lack of digital literacy among rural or newly digital populations, thus leaving them more susceptible to scams and misinformation (Archibong et al, 2024). Amidst an increasing data-driven transaction, concerns on privacy come forth as a question of how user data is collected, stored, and even shared by fintech companies and third-party service providers. Technical hitches and service outages on digital payment systems can interfere with financial activity and destroy the trust of users. In addition, poor regulatory scrutiny or a slow pace of policy agendas in dynamic fintech systems might create loopholes for criminal entrepreneurs to operate. Although the AI-facilitated fraud detection, encryption methods, and two-factor security provide excellent lines of defense, cybersecurity in a fully digital economy can only be sustained through constant innovation, rigorous regulation, and incessant users' education to create confidence and resistance in the cashless environment (Mustapha et al, 2023).

4.3 Demographic and Regional Differences in Mobile Payment Adoption

Adoption rates of mobile payments in India vary widely between different demographic segments and regions. In cities like Mumbai, Delhi, and Bengaluru, where the numbers of population numbers are high, mobile payment usage has been high among the people due to the large population that is youthful, educated, with access to technology and internet facilities. For example, a 2019 survey conducted by Nielsen

found that more than 75% of young adults in metro cities preferred to use mobile payments instead of the traditional method of payment, such as cash and credit cards. Contrary, in rural parts of India, adoption rates are still slow, with only 35% of rural households reported to be using mobile payment systems, according to a report by the National Bank for Agriculture and Rural Development (NABARD). Limited digital literacy, insignificant penetration of smartphones, and very low internet penetration are the reasons why this difference exists (Ahmed et al, 2021). Furthermore, the older generations that are not that proficient in technology are unwilling to embrace digital payments, instead using cash-based transactions because of the safety and familiarity.

In the semi-urban areas, there is a mixed reaction. While the younger, tech-savvy users embrace the use of mobile payments, older users are still skeptical. But efforts such as PMGDISHA (Pradhan Mantri Gramin Digital Saksharta Abhiyan) that will try to impart digital literacy training to the rural population are gradually trying to fill this gap.

4.4 Impact of COVID-19 on Digital Payments

The COVID-19 pandemic fast-tracked the adoption of digital payments in India. In lockdowns, people were compelled to curtail physical contact, and consequently, the number of digital payments heavily increased. A report by NPCI showed that up to 30% growth was made in UPI transactions in the year 2020, with most of this gain coming about because of the transition to a contactless payment system during the pandemic. Small businesses, which used cash before, adopted mobile payment to continue with their business. QR code-based payment system enabled Kirana shops, street vendors, and the local businesses to continue processing transactions without having to handle cash. In addition, digital surge was also powered by increased shopping online, with online retailers like Amazon and Flipkart indicating a high uptick in digital payment adoption. As online shopping and food delivery apps were a necessity amid the pandemic, mobile payments skyrocketed in their usage (Moghavvemi et al, 2021).

4.5 Case studies

1. **Unified Payments Interface (UPI): A Transformative Digital Payment System**

An example analyzed in a case study, which was presented in the International Journal of Case Studies in Business, IT, and Education, was the rapid growth of the UPI and its influence on the retail digital payment space of India. The research showed the strong points of UPI, such as its easy-to-use interface, interoperability among banks, and real-time transactions. Such features have made a lot of difference in terms of convenience for the users and in the level of trust they now have in UPI, thereby becoming a foundation block for India's transition to a cashless economy.

2. **Paytm's Role in Advancing Financial Inclusion**

A recent look at digital payments' influence by The Money Look analysed how Paytm has impacted digital payments in India. Financial inclusion and specifically in rural and underserved areas, through its multilingual support and offline functionalities, was the area of strength of Paytm, highlighted by the study. How Paytm has contributed to establishing user confidence and a cashless society in making digital payments simplified and safe.

3. **Youth Perception of Digital Payment Security in Chennai**

A study conducted in the Asian Review of Social Sciences targeted the awareness and perception of digital payment security threats among the youngsters in Chennai, Tamil Nadu. Some of the concerns that the research indicated as being common included unauthorized transactions, phishing attacks, and malware threats. However, it was revealed through the research that the awareness and knowledge of digital security measures have positively impacted the trust and adoption rates among young users.

4. **Consumer Attitudes Toward Digital Payments in Southern India**

Research published in the International Journal of Advanced Research in Engineering and Science Management investigated consumer perceptions of digital payments in terms of Andhra Pradesh, Tamil Nadu, and Karnataka. It was discovered that such factors as convenience, transaction speed, and perceived security are among the key determinants on which consumers' attitudes highly rely. Initiatives by the government and the proliferation of digital payment platforms also boost confidence and convenience for users to adopt cashless transactions.

5. **Customer Perception of Payment Banks in Cuttack City**

A research with customers' views towards payment banks in Cuttack City, Odisha was explored in an article published in the International Journal of Management. The study brought out that though customers find payment banks convenient and accessible, there have been fears about digital security and trust. This must be dealt with by undertaking strong measures of security and educating the customers in order for the adoption of digital payment to grow.

These case studies offer useful lessons on why users trust certain mobile payment platforms in India, and how they perceive the convenience and security of the platforms. They emphasize the need for user-friendly interfaces of users, strong security, and constant education to develop a reliable and hassle-free digital payment environment. The systematic analysis of the literature on the effect of online payment systems on the trust and loyalty of customers in e-commerce yielded several findings categorized according to the results of the analysis of the reviewed studies. These findings give a full insight into how different factors of online payment systems affect the trust and loyalty of customers. The review showed that security is one of the greatest concerns for the clients who practice e-commerce. Strong online payment systems, which feature strong encryption and multi-factor authentication, and secure socket layer (SSL) certificates, greatly increase customer confidence. Customers are also more likely to trust such platforms that are seen to do all that they can to secure their sensitive information. Risk of fraud and identity theft is minimized with perceived security, resulting in more confidence on the part of customers in the platform's reliability. Open communication about the methods of security ensures customers even further, giving a sense of trust and safety during online transactions. Convenience became another important aspect affecting the trust and loyalty of the customers (Lim et al, 2019). Convenient and efficient payment systems play a large part in a pleasant shopping. Such attributes as user-friendly interfaces, various payment provisions, and fast transaction mechanisms make the convenience perfect. Customers would be glad to have payment systems that enable easy transactions without delays, thereby increasing customer confidence in the e-commerce platform. This is more enhanced with the ability of the customers to choose from several methods of payment and get instant confirmation of payments.

As indicated by the findings throughout, there is a relationship that is very close to where customer trust and loyalty in e-commerce are concerned. Trust acts as a platform for loyalty on which secure, convenient, and transparent payment systems are its driving factors. Customers who have trust in an e-commerce platform are likely to carry out repeat transactions and refer other people to use the platform. The review brought it to light that trust minimises perceived risks involved in online shopping, hence customers are more at ease for subsequent dealings. Loyal customers not only bring in consistent revenue but are also brand advocates who improve the reputation of the platform through good word of mouth. Some of the strategies outlined in the review to improve customer loyalty through improved payment

systems included the following. It also requires constant enhancements of the payment security and user-friendly functionality. Customized payment experiences, which address the preferences and needs of each person, can also build loyalty. Highly responsive and prompt customer support related to the payment process increases a sense of reliability and ease. Digital marketplaces where these areas are invested provide more chances of long-term loyalty and a competitive edge in the digital marketplace.

5. Conclusion

This research sought to thoroughly review the literature that had already existed and provided findings on the way online payment systems have their impact on customer trust and loyalty in e-commerce. The findings highlight the essential role of security, convenience, and transparency of online payment systems as the decisive factors on which customer confidence and loyalty greatly depend. It was revealed that secure payment systems with strong encryption and multi-factor authentication are a necessity in the process of protecting sensitive information and reducing the threat of fraud, which in turn increases the customer's confidence. Convenience (expressed through user-friendly interfaces, options to pay in numerous ways, and the convenience of transactions) does play a significant role in enhancing the holistic shopping experience and promotion of customer satisfaction. Openness in payment procedures, such as open lines of price communication, specific transaction receipts, as well as real-time tracking, proved to be one of the paramount aspects of building and accumulating trust. The study also pointed out the remarkably close connection between trust and loyalty as a part of the customers' loyalty, ultimately impacted by secure, convenient, and open payment systems (Vashistha et al, 2019). E-commerce platforms that will focus on these topics can greatly enhance the customers' trust and loyalty, thereby guaranteeing long-term success in the fast-paced digital marketplace. Through constant upgrade of their security measures and user experience, while remaining transparent, e-commerce businesses can maintain long-term relationships with their customers and earn their loyalty among their competitors.
India is on the verge of a digital payments revolution that will be based on mobile payment systems, which offer unprecedented convenience. However, security and a lack of trust are major hurdles, especially within rural areas and for an older generation. To address these challenges and create a stable and inclusive digital economy, it is essential to invest in digital literacy, consumer education, and improved security arrangements. But with continuous initiatives by the government, by the financial institutions, and the technology providers, India should be able to succeed in its dream of having a cashless society without compromising the security and trust of all users.

Policy Recommendations

Policy interventions that can be used to improve users' confidence in the mobile payment systems and encourage safe utilization in a cashless economy are needed. Community-based digital literacy programs should be organized by governments in partnership with financial institutions in rural locations where they impart skills by providing instructions in the local languages and instructing using voice instructions due to the differences in literacy levels. The regulatory bodies could enforce the adoption of real-time fraud prevention software driven by the application of AI in all mobile payment infrastructure systems, with a fraud intelligence center that would collect information about suspicious activities across the industry. Zero-liability policy would need to be levied on proven fraud and tiered security control: biometric verification would be required on high-value payments. Moreover, certified apps with a high level of secure encryption, privacy and fraud prevention can be motivated to implement secure technology with the introduction of a Digital Trust Seal certification, and mass media campaigns and real-time alerts about existing scams that may be coordinated and extensively publicized can help correct the situation with the level of responsive knowledge and preparedness, as constantly evolving digital threats emerge.

References

[1] Lai, P. C., & Liew, E. J. (2021). Towards a cashless society: The effects of perceived convenience and security on gamified mobile payment platform adoption. Australasian Journal of Information Systems, 25.
[2] Moon, I. T., Shamsuzzaman, M., Mridha, M. M. R., & Rahaman, A. S. M. M. (2022). Towards the advancement of cashless transaction: A security analysis of electronic payment systems. Journal of Computer and Communications, 10(7), 103-129.
[3] Islam, S. (2024). Impact of online payment systems on customer trust and loyalty in E-commerce analyzing security and convenience. Available at SSRN 5064838.
[4] Almaiah, M. A., Al-Rahmi, A., Alturise, F., Hassan, L., Lutfi, A., Alrawad, M., ... & Aldhyani, T. H. (2022). Investigating the effect of perceived security, perceived trust, and information quality on mobile payment usage through near-field communication (NFC) in Saudi Arabia. Electronics, 11(23), 3926.
[5] Bhadra, H. K., Azam, M. S., & Kamruzzaman, A. S. M. Landscape of Mobile App-Based Transactions in Rural Bangladesh: A Qualitative Analysis. Landscape, 13(2), 1-18.
[6] Namahoot, K. S., & Jantasri, V. (2023). Integration of UTAUT model in Thailand cashless payment system adoption: the mediating role of perceived risk and trust. Journal of Science and Technology Policy Management, 14(4), 634-658.
[7] Mohamood, S. K. B., Hassan, S. H., & Jamaluddin, B. (2024). Factors affecting e-wallet adoption for cashless society in malaysia: A conceptual paper. Jurnal Ilmiah Akuntansi, 11(01), 41-48.
[8] Yang, M., Mamun, A. A., Mohiuddin, M., Nawi, N. C., & Zainol, N. R. (2021). Cashless transactions: A study on intention and adoption of e-wallets. Sustainability, 13(2), 831.
[9] Purwanto, H., Adi, H. I. S., & Astuty, H. S. (2024). The Influence Of Perceived Ease Of Use On The Intention To Use Digital Payment Applications In Transactions. Jurnal Ilmiah Ekonomi Global Masa Kini, 15(2), 111-116.
[10] Islam, M., Tamanna, A. K., & Islam, S. (2024). The path to cashless transaction: A study of user intention and attitudes towards quick response mobile payments. Heliyon, 10(15).
[11] Zhang, L., Shao, Z., Benitez, J., & Zhang, R. (2023). How to improve user engagement and retention in mobile payment: a gamification affordance perspective. Decision Support Systems, 168, 113941.
[12] Alhassan, M. D., Kolog, E. A., & Boateng, R. (2020). Effect of gratification on user attitude and continuance use of mobile payment services: a developing country context. Journal of Systems and Information Technology, 22(4), 351-378.
[13] Oentoro, W. (2021). Mobile payment adoption process: a serial of multiple mediation and moderation analysis. The Bottom Line, 34(3/4), 225-244.
[14] Leong, C. M., Tan, K. L., Puah, C. H., & Chong, S. M. (2021). Predicting mobile network operators users m-payment intention. European Business Review, 33(1).
[15] Liu, Z., Ben, S., & Zhang, R. (2019). Factors affecting consumers' mobile payment behavior: A meta-analysis. Electronic Commerce Research, 19, 575-601.
[16] Moon, I. T., Shamsuzzaman, M., Mridha, M. M. R., & Rahaman, A. S. M. M. (2022). Towards the advancement of cashless transaction: A security analysis of electronic payment systems. Journal of Computer and Communications, 10(7), 103-129.

[17] Singh, P., & Rajput, R. S. (2019). Cybersecurity analysis in the context of digital wallets. International Journal of Advanced Studies of Scientific Research, 4(3).
[18] Yang, W., Li, J., Zhang, Y., & Gu, D. (2019). Security analysis of third-party in-app payment in mobile applications. Journal of Information Security and Applications, 48, 102358.
[19] Saxena, A., & Tripathi, S. N. (2021). Exploring the security risks and safety measures of mobile payments in fintech environment in India. International Journal of Management, 12(2), 408-417.
[20] Archibong, E. E., Stephen, B. U. A., & Asuquo, P. (2024). Analysis of Cybersecurity Vulnerabilities in Mobile Payment Applications. Archives of Advanced Engineering Science, 1-12.
[21] Mustapha, I., Vaicondam, Y., Jahanzeb, A., Usmanovich, B. A., & Yusof, S. H. B. (2023). Cybersecurity Challenges and Solutions in the Fintech Mobile App Ecosystem. International Journal of Interactive Mobile Technologies, 17(22).
[22] Ahmed, W., Rasool, A., Javed, A. R., Kumar, N., Gadekallu, T. R., Jalil, Z., & Kryvinska, N. (2021). Security in next generation mobile payment systems: A comprehensive survey. IEEE Access, 9, 115932-115950.
[23] Moghavvemi, S., Mei, T. X., Phoong, S. W., & Phoong, S. Y. (2021). Drivers and barriers of mobile payment adoption: Malaysian merchants' perspective. Journal of Retailing and Consumer Services, 59, 102364.
[24] Lim, S. H., Kim, D. J., Hur, Y., & Park, K. (2019). An empirical study of the impacts of perceived security and knowledge on continuous intention to use mobile fintech payment services. International Journal of Human–Computer Interaction, 35(10), 886-898.
[25] Vashistha, A., Anderson, R., & Mare, S. (2019, July). Examining the use and non-use of mobile payment systems for merchant payments in India. In Proceedings of the 2nd ACM SIGCAS Conference on Computing and Sustainable Societies (pp. 1-12).
[26] India Speaks (2023) retrieved from https://www.reddit.com/r/IndiaSpeaks/comments/14y8qie/for_those_who_think_why_police_are_not_tracing/ on 25 April 2025