



Trends of Fintech Plat Forms and its Cause and Effect Analysis

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ABSTRACT

FinTech platforms have transformed how financial services are offered by mixing digital technology with traditional banking. Services like digital payments, mobile banking, online loans, and investment apps are now common because they are fast, easy to use, and accessible. This paper looks at recent trends in FinTech and explores the main reasons for their quick growth, as well as their good and bad impacts on users and the financial industry. The rise in smartphone usage, affordable internet, and government support for digital transactions have all helped push people to adopt FinTech. It helps more people get access to financial services by offering easy options to those who don't have regular bank access and by helping small businesses handle money more efficiently. Even with these benefits, there are still problems like online fraud, cyber security threats, data privacy issues, and some people not knowing how to use digital tools. The paper suggests that better rules, improved digital education, and strong security measures are needed to keep FinTech growing safely.

Introduction

Financial Technology or FinTech uses digital tools to provide financial services through online platforms and mobile apps. In the last ten years, the financial sector has changed a lot because of more smartphones, better internet, and digital advances. Traditional banking is moving more towards digital systems where customers can pay, apply for loans and manage investments anytime, anywhere. This change has made things quicker and more efficient for both people and businesses.

The fast growth of FinTech is driven by factors like more customers wanting quick services, government policies that encourage cashless payments and tech improvements such as artificial intelligence and cloud computing. Digital payment systems, mobile wallets and online financial services are now common, especially in developing countries where making money more accessible is a big goal.

Even though FinTech brings many benefits like lower costs, better access and more transparency, it also raises concerns about cyber security, data privacy, and digital inequality.

Some people still struggle because of not knowing enough about digital tools or not having good technology access. So, it's important to understand both the good and the risks of FinTech's growth.

Related Work

Many researchers have studied the growth of FinTech and its impact on the financial sector. Earlier studies show that digital payments and mobile banking have made things easier and faster for users. Research on financial inclusion shows that FinTech helps people who don't have easy access to traditional banks by providing affordable and easy financial services through mobile apps. Several studies also look at how technologies like artificial intelligence, block chain and big data are improving financial systems. These technologies help banks and financial companies offer faster services, better support, and more personalized solutions. Collaboration between traditional banks and FinTech firms is seen as a key driver of innovation and more digital financial services.

However, previous research also mentions challenges from the fast growth of FinTech. Issues such as cybersecurity risks, online fraud, data privacy and lack of regulations are often discussed. Some studies say that the digital divide might create inequality, as not everyone has good internet or enough digital skills.

Overall, existing research shows that FinTech brings both opportunities and risks. These studies form a good base for analyzing the trends, causes, and effects of FinTech, which this paper aims to explore further.

Research Method

1. Growth of Digital Payments and Financial Inclusion

Many studies explain that FinTech has made digital payments more common and improved financial inclusion.

Researchers show that mobile banking and online payment systems help people who don't have easy access to traditional banks. Digital wallets and instant payment services make financial activities quicker and more convenient.

2. Technology Innovation in FinTech

Earlier research highlights the role of technologies like artificial intelligence, block chain, and cloud computing in improving financial services.

These innovations help banks and financial companies offer faster transactions, personalized services, and better risk management. Collaboration between traditional banks. FinTech firms is also seen as a major factor driving innovation.

3. Risks and Security Challenges

Several researchers discuss the risks linked to FinTech growth. Issues like data privacy, cyber security threats, and online fraud are commonly mentioned. Some studies suggest that lack of digital knowledge and unequal access to technology may lead to a digital divide, especially in rural areas.

4. Regulatory and Governance Issues

Existing literature also focuses on the need for proper regulations to manage FinTech. Experts stress that strong policies and security frameworks are needed to protect users and keep trust in digital financial systems.

Discussion

Practical Implications and Deployment

The growth of FinTech is not just a technological change but also a shift in how financial services are delivered and handled. Digital payments and mobile banking have made transactions faster and more convenient for users. Small and medium businesses especially benefit from easy payment systems and lower costs. Financial institutions are also using FinTech solutions to improve customer experience and stay competitive in the digital market.

The increasing use of smartphones and internet services has encouraged more people to use online financial tools. Government efforts supporting cashless payments and digital infrastructure have also helped FinTech grow. As a result, financial inclusion has improved by providing services to those who previously had limited access to banks.

Ethical Considerations and Risks

The fast growth of FinTech platforms brings up several ethical issues, especially around data privacy, security, and how technology is used responsibly. Because these platforms collect and handle a lot of personal and financial information, keeping that data safe is very important. If there's unauthorized access, data leaks, or misuse of personal details, it can hurt customer trust and lead to big financial problems.

Another key ethical issue is digital inequality, even though FinTech services make financial tools more available for many people, some groups might not benefit because they don't have the skills or access to the necessary technology and internet. This gap can give certain groups an unfair advantage while leaving others without access to financial opportunities. The use of algorithms in FinTech systems also brings up concerns about transparency and fairness. If credit scoring or investment advice is done automatically without proper checks, it might result in biased decisions.

That's why companies must make sure that technology is used in a responsible way and that all decisions are fair and can be explained. To deal with these risks, there needs to be strong rules, clear privacy policies, and programs to help users understand how to protect their information. Financial institutions and FinTech companies should focus on ethical innovation, making sure technology advances without compromising user safety. Building trust through openness and secure systems is crucial for the long-term success of FinTech platforms.

Future Work

More research is needed to better understand how FinTech platforms affect financial systems and society as a whole. Future studies could look at how digital financial services help rural and underserved communities, especially in making financial services more available and improving digital skills. There's also a need to explore how artificial intelligence and advanced data tools can be used to strengthen fraud detection, manage risks better and offer more personalized financial services.

Conclusion

FinTech platforms have changed the financial sector by making services faster, easier to access, and more convenient for users. The growth of digital payments, mobile banking, online loans, and investment apps shows how technology is changing traditional financial systems. This study looked at the main trends in FinTech and the reasons behind their rapid growth, including more people using smartphones, cheaper internet access, and government

support. The findings show that FinTech helps improve financial inclusion by offering services to individuals and small businesses that used to have limited access to banking.

However, challenges like cyber security threats; data privacy issues, digital inequality, and lack of user understanding still need to be addressed. Without proper protection, the benefits of digital finance could be reduced by security problems and unequal access to technology.

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