

An Empirical Study of Factors Influencing Fintech Adoption in Nepal

Sushan Tamang 

MBA Graduate, Apex College

Article Info.

Article History

Received: 2026, January 02

Revised: 2026, February 10

Accepted: 2026, March 07

Email

sushan.tamang23@apexcollege.edu.np

Cite

Tamang, S. (2026). An empirical study of factors influencing fintech adoption in Nepal. *Apex Journal of Business and Management (AJBM)*, 5(1), 9–22. <https://doi.org/10.61274/apxc.2026.v05i01.002>

Abstract

Nepal's financial sector lags in FinTech adoption despite global advancements, limiting financial inclusion. This study examines behavioral, usability, and trust factors driving FinTech uptake among urban and rural populations. Data from 313 respondents were gathered via structured questionnaires and analyzed using descriptive statistics, reliability tests, correlation, regression, and mediation analysis to test TAM/UTAUT frameworks alongside perceived risk and trust dimensions. Perceived usefulness, ease of use, effort/performance expectancy, social influence, and service/agent trust significantly predict adoption intentions. Behavioral intention, perceived risk, and usability mediate these relationships, with risk exerting negative effects. Younger, digitally literate students and employed individuals emerge as primary adopters. Findings urge policymakers and FinTech providers to prioritize digital literacy campaigns, trust-building initiatives, intuitive interface design, and risk mitigation strategies. Targeted interventions for rural and older demographics can accelerate inclusive digital finance, bridging Nepal's urban-rural divide.

Keywords: fintech, financial inclusion, TAM, UTAUT, perceived risk theory, trust, behavioral intention

Introduction

Financial Technology (FinTech) integrates digital innovations with traditional financial services—payments, banking, lending, and investments—enabling faster, cheaper transactions worldwide. The Technology Acceptance Model (TAM) posits that perceived usefulness and ease of use drive adoption (Davis, 1989), amplified by smartphone proliferation and ubiquitous internet access (Venkatesh et al., 2003). Globally, FinTech advances financial inclusion by dismantling barriers like high fees and geographic isolation, particularly benefiting underserved populations in developing

economies (Appiah & Agblewornu, 2025; Goswami et al., 2022). In advanced markets, trust, perceived risk, and system reliability dominate uptake (Hasan et al., 2024).

Nepal's FinTech landscape has accelerated with improved infrastructure, smartphone penetration, and platforms like eSewa, Khalti, and IME Pay, surging during COVID-19 (Bhujel, 2024). Yet adoption remains uneven, hampered by low digital literacy, fraud fears, system unreliability, and agent dependency (Ranjit et al., 2025). These challenges undermine financial inclusion for rural and marginalized groups.

Despite theoretical models like TAM and UTAUT, empirical gaps persist on how behavioral factors (usefulness, ease of use, expectancies, social influence), trust (service/agent), perceived risk, usability, and behavioral intention interplay in Nepal's FinTech context. Limited research addresses agent-mediated trust and rural-urban disparities, constraining policy and provider strategies.

Problem Statement

In Nepal, despite improvements in digital infrastructure and smartphone penetration, FinTech adoption remains slow, uneven, and hesitant, particularly across urban and rural population (Bhujel, 2024; Rana, 2025; Ranjit et al., 2025). Government initiatives such as the Digital Nepal Framework and the National Financial Inclusion Strategy promote digital finance, yet many users - particularly in rural and low-income areas - continue to rely on cash, highlighting gaps in trust, usability, and financial literacy that hinder widespread adoption.

Research Objectives

This study aims to empirically examine the factors influencing FinTech adoption for financial inclusion in Nepal by integrating TAM, UTAUT, and Perceived Risk Theory, specifically evaluating the effects of performance expectancy, effort expectancy, social influence, perceived usefulness, perceived ease of use, service trust, and agent trust on adoption, while investigating behavioral intention, perceived risk, and usability as mediating mechanisms, to provide actionable insights for regulators, financial institutions, and FinTech providers.

Literature Review

Theoretical Foundations

FinTech adoption involves multifaceted behavioral dynamics explained by Technology Acceptance Model (Davis, 1989), emphasizing perceived usefulness (PU: efficiency/convenience) and Perceived Ease of Use (Yadav & Shanmugam, 2024). Unified Theory of Acceptance and Use of

Technology (Venkatesh et al., 2003) incorporates performance/effort expectancy, social influence, and facilitating conditions, extended in UTAUT2 with hedonic motivation, price value, and habit (Venkatesh et al., 2012; Amnas et al., 2025). Theory of Planned Behavior (Ajzen, 1991) adds attitude, subjective norms, and control, suiting collectivist emerging markets (Durga et al., 2025). Perceived Risk Theory (Featherman, 2001) addresses financial/security/privacy risks, alongside trust (service/agent; Jangir et al., 2023; Appiah & Agblewornu, 2025). Complementary frameworks include Innovation Resistance Theory (Kaur et al., 2020) for barriers and E-S-QUAL for service quality (Parasuraman et al., 2005).

Global Empirical Insights

Cross-country evidence reveals context-specific drivers—India's adoption hinges on attitudes/norms/usefulness amid psychological barriers (Asif et al., 2023; Kishore & Raghavendra, 2024); Uganda's mobile money boosts rural inclusion (Eton et al., 2025); Pakistan emphasizes policy/infrastructure (Noreen et al., 2022); Bangladesh/Indonesia highlight trust/risk alongside PU/PEOU (Hassan et al., 2022; Saadah & Setiawan, 2024); Saudi Arabia/Malaysia favor youth/educated users valuing security/social influence (Khan & Alhadi, 2022); Sub-Saharan Africa stresses expectancy/trust mediation (Appiah & Agblewornu, 2025).

Nepal-Specific Evidence

Post-COVID, Nepal's e-wallets (eSewa, Khalti) surged, driven by urban PU/security and rural PEOU (Bhujel, 2024; Rana, 2025). Barriers include digital illiteracy, fraud fears, and agent reliance (Ranjit et al., 2025), with demographics shaping uptake. Celestin and Mishra (2025a) demonstrate AI-driven analytics' efficacy in enhancing financial forecast accuracy and risk management; future Nepali research should explore AI's role in personalizing FinTech recommendations to boost perceived usefulness, especially for rural users wary of generic platforms. Celestin et al. (2025) advance forensic accounting

techniques against fraud; investigations are needed on blockchain-integrated fraud detection in Nepal's e-wallets (eSewa, Khalti), assessing whether real-time analytics mitigate perceived risks and elevate trust in agent-mediated transactions. Celestin and Mishra (2025b) delve into data analytics for forensic probes; Nepal-specific longitudinal studies could apply these to audit FinTech transaction anomalies, quantifying reductions in financial exclusion from illicit activities. Celestin and Mishra (2025c) highlight forensic accounting's crime control potential; empirical work should evaluate its deployment in Nepal Rastra Bank's regulatory oversight of FinTech, modeling compliance's impact on adoption barriers. Gautam et al. (2025) propose Human-AI collaboration for green HRM in Nepal's community colleges; extending this, research could test AI-augmented training for FinTech literacy in supply chain-adjacent sectors like remittances, targeting underserved Bagmati Province demographics. Mishra and Pokharel (2023) assess smart village economic feasibility; analogous cost-benefit analyses for rural FinTech hubs in Ilam-like municipalities would

identify scalability factors, linking infrastructure investments to adoption rates.

Collectively, these directions advocate hybrid quantitative-qualitative designs incorporating AI/forensic tools, demographic moderators, and regional pilots to propel Nepal's FinTech toward equitable financial inclusion.

Synthesis and Gaps

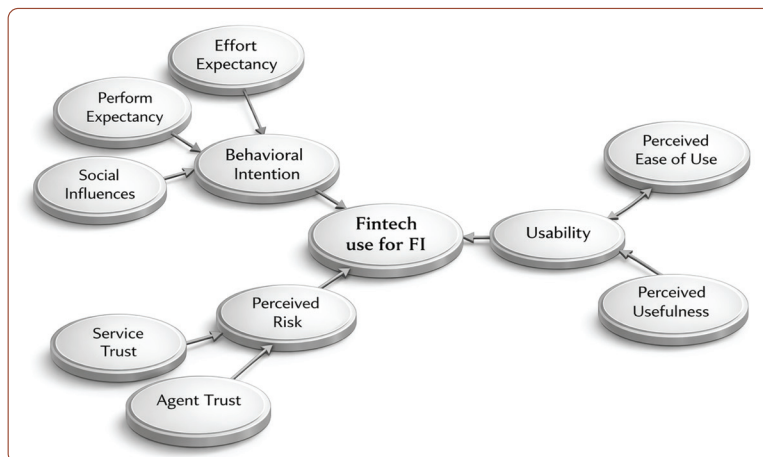
These models underscore PU/PEOU, effort/performance expectancy, social influence, trust, and risk as core predictors, mediated by usability/perceived risk/behaviour intention. Nepal research gaps demand integrated TAM/UTAUT/risk models addressing agent trust and rural disparities for inclusive growth..

Theoretical/Conceptual Framework

The conceptual framework of this research outlines the key variables and their relationships in the process of FinTech adoption in Nepal. It is grounded in established theories such as the Technology Acceptance Model (TAM), Unified Theory of Acceptance and Use of Technology (UTAUT), and Perceived Risk Theory.

Figure 1

Conceptual Framework



Independent Variables

Performance Expectancy, Effort Expectancy, Social Influences, Service Trust, Agent Trust, Perceived Ease of Use, Perceived Usefulness

Mediating Variables

Behavioral Intention, Perceived Risk, Usability

Dependent Variable

Fintech Use for FI

Hypothesis Development

The study highlights 14 hypotheses to test relationships between the variables; these guide the research analysis in showing how independent and mediating variables influence the actual use of FinTech for financial inclusion.

- H1: Effort Expectancy has a significant impact on Use of FinTech for Financial Inclusion.
- H2: Performance Expectancy has a significant impact on Use of FinTech for Financial Inclusion.
- H3: Social Influence has a significant impact on Use of FinTech for Financial Inclusion.
- H4: Service Trust has a significant impact on Use of FinTech for Financial Inclusion.
- H5: Agent Trust has a significant impact on Use of FinTech for Financial Inclusion.
- H6: Perceived Ease of Use has a significant impact on Use of FinTech for Financial Inclusion.
- H7: Perceived Usefulness has a significant impact on Use of FinTech for Financial Inclusion.
- H8 (A): Behavioral Intention mediates the relationship between Effort Expectancy and the Use of FinTech for Financial Inclusion.
- H8 (B): Behavioral Intention mediates the relationship between Performance Expectancy and the Use of FinTech for Financial Inclusion.
- H8 (C): Behavioral Intention mediates the relationship between Social Influence and the Use of FinTech for Financial Inclusion.
- H9 (A): Perceived Risk mediates the relationship between Service Trust and the Use of FinTech for Financial Inclusion.

H9 (B): Perceived Risk mediates the relationship between Agent Trust and the Use of FinTech for Financial Inclusion.

H10 (A): Usability mediates the relationship between Perceived Ease of Use and the Use of FinTech for Financial Inclusion.

H10 (B): Usability mediates the relationship between Perceived Usefulness and the Use of FinTech for Financial Inclusion.

Methodology

This study adopts a quantitative approach to examine the factors influencing FinTech adoption in Nepal. A descriptive and correlational research design is used to systematically measure user perceptions, behavioral tendencies, trust, and technological acceptance, and to analyze the relationships between variables such as Effort Expectancy, Performance Expectancy, Social Influence, Service Trust, Agent Trust, Perceived Usefulness, Perceived Ease of Use, Perceived Risk, Usability, behavioral Intention and Fintech use for FI.

The population includes individuals in Nepal who use or are aware of FinTech services, such as mobile wallets, online banking, QR-based payments, and digital remittance platforms. A purposive sampling technique was employed to target respondents with relevant experience or exposure to FinTech, ensuring informed and meaningful responses. A total of 313 valid responses were collected from both urban and rural areas, representing diverse demographics.

Primary data were collected using a structured online questionnaire distributed through social media, email, and messaging platforms. The survey employed five-point Likert-scale items adapted from validated instruments in prior technology adoption research. A pilot test was conducted to ensure clarity and reliability.

Data were analyzed using IBM SPSS, applying descriptive statistics, reliability testing,

and correlation, regression, and mediation analysis to evaluate the proposed relationships. This methodology ensures a systematic, reliable, and replicable process for examining the determinants of FinTech adoption in the Nepalese context.

Results and Discussion

The results, as described in this section, are obtained from the online questionnaire responses

by using appropriate statistical techniques. The presentation begins with reliability testing of data followed by descriptive statistics, correlation analysis and regression analysis. Finally, hypothesis testing has been performed along with a interpretation of results, which provides insight into the determinants of FinTech usage in the Nepalese context and supports the conceptual framework of this study.

Table 1

Reliability Statistics of Study Variables

Variables	No. of Items	Cronbach's Alpha
Effort Expectancy	4	0.926
Performance Expectancy	4	0.916
Social Influence	4	0.877
Service Trust	4	0.940
Agent Trust	4	0.917
Perceived Ease of Use	4	0.911
Perceived Usefulness	4	0.923
Behavioral Intention	4	0.936
Perceived Risk	4	0.916
Usability	4	0.919
Fintech use for FI	4	0.930

The reliability results show that all variables achieved Cronbach's Alpha values above 0.87, indicating a high level of internal consistency across all constructs. This suggests that the measurement

items used for each variable are highly correlated and consistently capture the underlying concept they are intended to measure.

Table 2

Demographic Profile of Respondents

Variables	Category	Frequency	Percentage
Gender	Male	147	47.0
	Female	166	53.0
Age	Below 20	37	11.8
	20-30	197	62.9
	30-40	55	17.6
	Above 40	24	7.7
Occupation	Student	160	51.1
	Employed	101	32.3
	Business Person	30	9.6
	Other	22	7.0

The demographic profile of the respondents indicates a slightly higher representation of females (53%) compared to males (47%). The majority of participants are young adults aged 20–30 years (62.9%), with smaller proportions in the below 20 (11.8%), 30–40 (17.6%), and above 40 (7.7%) age groups. Regarding occupation, over half of

the respondents are students (51.1%), followed by employed individuals (32.3%), while business professionals (9.6%) and other occupations (7%) constitute a minor segment. Overall, the sample predominantly comprises young, educated, and early-career individuals.

Table 3

Descriptive Statistics of Study Variables

Code	Statements	Mean	S.D.
EE1	Using FinTech services like eSewa or Khalti is easy for me.	3.72	1.299
EE2	Learning to use FinTech applications generally does not require technical help.	3.61	1.133
EE3	The steps involved in FinTech transactions are simple to understand.	3.72	1.208
EE4	FinTech apps are well-designed and user-friendly for daily use.	3.71	1.186
EE	Average	3.689	1.093
PE1	FinTech helps me complete financial transactions faster.	3.69	1.260
PE2	FinTech improves my control over managing finances.	3.53	1.077
PE3	Using FinTech makes financial services more accessible for me.	3.66	1.238
PE4	FinTech services provide greater convenience compared to traditional banking methods.	3.72	1.201
PE	Average	3.649	1.069
SI1	My family and friends encourage me to use FinTech services.	3.38	1.209
SI2	Social trends indicate that FinTech usage is becoming a normal financial practice.	3.60	1.048
SI3	Social media content and influencers promote the use of digital financial services.	3.41	1.229
SI4	Most people I know are using FinTech platforms.	3.76	1.153
SI	Average	3.539	0.993
ST1	FinTech companies' keep my financial data secure.	3.35	1.236
ST2	FinTech services are reliable and protect my personal information.	3.46	1.146
ST3	I believe FinTech companies act honestly and transparently.	3.45	1.265
ST4	Fintech companies secure my financial data.	3.54	1.160
ST	Average	3.449	1.107
AT1	I believe FinTech agents or representatives to handle my transactions properly.	3.36	1.222
AT2	FinTech agents are honest and dependable.	3.40	1.148
AT3	I feel safe sharing financial information with authorized FinTech agents.	3.33	1.277
AT4	I believe agents act responsibly in resolving transaction issues.	3.39	1.199
AT	Average	3.371	1.085
PEOU1	Financial transactions can be completed quickly using FinTech services.	3.53	1.201

Code	Statements	Mean	S.D.
PEOU2	FinTech applications are user-friendly and easy to navigate.	3.72	1.043
PEOU3	The system responds promptly to user actions.	3.57	1.233
PEOU4	It takes little effort for me to complete transactions using FinTech.	3.68	1.141
PEOU	Average	3.624	1.028
PU1	FinTech services provide valuable support for managing day-to-day financial activities.	3.65	1.224
PU2	Using FinTech services improves my financial efficiency.	3.72	1.093
PU3	FinTech helps me save time in managing financial tasks.	3.67	1.202
PU4	FinTech services add significant value by simplifying complex financial tasks.	3.71	1.115
PU	Average	3.689	1.045
BI1	I plan to continue using FinTech services in the future.	3.66	1.230
BI2	I prefer using FinTech instead of cash for my transactions.	3.68	1.198
BI3	I recommend FinTech services to my friends and family.	3.68	1.258
BI4	I am likely to explore more FinTech services in the future.	3.77	1.179
BI	Average	3.699	1.114
PR1	I worry that my financial data may be exposed when using FinTech.	3.26	1.310
PR2	I feel there are chances of fraud or errors during FinTech transactions.	3.39	1.147
PR3	I believe FinTech services are not yet fully safe or regulated in Nepal.	3.32	1.250
PR4	I think there is a risk of losing money due to system or network failures.	3.40	1.189
PR	Average	3.339	1.095
UB1	FinTech applications work smoothly without frequent errors.	3.30	1.263
UB2	I can easily access FinTech services anytime.	3.59	1.192
UB3	I frequently use FinTech because it is convenient and reliable.	3.59	1.171
UB4	FinTech platforms are well-suited for daily financial needs.	3.65	1.240
UB	Average	3.531	1.091
FI1	FinTech helps me access banking and payment services easily.	3.72	1.250
FI2	FinTech enables me to send, receive, or save money conveniently.	3.79	1.130
FI3	FinTech promotes financial inclusion by helping people who lack access to traditional banks.	3.66	1.237
FI4	Fintech increases financial activities in the country.	3.70	1.145
FI	Average	3.718	1.083

The descriptive analysis for the study variables shows generally positive perceptions of FinTech, where the mean scores vary between 3.34 and 3.72, which generally means agreement on its usefulness. The highest mean of FinTech use for financial inclusion was 3.72, reflecting strong acceptance and intention to adopt FinTech services.

Conversely, perceived risk recorded the lowest mean at 3.34, underscoring that safety and privacy-related issues remained a concern. The values of the standard deviation were moderate, ranging from 0.99 to 1.11, showing stable answers, while behavioral intention was the most unstable since it posted the highest value (1.11). The social influence

variable turned out to be the least variable one with the smallest value of the standard deviation

estimated as 0.99, which results in quite consistent views regarding peers and society.

Table 4

Correlation Analysis

Model	Variables	Fintech use for FI
1	Effort Expectancy (EE)	0.776
	Performance Expectancy (PE)	0.807
	Social Influence (SI)	0.765
	Behavioral Intention (BI)	0.832
2	Service Trust (ST)	0.737
	Agent Trust (AT)	0.758
	Perceived Risk (PR)	0.650
3	Perceived Ease of Use (PEOU)	0.840
	Perceived Usefulness (PU)	0.832
	Usability (UB)	0.847

Note. **. Correlation is significant at the 0.01 level (2-tailed).

The findings demonstrate that FinTech use for financial inclusion is strongly influenced by behavioral, trust-related, and usability factors. Model 1 shows that behavioral intention (0.832) and performance expectancy (0.807) are key predictors, suggesting that users are more likely to adopt FinTech when they perceive clear benefits and have strong usage intentions. In Model 2, trust variables - service trust (0.737) and agent trust (0.758) -significantly enhance adoption, while perceived risk (0.650) exerts a relatively weaker but notable effect. Model 3 highlights usability (0.847)

and perceived ease of use (0.840) as dominant drivers, indicating that simple and efficient system design is crucial for increasing FinTech adoption in the Nepali context.

Regression Analysis

Regression analysis examines how the independent variables influence the dependent variable and evaluates the overall strength, accuracy, and significance of the proposed model. The analysis is presented through three major components: model summary, ANOVA, and coefficient analysis.

Table 5

Model Summary

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate
1	.833a	.694	.691	.60249
2	.782a	.612	.609	.67712
3	.861a	.742	.740	.55221

Note. a. Predictors: (Constant), EE, PE, SI, ST, AT, PEOU, PU

The Model Summary shows that all three models have strong explanatory power for FinTech

use for financial inclusion. Model 1 demonstrates a high level of explanatory strength ($R^2=0.694$), while

Model 2 shows a moderate decline in explained variance ($R^2 = 0.612$). Model 3 outperforms the other models with the highest adjusted R^2 (0.740) and the lowest estimation error, implying that ease

of use and usefulness-related factors provide better explanatory insight into FinTech adoption in the Nepalese context.

Table 6

ANOVA

Model	Source of Variation	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	254.014	3	84.671	233.254	.001b
	Residual	112.167	309	0.363		
	Total	366.181	312			
2	Regression	224.046	2	112.023	244.326	.001b
	Residual	142.134	310	0.458		
	Total	366.181	312			
3	Regression	271.649	2	135.825	445.414	.001b
	Residual	94.531	310	0.305		
	Total	366.181	312			

Note. (a)Dependent Variable: FI; (b) Predictors: (Constant), EE, PE, SI, ST, AT PEOU, PU

ANOVA shows the results for regression models explaining FinTech use for financial inclusion. From the very high F-values and p-values less than 0.01, it can be found that all three models are statistically significant. Among them, Model 3 has the highest explanatory power, with an F-value equal to 445.414, followed by Model 2, with an

F-value of 244.326, and Model 1, having an F-value of 233.254. The overall fitness of the regression models is verified through significant regression sums of squares across all models, indicating that a good amount of variation in financial inclusion is explained jointly by all the independent variables.

Table 7

Coefficient Analysis

Model	Variable	Unstandardized Coeff.		Standardized Coeff		Sig.	Collinearity Statistics	
		B	Std. Error	Beta	t		Tolerance	VIF
1	(Constant)	.424	.131	—	3.249	.001	—	—
	EE	.213	.067	.215	3.171	.002	.216	4.627
	PE	.405	.074	.400	5.482	.001	.186	5.367
	SI	.291	.062	.267	4.677	.001	.304	3.285
2	(Constant)	.966	.130	—	7.411	.001	—	—
	ST	.338	.062	.346	5.424	.001	.308	3.242
	AT	.470	.064	.471	7.391	.001	.308	3.242
3	(Constant)	.329	.118	—	2.794	.006	—	—
	PEOU	.505	.066	.479	7.697	.001	.215	4.644
	PU	.423	.064	.408	6.563	.001	.215	4.644

Note. Dependent Variable: FI

The coefficient analysis presents the factors for influencing financial inclusion through FinTech use in which all have positive and statistically significant effects on financial inclusion ($p < 0.05$). In Model 1, performance expectancy showing the strongest influence ($\beta = 0.400$), Model 2 indicates that both service trust ($\beta = 0.346$) and agent trust (β

$= 0.471$) significantly enhance financial inclusion, with agent trust emerging as the dominant predictor and In Model 3, perceived ease of use ($\beta = 0.479$) and perceived usefulness ($\beta = 0.408$) exhibit strong positive effects. Collinearity statistics ($VIF < 6$) also suggest no serious multicollinearity issues across the models.

Table 8

Mediating Effect Analysis - Indirect Effect

Model	Variables	Effect	Boot SE	Boot LLCI	Boot ULCI
1	EE	0.0810	0.0324	0.0200	0.1474
	PE	0.2030	0.0480	0.1203	0.3076
	SI	0.1344	0.0403	0.0619	0.2185
2	ST	0.0749	0.0302	0.0196	0.1409
	AT	0.1035	0.0375	0.0387	0.1854
3	PEOU	0.1956	0.0430	0.1184	0.2867
	PU	0.1835	0.0477	0.1001	0.2850

The bootstrapped confidence intervals (BOOT LLCI and BOOT ULCI) indicate that all variables across the three models: - EE, PE, SI, ST, AT,

PEOU, and PU - have significant positive effects on FinTech use for financial inclusion, as none of the intervals include zero.

Table 9

Mediating Effect Analysis - Direct Effect

Model	Variables	Effect	Se	T	P
1	EE	0.1318	0.0621	2.1218	0.0346
	PE	0.2022	0.0722	2.8022	0.0054
	SI	0.1568	0.0593	2.6444	0.0086
2	ST	0.2633	0.0578	4.5519	0.0001
	AT	0.3668	0.0597	6.1456	0.0001
3	PEOU	0.3090	0.0651	4.7456	0.0001
	PU	0.2395	0.0636	3.7663	0.0002

All variables across the three models: - EE, PE, SI, ST, AT, PEOU, and PU are statistically significant, with p-values below 0.05, indicating meaningful positive effects on FinTech adoption for financial inclusion.

Since, both indirect effect (Table 8) and direct effect (Table 9) are significant, all mediating variables: - Behavioral Intention, Perceived Risk and Usability partially mediates the independent variables with Fintech use for FI.

Table 10

Hypothesis Testing

Hypothesis	Unstandardized beta (B)	p-value / C.I.	Decision
H1: Effort Expectancy has a significant impact on Use of FinTech for FI.	0.213	0.002	Accepted
H2: Performance Expectancy has a significant impact on Use of FinTech for FI.	0.405	0.001	Accepted
H3: Social Influence has a significant impact on Use of FinTech for FI.	0.291	0.001	Accepted
H4: Service Trust has a significant impact on Use of FinTech for FI.	0.338	0.001	Accepted
H5: Agent Trust has a significant impact on Use of FinTech for FI.	0.47	0.001	Accepted
H6: Perceived Ease of Use has a significant impact on Use of FinTech for FI.	0.505	0.001	Accepted
H7: Perceived Usefulness has a significant impact on Use of FinTech for FI.	0.423	0.001	Accepted
H8 (A): Behavioral Intention mediates the relationship between Effort Expectancy and the Use of FinTech for FI.	0.081	0.0200 - 0.1474	Partially
H8 (B): Behavioral Intention mediates the relationship between Performance Expectancy and the Use of FinTech for FI.	0.203	0.1203 - 0.3076	Partially
H8 (C): Behavioral Intention mediates the relationship between Effort Expectancy and the Use of FinTech for FI.	0.1344	0.0619 - 0.2185	Partially
H9 (A): Perceived Risk mediates the relationship between Service Trust and the Use of FinTech for FI.	0.0749	0.0196 - 0.1409	Partially
H9 (B): Perceived Risk mediates the relationship between Agent Trust and the Use of FinTech for FI.	0.1035	0.0387 - 0.1854	Partially
H10 (A): Usability mediates the relationship between Perceived Ease of Use and the Use of FinTech for FI.	0.1956	0.1184 - 0.2867	Partially
H10 (B): Usability mediates the relationship between Perceived Usefulness and the Use of FinTech for FI.	0.1835	0.1001 - 0.2850	Partially

The hypothesis testing results confirm that all direct-effect hypotheses (H1–H7) are statistically significant, as indicated by their positive unstandardized beta values and p-values below 0.05. Similarly, because of both indirect and direct effects were significant (H8-H10) in all cases, the mediations are classified as partial mediator.

Discussion

The significant influence of Perceived Ease of Use (PEOU) and Perceived Usefulness (PU) on FinTech adoption in Nepal strongly validates the Technology Acceptance Model (TAM), where intuitive interfaces and demonstrated efficiency drive behavioral intention (Davis, 1989). These

results mirror Yadav and Shanmugam (2024) and Amnas et al. (2025), who documented similar patterns across South Asian digital finance contexts. Performance Expectancy (PE) and Effort Expectancy (EE) further corroborate UTAUT's applicability, as users prioritize efficiency gains and minimal effort, consistent with Goswami et al. (2022) in India and Kurniasari et al. (2023) organizational studies.

Nepal's exceptionally high usability correlation ($r = 0.847$) underscores acute sensitivity to system reliability and interface quality, exceeding findings from Indonesia/Malaysia where usability supports but does not dominate adoption. Agent Trust's prominence ($B = 0.470$) reflects intermediary dependence amid low digital literacy, paralleling African mobile money ecosystems (Bongomin & Ntayi, 2020) yet diverging from autonomous advanced markets like the Netherlands (Hasan et al., 2024).

These patterns extend TAM/UTAUT by highlighting contextual moderators in emerging economies: heightened usability demands compensate for literacy gaps, while agent-mediated trust bridges digital divides. The findings challenge universal model assumptions, demonstrating hybrid human-digital pathways unique to agent-reliant infrastructures.

FinTech providers should prioritize intuitive UX design, robust uptime, and agent training programs to accelerate inclusion. Policymakers must integrate digital literacy with agent regulation, fostering trust ecosystems that transition users toward autonomy while sustaining rural access.

Conclusion

This study validates FinTech's transformative potential for Nepal's financial inclusion, particularly among underserved groups, driven by user-friendly interfaces, system reliability, and robust trust mechanisms. Platforms excelling in perceived usefulness, ease of use, performance/

effort expectancy, social influence, and service/agent trust achieve superior adoption rates across digital literacy levels.

Results reinforce TAM and UTAUT while highlighting Nepal-specific extensions: exceptional usability sensitivity ($r=0.847$) and agent trust prominence ($B=0.470$) underscore hybrid human-digital pathways in emerging markets, bridging literacy gaps through intermediaries.

FinTech providers should prioritize intuitive UX, multilingual interfaces, reliable offline features, and agent training networks. Regulators must enforce transparent security standards alongside digital literacy campaigns leveraging peer demonstrations. Coordinated stakeholder efforts—financial institutions, communities, and policymakers—will accelerate inclusive services, especially in rural areas.

Future Research Directions

Longitudinal studies tracking adoption post-intervention, comparative rural-urban analyses, and experimental tests of agent training efficacy remain essential to refine models for sustained financial ecosystem growth.

References

- Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179–211. [https://doi.org/10.1016/0749-5978\(91\)90020-T](https://doi.org/10.1016/0749-5978(91)90020-T)
- Amnas, M. B., Selvam, M., & Parayitam, S. (2025). Unveiling fintech adoption: An integrated approach of TAM and ES-QUAL models for assessing the impact of service quality. *South Asian Journal of Marketing*, 6(1), 53–69. <https://doi.org/10.1108/SAJM-01-2024-0007>
- Appiah, T., & Agblewornu, V. V. (2025). The interplay of perceived benefit, perceived risk, and trust in fintech adoption: Insights from Sub-Saharan Africa. *Heliyon*, 11(2), Article e41992. <https://doi.org/10.1016/j.heliyon.2025.e41992>

- Asif, M., Khan, M. N., Tiwari, S., Wani, S. K., & Alam, F. (2023). The impact of fintech and digital financial services on financial inclusion in India. *Journal of Risk and Financial Management*, 16(2), 122. <https://doi.org/10.3390/jrfm16020122>
- Bhujel, S. (2024). Factors driving the adoption of fintech services: An empirical analysis of customers of commercial banks in Kathmandu. *Apex Journal of Business and Management*, 3(2), 67–85. <https://doi.org/10.61274/apxc.2024.v03i02.007>
- Bongomin, G. O. C., & Ntayi, J. M. (2020). Trust: mediator between mobile money adoption and usage and financial inclusion. *Social Responsibility Journal*, 16(8), 1215–1237. <https://doi.org/10.1108/SRJ-01-2019-0011>
- Celestin, M., & Mishra, A. K. (2025a). AI-driven financial analytics: Enhancing forecast accuracy, risk management, and decision-making in corporate finance. *Janajyoti Journal*, 3(1), 1–27. <https://doi.org/10.3126/jj.v3i1.83284>
- Celestin, M., & Mishra, A. K. (2025b). Growing application of forensic accounting in assessment and control of financial crimes. *NOLEGEIN Journal of Corporate & Business Laws*, 8(1), 1–15.
- Celestin, M., & Mishra, A. K. (2025c). How data analytics is revolutionizing forensic accounting investigations: A deep dive into fraud detection techniques. *Insight Journal of National Open College*, 2(1), 31–50. <https://doi.org/10.5281/zenodo.15365611>
- Celestin, M., Mishra, S., & Mishra, A. K. (2025). Forensic accounting: Advanced techniques for preventing financial fraud and misstatements under global competition. In *Proceedings of the 6th International Multidisciplinary Conference on Information Science, Management Research and Social Sciences (IMCISMRSS 2025)* (Vol. 1, pp. 20–34). ISMRSS Publication. <https://doi.org/10.5281/zenodo.17845285>
- Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 13(3), 319–340. <https://doi.org/10.2307/249008>
- Durga, S., Podile, V. R., & Narapareddi, V. (2023). Exploring the factors determining fintech adoption among Indian users integrating theory of planned behaviour (TPB) and social learning theory (SLT). *Journal of Risk and Financial Management*, 16(9), 399. <https://doi.org/10.3390/jrfm16090399>
- Eton, M., Mwosi, F., Amandu, I. Y., Ocan, J., & Ogwel, B. P. (2025). Exploring the effect of digital finance on financial inclusion in Uganda: A reflection from Lira city. *Journal of Electronic Business & Digital Economics*, 4(1), 183–199. <https://doi.org/10.1108/JEBDE-11-2023-0039>
- Featherman, M. S. (2001). Extending the technology acceptance model by inclusion of perceived risk. In *AMCIS 2001 Proceedings* (Paper 148). Association for Information Systems. <https://aisel.aisnet.org/amcis2001/148>
- Gautam, T. P., Mishra, A. K., & Shailashri, V. T. (2025). Enhancing digital transformation and green HRM through Human-AI collaboration: A supply chain-inspired framework for institutional quality support in community colleges of Bagmati Province, Nepal. *NPRC Journal of Multidisciplinary Research*, 2(7), 105–137. <https://doi.org/10.3126/nprejmr.v2i7.80610>
- Goswami, S., Sharma, R. B., & Chouhan, V. (2022). Impact of financial technology (Fintech) on financial inclusion (FI) in rural India. *Universal Journal of Accounting and Finance*, 10(2), 483–497. <https://doi.org/10.13189/ujaf.2022.100213>
- Hasan, R., Ashfaq, M., & Shao, L. (2024). Evaluating drivers of fintech adoption in the Netherlands. *Global Business Review*, 25(6), 1576–1589. <https://doi.org/10.1177/09721509211027402>

- Hassan, M. S., Islam, M. A., Sobhani, F. A., Nasir, H., Mahmud, I., & Zahra, F. T. (2022). Drivers influencing the adoption intention towards mobile fintech services: A study on the emerging Bangladesh market. *Information, 13*(7), 349. <https://doi.org/10.3390/info13070349>
- Jangir, K., Sharma, V., Taneja, S., & Rupeika-Apoga, R. (2022). The moderating effect of perceived risk on users' continuance intention for FinTech services. *Journal of Risk and Financial Management, 16*(1), Article 21. <https://doi.org/10.3390/jrfm16010021>
- Kaur, P., Dhir, A., Singh, N., Sahu, G., & Almotairi, M. (2020). An innovation resistance theory perspective on mobile payment solutions. *Journal of Retailing and Consumer Services, 55*, Article 102059. <https://doi.org/10.1016/j.jretconser.2020.102059>
- Khan, S., & Alhadi, F. A. F. (2022). Fintech and financial inclusion in Saudi Arabia. *Review of Economics and Finance, 20*(1), 857–866. <https://doi.org/10.55365/1923.x2022.20.97>
- Kishore, P. R., & Raghavendra. (2024). Exploring resistance factors in fintech adoption: An innovation resistance theory perspective. *Multidisciplinary Reviews, 7*(6), Article 2024110. <https://doi.org/10.31893/multirev.2024110>
- Kurniasari, F., Utomo, P., & Jimmy, S. Y. (2023). Determinant factors of fintech adoption in organization using UTAUT theory approach. *Journal of Business and Management Review, 4*(2), 92–103. <https://doi.org/10.47153/jbmr42.6032023>
- Mishra, A. K., & Pokharel, R. (2023). Economic feasibility assessment of smart village project: A case of Sandakpur Rural Municipality, Ilam, Nepal. In P. K. Paul, S. Sharma, & E. Roy Krishnan (Eds.), *Advances in business informatics empowered by AI & intelligent systems* (pp. 138–160). CSMFL Publications. <https://doi.org/10.46679/978819573220310>
- Noreen, M., Mia, M. S., Ghazali, Z., & Ahmed, F. (2022). Role of government policies to fintech adoption and financial inclusion: A study in Pakistan. *Universal Journal of Accounting and Finance, 10*(1), 37–46. <https://doi.org/10.13189/ujaf.2022.100105>
- Parasuraman, A., Zeithaml, V. A., & Malhotra, A. (2005). ES-QUAL: A multiple-item scale for assessing electronic service quality. *Journal of Service Research, 7*(3), 213–233.
- Rana, M. (2025). Factors influencing FinTech adoption behavior of millennials in Nepal: Evidence from Karnali Province, Nepal. *The Lumbini Journal of Business and Economics, 12*(2), 11–27.
- Ranjit, Y., Dhakal, R., & Vaidya, B. (2025). Analysis of influencing factors of e-wallet adoption in Nepal. *Kathmandu University Journal of Science, Engineering and Technology, 19*(2). <https://doi.org/10.70530/kuset.v19i2.602>
- Saadah, K., & Setiawan, D. (2024). Determinants of fintech adoption: Evidence from SMEs in Indonesia. *LBS Journal of Management & Research, 22*(1), 55–65.
- Venkatesh, V., Morris, M. G., Davis, G. B., & Davis, F. D. (2003). Venkatesh, V., Morris, M. G., Davis, G. B., & Davis, F. D. (2003). User acceptance of information technology: Toward a unified view. *MIS Quarterly, 27*(3), 425–478. <https://doi.org/10.2307/30036540>
- Venkatesh, V., Thong, J. Y., & Xu, X. (2012). Venkatesh, V., Thong, J. Y., & Xu, X. (2012). Consumer acceptance and use of information technology: Extending the unified theory of acceptance and use of technology. *MIS Quarterly, 36*(1), 157–178. <https://doi.org/10.2307/41410412>
- Yadav, M., & Shanmugam, S. (2024). Yadav, M., & Shanmugam, S. (2024). Factors influencing behavioral intentions to use digital lending: An extension of TAM model. *Jindal Journal of Business Research, 13*(2), 213–226. <https://doi.org/10.1177/22786821221088434>

