CASHLESS POLICY AND BANKING SECTOR SERVICES IN AWKA METROPOLIS

Obi-Nwosu, Victoria Ogochukwu, PhD; & Osakwe, Charity Ifunanya, PhD
Department of Banking and Finance, Nnamdi Azikiwe University, Awka, Anambra State.

Abstract
This study examined the cashless policy and the Nigerian banking sector service in the Awka metropolis. For the purpose of the study, three objectives were formed which included the effect of cashless policy components like electronic payment systems on banking services, access to financial services and financial innovations of banks in the Awka metropolis. The research adopted a survey research design and the sample size was 74 while 74 questionnaires were distributed and 69 appropriately returned forming the basis for conducting this study. The study was anchored on Technology Acceptance Model (TAM) and Modernization Theory. The researcher using the Spearman rank correlation coefficient to test the hypotheses discovered that the electronic payment system affected the banking services, financial innovation and access to financial services significantly. Thus, the study recommended that electronic payment system should further be improved to increase the service delivery among banks in Awka metropolis. The provision of electronic payment system should be encouraged further too to continuously improve financial innovations and boost financial reach in Awka metropolis, Anambra state, Nigeria.
Keywords*: Cashless policy, e-banking, e-payment system, Awka, Nigeria.*

Introduction

The banking sector remains the major means of monetary control as well as the most important financial institution which plays an essential role in the economy of a country. In the world today, the banking industry is seen as the livewire of any economy and determines the growth of such economy (Olokoyo, Taiwo & Akinjare, 2016). The primary role of the banks is to take in funds from those with money and lend them to those who need the funds. The Central Bank of Nigeria has recently engaged in series of reforms, aimed at reducing the quantum of physical cash used in the system referred to as cashless policy; in an attempt to cut down on cash handling expenses of banks.

A cashless policy is a policy that discourages the use of huge raw cash for transactions but encourages the use of electronic tools like bank transfer, ATM card, POS, and other financial instruments for transferring cash in transactions (IGI Global, 2020). This policy allows the users to effect payment with their mobile phones through mobile transfer (internet banking), credit/debit card through an automated teller machine (ATM) or point of sale (POS) machine, and through a checkbook already provided by the banking sector. Users can pay for goods and services like commodities purchased, utility bills, rents, and tuition fees through this medium.

Sweden has been leading the way towards a cashless society and has been at the forefront of banking innovation for a long time as the development and simplification of payment have evolved greatly. Sweden was the first country in Europe who introduces the paper money in early 1661. In the meantime, it is also becoming the world's first cashless country where minimum cash is used with barely 1% of the value of all payments being made using notes and coins. Eventually, it will also become the first country where cash will vanish completely (Shivam Kaila, 2019). The country has been able to achieve this by adapting mobile payment apps mobile bank IDs, financial technology, and even handy payment (microchips implanted into their hand and can be used to effect payment). The key drivers for Sweden's cashless society were the widespread adoption of payment cards from way back in the 1950s, the digitalization of bank accounts since the 1960s, and the setting up of the internet infrastructure and internet banking in the mid-1990s. Then, in the early 2000s, the Central Bank decided to outsource its printing and distribution of cash. The Central Bank said it didn't see cash as its core business (Wharton, 2018). The increased number of counterfeit notes and increased rate of robberies was also a drive to run a cashless society. In advanced economies like the United States of America, the use of cash for purchasing consumption goods has declined. Today, roughly four-in-ten Americans (41%) say none of their purchases in a typical week are paid for using cash, up from 29% in 2018 and 24% in 2015, according to a new Pew Research Center survey (Faverio, 2022). Most less-developed countries like Nigeria are on the transition from a pure cash-based economy to a cashless economy for development purposes.

In 2020, the cashless policy was introduced to reduce the cost of banking services, increase insecurity in kidnapping for ransom, and untraceable corruption activities, and drive financial inclusion by providing more efficient transaction options (CBN, 2020). To ensure the success of the policy, banks are expected to deliver electronic banking services to their customers and encourage their customers to use them. The success of this policy depends largely on the ability of the bank to deliver these services to their customer especially those people who are physically and mentally separated from modern technologies, unbanked individuals in rural areas (Bayero, 2015). In the Awka metropolis, banking facilities are barely available and accessible in some communities; and these facilities seem not to be accepted by some elderly as they're not literate enough to transact with them. Given renewed drive of the CBN to make Nigeria a cashless society, the banks in the community have suffered a great ordeal trying to ensure the little cash made available to them is equally distributed with numerous customers struggling to make a withdrawal. This has taken a toll on the banks due to the scarcity of cash for disbursement and most customers are directed to the ATMs for withdrawal as payment was not to be made over the counter; this shows that cash still remains relevant as it continues to play an important part in the lives of many people and businesses in the metropolis. Business sales have dropped as most people couldn't get cash and some are not used to making the transfers, also the prices of goods and services have increased because of the high cost of Point of Sale (POS) transactions thereby causing a decline in the economy (Cyril, 2023).

Previous studies on cashless policy have been examined like Omotunde, Sunday, and John-Dewole (2013); Pedro and Santiago (2020); Josep and Claudia (2022); Osazevbaru and Henry (2014); Nwakoby, Origin, and Okoh, (2020); Ropheka (2020); Suberu, Afonja, Akande, & Olure-bank (2015); Njideka and Nnabugwu (2018); Gbalam and Dunami (2020); Clifford (2020); but little emphasis have been made on how the cashless policy has impacted the banking sector services. Hence, the need to understand the potential impact of the cashless policy on the banking sector services (a case study of Awka metropolis) in order to inform policy decisions and promote sustainable development.

Review of Related Literature

Conceptual Review

The impact of the cashless policy has been a topic of interest for researchers and scholars. The policy illustrates a gradual movement of the entire payment system of an economy from the use of physical cash in effecting payment to a systemic adoption of nonphysical cash mode payment in settlements of all types of transaction both in the public and private sectors of an economy (Ropheka, 2020). The move to operate a cashless economy is important as it is necessary to reduce the amount of physical cash in the economy and encourage the use of advanced technology for transaction purposes. A study by Adeyemi and Adekunle (2016) examined the impact of the cashless policy on the Nigerian banking sector. The study found that the policy has led to an increase in the use of electronic payment channels and a reduction in cash transactions. However, the study also highlighted some challenges faced by banks, such as the high cost of setting up and maintaining electronic payment infrastructure and the need for adequate security measures.

The Central Bank of Nigeria which is the apex regulatory body of the banking sector introduced the cashless policy to checkmate the dominance of cash in the society. They announced the redesigning of N200, N500, and N1000 denominations and urged Nigerians to pay in the old Naira note on or before 31st January 2023 and then further extended the deadline to the 10th of February, 2023; thereby reducing the presence of physical cash at hand/hoarding of cash. The central bank of Nigeria (CBN) further reviewed upward the limit on cash withdrawals made by individuals and organizations. Ahead of the redesigned Naira notes, the bank had on the 6th of December, 2023 announced a new policy limiting over-the-counter cash withdrawals by individuals and corporate bodies to N100,000 and N500,000 respectively, per week. The withdrawal limit was later adjusted and signed by Haruna Mustafa on the 21st of December, 2023 in response to the public outcry on the policy and the policy now limits withdrawal of cash to N500,000 and N5,000,000 weekly for individuals and corporate bodies, respectively. And in compelling circumstances where cash withdrawal exceeds the limits required for legitimate purposes, the request is subject to a processing fee of 3% and 5% for individuals and corporate bodies, respectively. This policy was introduced as analysts have posited that to meet the target of becoming one of the leading world

economies by the year 2020, efforts must be made to embrace the electronic payment system in its entirety. It was in this consciousness that the policy was introduced (Ajayi, 2014**).**

Cashless policy instruments in Nigeria used by the banking sector to implement the Central Bank of Nigeria's policy:

Automated Teller Machine (ATM)
An ATM card is a payment card or dedicated payment card issued by a financial institution (i.e., a bank) which enables a customer to access their financial accounts via its and others' automated teller machines (ATMs) and to make an approved point of purchase retail transactions (i.e., gas stations, grocery, hardware, department stores, etc.) ATM cards are not credit cards or debit cards.

Point of Sale (POS) Terminal
A payment terminal, also known as a point of sale (POS) terminal, or credit card terminal (or by the older term PDQ terminal which stands for "Process Data Quickly), is a device that interfaces with payment cards to make electronic funds transfers. A payment terminal allows a merchant to capture required credit and debit card information and to transmit this data to the merchant services provider or bank for authorization and finally, to transfer funds to the merchant.

Mobile Banking
Mobile banking is a service provided by a bank or other financial institution that allows its customers to conduct financial transactions remotely using a mobile device such as a Smartphone or tablet. Unlike the related internet banking it uses software, usually called an app, provided by the financial institution for the purpose. Mobile banking is usually available on a 24-hour basis. Some financial institutions have restrictions on which accounts may be accessed through mobile banking, as well as a limit on the amount that can be transacted.

Internet Banking
Online banking, also known as Internet banking, web banking, or home banking, is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. The online banking system will typically connect to or be part of the core banking system operated by a bank to provide customers access to banking services in addition to or in place of traditional branch banking.

Debit Card
A debit card, also known as a check card or bank card is a payment card that can be used in place of cash to make purchases. The term plastic card includes the above and as an identity document. These are similar to a credit card, but unlike a credit card, the money for the purchase must be in

the cardholder's bank account at the time of purchase and is immediately transferred directly from that account to the merchant's account to pay for the purchase.

Credit Card

A credit card is a payment card issued to users (cardholders) to enable the cardholder to pay for goods and services based on the cardholder's accrued debt (i.e., promise to the card issuer to pay them for the amounts plus the other agreed charges).

Theory Adoption

The Technology Acceptance Model (TAM) and Modernization Theory are two theoretical frameworks that can be used to analyze the adoption of cashless policy and its impact on the banking sector.

The TAM was propounded by Fred Davies in 1986, it provided a framework for understanding the factors that influence the adoption of new technologies by users. In the context of cashless policy, the TAM can be used to analyze the adoption of cashless payment systems by customers and businesses. Perceived usefulness and ease of use are key factors in the TAM that determine the user's attitude towards the technology and their intention to adopt it. By examining factors such as convenience, security, transaction speed, and accessibility, the TAM can help researchers and policymakers identify the drivers and inhibitors of the adoption of cashless payment systems in the banking sector.

Modernization Theory, on the other hand was propounded by Walt Whitman Rostow in 1960, it provides a framework for understanding the societal changes that occur as a result of the adoption of new technologies. In the context of cashless policy, modernization theory can be used to analyze the impact of cashless payment systems on the banking sector and broader society. Modernization theory posits that technological change leads to social and economic development, as societies become more efficient and productive. In the context of cashless policy, modernization theory suggests that the adoption of cashless payment systems will lead to increased efficiency, reduced transaction costs, and greater financial inclusion.

By combining the TAM and Modernization Theory, researchers can gain a more comprehensive understanding of the impact of cashless policy on the banking sector. The TAM can be used to analyze the adoption of cashless payment systems by customers and businesses, while Modernization Theory can be used to analyze the broader societal impact of these technologies. By understanding the drivers and inhibitors of adoption and the broader impact of cashless policy on the banking sector, policymakers and stakeholders can develop strategies to promote the adoption of these technologies and maximize their benefits for society.

Empirical Reviews

Different empirical works were reviewed like Josep and Claudia (2022) on how to become a cashless economy and what are the determinants of eliminating cash. The study aims to ascertain the determinants by which individuals decide to use credit cards as a payment method rather than cash. Using the aggregated data to analyze the data from the waves (2002-2017) of the Spanish Survey of Household Finances (SSHF) and panel data estimation (static and dynamic), the study identified education, age, income and wealth as the main drivers of credit cards as a payment method. It disentangles the effect of age and the cohort effect. And also check for nonlinearity problems and card use persistence. The secondary aim is to establish, using a controlled experiment, some of the financial consequences of being a cashless economy.

Tomasz, Michael, Radoslaw, and Andrea (2021) in their research on shifting from cash to cashless payments during the COVID-19 pandemic and beyond, made analysis on traditional logit regression using a survey of 5,504 respondents from 22 European countries, the research consequently estimates the probability of the act or intention to switch from cash to cashless payment. It examines the preferences regarding cash and cashless payments at the point of sale (POS) during the COVID-19 crisis. Consumers favor cashless transactions when they believe that handling cash presents a higher risk of infection. And the habits they develop during periods of restrictions and lockdowns appear to further diminish their appetite for transacting in cash. Not only do these factors affect the current choice of payment method, but also influence declared future intentions to move away from cash after the pandemic is over.

Clifford (2020) the study evaluated the impact of the cashless policy on financial inclusion in Nigeria for the period 2009 to 2019. Cashless policy instruments adopted in the study were automated teller machines, Point of Sale terminals, mobile phone banking, and web (internet) banking while the number of depositors per 1,000 adults was adopted as a proxy for financial inclusion. Rather than investigating the 'joint impact' of cashless policy instruments on financial inclusion, this study investigated the 'individual impacts' of the policy instruments on the aforementioned target variable financial inclusion. Thus, a simple regression technique was employed in carrying out the empirical analysis. Findings revealed that automated teller machines; point of sale terminals; mobile phone banking and web cashless instruments had significant impacts on financial inclusion in Nigeria.

Nwani, Nwaimo, Kanu, and Eke (2020) analyzed the cashless policy and the Nigerian payment system. Paired data samples and inferential statistics between 2007 and 2017 were collected. The study evaluates the impact of the cashless policy on the Nigerian payment system. The operations of a cashless economy were assessed based on the use of cheques; funds transfer channels and Automated Teller Machines (ATMs). Analysis of data showed that the volume and usage of cheques as a means of financial settlement have failed and were partially replaced by electronic payment systems. Banks are getting more involved in the use of interbank fund transfers rather

than cash settlements. It was also ascertained that the use of ATMs as a means of financial intermediation is increasing. The outcome of the study has justified the implementation of the cashless policy initiative in Nigeria. More effort needs to be put in place by the regulatory authority to re-orientate the masses and to encourage the use of E-payments channels, cheques; funds transfer options, and owning/ operating of bank accounts. This will give a further boost to the development of the Nigerian payment system.

Pedro and Santiago (2020) towards a cashless economy: the case of Argentina. The study presented a simple model of payment methods that includes the main determinants of the adoption of electronic payments in developing economies. The paper focuses on the case of Argentina, using household data to empirically examine the factors underlying the use and adoption of credit cards in the years 2012 and 2017/18. In line with the model, the results show the importance of informality and network effects in driving such decisions. The model can be further generalized to include the use and adoption of other electronic payment mechanisms. The analysis performed in this paper is particularly useful to understand the impact of the Covid-19 shock, which has triggered the use of alternative electronic payment, challenging the widespread use of cash in the economy.

Fatogun and Ajao (2020) in A Cashless Policy and Economic Development in Nigeria, Posited the policy is faced with challenges ranging from the erratic power supply, electronic fraud, lack of adequate sensitization, poor internet services, high rate of illiteracy, and computerization. Regression analysis (Using the OLS method) was used to examine the impact of the cashless policy on cash movement through the usage of ATMs, fund transfers, and internet availability and to determine whether the cashless policy has an impact on the delivery of financial transactions on economic development in Nigeria. The study shows that a cashless economy policy reduces the amount of cash-based transactions to the barest minimum. In Nigeria, the concept tries to discourage the idea of cash transactions. However, the introduction of electronic banking in Nigeria has a strong influence on the development of the payment system. It involves the commitment of huge amounts of financial resources on computer technology, telecommunication facilities, internet services, and a regular supply of electricity.

Ropheka (2020) this study was carried out to evaluate the impact of cashless banking on the economic growth of Nigeria. The research design adopted for this study is the expo facto research design. Analysis of data was done using ordinary least squares (OLS) regression analysis. The results revealed that there is a significant relationship between Internet banking and economic growth in Nigeria. The reason could be deduced from the fact that most Nigerian investors do use their telephone lines for transaction activities. The product has also experienced relatively high patronage due to adequate bank awareness and education of the customer on how to maximally

use their phone to transact simple banking operations, and as a result, has contributed immensely to Nigeria's banking sector growth.

Nwakoby, Origin, and Okoh (2020) analyzed the Effect of the Cashless Policy on Deposit Money Banks' Profitability in Nigeria. This study was carried out to ascertain the effect of the cashless policy on deposit money banks' profitability in Nigeria from 2009 to 2019. Secondary data from the Statistical Bulletin of Central Bank of Nigeria was used in the study and the ARDL Auto-regressive Distributed lag model was used as a method of data analysis. The explanatory variables are Point of Sale (POS) Terminal, Automated Teller Machine, Mobile banking, and Web Payment while the dependent variable is Profit before Tax. The result from the research indicates that the cashless policy has a negative and insignificant effect on profit before tax of deposit money banks in Nigeria within the study period.

Gbalam and Dumani (2020) this study examined the impact of cashless payment systems on financial inclusion in Nigeria. This was aimed at ascertaining the level of financial inclusion caused by the cashless policy. The research adopted an ordered probit regression technique to analyze the data. The results indicate that the nearness of financial products and service outlets to rural settlements, ease of digital financial transactions, and reduced visits banking halls aided by access to cashless payment mediums have enhanced financial inclusion in Nigeria. It also emerged that the efficiency of cashless payment channels does not significantly reduce the use of financial products and services, hence financial inclusion.

Ogbonna, Okoro, Atsanan, and Igwe (2020) examine the effect of electronic banking on domestic investment in Nigeria. Using data sourced from the Central Bank of Nigeria's statistical bulletin of various years for POS, ATM, Internet Banking, Mobile Banking, and NIP; and World Data Atlas for domestic investment (DI) for the period of 2009 to 2018 and were subjected to multiple regression and Granger Causality Model which was anchored on the Innovation Diffusion Theory and Keynesian Theory of Investment. The study discovered that the electronic banking transaction pool does not significantly affect domestic investment in Nigeria. Electronic banking transactions via POS, Mobile Banking, and Internet Banking all showed a negatively insignificant relationship with domestic investment; however, ATM and NIP showed a positive but insignificant relationship with domestic investment in Nigeria. The results were further confirmed by the Granger causality results that the gross insignificant effect of all electronic banking transactions on domestic investment in Nigeria. Hence, diverse findings continued to trail the possible impact of electronic banking-related studies in the literature, particularly in Nigeria. This study intends to address this position and also looks at the peculiarity of cashless policy pioneered by electronic activities in Nigeria looking at the Awka metropolis of Anambra state.

Methodology

This study used the Survey research design to examine the impact of the cashless policy on the Nigeria banking sector, a case study of Awka metropolis using current data. The data used in this study were primarily sourced through questionnaire administration. These were unprocessed facts obtained from Awka metropolis residents and all the banks operating in Awka metropolis. The population of this study consists of all the banks operating in the Awka metropolis, Anambra State, Nigeria. This includes commercial banks, microfinance banks, and other financial institutions providing banking services within the geographical limits of the Awka metropolis as defined by the local government authorities.

Table 1: Study Population

	Population	**Total Population**	**Percentage Considered**	**Study Population**
Banks Strength	45	141	52.4	74
customers Strength	96			

Source: Researcher Compilation

A simple random technique was adopted in this research. In this method, each member of a population has an equal chance of being selected as a sample. The data was presented using a frequency table in part A and B. Part A of the questionnaire were analyzed, using percentage response, the part B were analyzed, using a 5-point Likert scale ranking, and above was considered acceptable. The Spearman rank order correlation coefficient was used to test the hypothesis at a 5% level of significance between observed and expected frequency.

Presentation and Analysis of Result

Questionnaire Return Rate

A total of 74 questionnaires were administered to the correspondent at Awka metropolis through Google survey, online. Out of the total of 74 questionnaires administered to the respondents, 69 questionnaires constituting 93.2% of total questionnaires administered were returned properly completed by the respondents, and the other 5 questionnaires constituting 6.8% were either not returned or were incomplete. Thus, the questionnaire return rate of 93.2% is considered adequate. The rate of return of questionnaires by respondents is presented in Table 2.

A total of 74 questionnaires were administered to respondents in the Awka metropolis. Out of the total of 74 questionnaires administered to respondents, bank customers had 23 respondents (21 questionnaires returned), business owners had 41 respondents (38 returned responses), and financial services providers had 10 respondents (10 returned responses). The total number of returned questionnaires was 69, which constitute our working documents for the study.

Demographic Characteristics of Respondents

This section deals with the distribution of the respondents according to their demographic characteristics, which include gender (sex), educational qualification, and age. The results are presented in Tables 3 to 4.

Table 3 reveals that the respondents in the study have 65.2% male gender compared to 34.8% female gender.

Table 4 reveals that 1.4% of the respondents have only O'level qualifications, 21.7% have OND/NCE qualification, 76% have First Degree in BSc/HND qualification, and no one has MSC in the entire correspondents' populations.

Frequency Analysis

Question One (1): Cashless policy instrument, particularly Internet Banking, Mobile Banking, ATMs, and POS payment has made banking services faster and more efficient in Awka metropolis.

Table 5 revealed that: 23 respondents (33.3%) said strongly agree; 25 respondents (36.2%) said Agree, while 21 respondents (30.4%) mention undecided. This signifies that all the respondents agree that cashless policy instrument, particularly Internet Banking, Mobile Banking, ATMs, and POS payment has made banking services faster and more efficient in Awka metropolis.

Question Two (2): The availability of Internet Banking, Mobile Banking, ATMs, and POS payment system has increased the level of customer service provided by banks since the implementation of the cashless policy.

Table 6 revealed that: 10 respondents (14.5%) said strongly agree; 17 respondents (24.6%) said Agree, 30 respondents (43.5%) mentioned undecided, and 12 respondents (17.4%) said disagree respectively. This signifies that all the respondents agree the availability of Internet Banking, Mobile Banking, ATMs, and POS payment systems has increased the level of customer service provided by banks since the implementation of the cashless policy.

Question Three (3): cashless policy has led to the introduction of new banking products and services such as biometric payment in the Awka metropolis.

Table 7 revealed that: 39 respondents (56.5%) said strongly agree; 21 respondents (30.4%) said Agree, and 9 respondents (13.0%) said undecided. This signifies that most of the respondents agree that the cashless policy has led to the introduction of new banking products and services in the Awka metropolis.

Question Four (4): The implementation of the cashless policy and its instruments has led to an increase in bank charges in the Awka metropolis

Table 8 revealed that: 19 respondents (27.5%) said strongly agree; 12 respondents (17.4%) said Agree, and only 38 respondents (55.1%) mention undecided. This signifies that most of the respondents are undecided that the cashless policy and its instruments have led to an increase in bank charges in the Awka metropolis.

Question Five (5): Internet Banking, Mobile Banking, ATM, and POS payment have made banking services more accessible for people who previously had limited access to financial services in the Awka metropolis

Table 9 revealed that: 5 respondents (7.2%) said strongly agree; 5 respondents (7.2%) said Agree, while 20 respondents (29.0%) mention undecided with 22 respondents (31.9%) saying disagree. 17 other respondents (24.6%) said strongly disagree. This signifies that all the respondents strongly disagree that Internet Banking, Mobile Banking, ATMs, and POS payment has made banking services more accessible for people who previously had limited access to financial services in the Awka metropolis.

Question Six (6): The cashless policy has made it easier for people in remote areas to access banking services in the Awka metropolis.

Table 10 revealed that: 28 respondents (40.6%) said strongly agree; 38 respondents (55.1%) said Agree, while 3 respondents (4.3%) mention undecided. This signifies that all the respondents agree that the cashless policy has made it easier for people in remote areas to access banking services in the Awka metropolis.

Question Seven (7): cashless policy has helped to reduce the number of unbanked individuals in the Awka metropolis.

Table 4.11 revealed that: 18 respondents (26.1%) said strongly agree; 34 respondents (49.3%) said Agree, while 17 respondents (24.6%) mention undecided. This signifies that most of the respondents agree that the cashless policy has helped to reduce the number of unbanked individuals in the Awka metropolis.

Question Eight (8): The government has done enough to promote financial literacy and encourage the use of cashless policy instruments in Awka Metropolis

In Table 12, 23 respondents (33.3%) said strongly agree, 27 respondents (39.1%) said Agree, while 19 respondents (27.5%) said undecided. Hence, most respondents agree that the government has done enough to promote financial literacy and encourage the use of cashless policy instruments in the Awka Metropolis.

Question Nine (9): The cashless policy has led to the introduction of new electronic payments such as Internet banking, mobile banking, ATMs, and POS payment options in the Awka metropolis.

Table 13 revealed that: 14 respondents (20.3%) said strongly agree; 26 respondents (37.7%) said Agree; while 29 respondents (42.0%) said undecided. This signifies that most of the respondents agree that the cashless policy has led to the introduction of new electronic payment such as Internet banking, mobile banking, ATMs, and POS payment options in the Awka metropolis.

Question Ten (10): The cashless policy has increased the use of debit and credit cards for payments in the Awka metropolis.
Table 14 revealed that: 12 respondents (17.4%) said strongly agree; 18 respondents (26.1%) said Agree, 21 respondents (30.4%) said undecided with 11 respondents (15.9%) and 7 respondents (10.1%) said disagree, and strongly disagree respectively. This signifies that most of the respondents agree that the cashless policy has increased the use of debit and credit cards for payments in the Awka metropolis.

Question Eleven (11): The cashless policy instrument particularly Internet Banking and Mobile Banking has made it easier for people to pay bills and make transactions online in the Awka metropolis.
Table 15 revealed that: 19 respondents (27.5%) said strongly agree; 41 respondents (59.4%) said Agree; while 9 respondents (13.0%) said undecided. This signifies that most of the respondents agree cashless policy instrument particularly Internet Banking and Mobile Banking has made it easier for people to pay bills and make transactions online in the Awka metropolis.

Question Twelve (12): The cashless policy has increased the level of trust in electronic payment systems among users in the Awka metropolis.
In table 16, 36 respondents (52.2%) said strongly agree, and 36 respondents (52.2%) said Agree. Hence, all the respondents agree that the cashless policy has increased the level of trust in electronic payment systems among users in the Awka metropolis.

Question Thirteen (13): The cashless policy has encouraged the development of new digital payment solutions in the Awka metropolis
In table 17, 35 respondents (50.7%) said strongly agree, 24 respondents (34.8%) said Agree, while 10 respondents (14.5%) said undecided. Hence, most respondents agree that the cashless policy has encouraged the development of new digital payment solutions in the Awka metropolis.

Question Fourteen (14): cashless policy has led to the introduction of banking innovative products and services in the Awka metropolis.
In table 18, 24 respondents (34.8%) said strongly agree, 32 respondents (46.4%) said Agree, while 13 respondents (18.8%) said undecided. This proves that most respondents agree that the cashless policy has led to the introduction of banking innovative products and services in the Awka metropolis.

Question Fifteen (15): cashless policy has encouraged collaboration among banks and fintech companies in the Awka metropolis.
In table 19, 8 respondents (11.6%) said strongly agree, 13 respondents (18.8%) said Agree, while 16 respondents (23.2%) said undecided, disagree, and strongly disagree respectively. This proves that all respondents disagree and felt undecided that the cashless policy has encouraged collaboration among banks and fintech companies in the Awka metropolis.

Question Sixteen (16): The cashless policy has increased the level of technology adoption in the banking sector in the Awka metropolis.
In table 20, 13 respondents (18.8%) said strongly agree, 21 respondents (30.4%) said Agree, while only 29 respondents (42.0%) mention undecided, and 6 respondents (8.7%) disagree. This proves that most of the respondents said the cashless policy has increased the level of technology adoption in the banking sector in the Awka metropolis.

Test of Hypothesis
Spearman rank order of correlation was used to test the relationships between variables under study. The obtained results are shown in Table 4.20.

Hypothesis One
H_{01}: The adoption of a cashless policy by banks has no significant impact on banking sector service in Awka Metropolis.
H_1: The adoption of a cashless policy by banks has a significant impact on banking sector service in Awka Metropolis.

The correlation coefficient between the new electronic payment system and faster banking services was as follows: ($r = 0.856$, $P < 0.05$) in Table 21. This correlation is significant at a 0.05 level of significance and the strong relationship shows the significant influence of the new electronic payment system on faster banking services in the Awka metropolis. Hence, establishing a strong relationship between the two variables. Consequently, hypothesis (Ho_1) that states that the adoption of a cashless policy by banks has no significant impact on banking sector service in Awka Metropolis is rejected. Therefore, accepting that the adoption of a cashless policy by banks has a significant impact on banking sector service in Awka Metropolis.

Hypothesis Two
H_{02}: The cashless policy has no significant impact on financial inclusion in the Awka metropolis.
H_2: The cashless policy has a significant impact on financial inclusion in the Awka metropolis.

The correlation coefficient between the new electronic payment system and the reduced number of unbanked individuals was as follows: ($r = 0.831$, $P < 0.05$) in Table 22. This correlation is

significant at a 0.05 level of significance and the strong relationship shows the significant influence of the new electronic payment system on the reduction of the number of unbanked individuals in the Awka metropolis. Hence, establishing a strong relationship between the two variables. Consequently, hypothesis (Ho_2) that states that the cashless policy has no significant impact on access to financial services in the Awka metropolis is rejected. Therefore, accepting that cashless policy has a significant impact on access to financial services in the Awka metropolis.

Hypothesis Three

H_{03}: The cashless policy has no significant effect on electronic payment system innovation in the banking sector.

H_3: The cashless policy has a significant effect on electronic payment system innovation in the banking sector.

The correlation coefficient between the new electronic payment system and the development of new digital payment solutions was as follows: ($r = 0.840$, $P < 0.05$) in Table 23. This correlation is significant at a 0.05 level of significance and the strong relationship shows the significant influence of the new electronic payment system on the development of new digital payment solutions in the Awka metropolis. Hence, establishing a strong relationship between the two variables. Consequently, hypothesis (Ho_3) that states that cashless policy has no significant effect on electronic payment system innovation in the banking sector is rejected. Therefore, accepting that a cashless policy has a significant effect on electronic payment system innovation in the banking sector service.

Discussion of Findings

The study discovered that a cashless policy-induced electronic payment system is a major facilitator of access to financial services in developing economies like Nigeria. The study is premised to address the role of a cashless policy on banking sector activities in the Awka metropolis. The research has three hypotheses that were subjected to testing for the attainment of the impact of cashless policy on banking sector services in the Awka metropolis of Anambra state Nigeria. Three hypotheses were stated and the output got to make decision-based on the findings of the study.

In hypothesis one, the output indicates a significant relationship at $p = 0.00$ and a strong relationship to confirm the level of the relationship. The result indicates that the electronic payment system contributed to the degree of banking sector service in the Awka metropolis. Looking at the hypothesis two results, it was discovered that the electronic payment system facilitated a significant effect on the number of unbanked individuals in the Awka metropolis. This is evidenced

in the Spearman ranking order correlation coefficient output, which indicates a significant relationship at p = 0.00. The hypothesis three result further revealed that cashless policy implementation within the banking sector facilitates the improvement of new development of digital services (financial innovations). The Spearman ranking order correlation coefficient established a significant relationship at p = 0.00 which is less than the significance level of 0.05.

The findings prove that the introduction of a cashless policy is a groundbreaking mechanism that spurred the service delivery of banking sectors in the Awka metropolis. These results in line with the corresponding report affirm that the electronic payment system has contributed immensely to access to financial services, financial innovations, and banking services of banking sectors in the Awka metropolis. The result affirms the earlier position of Omotunde et al (2013) who examined the impact of a cashless economy in Nigeria. Responses from the respondents show that a cashless policy will increase employment; reduce cash-related robbery thereby reducing the risk of carrying cash; the study therefore shows that the introduction of a cashless economy in Nigeria can be seen as a step in the right direction. The findings of this study are supported by earlier results in Nwani et al (2020), Pedro and Santiago (2020), Tomasz et al (2021), Ropheka (2020), Joseph and Claudia (2022), and Fatogun and Ajao (2020) on cashless policy and service delivery/performance in different institutions.

Conclusion

The findings proves that the electronic payment system used in the study had a positively significant effect on banking service delivery, access to financial services, and financial innovation within the banking sector in the Awka metropolis. Hence, the study concluded that the cashless policy had a significant effect on banking sector services in the Awka metropolis, Anambra State, Nigeria.

Recommendations

Based on the findings of this study, the following recommendations were made; Electronic payment system should further be improved in terms of efficiency to increase the service delivery among banks in the Awka metropolis. The Electronic payment system should be made secure to continuously improve financial innovations and boost financial reach in Awka metropolis, Anambra state, Nigeria. The introduction of an electronic payment system has improved access to financial services within the Awka metropolis. Hence, the electronic payment system should be enhanced with a clear interface to improve inclusiveness among the people in the Awka metropolis, Anambra state, Nigeria.

References

Bayero, M. A. (2015). Effects of Cashless Economy Policy on financial inclusion in Nigeria; An exploratory study. *Global Conference on Business & Social Science*, 172, 49–56.

Chukwuebuka E., Aderonke A., Charles K. A., Janet, B., Adejoke, A., Ooreofe, K., & Austin O. (2019). Empirical Review of the Challenges of the Cashless Policy Implementation in Nigeria: A Cross-Sectional Research, *Journal of Physics: Conference Series*.

Clifford C. A. (2020). Impact of Cashless Policy on Financial Inclusion in Nigeria, *International Journal of Innovation and Applied Studies*, 30(2), 517-526.

Ebipanipre G. M. & Uyoyou K. O. (2013). An Empirical Analysis of the Benefits of Cashless Economy on Nigeria's Economic Development. *Research Journal of Finance and Accounting*, 4(17).

Fatogun O. I. & Ajao C. C. (2020). A Cashless Policy and Economic Development in Nigeria: *Randwick International of Social Science (RISS) Journal*, 1(2), 204-210.

Gbalam P. E., & Dumani M. (2020). Impact of Cashless Payment Systems on Financial Inclusion in Nigeria: *International Journal of Research and Scientific Innovation* (IJRSI), 7(2).

Joseph M. R. & Claudia V. (2022). How to become a Cashless Economy and what are the determinants of eliminating cash. *Journal of Applied Economics*.

Kket E. E., & Egu U. I. (2016). Evaluating Nigeria Cashless Policy Implementation: Evaluating Nigeria Cashless Policy Implementation

Martin C. E., & Nnamani J. N., & Mary I. M. (2020). The Impact of Central Bank of Nigeria Cashless Policy in Nigeria Economy. *Journal of Business and Management*, 16(12), 84-95.

Nan, W., Zhu, X., & Lynne M., M. (2021). What We Know and Don't Know about the Socioeconomic Impacts of Mobile Money in Sub-Saharan Africa*: A Systematic Literature Review. The Electronic Journal of Information Systems in Developing Countries*, 87, e12155. https://doi.org/10.1002/isd2.12155

Njideka P. & Nnabugwu O. C. (2018). Effect of Cashless Economy on the Performance of Micro, Small and Medium Scale Enterprises in Anambra State, Nigeria: *International Journal of Science and Research*.

Nwakoby, C. N., Origin, K. C., & Okoh, E. O. (2020). Effect of Cashless Policy on Deposit Money Banks Profitability in Nigeria: *Asian Journal of Economics, Business and Accounting* 19(4), 48-63.

Nwani, J. J., Nwaimo, C. E., Kanu, S. I. & Eke, K. C. (2020). Cashless Policy and the Nigerian Payment System. *International Journal of Innovation and Economic Development*,

Ogbonna, K. S., Okoro, Q. O., Atsanan, A. N. & Igwe, E. (2020). Effect of Electronic Banking on Domestic Investment in Nigeria. *International Journal of Maritime and Interdisciplinary Research (Ijmir)*, 1(1), 1-11.

Olokoyo, O. F., Taiwo, N. J., & Akinjare, A. V. (2016). The Impact of Banks Activities on Economic Development in Nigeria: *Journal of International Business Management*, 10 (22), 5341-5351.

Omotunde M., Sunday T., & John-Dewole A. T. (2013). Impact of Cashless Economy in Nigeria. *Greener Journal of Internet, Information and Communication Systems*, 1(2), 040-043.

Osazevbaru, H. O., Sakpaide, E. J., & Ibubune, R. O. (2014). Cashless Policy and Banks' Profitability in Nigeria: *European Journal of Accounting and Auditing and Finance Research*, 2(10), 1-12.

Pedro E. & Santiago P. (2020). Towards a cashless economy; the case of Argentina: *Federal Reserve Bank of Richmond Research Department*, Richmond, VA 23219, USA.

Ropheka. E. B., & Miapkwap K. D. (2020). Impact of Cashless Banking Policy on the Economic Growth of Nigeria (2010-2018). *Bingham Journal of Economics and Allied Studies* (BJEAS), 4(2)

Shivam K. (2019). Journey of Cashless Road to Sweden: Opportunities and Barriers for India: *International Journal of Engineering Research & Technology,* (IJERT), 8(9).

Suberu O. J., Afonja J. A, Akande M. O & Olure-Bank A. (2015). The Effect of Cashless Policy, Saving and Bank Credit on Nigerian Deregulated Economy: *Journal of Emerging Trends in Economics and Management Sciences (JETEMS),* 6(2), 144-150.

Tomasz P. W., Michal P., Radoslaw K., & Andrea M. (2021). Switching from cash to cashless payments during the COVID-19 pandemic and beyond. *Narodowy Bank Polski Education & Publishing Department* ul. Świętokrzyska 11/21 00-919.

Appendix

Table 2: Response Rate

	Banks	**No of Questionnaire Administered**	**No of questionnaires returned**	**% of return**
1	Bank Customers	23	21	91.3
2	Business Owners	41	38	92.7
3	Financial Service Providers	10	10	100
	Total	74	69	93.2

Source: Field Survey, 2023

Table 3: Distribution of the respondents according to their Sex (Gender)

GENDER OF RESPONDENTS					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALE	45	65.2	65.2	65.2
	FEMALE	24	34.8	34.8	100.0
	Total	69	100.0	100.0	

Source: Field Survey, 2023

Table 4: Educational Qualification of Respondents

EDUCATIONAL QUALIFICATION					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	WAEC	1	1.4	1.4	1.4
	OND	15	21.7	21.7	23.2
	HND/BSC	53	76.8	76.8	100.0
	Total	69	100.0	100.0	

Source: Field Survey, 2023

Table 5: Distribution of Respondents for Question One

banking services faster					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Undecided	21	30.4	30.4	30.4
	Agree	25	36.2	36.2	66.7
	Strongly Agree	23	33.3	33.3	100.0
	Total	69	100.0	100.0	

Source: Field Survey, 2023

Table 6: Distribution of Respondents for Question Two

level of customer service					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	12	17.4	17.4	17.4
	Undecided	30	43.5	43.5	60.9
	Agree	17	24.6	24.6	85.5
	Strongly Agree	10	14.5	14.5	100.0
	Total	69	100.0	100.0	

Source: Field Survey, 2023

Table 7: Distribution of Respondents for Question Three

new banking products and services					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Undecided	9	13.0	13.0	13.0
	Agree	21	30.4	30.4	43.5
	Strongly Agree	39	56.5	56.5	100.0
	Total	69	100.0	100.0	

Source: Field Survey, 2023

Table 8: Distribution of Respondents for Question Four

increase in bank charges					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Undecided	38	55.1	55.1	55.1

	Agree	12	17.4	17.4	72.5
	Strongly Agree	19	27.5	27.5	100.0
	Total	69	100.0	100.0	

Source: Field Survey, 2023

Table 9: Distribution of Respondents for Question Five

banking services more accessible					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	17	24.6	24.6	24.6
	Disagree	22	31.9	31.9	56.5
	Undecided	20	29.0	29.0	85.5
	Agree	5	7.2	7.2	92.8
	Strongly Agree	5	7.2	7.2	100.0
	Total	69	100.0	100.0	

Source: Field Survey, 2023

Table 10: Distribution of Respondents for Question Six

remote areas to access banking services					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Undecided	3	4.3	4.3	4.3
	Agree	38	55.1	55.1	59.4
	Strongly Agree	28	40.6	40.6	100.0
	Total	69	100.0	100.0	

Source: Field Survey, 2023

Table 11: Distribution of Respondents for Question Seven

reduce the number of unbanked individuals					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Undecided	17	24.6	24.6	24.6
	Agree	34	49.3	49.3	73.9
	Strongly Agree	18	26.1	26.1	100.0
	Total	69	100.0	100.0	

Source: Field Survey, 2023

Table 12: Distribution of Respondents for Question Eight

promote financial literacy and encourage the use of electronic payment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Undecided	19	27.5	27.5	27.5
	Agree	27	39.1	39.1	66.7
	Strongly Agree	23	33.3	33.3	100.0
	Total	69	100.0	100.0	

Source: Field Survey, 2023

Table 13: Distribution of Respondents for Question Nine

introduction of new electronic payment options					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Undecided	29	42.0	42.0	42.0
	Agree	26	37.7	37.7	79.7
	Strongly Agree	14	20.3	20.3	100.0
	Total	69	100.0	100.0	

Source: Field Survey, 2023

Table 14: Distribution of Respondents for Question Ten

increased the use of debit and credit cards					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	10.1	10.1	10.1
	Disagree	11	15.9	15.9	33.3
	Undecided	21	30.4	30.4	63.8
	Agree	18	26.1	26.1	89.9
	Strongly Agree	12	17.4	17.4	100.0
	Total	69	100.0	100.0	

Source: Field Survey, 2023

Table 15: Distribution of Respondents for Question Eleven

easier for people to pay bills					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Undecided	9	13.0	13.0	13.0
	Agree	41	59.4	59.4	72.5
	Strongly Agree	19	27.5	27.5	100.0
	Total	69	100.0	100.0	

Source: Field Survey, 2023

Table 16: Distribution of Respondents for Question Twelve

increased the level of trust in electronic payment systems					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	36	52.2	52.2	52.2
	Strongly Agree	33	47.8	47.8	100.0
	Total	69	100.0	100.0	

Source: Field Survey, 2023

Table 17: Distribution of Respondents for Question Thirteen

development of new digital payment solutions					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Undecided	10	14.5	14.5	14.5
	Agree	24	34.8	34.8	49.3
	Strongly Agree	35	50.7	50.7	100.0
	Total	69	100.0	100.0	

Source: Field Survey, 2023

Table 18: Distribution of Respondents for Question Fourteen

innovative banking products					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Undecided	13	18.8	18.8	18.8
	Agree	32	46.4	46.4	65.2
	Strongly Agree	24	34.8	34.8	100.0
	Total	69	100.0	100.0	

Source: Field Survey, 2023

Table 19: Distribution of Respondents for Question Fifteen

collaboration among banks and fintech companies					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	16	23.2	23.2	23.2
	Disagree	16	23.2	23.2	46.4
	Undecided	16	23.2	23.2	69.6
	Agree	13	18.8	18.8	88.4
	Strongly Agree	8	11.6	11.6	100.0
	Total	69	100.0	100.0	

Source: Field Survey, 2023

Table 20: Distribution of Respondents for Question Sixteen

increased the level of technology adoption					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	8.7	8.7	8.7
	Undecided	29	42.0	42.0	50.7
	Agree	21	30.4	30.4	81.2
	Strongly Agree	13	18.8	18.8	100.0
	Total	69	100.0	100.0	

Source: Field Survey, 2023

Table 21: Electronic Payment System and Faster Banking Services in Awka

Correlations				
			introduction of new electronic payment options	banking services faster
Spearman's rho	introduction of new electronic payment options	Correlation Coefficient	1.000	.856**
		Sig. (2-tailed)	.	.000
		N	69	69
	banking services faster	Correlation Coefficient	.856**	1.000
		Sig. (2-tailed)	.000	.
		N	69	69
**. Correlation is significant at the 0.01 level (2-tailed).				

Source: Field Survey, 2023

Table 22: Electronic Payment System and reduced unbanked in Awka

Correlations				
			introduction of new electronic payment options	reduce the number of unbanked individuals
Spearman's rho	introduction of new electronic payment options	Correlation Coefficient	1.000	.831**
		Sig. (2-tailed)	.	.000
		N	69	69
	reduce the number of unbanked individuals	Correlation Coefficient	.831**	1.000
		Sig. (2-tailed)	.000	.
		N	69	69
**. Correlation is significant at the 0.01 level (2-tailed).				

Source: Field Survey, 2023

Table 23: Electronic Payment System and financial innovation in Awka

Correlations				
			introduction of new electronic payment options	development of new digital payment solutions
Spearman's rho	introduction of new electronic payment options	Correlation Coefficient	1.000	.840**
		Sig. (2-tailed)	.	.000
		N	69	69
	development of new digital payment solutions	Correlation Coefficient	.840**	1.000
		Sig. (2-tailed)	.000	.
		N	69	69
**. Correlation is significant at the 0.01 level (2-tailed).				

Source: Field Survey, 2023