

ASSESSMENT REPORT ON

Adoption of Mobile Banking and Mobile Payment Applications among Nepalese Consumers in the UK: The Role of Financial Skills, Digital Literacy, and Perceived Risk.

Quantitative Research Methods (LCDB7011)

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Abstract

This study examines the adoption of mobile banking and payment applications among 31 Nepalese consumers residing in the United Kingdom, focusing on financial skills, digital literacy, and perceived risk. Data were collected through questionnaire from google form and analysed using SPSS. Descriptive statistical methods were applied to present the demographic profile of respondents and to summarise key study variables, including adoption intention, financial skills, digital literacy, and perceived risk. To further examine the data, inferential statistical analyses such as independent samples t-tests, one-way analysis of variance (ANOVA), correlation analysis, and multiple regression were conducted. Descriptive statistics indicated moderate adoption intention ($M = 3.379$, $SD = 1.11$), financial skills ($M = 3.665$, $SD = 1.01$), digital literacy ($M = 3.653$, $SD = 0.95$), and perceived risk ($M = 3.116$, $SD = 0.97$). Pearson correlation revealed positive relationships between adoption intention and financial skills ($r = 0.681$, $p < 0.001$) and digital literacy ($r = 0.631$, $p < 0.001$), with perceived risk showing a moderate positive correlation ($r = 0.431$, $p = 0.015$). Regression analysis indicated that the three factors jointly explained 50.6% of the variance in adoption intention ($R^2 = 0.506$, $F(3,27) = 9.225$, $p < 0.001$), though individual predictors were not significant. ANOVA revealed no significant differences across age, education, or employment. Findings suggest that improving financial and digital skills, offering user-friendly mobile banking interfaces, and providing educational support can enhance adoption among Nepalese migrants. Future research should examine trust, social influence, and cultural factors in adoption behaviour.

Keywords: Mobile banking adoption; Adoption intention, Digital literacy; Perceived Risk; Nepalese consumers in the UK

Section 1: Introduction

1.1 Background of the study

The widespread use of mobile banking and payment applications has transformed how individuals manage financial transactions. These platforms enable users to make payments, transfer funds, and monitor accounts via smartphones, improving efficiency and accessibility in personal financial management. As mobile-based financial services become increasingly integrated into daily life, understanding the variables that influencing their adoption is a critical area of academic and practical interest (Chu Chee, Mahmood, and Mohamed-Isa, 2021; Souiden, Ladhari, and Chaouali, 2021).

Beyond technological aspects, personal competencies such as financial skills and digital literacy play crucial role to adopt mobile banking and payment services. Financial skills help individuals understand, assess, and manage financial products effectively, while digital literacy allows them to navigate applications safely and efficiently (Morgan, 2021; Oberländer, Beinicke, and Bipp, 2020). Studies show that higher levels of financial and digital skills increase mobile banking usage by improving user confidence, facilitating decision-making, and reducing perceived difficulty (Prete, 2022; Ullah et al., 2022).

At the same time, perceived risk, including concerns regarding security, privacy, and potential fraud, remains a significant barrier to adoption. Users who perceive higher risks are often less willing to engage with mobile financial services, even when the perceived benefits are high (Hilal and Varela-Neira, 2022; Maji and Laha, 2023). Financial and digital literacy can help mitigate these risks by enhancing users' capacity to engage safely and confidently with mobile applications.

Although mobile banking adoption has been widely studied, most research focuses on general populations or single-country contexts, neglecting communities with distinct cultural, educational, and financial characteristics. Nepalese consumers living in the UK have been largely under-researched. Understanding how financial skills, digital literacy, and perceived risk influence adoption in this population is essential for promoting adoption, improving financial inclusion, and guiding service providers in designing user-friendly applications (Ante, 2025; Lye et al., 2025).

1.2 Problem Statement

While mobile banking and payment applications are widely studied globally, few empirical studies examine adoption behaviour among Nepalese consumers, especially those residing in the UK. Most existing literature focuses on general populations or technologically advanced countries, ignoring the challenges faced by migrant communities, including variations in financial knowledge, digital competence, and perceived risk. To address this gap, the study investigates how the adoption of Nepalese consumers on mobile banking and payment applications in the UK has been influenced by financial skills, digital literacy, and perceived risk influence, providing context-specific insights that are relevant for both theory and practice.

1.3 Objectives

General Objectives

The general objective of my research is to investigate how Nepalese consumers' intentions to use mobile banking and payment apps in the UK are influenced by financial skills, digital literacy, and perceived risk. The study seeks to identify the key factors that encourage or hinder adoption and to generate practical insights that can help improve the uptake of digital financial services among migrant communities.

Specific Objectives

- I. To assess the relationship between financial skills and the intention to adopt mobile banking and payment applications.
- II. To investigate the influence of digital literacy on the adoption intention of mobile banking and payment applications.
- III. To examine the impact of perceived risk on the adoption of mobile banking and payment applications.
- IV. To provide practical recommendations to enhance adoption among Nepalese consumers in the UK.

1.4 Research Questions

- I. How do financial skills influence Nepalese consumers' intention to adopt mobile banking and payment applications in the UK?
- II. How does digital literacy affect the adoption intention of mobile banking and payment applications among Nepalese consumers?
- III. What is the role of perceived risk in shaping the adoption of mobile banking and payment applications among Nepalese consumers?

- IV. What practical measures can improve adoption rates among Nepalese consumers in the UK?

1.5 Significance of the study

Academic significance

The study provides empirical insights into how of financial skills, digital literacy, and perceived risk on mobile banking and payment adoption among a specific population, Nepalese consumers in the UK. It extends existing theoretical frameworks (TAM and UTAUT) by applying them in a culturally and demographically unique context.

Practical Significance

The findings offer recommendations for banks, financial institutions, and policymakers to develop user-friendly applications, design effective digital literacy programs, and address perceived risk barriers.

Societal Significance

By understanding adoption behaviour, the study supports financial inclusion, helping Nepalese consumers confidently engage with mobile banking and payment applications while reducing barriers associated with digital literacy gaps and perceived risks.

1.6 Structure of Report

Section 1 - Introduction

This section introduces the study, including background of the study, Research objectives, Research questions, Significance of the study and Chapter plan.

Section 2 – Literature Review

This section deals with previous research papers which includes introduction, concept of mobile banking and mobile payment adoption, theoretical foundations, trust and perceived risk, mobile banking adoption in developing and migrant contexts, Nepalese context of mobile banking and digital payments, research gap, hypothesis, conceptual framework.

Section – 3 Research Methodology

The research methodology is described in the third section, which includes which includes introduction, research approach, research design, population and sampling, Instrumentation, pilot testing and reliability, data collection procedure, ethical considerations, data analysis, validity and reliability test.

Section – 4 Results and Discussions

The fourth section, a key part of this study, presents the analysis and the interpretation of the data. This chapter deals with results, data presentation analysis, major findings and discussions.

Section - 5 Summary Conclusion and Recommendations

The summary, conclusion, and recommendations are explained in the final section.

References

Appendix

Section 2 - Literature Review

2.1. Introduction

The review of literature examines the influence of financial skills, digital literacy, and perceived risk on the adoption of mobile banking and payment applications among Nepalese consumers in the UK. It synthesizes evidence from peer-reviewed journals, academic publications, and empirical studies to provide a thorough overview of existing research on the topic. By comparing and integrating previous research, the review identifies key themes, highlights gaps in the literature, and discusses ongoing academic debates. This establishes a solid theoretical and conceptual foundation to support the research objectives and methodological approach of the study.

2.2 Conceptual Review on Mobile Banking and Mobile Payment Adoption

Mobile banking and payment applications allow users to carry out financial operations like transferring funds, paying bills, and monitoring account through mobile devices. These services enhance convenience, speed, and accessibility (Shaikh and Karjaluoto, 2015). Adoption levels vary across countries and populations, influenced by technological perceptions, individual skills, and psychological factors (Chu Chee, Mahmood and Mohamed-Isa, 2021; Ho et al., 2020). In the UK context, perceived risk is a major factor influencing consumers' willingness to use mobile payment systems. (Hampshire, 2017).

2.3 Theoretical Foundations

2.3.1 Technology Acceptance Model (TAM) and Unified Theory of Acceptance and Use of Technology (UTAUT)

Perceived usefulness and perceived ease of use influence behavioural intention to adopt technology, according to Davis, Bagozzi, and Warshaw's (1989) Technology Acceptance Model (TAM), which explains individual adoption of information systems. TAM has frequently been employed to examine mobile banking and payment adoption studies across various contexts (Aboelmaged and Gebba, 2013; Davis and Granić, 2024). However, it has been criticised for insufficiently addressing contextual, social, and risk-related factors (Venkatesh and Bala, 2008).

To overcome these limitations, Venkatesh et al. (2003) introduced the (UTAUT), integrating insights from eight major adoption theories, including TAM. According to the UTAUT framework, users' intentions and actual technology use are largely determined by performance

expectancy, effort expectancy, social influence, and facilitating conditions. Extended models, such as UTAUT2, have demonstrated strong explanatory power in mobile banking adoption, particularly in contexts with varying digital literacy and infrastructure (Bhatiasevi, 2016; Hilal and Varela-Neira, 2022; Tamilmani, Rana, and Dwivedi, 2021).

Despite their strengths, TAM and UTAUT often underrepresent risk-related and capability-based factors. In mobile financial services, perceived risk, financial skills, and digital literacy significantly influence users' trust and confidence. For migrant populations, unfamiliar regulatory environments and cultural differences may increase perceived risk. Integrating constructs such as risk, trust, and literacy into TAM and UTAUT offers a more context-sensitive framework for understanding adoption behaviour (Alalwan et al., 2016; Van et al., 2021).

2.3.2 Perceived Risk Theory

Perceived Risk Theory examines how consumers make decisions under uncertainty, particularly in financial transactions (Mitchell, 1992). According to Mitchell (1992), perceived risk is multidimensional, encompassing financial, functional, emotional, and privacy risks. Sitkin and Pablo (1992) highlight that individual perceptions and past experiences strongly influence risk-taking behaviour.

Perceived risk is commonly recognized as a key factor limiting the use of mobile banking applications. Research from Jordan and other developing countries indicates that higher perceived risk reduces users' intention to adopt mobile financial services, even when these technologies are considered useful and easy to use (Alalwan et al., 2016; Aldammagh, Abdeljawad, and Obaid, 2021). Trust has been found to partially mediate this relationship, emphasizing the importance of secure and transparent platforms (Obaid, 2021; Van et al., 2021). Recent studies further identify financial, privacy, operational, and fraud risks as key factors affecting long-term usage and customer loyalty (Esmaceli et al., 2021; Bland et al., 2024; Chand and Kumar, 2024).

Despite extensive research on perceived risk, its interaction with financial skills and digital literacy remains underexplored, particularly among migrant populations (Nisha and Jayaraman, 2024) such as Nepalese consumers in the UK, who often face challenges navigating multiple financial systems.

By adding perceived risk, financial skills, and digital literacy, this study expands upon (UTAUT) and (TAM) by Davis, Bagozzi, and Warshaw (1989). This integration offers a more

complete structure for understanding the variables influencing the utilization of mobile banking and payments among migrant populations, where traditional models may not fully capture unique contextual challenges. TAM and UTAUT were originally developed and tested primarily in domestic settings. Migrant populations often face distinctive regulatory, cultural, and technological barriers that can influence their adoption behaviour (Koroleva, 2022; Nisha & Jayaraman, 2024; Valencia-Arias et al., 2025). Therefore, extending these models to include financial competence, digital literacy, and perceived risk is essential to account for the specific experiences and constraints of Nepalese consumers living in the UK.

2.4 Review from previous Literature

2.4.1 Financial Skills and Mobile Banking Adoption

Financial skills refer to the ability to understand financial products, manage transactions, and evaluate financial choices effectively. Consumers with stronger financial understanding are better positioned to interpret digital financial information, assess costs and benefits, and make informed decisions regarding mobile banking usage. Empirical studies show that higher financial literacy enhances confidence and promotes adoption of mobile banking and payment applications (Morgan, 2021; Bhuvana and Vasantha, 2019; Onay, Aydin and Kohen, 2023). Elhajjar and Ouaida (2020) argue that financial competence improves users' perception of mobile banking usefulness, thereby increasing their likelihood of adoption. Their findings indicate that limited financial skills often result in uncertainty and hesitation toward digital banking services. The literature also highlights the role of financial skills in addressing digital financial exclusion. Solarz and Adamek (2022) identify inadequate financial knowledge as a major barrier preventing individuals from accessing and adopting mobile banking services. This suggests that financial skills not only support adoption but also reduce vulnerability to exclusion from digital financial systems. In a related study, Hettigoda and Kulathunga (2024) demonstrate that financially literate users exhibit greater confidence in managing mobile banking transactions, which positively influences their adoption behaviour. Recent empirical evidence further supports this relationship. For example, Sabila (2024) reports that people with greater financial skills are more likely to use mobile banking applications because they better understand transaction procedures, service charges, and associated risks. Taken together, the literature suggests that financial skills strengthen confidence, perceived control, and trust, all of which are important in encouraging the adoption of mobile banking and payment applications.

In Nepal, limited financial skills restrict digital payment adoption, particularly among vulnerable populations (Thapa, 2025; Yadav, 2025). In the context of Nepalese consumers

living in the UK, financial skills may enable users to understand mobile banking features, assess transaction security, and make informed financial choices, thereby enhancing adoption intention.

2.4.2 Digital Literacy and Adoption of Mobile Financial Services

Digital literacy is the skill to operate digital technologies safely, effectively, and confidently. As mobile banking applications become increasingly complex, digital literacy has emerged as a key determinant of adoption (Oberländer, Beinicke and Bipp, 2020). Empirical studies indicate that users with higher digital skills intend to adopt mobile banking and payment applications due to reduced perceived complexity and enhanced security awareness (Maji and Laha, 2023). Patil et al. (2020) suggest that digital competence enhances users' perception of system ease of use and lowers security-related concerns, both of which play an important role in influencing mobile payment adoption. Their study indicates that users who are comfortable with digital platforms are more willing to adopt mobile banking services. Al Doghan and Mirzaliev (2024) find that digital literacy influences the link between cybersecurity awareness and digital banking adoption, suggesting that digitally literate users are better equipped to manage security risks. Furthermore, digital literacy has been shown to mediate the relationship between perceived risk and fintech adoption, highlighting its importance in strengthening users' self-efficacy and perceived control when engaging with digital financial services (Koroleva, 2022; Xu et al., 2025). The importance of digital literacy is also evident in studies examining technology-oriented financial behaviour. Hakimi et al. (2023) report that digitally skilled users demonstrate higher engagement with mobile banking services, particularly among populations with frequent exposure to digital technologies. Similarly, Bavadekar (2023) finds that digital literacy improves users' understanding of system features and security functions, thereby reducing uncertainty and supporting positive adoption intentions. This understanding reduces uncertainty and supports positive adoption intentions. More recent research emphasises the long-term relevance of digital financial literacy. Venkatesan (2025) highlights that digital literacy continues to influence mobile banking adoption even in technologically advanced environments, underscoring its universal importance. In addition, Sumartini et al. (2024) argue that digital literacy enhances self-efficacy, which positively affects individuals' intention to adopt digital banking services within the Technology Acceptance Model framework. These studies suggest that digital literacy not only facilitates initial adoption but also supports sustained usage of mobile banking and payment applications.

For migrant populations such as Nepalese consumers in the UK, digital literacy plays an important role by enabling users to navigate unfamiliar financial systems, manage security

concerns, and engage confidently with mobile banking and payment applications. Along with financial skills and perceived risk, digital literacy plays an important role in influencing mobile banking adoption. This is especially significant for migrant users, who rely on these abilities to understand new financial systems, handle security issues, and make confident financial decisions. The combined effect of these factors is discussed in the following sections on sociodemographic characteristics and adoption among migrant populations.

2.4.3 Trust and Perceived Risk

Perceived risk is major determinant impacting mobile banking and mobile payment adoption, encompassing users' concerns about financial loss, privacy breaches, or fraud (Hampshire, 2017). Although trust is widely discussed in mobile banking literature, this study does not treat it as a separate variable; instead, trust-related concerns are incorporated within the perceived risk construct, reflecting users' security, privacy, and reliability perceptions.

Empirical studies confirm that higher perceived risk reduces adoption intention, while greater trust within the perceived risk framework increases users' intentions to use mobile banking services (Alrawad et al., 2023; Kumar et al., 2023). Research integrating trust and perceived risk into technology adoption frameworks, such as TAM and UTAUT, demonstrates improved explanatory power in predicting adoption behaviour (Van et al., 2021; Namahoot and Jantasri, 2023). Perceived risk can outweigh the perceived benefits of mobile banking, especially when users feel that service providers are not trustworthy, leading to hesitation or resistance (Kumar et al., 2023).

Studies applying established technology adoption frameworks also confirm the negative impact of perceived risk. Chand and Kumar (2024), using the UTAUT model, demonstrate that perceived risk significantly reduces the willingness of individuals to mobile payment services, especially in contexts with limited regulatory assurance. Similarly, Shaikh et al. (2021) identify financial, privacy, and performance risks as key deterrents to mobile banking adoption, even among users who acknowledge its convenience.

Recent literature further highlights the link between perceived risk and trust. Aisyah and Wahyuni (2025) argue that concerns regarding customer protection and data privacy weaken users' trust in mobile banking systems, thereby reducing adoption intention. These findings collectively indicate that perceived risk negatively influences confidence and trust, making it a crucial factor in understanding mobile banking adoption behaviour.

2.4.4 Impact of Socio-Demographic Factors on Mobile Banking Adoption

Demographic factors, such as age and gender, impact mobile banking adoption, with younger users typically showing higher engagement with digital financial services (Addula, 2025; Merhi et al., 2021). Gender differences affect perceived trust, information quality, and system usability, shaping adoption intentions among Generation Y users (van Deventer, 2024). Trust and other demographic characteristics, including education and income, also significantly impact adoption patterns in contexts such as South Africa (Rouse, Bátiz-Lazo & CarbóValverde, 2025). Additionally, integrating security, risk, and digital self-efficacy into adoption models demonstrates that socio-demographic variables interact with technology-related perceptions, influencing mobile banking use (Apau, Titis & Lallie, 2025). These findings highlight the importance of examining demographic differences when analysing adoption behaviour.

2.4.5 Mobile Banking Adoption in Developing and Migrant Contexts

Adoption of mobile banking and payment systems varies significantly across developing economies due to differences in infrastructure, regulatory frameworks, and user capability (Malik, 2020). Migrant populations frequently rely heavily on digital financial platforms for remittances and everyday transactions but often face challenges such as unfamiliar systems, security concerns, and perceived risks (Koroleva, 2022; Nisha and Jayaraman, 2024).

For Nepalese migrants in the UK, these challenges are compounded by the need to navigate a foreign financial environment while maintaining trust in digital services (Valencia-Arias et al., 2025; Tan, Leong & Richter, 2025). Studies indicate that financial knowledge and digital literacy help reduce uncertainty and increase confidence in using mobile financial applications (Vik, Kamerāde & Dayson, 2024; Ullah et al., 2022; Frontiers in Psychology, 2022). Theoretical models such as the Technology Acceptance Model (TAM) and UTAUT2 suggest that factors like ease of use, facilitating conditions, social influence, and trust play key roles in shaping adoption behaviour (Nisha & Jayaraman, 2024; Valencia-Arias et al., 2025). Evidence also shows that users with stronger digital skills can more efficiently interact with mobile banking systems and access banking services successfully, contributing to greater financial inclusion (Lye et al., 2025). Despite this, research specifically examining Nepalese migrants in the UK remains limited, highlighting the need to explore how financial skills, digital literacy, and perceived risk interact to influence mobile banking adoption within this community (Tabassum & Faklaris, 2024).

2.4.6 Nepalese Context of Mobile Banking and Digital Payments

Nepal has experienced rapid growth in mobile banking and digital payment systems driven by technological innovation and financial inclusion policies (Kandel, 2024; Tamrakar, 2025). Studies in Nepalese commercial banks highlight perceived usefulness, facilitating conditions, and security-related concerns, including trust, as key factors influencing adoption (Aryal, Hamal and Singh, 2024; Karki, Bhattarai and Dahal, 2024). However, challenges such as low financial literacy, limited digital skills, and potential security risks continue to affect adoption, particularly among rural users and Nepalese consumers residing abroad (Nepal et al., 2025). These findings highlight the significance of financial skills, digital literacy, and perceived risk in shaping adoption behaviour within both domestic and migrant contexts.

2.5 Research Gap

Most existing studies on mobile banking and payment adoption focus primarily on domestic users, with limited attention to migrant populations who must navigate multiple financial systems. While frameworks such as TAM, UTAUT and Perceived Risk Theory effectively explain adoption behaviour, few studies examine how financial skills, digital literacy and perceived risk including trust related concerns interact in a migrant context. Furthermore, quantitative research on Nepalese consumers residing in the UK remains scarce, particularly regarding their adoption of mobile banking and payment applications. This study fills these gaps by utilising extended TAM and UTAUT models in a quantitative framework, integrating financial capability and perceived risk within a cross-cultural setting.

2.6 Hypothesis

This research offers hypotheses to investigate the factors impacting Nepalese customers living in the UK's propensity to embrace mobile banking and payment applications based on the literature review and the study's objectives. Previous studies suggest that financial skills, digital literacy, and perceived risk significantly influence adoption behaviour across both developing and developed economies (Morgan, 2021; Bhuvana and Vasantha, 2019; Onay, Aydin and Kohen, 2023; Oberländer, Beinicke and Bipp, 2020; Maji and Laha, 2023; Alalwan et al., 2016; Aldammagh, Abdeljawad and Obaid, 2021; Van et al., 2021). To test these relationships in a migrant context, the following hypotheses are formulated:

- **H1:** Financial skills have a positive influence on the intention to adopt mobile banking and payment applications among Nepalese consumers in the UK (Bhuvana

and Vasantha, 2019; Alhallaq, 2020; Morgan, 2021; Onay, Aydin and Kohen, 2023; Thapa, 2025; Yadav, 2025).

- **H2:** Digital literacy positively affects the intention to adopt mobile banking and payment applications among Nepalese consumers in the UK (Oberländer, Beinicke and Bipp, 2020; Alhallaq, 2020; Maji and Laha, 2023; Al Doghan and Mirzaliev, 2024; Koroleva, 2022; Xu et al., 2025).
- **H3:** Perceived risk negatively affects the intention to adopt mobile banking and payment applications among Nepalese consumers in the UK (Alalwan et al., 2016; Aldammagh, Alhallaq, 2020; Abdeljawad and Obaid, 2021; Obaid, 2021; Van et al., 2021; Esmaeili et al., 2021; Bland et al., 2024; Chand and Kumar, 2024).

Based on this review, the study proposes a conceptual framework integrating financial skills, digital literacy, and perceived risk to examine their influence on mobile banking adoption among Nepalese migrants in the UK.

2.7 Conceptual Framework

Age, gender, education, and income are all sociodemographic variables that may influence the strength of the relationships between financial skills, digital literacy, perceived risk, and users' intention to utilize mobile banking. Accounting for these factors can improve the model's explanatory ability and better reflect variations in adoption behaviour across different groups (Addula, 2025; Merhi et al., 2021; van Deventer, 2024; Rouse, Bátiz-Lazo & Carbó-Valverde, 2025)

2.7.1 Independent Variables

Financial Skills:

Financial skills refer capability of a person to comprehend financial products, manage transactions, and make well-informed financial choices. Research indicates that higher financial literacy enhances users' confidence in using mobile banking applications and reduces resistance to adoption (Morgan, 2021; Bhuvana & Vasantha, 2019; Onay, Aydin & Kohen, 2023; Thapa, 2025; Yadav, 2025). In the context of Nepalese consumers residing in the UK, individuals with stronger financial skills are more likely to understand mobile banking features, assess transaction security, and make informed choices, which is expected to increase their intention to use mobile banking and payment systems.

Digital Literacy:

Digital literacy is described as the capacity to utilize digital technologies safely, effectively, and confidently. Empirical studies show that digitally literate users perceive mobile banking as easier to use and are more capable of managing cybersecurity risks, which positively influences adoption behaviour (Oberländer, Beinicke & Bipp, 2020; Maji & Laha, 2023; Al Doghan & Mirzaliev, 2024; Koroleva, 2022; Xu et al., 2025). Higher levels of digital literacy among Nepalese migrants help reduce perceived challenges and uncertainty, making them more inclined to adopt mobile financial services.

Perceived Risks:

Perceived risk is how users see the possible problems of using mobile banking, such as losing money, privacy issues, fraud, or mistakes in the system (Mitchell, 1992; Alalwan et al., 2016).

Numerous studies demonstrate that perceived risk adversely impact adoption intention (Alalwan et al., 2016; Aldammagh, Abdeljawad & Obaid, 2021; Obaid, 2021; Van et al., 2021; Esmaeili et al., 2021; Bland et al., 2024; Chand & Kumar, 2024). For migrants, perceived risk is higher due to unfamiliar regulations and cross-border financial practices, which may lower adoption intention

2.7.2 Dependent Variable

Intention to Adopt Mobile Banking and Payment Applications:

The dependent variable represents users' behavioural intention to use mobile financial services. Users' trust in the system, perception of usefulness, and overall confidence influences their intention to adopt mobile financial services (Hampshire, 2017). In this study, adoption intention is expected to be positively influenced by financial skills and digital literacy and negatively influenced by perceived risk.

2.7.3 Relationships Between Variables

- **Financial Skills → Intention to Adopt:** Financially skilled users are expected to perceive mobile banking as useful and manageable, increasing adoption intention. According to TAM's concept of perceived utility, users with better financial abilities are likely perceive mobile banking as more beneficial, which could increase their desire to utilize these services.
- **Digital Literacy → Intention to Adopt:** Digitally literate users are more confident in navigating mobile applications, managing security, and understanding transactions, thereby positively affecting adoption intention. Digital literacy enhances adoption intention by minimizing perceived complexities and raising self-efficacy, which is based on UTAUT's effort expectancy and enabling conditions constructs.

- **Perceived Risk → Intention to Adopt:** Consistent with Perceived Risk Theory, higher perceived risk reduces confidence and trust, negatively influencing adoption intention

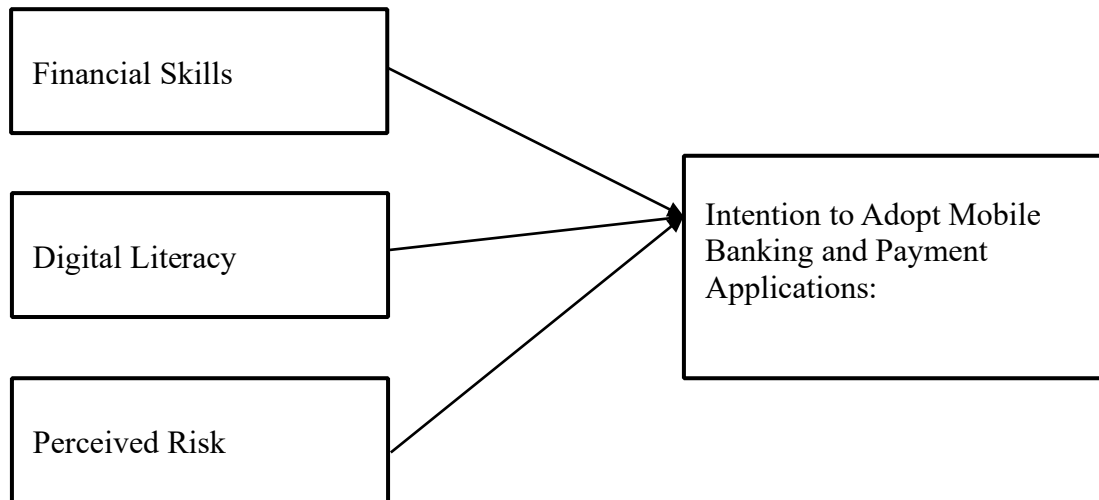


Fig: 1 Conceptual Framework

Section-3 Research Methodology

3.1 Introduction

This chapter covers the methods used to investigate the factors influencing the adoption of mobile banking and payment applications by Nepalese customers living in the UK. This section discusses the study strategy, design, population and sampling, data gathering methods, instruments, pilot testing, and data processing methodologies. The methodology is structured to maintain reliability and validity, align with the study's objectives and hypotheses, and address the specific context of migrant participants.

3.2 Research Approach

A quantitative study technique was used to evaluate the links between financial abilities, digital literacy, perceived risk (including trust-related concerns), and an objective to use mobile banking and payment services. Quantitative study allows for the numerical assessment of variables and the application of statistical tools to test hypotheses. (Bell, Harley & Bryman, 2022). Structured data collection allows for objective evaluation of patterns, correlations, and significant relationships, which is particularly relevant for understanding adoption behaviour in a migrant population.

3.3 Research Design

A cross-sectional survey technique was used to collect data from participants. This design is appropriate for behavioural studies investigating relationships between variables and permits generalizable conclusions about the target population (Saunders, Lewis & Thornhill, 2009). The survey method facilitated the collection of standardized responses, enabling comparisons across demographic groups and assessment of the effects of financial skills, digital literacy, and perceived risk on adoption intention.

3.4 Population and Sampling

The study population consisted of Nepalese consumers residing in the UK who have access to mobile banking or digital payment services. Due to the absence of a formal registry of Nepalese users of mobile financial services, non-probability purposive sampling was employed (Etikan, Musa & Alkassim, 2016). This method ensured that participants had relevant experience with or exposure to mobile banking applications. A pilot study was conducted with 31 respondents

to pretest the survey, evaluate completion time, and ensure clarity and relevance of the questions for this migrant population.

3.5 Instrumentation

The study used a structured questionnaire, adapted from established measures in prior research, and divided it into four separate sections.

- **Demographics:** Age, gender, education, occupation, and duration of residence in the UK.
- **Financial Skills:** Items adapted from Morgan (2021), Bhuvana & Vasantha (2019), and Onay, Aydin & Kohen (2023), measuring participants' ability to understand financial products, manage transactions, and make correct financial choices.
- **Digital literacy:** Items adapted from Oberländer, Beinicke and Bipp (2020), Maji and Laha (2023), Al Doghan and Mirzaliev (2024), and Koroleva (2022), assessing participants' confidence and ability to use digital technologies safely and effectively.
- **Perceived risk:** Items adapted from Alalwan et al. (2016), Bland et al. (2024), and Chand and Kumar (2024), covering potential negative outcomes such as financial loss, fraud, privacy breaches, and operational errors. Trust-related concerns were incorporated within the perceived risk items, reflecting users' security, privacy, and reliability perceptions in line with the conceptual framework.
- **Respondents' intention to adopt mobile banking and payment applications:** Items adapted from Hampshire (2017) and Van et al. (2021), measuring users' behavioural intention to utilize mobile banking and payment services.

A five-point Likert scale, ranging from “strongly disagree” to “strongly agree,” was used for all items to ensure consistency and make it easier for participants to respond.

- **Pilot Testing, Reliability and Validity**

To test the questionnaire's reliability, relevance, and transparency, pilot research including 31 participants was conducted. Cronbach's alpha was employed to determine internal reliability; values of 0.70 or greater were considered satisfactory (Nunnally & Bernstein, 1994). Construct validity was tested using the Kaiser-Meyer-Olkin (KMO) measure and Bartlett's Test of Sphericity.

• Data Collection Procedure

The data were gathered using an online survey through Google Forms (see Appendix A) to ensure convenience and reach a larger audience. Participants received invitations via email, social media, and community groups. The survey began with an introduction outlining the study's purpose, emphasizing voluntary participation, anonymity, and confidentiality. Data collection took place over two weeks to give participants enough time to respond and to improve the response rate.

3.6 Ethical Considerations

The study followed ethical research guidelines throughout. Participants could withdraw from the study at any time without any consequences. Every information collected was safely kept and utilized only for research purposes with, no personally identifiable information recorded. Respondents were informed that their responses would remain strictly confidential and fully anonymous (Saunders, Lewis & Thornhill, 2009).

3.7 Data Analysis

After collection, the data were exported to SPSS for analysis. Descriptive statistics summarized demographic characteristics and variable distributions. Inferential statistics, including correlation and multiple regression analysis, were conducted to test the hypotheses and determine the impact of financial skills, digital literacy, and perceived risk on the intention to adopt mobile banking and payment applications (Hair et al., 2019). A significance level of 0.05 ($p < 0.05$) was applied to test the hypotheses. Cronbach's alpha was used to re-evaluate the scales' reliability and verify consistency in the final dataset.

3.8 Reliability Analysis

Cronbach's alpha was used to assess each variable's dependability. Internal consistency is considered satisfactory when the value is 0.70 or more (Nunnally & Bernstein, 1994). The results are summarized in Table 3.1

Table 3.8.1- Reliability Analysis Reliability Analysis

Reliability of Scale	N	Cronbach's Alpha	Mean	Std. Deviation
Financial Skills	5	0.943	18.32	5.056
Digital Literacy	4	0.868	14.61	3.809
Perceived Risks	5	0.879	15.58	4.870
Adoption Intention	4	0.926	13.52	4.441

Reliability analysis using Cronbach's alpha showed high internal consistency across all scales:

- Financial skills scale had $\alpha = 0.943$, indicating excellent reliability.

- Digital Literacy scale had $\alpha = 0.868$, demonstrating good reliability.
- Perceived Risks scale had $\alpha = 0.879$, demonstrating good reliability.
- Adoption Intention scale had $\alpha = 0.926$, indicating excellent reliability.

All four variables demonstrated acceptable to excellent internal consistency, with Cronbach's alpha values ranging from 0.868 to 0.943, well above the 0.70 threshold. Item-total correlations ranged from 0.625 to 0.882, indicating that each item contributes positively to its respective scale and aligns well with the underlying construct. Furthermore, removing any single item did not significantly increase the Cronbach's alpha, confirming the stability of the scales. These results indicate that the questionnaire is both valid and reliable for further statistical analysis in this study.

3.9 Validity Analysis

Validity analysis was conducted to ensure that the questionnaire items appropriately represented the underlying constructs of financial skills, digital literacy, perceived risk, and intention to adopt mobile banking and payment applications.

Table: 3.9.1 KMO and Bartlett's Test of Sampling Adequacy

Test	Value
Kaiser–Meyer–Olkin (KMO) Measure	0.680
Bartlett's Test of Sphericity – Chi-square	82.080
Degrees of Freedom (df)	6
Degrees of Freedom (df)	< 0.001

Table 3.9.1 shows the KMO measure and Bartlett's Test of Sphericity, which check if the data are suitable for factor analysis. The KMO value is 0.680, which is above the acceptable level of 0.60, meaning the sample and correlations are adequate for analysis. Bartlett's Test is significant ($\chi^2 = 82.080$, $df = 6$, $p < 0.001$), indicating that the variables are related and factor analysis can be performed. Overall, these results confirm that the data are appropriate for checking the validity of the questionnaire

Table: 3.9.2 Total Variance Explained by Principal Component Analysis

Component	Eigenvalue	Percentage of Variance	Cumulative Percentage
1	2.722	68.05%	68.05%
2	0.829	20.73%	88.78%
3	0.389	9.73%	98.51%
4	0.060	1.49%	100.00%

The total variance that Principal Component Analysis (PCA) explains is shown in Table 3.9.2. The first component has an eigenvalue of 2.722, accounting for 68.05% of the total variance. The second, third, and fourth components contribute progressively smaller amounts of variance (20.73%, 9.73%, and 1.49%, respectively), with only the first component exceeding the eigenvalue threshold of 1. This suggests that the questionnaire items primarily measure a single underlying construct, supporting the instrument's construct validity. Overall, these findings indicate that the questionnaire items are suitable and valid for measuring financial skills, digital literacy, perceived risk, and the intention to adopt mobile banking and payment applications.

Section-4 Result and Discussion

4.1 Introduction

The study's findings are presented in this chapter along with an interpretation of them considering previous research. The objective is to investigate how Nepalese customers living in the UK intend to use mobile banking and mobile payment applications in relation to financial skills, digital literacy, and perceived risk. SPSS was used to investigate the data, and the suggested hypotheses were tested using regression, correlation analysis, reliability tests, and descriptive statistics.

4.2 Demographic Profile of Respondent

The demographic profile of the survey participants is presented in this section. Key variables like gender, age group, level of education, employment status, and length of stay in the UK are included in the analysis. Examining these demographic variables provides essential context for understanding the background of Nepalese consumers in the UK and supports the interpretation of subsequent analyses related to financial skills, digital literacy, perceived risk, and intention to adopt mobile banking and payment applications.

Table 4.2.1: Respondent Profile

Respondent Profile		Frequency	Percentage
Gender	Male	14	45.2
	female	17	54.8
Age	Below 25	6	19.4
	26-35	30	64.5
	36-45	3	9.7
	46 and above	2	6.5
Education	Secondary Level	7	22.6
	Bachelor's Degree	13	41.9
	Master's Degree	9	29.0
	Doctorate	1	3.2
	Other	1	3.2

Employment Status	Student	10	32.3
	Self-employed	2	6.5
	Employed	19	61.3
	Un-employed	0	0.0
Length of UK Residence	Less than 1 year	15	48.4
	1-3 Years	10	32.3
	4-6 Years	2	6.5
	More than 6 years	4	12.9
Use of Mobile banking apps	Yes	31	100.0
	No	0	0.0

The gender distribution of the respondents shows a slightly higher participation of females than males. Specifically, 54.8% of the participants were female, while 45.2% were male, indicating a reasonably balanced representation between the two genders.

In terms of age, most respondents were between 26 and 35 years old, accounting for 64.5% of the sample, followed by 19.4% who were under 25 years. Only a small fraction of respondents fell within the 36–45 years (9.7%) and 46 years and above (6.5%) categories. This suggests that the study primarily reflects the perspectives of young adults, who are often more familiar with and likely to use digital technologies such as mobile banking.

In terms of educational attainment, most respondents had completed higher education. About 41.9% held a bachelor's degree, 29.0% had a master's degree, and 3.2% possessed a doctorate. Those with secondary education represented 22.6%, while another 3.2% had other forms of education. The high level of educational attainment indicates that the respondents are generally literate and likely to have the necessary skills to engage comfortably with mobile banking applications.

Analysis of employment status shows that most participants were employed (61.3%), with students constituting 32.3% of the sample. A small number were self-employed (6.5%), and no respondents were unemployed. The dominance of employed individuals may reflect a population with stable income, which could influence their access to and frequent use of financial services, including mobile banking.

Concerning the length of residence in the UK, nearly half of the respondents (48.4%) had been in the country for less than one year, while 32.3% had resided in the UK for 1–3 years. A smaller proportion had lived in the UK for 4–6 years (6.5%) or more than six years (12.9%). This indicates that the sample mainly represents recent migrants, whose financial behaviours may be shaped by their adaptation to a new banking environment and the adoption of digital financial services.

Finally, all respondents (100%) reported using mobile banking applications. This demonstrates a homogenous sample in terms of digital banking adoption, ensuring that the findings are relevant to active users. However, it should be noted that the perspectives of non-users, who might experience barriers to mobile banking, are not captured in this study.

4.3 Descriptive Statistics of the Main Study Variables

This section presents the descriptive data for the study's main variables, which include adoption intention, financial abilities, digital literacy, and perceived risk. The mean and standard deviation figures were calculated to provide an overview of respondents' perceptions and levels about each idea.

Table: 4.3.1 Descriptive Statistics of Adoption Intention, Financial Skills, Digital Literacy, and Perceived Risk

Descriptive statistics					
	N	Minimum	Maximum	Mean	Standard Deviation
Adoption Intention	31	1.00	5.00	3.3790	1.11031
Financial Skills	31	1.00	5.00	3.6645	1.01112
Digital Literacy	31	1.00	4.75	3.6532	0.95236
Perceived Risks	31	1.00	4.80	3.1161	0.97403

The descriptive statistics for the study's primary variables are shown in Table 4.3.1. The intention to adopt mobile banking and payment applications has a mean score of 3.3790 (1.11031), indicating a moderate level of adoption intention among respondents, with scores ranging from 1.00 to 5.00. Financial Skills show a slightly higher mean of 3.6645

(SD=1.01112), suggesting that participants generally perceive themselves as having moderate to strong financial capabilities. Digital Literacy has a mean of 3.6532 (SD=0.95236), indicating that respondents are relatively comfortable with digital technologies. Perceived Risks have the lowest mean of 3.1161 (SD=0.97403), reflecting moderate concerns about potential risks associated with mobile banking. The standard deviations indicate some variability, highlighting differences in perceptions across the sample. These descriptive statistics provide a basis for further analysis of the relationships among the study variables.

4.4 Inferential Analysis

The inferential statistical studies performed to look at variations in adoption intention among demographic categories are presented in this section.

Table: 4.4.1 Independent Samples t-Test for Gender Differences in Adoption Intention

Gender	N	Mean	SD	
Male	14	3.3571	1.2078	
Female	17	3.3971	1.06088	
Independent Samples t-Test Results				
Levene's Test (Sig.)	t	df	P (2-tailed)	Mean Difference
0.419	0.98	29	0.923	-0.03992
Effect size				
Measure	Value	Interpretation		
Cohen's d	-0.035	Negligible effect		

To determine if male and female respondents have different adoption intention, an independent samples t-test was used. The mean adoption intention score for males was 3.3571 (SD = 1.2078), while for females it was 3.3971 (SD = 1.06088). Levene's test showed no significant difference in variances (Sig. = 0.419), meaning the assumption of equal variances was satisfied.

The t-test results showed no statistically significant difference in adoption intention between male and female participants, $t(29) = -0.098$, $p = 0.923$. This indicates that gender does not have a significant impact on the intention to adopt mobile banking and payment applications among Nepalese consumers in the UK.

The effect size, measured using Cohen's d, was -0.035 , which represents a negligible effect. This confirms that the difference in adoption intention between male and female respondents is

extremely small and practically insignificant. Overall, the findings suggest that adoption intention is consistent across genders in the sample.

Table: 4.4.2 One-Way ANOVA Results for Adoption Intention Across Age Groups

Age Group	N	Mean	SD	Std. Error	F	Levene's Test (Sig.)	Sig. (p)	η^2
Below 25	6	3.0833	0.78528	0.321				
26-35	20	3.4750	1.18627	0.265				
36-45	3	4.2500	0.43301	0.250				
46 and above	2	2.0000	0.00000	0.000				
ANOVA Results				0.199	2.023	(3, 27)	0.134	0.184

(ANOVA) was used to assess differences in adoption intention across age groups. The analysis indicated that adoption intention did not vary meaningfully across different age groups, $F(3, 27) = 2.023$, $p = 0.134$. However, the effect size ($\eta^2 = 0.184$) indicates a moderate level of practical variation, suggesting that age-related differences in adoption intention may exist but were not sufficiently strong to reach statistical significance within this sample.

Table: 4.4.3 One-Way ANOVA Results for Education Level Differences in Adoption Intention

Education Level	N	Mean	SD	Std. Error	F	Levene's Test (Sig.)	Sig. (p)	η^2
Secondary	7	3.5357	0.6362	0.2426				
Level								
Bachelor's	13	2.8077	1.2506	0.34687				
Degree								
Bachelor's	9	4.0278	0.7851	0.26169				
Degree								
Doctorate	1	2.5000						
Other	1	4.7500						
ANOVA Results					2.701	(4, 26)	0.053	0.294

A one-way ANOVA examined differences in adoption intention across education levels. Although respondents with a master's degree exhibited the highest mean adoption intention, differences were not statistically significant, $F(4, 26) = 2.701$, $p = 0.053$, with a moderate effect

size ($\eta^2 = 0.294$), suggesting a potential association that warrants further investigation with a larger sample.

Table: 4.4.4 ANOVA for Adoption Intention by Employment Status

Employment Status	N	Mean	SD	Std. Error	Levene's Test (Sig.)	F	Sig	η^2
Student	10	3.2500	1.24164	0.39264				
Employed	19	3.3684	1.09408	0.25100				
Selfemployed	2	4.1250	0.53033	0.37500				
ANOVA Results					(2, 28)	0.503	0.610	0.035

Note: η^2 represents effect size (eta-squared).

No significant variation in adoption intention was found across employment categories, $F(2, 28) = 0.503$, $p = 0.610$. The effect size ($\eta^2 = 0.035$) suggests a minimal practical difference, indicating adoption intention is largely consistent regardless of employment status in this sample.

Table: 4.4.5 ANOVA for Adoption Intention by Length of UK Residence

Length of UK Residence	N	Mean	SD	Std. Error	Levene's Test (Sig.)	F	Sig. (p)	η^2
Less than 1 year	15	3.0667	1.24451	0.32133			5.00	
1-3 years	10	3.9000	0.75645	0.23921			5.00	
	2	4.1250		0.37500			4.50	
4-6 years			0.53033					
More than 6 years	4	2.8750		0.54486			4.25	
			1.08972					
ANOVA Results					(3,27)	1.850	0.162	0.171

Note: η^2 represents effect size (eta-squared).

No significant variation in adoption intention was found across lengths of UK residence, according to a one-way ANOVA, $F(3, 27) = 1.850$, $p = 0.162$. The effect size ($\eta^2 = 0.171$) indicates a modest practical variation, suggesting that while length of residence may influence adoption intention, these differences were not statistically significant in this sample.

Table: 4.4.6 Correlation Analysis Among Adoption Intention, Financial Skills, Digital Literacy, and Perceived Risk

Variables	Adoption Intention	Financial Skills	Digital Literacy	Perceived Risk
Adoption Intention	1	.681**	.631**	.431*
Financial Skills	.681**	1	.936**	.351
Digital Literacy	.631**	.936**	1	.280
Perceived Risk	.431*	.351	.280	1

Note. Values represent Pearson correlation coefficients.

** $p < 0.01$ (two-tailed).

* $p < 0.05$ (two-tailed).

Table 4.4.6 presents the Pearson correlation coefficients among the study variables. Adoption intention is positively and significantly correlated with Financial Skills ($r = 0.681$, $p < 0.001$) and Digital Literacy ($r = 0.631$, $p < 0.001$), indicating that higher financial and digital skills are associated with a stronger intention to adopt mobile banking and payment applications. Adoption intention also shows a moderate positive correlation with Perceived Risk ($r = 0.431$, $p = 0.015$), suggesting that even though participants perceive some risks, it does not necessarily reduce their intention to adopt these services. Financial Skills and Digital Literacy are highly correlated ($r = 0.936$, $p < 0.001$), reflecting a strong relationship between participants' financial and digital competencies. The correlations provide preliminary evidence of the relationships among the key variables, which can be further examined through regression analysis.

Table:4.4.7 Multiple Regression Coefficients Predicting Intention to Adopt Mobile Banking and Payment Applications

Model	B	Std. Error	Beta	t	Sig.	Hypothesis Result	
Constant	0.150	0.685		0.219	0.828		
Financial Skills	0.631	0.438	0.575	1.442	0.161	H1	Not Supported
Digital Literacy	0.036	0.453	0.031	0.080	0.937	H2	Not Supported
Perceived Risk	0.252	0.166	0.221	1.512	0.142	H3	Not Supported
a. Dependent Variable: Adoption Intention							

Note. $R^2 = 0.506$, Adjusted $R^2 = 0.451$, $F(3, 27) = 9.225$, $p < 0.001$.

A multiple regression was conducted to determine whether financial skills, digital literacy, and perceived risk could predict Nepalese consumers' intention to adopt mobile banking and payment applications in the United Kingdom. Overall, the model was statistically significant $F(3, 27) = 9.225$, $p < 0.001$) and explained almost 51% of the variation in adoption intention, demonstrating a strong link between the predictors and the result.

When the factors were analysed separately, none of them had a significant relationship on adoption intention. Financial abilities had a positive but non-significant effect ($B = 0.631$, $p = 0.161$), digital literacy had a very small non-significant influence ($B = 0.036$, $p = 0.937$), and perceived risk was positively related despite expectations ($B = 0.252$, $p = 0.142$). As a result, all three hypotheses (H1-H3) were not supported.

4.5 Major Findings

The analysis focused on the effects of financial skills, digital literacy, and perceived risk on the intention to adopt mobile banking and payment applications among Nepalese consumers in the UK. Demographic results indicated that most respondents were young adults aged 26–35 years, highly educated, and either employed or students, with nearly half residing in the UK for less than one year. Descriptive statistics showed moderate levels of adoption intention (mean = 3.379), financial skills (mean = 3.6645), digital literacy (mean = 3.6532), and perceived risk (mean = 3.1161).

A t-test using independent samples found no statistically significant difference in adoption intention between men ($M = 3.3571$, $SD = 1.2078$) and females ($M = 3.3971$, $SD = 1.06088$), $t(29) = -0.098$, $p = 0.923$, with equal variances assumed (Sig. = 0.419). One-way ANOVAs across age, education, employment, and length of UK residence also revealed no statistically

significant differences in adoption intention, though effect sizes ($\eta^2 = 0.035\text{--}0.294$) suggest some practical variation across groups.

Correlation analysis revealed positive associations between adoption intention and both financial skills ($r = 0.681, p < 0.001$) and digital literacy ($r = 0.631, p < 0.001$), while perceived risk also showed a moderate positive correlation ($r = 0.431, p = 0.015$). Regression results indicated that the three predictors together explained 50.6% of the variance in adoption intention ($R^2 = 0.506, F = 9.225, p < 0.001$). Individually, however, financial skills (H1), digital literacy (H2), and perceived risk (H3) did not have statistically significant effects, meaning H1, H2, and H3 were not supported. These findings suggest that although financial skills, digital literacy, and perceived risk jointly influence adoption intention, other unexamined factors, such as trust, social influence, or technological infrastructure, may also play a crucial role in shaping mobile banking adoption among Nepalese consumers in the UK.

4.6 Discussion

The study's investigation showed numerous key insights into the use of mobile banking and payment applications by Nepalese customers in the United Kingdom. The correlation results revealed that financial skills were positively connected with the desire to use mobile banking, implying that individuals with greater financial capabilities have higher adoption intentions.

This conclusion is consistent with recent studies by Bhuvana and Vasantha (2019), Maji and Laha (2023), and Ullah et al. (2022), which found that financial literacy increases user confidence and desire to utilize digital financial services. Similarly, research on migrant communities highlight the need of financial literacy in navigating digital remittance platforms and financial inclusion programs (Nisha & Jayaraman, 2024; Lye et al., 2025). However, the regression analysis revealed that financial skills had no statistically significant individual effect on adoption intention, which suggests that, while financial skills are important, other factors may affect the choice to embrace mobile banking more strongly in this demographic. The descriptive and correlation analyses indicated that financial skills and digital literacy were positively associated with the intention to adopt mobile banking and payment applications, while perceived risk showed a negative association. This aligns with prior research suggesting that financially skilled and digitally literate users are more confident and likely to use mobile financial services (Bhuvana & Vasantha, 2019; Maji & Laha, 2023; Ullah et al., 2022). Similarly, higher perceived risk was found to discourage adoption, which is consistent with findings in earlier studies (Alalwan et al., 2016; Kumar et al., 2023; Tabassum & Faklaris, 2024).

Digital literacy showed a positive correlation with adoption intention, indicating that respondents who are comfortable with technology increases the use of mobile banking applications. This supports previous studies such as Sabila (2024), Venkatesan (2025), and Vik et al. (2024), which highlighted the importance of digital competence in facilitating mobile banking adoption and enhancing digital financial inclusion. Nonetheless, the regression results revealed a very small and non-significant effect, implying that digital literacy alone may not be a strong predictor and could interact with other variables, such as financial knowledge, perceived risk, or trust.

Moreover, perceived risk displayed a positive correlation with adoption intention, which is inconsistent with many prior studies (Kumar et al., 2023; Alalwan et al., 2016) that typically show higher perceived risk reducing adoption. This divergence may be explained by the characteristics of the sample, as all participants were already active users of mobile banking, indicating that experienced users may be less deterred by potential risks. Regression analysis confirmed that perceived risk was not a statistically significant predictor, reinforcing that adoption decisions are likely influenced by a combination of factors beyond the three studied variables. Similar observations are reported in recent literature highlighting the nuanced impact of risk perception among migrants who are familiar with secure digital financial services (Valencia-Arias et al., 2025).

Regarding the hypotheses, Hypothesis 1, which proposed that financial skills positively influence the intention to adopt mobile banking and payment services, was not statistically supported. Although prior studies suggest that higher financial literacy is associated with increased adoption (Morgan, 2021; Bhuvana & Vasantha, 2019; Onay, Aydin & Kohen, 2023), the findings of this research indicate that financial skills alone may not directly drive adoption among Nepalese consumers in the UK.

Hypothesis 2, suggesting that digital literacy positively affects adoption intention, was also not supported, contrasting with studies highlighting the positive role of digital competencies in facilitating mobile banking use (Oberländer, Beinicke & Bipp, 2020; Maji & Laha, 2023; Sabila, 2024; Vik et al., 2024).

Hypothesis 3, stating that perceived risk negatively influences adoption intention, showed a positive but non-significant relationship, differing from the findings of Kumar et al. (2023), Van et al. (2021), and Tabassum & Faklaris (2024), who reported that higher perceived risk reduces intention to adopt mobile financial services. This unexpected trend suggests that riskaware

consumers may actively seek secure and reliable mobile banking solutions rather than avoiding them entirely.

Although prior research highlights that age, gender, and other socio-demographic factors can influence mobile banking adoption (Addula, 2025; Merhi et al., 2021; van Deventer, 2024; Rouse, Bátiz-Lazo & Carbó-Valverde, 2025; Apau, Titis & Lallie, 2025), the current study found no statistically significant differences in adoption intention across gender, age, education, employment, or length of UK residence. Effect sizes suggested minor practical variations, but overall, demographic characteristics appeared less influential among this predominantly young, educated, and active mobile banking user group, indicating that factors such as financial skills, digital literacy, and perceived risk may play a more critical role in adoption behaviour.

Overall, the findings suggest that financial skills and digital literacy encourage adoption, consistent with prior research (Bhuvana & Vasantha, 2019; Maji & Laha, 2023; Ullah et al., 2022; *Frontiers in Psychology*, 2022), while perceived risk may not strongly discourage users who are already familiar with mobile banking. The lack of individual significance in the regression model highlights the complexity of adoption behaviour, suggesting the need to consider additional factors such as trust, social influence, and app usability in future studies. Additionally, recent research emphasizes the importance of tailored interventions for migrant populations to support financial literacy, digital competence, and privacy awareness when adopting mobile financial services (Nisha & Jayaraman, 2024; Lye et al., 2025; Tabassum & Faklaris, 2024; Valencia-Arias et al., 2025).

Section: 5 Summary Conclusion and Recommendations

5.1 Introduction

This section presents a summary of the study's key results, categorized based on the research objectives. The study focused on how financial skills, digital literacy, and perceived risk influenced Nepalese consumers in the UK's inclination to use mobile banking and payment apps.

5.2 Summary

This research investigated the influencing factors to adopt mobile banking and payment applications among Nepalese consumers living in the UK, focusing on financial skills, digital literacy, and perceived risk. The study aimed to examine the relationships of these factors with adoption intention and provide practical recommendations to enhance adoption among the target population.

As part of a quantitative research technique, 31 respondents filled out a survey questionnaire. Gender, age, education, and duration of residency in United Kingdom were all very evenly distributed, according to demographic data. Most respondents were between the ages of 26 and 35, had a higher education level (bachelor's or master's), and were either employed or students.

For reliability test Cronbach's alpha was employed; values ranging from 0.868 to 0.943 demonstrated the instrument's high internal consistency and dependability. Descriptive statistics showed moderate levels of adoption intention (mean = 3.38), financial skills (mean = 3.66), and digital literacy (mean = 3.65), while perceived risk scored slightly lower (mean = 3.12), indicating some concern about mobile banking risks among participants.

Adoption intention was significantly positively correlated with financial skills ($r = 0.681$, $p < 0.001$) and digital literacy ($r = 0.631$, $p < 0.001$), according to Pearson correlation analysis. Multiple regression analysis suggested that the combined effect of financial skills, digital literacy, and perceived risk explained 50.6% of the variance in adoption intention ($R^2 = 0.506$), although none of the individual predictors were statistically significant.

Overall, the findings indicated that while financial skills, digital literacy, and perceived risk were theoretically important determinants of mobile banking adoption, their individual influence may have been moderated by cultural, social, and contextual factors specific to

Nepalese consumers residing in the UK. The findings highlighted the necessity of customized approaches to enhance adoption, including culturally sensitive financial education, awareness programs focusing on secure digital banking practices, and mobile banking solutions that address perceived risks effectively.

By identifying the contextual details influencing mobile banking adoption in a minority consumer group, this study adds to the body of literature and offers useful advice for banks and fintech companies looking to boost engagement among Nepalese users in the UK. The findings underscore the importance of integrating financial literacy and digital literacy initiatives with targeted risk management strategies to foster greater adoption of mobile banking applications.

5.3 Conclusion

This study examined the influence of financial skills, digital literacy, and perceived risk on the intention to adopt mobile banking and payment applications among Nepalese consumers residing in the UK. Analysis of survey data from 31 respondents indicated that the sample was predominantly young, educated, and actively using mobile banking services, providing relevant insights into adoption behaviour within this community.

The findings revealed positive associations between adoption intention and both financial skills and digital literacy, while perceived risk showed a weaker, non-significant relationship. Regression analysis indicated that, collectively, the three factors explained over 50% of the variance in adoption intention; however, none of the individual predictors were statistically significant. This suggests that adoption behaviour is influenced by a combination of factors, including unmeasured elements such as trust, social influence, or technological infrastructure.

Overall, the study highlights the importance of financial and digital competencies in encouraging mobile banking adoption, while showing that perceived risk may not strongly deter experienced users. The results provide practical guidance for financial institutions and policymakers to design targeted education, awareness, and support programs that address both skill development and risk management. Future research should explore additional factors influencing adoption and consider larger, more diverse samples to better understand the complex dynamics of mobile banking use among migrant populations.

5.4 RECOMMENDATIONS

5.4.1 Practical Recommendations for Financial Institutions

Banks should provide easy-to-understand guides and tutorials to help Nepalese consumers use mobile banking apps. Apps should be simple, secure, and available in native languages to reduce fear of mistakes or fraud. Customer support should be easy to reach and helpful.

5.4.2 Policy Recommendations

Government and regulators should support programs that teach digital and financial skills to people in diaspora communities. Policies should make mobile banking safe, accessible, and affordable. Incentives for using digital banking can encourage more people to adopt it.

5.4.3 Managerial Recommendations

Managers should listen to customer feedback and improve app design based on user needs. Simple interfaces, clear benefits, and reward programs can help increase adoption. Highlighting security and convenience can also reduce concerns.

5.4.4 Recommendations for Future Research

Future studies could explore other factors that affect mobile banking adoption, like trust, social influence, or culture. Researchers can also study long-term changes in adoption after training programs or policy interventions.

5.5 Implications

This study shows that understanding financial and digital skills is important for increasing mobile banking use. Banks can improve adoption by focusing on user-friendly apps and education. Policymakers can reduce barriers with supportive programs. Academically, the study adds knowledge about how Nepalese consumers in the UK use mobile banking.

5.5.1 Theoretical Implications

This study offers to technology adoption research by representing that financial skills and digital literacy are key factors influencing the use of mobile banking and mobile payment applications among Nepalese consumers. The findings support existing adoption models by confirming that user capability is significant factor in shaping adoption intention. The results also show that perceived risk does not act as a strong barrier when users possess adequate financial and digital skills. This suggests that adoption theories may benefit from giving greater attention to skill-based factors, especially when studying migrant or minority consumer groups in developed digital economies.

5.5.2 Practical Implications

The findings highlight the importance of improving financial skills and digital literacy to increase the adoption of mobile banking and payment applications. Financial institutions serving Nepalese consumers in the UK should focus on user education, such as clear instructions, demonstrations, and simple digital support services. Users may feel more comfortable utilizing mobile financial services if information is presented in an understandable way. Since perceived risk does not strongly discourage adoption, practical efforts should focus on strengthening user understanding rather than relying only on risk warnings.

5.5.3 Policy Implications

The results suggest that policies aimed at promoting digital financial inclusion among migrant communities should prioritize financial and digital education. Policymakers and regulatory bodies can support adoption by encouraging training programs and awareness initiatives tailored to migrant consumers. Clear communication about consumer protection and digital security can further enhance confidence without creating fear. Such policy efforts can help improve access to and effective use of digital financial services.

5.5.4 Managerial Implications

For bank and fintech managers, the findings indicate that adoption can be improved by investing in customer education and support rather than focusing solely on technological features. Designing user-friendly applications and providing support to new users can reduce uncertainty and improve adoption rates. Additionally, managers should understand that mobile banking and payment services are more likely to be adopted by consumers with higher financial and digital abilities, making educational initiatives a valuable strategic investment.

5.5.5 Implications for Future Research

To better understand the adoption of mobile banking among immigrant communities, future studies may examine other variables like trust, cultural impacts, or length of stay in the host nation. Studies using larger samples or mixed methods could provide deeper insights into how financial skills and digital literacy develop over time. Further research could also compare different migrant groups to better understand adoption behaviour across diverse communities.

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Appendix A

Questionnaire For Survey

Adoption of Mobile Banking and Mobile Payment Applications among Nepalese Consumers in the UK: The Role of Financial Skills, Digital Literacy, and Perceived Risk.

Dear Participants,

I am conducting an academic research study titled "**Adoption of Mobile Banking and Mobile Payment Applications among Nepalese Consumers in the UK: The Role of Financial Skills, Digital Literacy, and Perceived Risk**". This survey is conducted for academic research as part of a Doctor of Business Administration (DBA) programme. The purpose of this research is to examine how financial skills, digital literacy, and perceived risk influence the intention of Nepalese consumers living in the UK to adopt mobile banking and mobile payment applications.

It is entirely optional to participate. All answers will be kept private and utilized exclusively for scholarly research. Completing the survey will take about five to seven minutes. Before submitting the survey, you are free to leave at any moment without facing consequences.

Before submitting the survey, you are free to leave at any moment without facing any consequences.

Section A: Demographic Information

Age group

- ☐ Below 25 ☐ 26-35 ☐ 36-45 ☐ 46 and Above

Gender ☐

Male

- ☐ Female
☐ Prefer not to say

Highest level of education completed

- ☐ Secondary Level ☐ Bachelor's degree ☐
Master's degree
☐ Doctorate ☐ Other

Employment Status

- ☐ Student ☐ Employed
☐ Self- Employed
☐ Unemployed

Length of residence in the UK

- ☐ Less than 1 year ☐ 1-3 years ☐
4-6 years
☐ More than 6 years

Have you ever used mobile banking or mobile payment applications?

- ☐ Yes ☐ No

Section B: Financial Skills

*Please indicate your level of agreement with the following statements. **

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I understand how mobile banking and payment applications work.					
I am confident in managing my finances using digital banking applications.					
I feel capable of making informed financial decisions when using mobile banking services.					
My financial knowledge helps me trust mobile banking and payment applications.					
I can evaluate transaction fees, charges, and financial risks related to mobile payments. I understand how mobile banking and payment applications work.					

Section C: Digital Literacy

*

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I am comfortable using smartphones and mobile applications.					
I can easily learn how to use new mobile banking or payment applications.					
My digital skills make it easier for me to use mobile banking and payment services.					
I know how to protect my personal and financial information online.					

Section D: Perceived Risk

*

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I am concerned about the security of my financial information when using mobile banking applications.					
I worry about losing money due to fraud or errors when using mobile payment applications.					
I feel that mobile banking transactions involve financial risks.					
I am concerned about privacy issues related to mobile banking and payment services.					
The risks associated with mobile banking discourage me from using these applications.					

Section E: Intention to Adopt Mobile Banking and Payment Applications

*

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

I intend to continue using mobile banking and payment applications in the future.					
I am willing to use mobile banking and payment applications for most of my financial transactions.					
I would recommend mobile banking and payment applications to others.					
I plan to increase my use of mobile banking and payment applications.					

Appendix B

Link of SPSS Data

https://mail.google.com/mail/u/0?ui=2&ik=fa8bbd3c49&attid=0.1&permmsgid=msg-a:r5242423740587620506&th=19b8d9a47babc6e6&view=att&disp=safe&realattid=f_mk0zpnx20&zw

Reliability

Scale: ALL VARIABLES Case Processing Summary

		N	%
Cases	Valid	31	100.0
	Excluded ^a	0	.0
	Total	31	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.943	5

Item Statistics

	Mean	Std. Deviation	N
Mb_Understanding	3.97	1.110	31
Condidence_Mgmt	3.74	1.094	31
Capable_decision	3.74	1.125	31
data_protection	3.42	1.119	31
Evaluate_risks	3.45	1.150	31

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected ItemTotal Correlation	Cronbach's Alpha if Item Deleted
Mb_Understanding	14.35	16.503	.867	.926
Condidence_Mgmt	14.58	16.518	.882	.924
Capable_decision	14.58	16.518	.851	.929
data_protection	14.90	16.890	.807	.937
Evaluate_risks	14.87	16.516	.826	.934

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
18.32	25.559	5.056	5

Reliability

Scale: ALL VARIABLES Case Processing Summary

	N	%
Cases Valid	31	100.0
Excluded ^a	0	.0
Total	31	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.868	4

Item Statistics

	Mean	Std. Deviation	N
Trust_Mb	3.61	1.086	31
comfortable_Mb	3.71	1.131	31
Easy_to_learn	3.65	1.199	31
digitalskills_easy	3.65	1.082	31

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected ItemTotal Correlation	Cronbach's Alpha if Item Deleted
Trust_Mb	11.00	9.133	.640	.862
comfortable_Mb	10.90	8.557	.706	.837
Easy_to_learn	10.97	7.899	.768	.811

digitalskills_easy	10.97	8.499	.768	.813
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Scale Statistics

Mean	Variance	Std. Deviation	N of Items
14.61	14.512	3.809	4

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	31	100.0
	Excluded ^a	0	.0
	Total	31	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.879	5

Item Statistics

	Mean	Std. Deviation	N
Security_cencerns	3.35	1.082	31
Worry_fraud	3.19	1.108	31
Financial_risks	3.00	1.238	31
Privacy_issues	3.19	1.223	31
Discouragements	2.84	1.267	31

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected ItemTotal Correlation	Cronbach's Alpha if Item Deleted
Security_cencerns	12.23	16.981	.625	.873
Worry_fraud	12.39	16.378	.681	.861
Financial_risks	12.58	14.918	.760	.842
Privacy_issues	12.39	14.912	.774	.838
Discouragements	12.74	14.998	.725	.851

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
15.58	23.718	4.870	5

Reliability

Scale: ALL VARIABLES Case Processing Summary

		N	%
Cases	Valid	31	100.0
	Excluded ^a	0	.0
	Total	31	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.926	4

Item Statistics

	Mean	Std. Deviation	N
Continue_use_mb	3.45	1.150	31
will_to_use_Mb	3.52	1.180	31
recommend_to_use	3.39	1.256	31
Increase_to_use	3.16	1.319	31

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected ItemTotal Correlation	Cronbach's Alpha if Item Deleted
Continue_use_mb	10.06	11.862	.826	.904
will_to_use_Mb	10.00	11.400	.870	.889
recommend_to_use	10.13	11.049	.850	.895
Increase_to_use	10.35	11.170	.773	.924

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
13.52	19.725	4.441	4

Appendix C-Regression Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
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1	Perceived_Risk, Digital_Literacy, Financial_Skills	.	Enter
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a. Dependent Variable: Adoption_Intention

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.711 ^a	.506	.451	.82245

a. Predictors: (Constant), Perceived_Risk, Digital_Literacy, Financial_Skills

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.720	3	6.240	9.225	<.001 ^b
	Residual	18.264	27	.676		
	Total	36.984	30			

a. Dependent Variable: Adoption_Intention

b. Predictors: (Constant), Perceived_Risk, Digital_Literacy, Financial_Skills

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.150	.685		.219	.828
	Financial_Skills	.631	.438	.575	1.442	.161
	Digital_Literacy	.036	.453	.031	.080	.937
	Perceived_Risk	.252	.166	.221	1.512	.142

a. Dependent Variable: Adoption_Intention

Appendix D-Frequency table

Ag_grp

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	26-35	20	64.5	64.5	64.5
	36-45	3	9.7	9.7	74.2
	46 and above	2	6.5	6.5	80.6
	Below 25	6	19.4	19.4	100.0
	Total	31	100.0	100.0	

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	14	45.2	45.2	45.2
	Female	17	54.8	54.8	100.0
	Total	31	100.0	100.0	

Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bachelor's degree	13	41.9	41.9	41.9
	Doctorate	1	3.2	3.2	45.2
	Master's degree	9	29.0	29.0	74.2
	Other	1	3.2	3.2	77.4
	Secondary Level	7	22.6	22.6	100.0
	Total	31	100.0	100.0	

Emplmt_status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Employed	19	61.3	61.3	61.3
	Self- Employed	2	6.5	6.5	67.7
	Student	10	32.3	32.3	100.0
	Total	31	100.0	100.0	

UK_Residence

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-3 years	10	32.3	32.3	32.3
	4-6 years	2	6.5	6.5	38.7
	Less than 1 year	15	48.4	48.4	87.1
	More than 6 years	4	12.9	12.9	100.0
	Total	31	100.0	100.0	

Appendix E-(T-Test)

Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Adoption_Intention	Male	14	3.3571	1.20780	.32280
	Female	17	3.3971	1.06088	.25730

Independent Samples Effect Sizes

			Point Estimate	95% Confidence Interval	
Standardizer ^a				Lower	Upper
Adoption_Intention	Cohen's d	1.12911	-.035	-.742	.672
	Hedges' correction	1.15940	-.034	-.723	.655
	Glass's delta	1.06088	-.038	-.745	.670

a. The denominator used in estimating the effect sizes.

Cohen's d uses the pooled standard deviation.

Hedges' correction uses the pooled standard deviation, plus a correction factor.

Glass's delta uses the sample standard deviation of the control (i.e., the second) group.