Multidisciplinary

Fintech: an unrevealed threat to India

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Abstract
Fintech is a dynamic amalgamation of money and technology. We acknowledge the importance of both, since each is vital to our life. Fintech involves handling or managing money through a digital interface rather than using legal tender money. It evidently seems to be advantageous, as demonstrated in practical situations. Nonetheless, it is indisputable that the emergence of fintech in India has coincided with an increase in cybercrime rates. This study aims to identify the causal link between fintech and digital fraud, as well as the factors contributing to this association. We gathered primary data from 241 respondents, processed it using correlation and regression, and evaluated it using a two-tailed test and pearson coefficient test. The findings of this study may contribute to the mitigation of cyber fraud.

Keywords: Fintech, Financial fraud, Digital fraud, Technological literacy, Cybersecurity awareness

Introduction

India's fintech sector is among the fastest-growing globally, currently valued at approximately 110 billion United States dollars. In the next five years, projections indicate a soar to 420 billion United States dollars, with a compound annual growth rate (CAGR) of 31%. India ranks third worldwide, with almost 9,000 enterprises and a notable adoption rate of 87%, exceeding the global average of 67%. In July 2024, the Unified Payments Interface (UPI) system in India achieved a remarkable milestone, processing over 14 billion transactions worth more than rupees 20 lakh crores. Additionally, the nation boasts approximately 30 fintech unicorns (Choudhary, 2024) [12]. Available data and advancements show that fintech in India has made significant progress and continues to do so. These developments are entirely attributable to some elements that have prompted a higher adoption of fintech in the nation, such as demonetization (Shirley, n.d.) and the COVID-19 epidemic (Fu & Mishra, 2020) [17]. Additionally, we cannot ignore the government's unwavering support for the adoption of fintech in order to advance a cashless economy (Vijai, 2019) [42]. By 2024, 95.15% of Indian villages had internet access, and the total number of internet users in the country had risen to 954.40 million, recorded in March, i.e., up from 251.59 million in March 2014 (Anon., 2024) [4]. But have you considered this? A measly 24.7% of people over the age of 15 have digital or technology literacy! (Survey, 2024) [40] This implies that while individuals use the internet, they are often unaware of its benefits and drawbacks, potential dangers or safeguards, measures to take, and acceptable material to engage with. While the internet is a valuable resource, it is also crucial to recognize its possible drawbacks (Rachmatan, 2018) [32]. Perhaps a lack of this digital literacy and awareness among people is the cause of the simultaneous increase in fintech and financial fraud. The early 2000s marked the inception of fintech (Patel & Dharmadhikari, 2023) [30], with its emerging phase commencing in 2008 and concluding in 2016 ("Co-authors"), 2024) [1]. In 2008, the National Crime Records Bureau (NCRB) documented only 288 cyber-crimes under the provisions of the Information Technology (IT) Act 2000 (P & K, 2010) [31]. The extent of concealed financial fraud cases among the 288 recorded instances remains ambiguous. In contemporary society, financial frauds and scams are as prevalent as a cup of tea or a glass of water in our daily lives. as revealed by statistics compiled by the Indian Cyber Crime Coordination Centre (I4C), an arm of the State Department of Home Affairs, during the initial nine months of 2024, the financial losses attributed to these crimes amounted to Rs 11,333 crore (Anon., 2024) [5]. So, my hypothesis posits that:

H1: Fintech and digital frauds exhibit a causal link, with fintech as the independent variable and digital frauds as the dependent variable,

H2: With digital literacy and cyber awareness as the primary components contributing to this relationship,

H3: And that cybersecurity awareness is positively correlated with digital literacy.

What is Fintech?

To comprehend the threat posed by fintech in India, we will initially define it and reference numerous authors' definitions and elucidations.

I define fintech as handling or managing money through a digital interface rather than using legal tender money/cash.

FinTech, an acronym for financial technology, refers to financial innovation made possible by technology (Shri Shaktikanta Das, 2019) [38].

FinTech can be categorized as companies that offer technological solutions for delivering financial services and products to individuals and enterprises. They may also include legal and supervision regulation, whether through partnerships with conventional banks or without (India, n.d.).

Technological advancement facilitated innovation in finance possesses the capacity to engender novel business models, applications, processes, or products, which may significantly influence the financial sector and the delivery of financial products and services (Board, 2017) [9].

Fintech encompasses technological innovations that possess the capacity to revolutionize the delivery of financial services, thereby catalyzing the creation of novel business models, as well as the modification of already existing uses, procedures, and outcomes (Ireland, n.d.).

Technically facilitated innovation in finance possesses the capacity to engender innovative company models, usage, techniques, or offerings, which may significantly influence the financial sector and the supply of financial services. (Feyen, et al., 2021) [15].

Financial technology, or fintech, refers to the software, smartphone apps, and other tools that businesses and individuals use to access and manage their money electronically (Flinders & Smalley, 2024) [16].

Based on the aforementioned definitions, it can be concluded that, in essence, the transfer of funds, the lending and borrowing of money, the acquisition of insurance, and other financial services can be efficiently conducted without the need to hastily visit various institutions or banks, thanks to this advanced technology. All of these activities can be carried out with ease and comfort from the convenience of one's home, thereby enhancing convenience and reducing the necessity for physical travel. Now after gaining a clear understanding of fintech, let us now examine the diverse categories of fintech present in India.

Segments of Fintech in India

After gaining a foundational understanding of financial technology (fintech), we shall now examine the various categories of fintech present in India (As per a report published by (Agarwal & Dhingra, 2024) [3]).

- **PayTech:** Transforming Digital Payment Systems in India
- **LendingTech:** Revolutionizing Digital Lending in India
- **InsurTech:** Transforming the Insurance Landscape in India
- **WealthTech:** Revolutionizing Investments and Management of Wealth
- **Fintech infrastructure and software as a service:** Facilitating the Foundation of Digital Finance
- **NeoBank:** The Future of Banking in a Digital-Only Environment.

1. Paytech

PayTech encompasses technology-driven methods of payment or digital payment modalities, such as mobile wallets and contactless payment systems. It enables rapid, seamless, and integrated payment transactions. PayTech has established an innovative and rapidly evolving payment platform that provides complete solutions for both businesses and consumers. This sector of financial technology is primarily concerned with transactions, as opposed to other financial operations (infosysbpm, 2024) [23]. The Indian government website, advocating for a cashless India (India, n.d.), enumerates the following digital payment options.

1.1. Banking cards (Debit, Credit, Cash, Travel, and Other cards)

Banking cards represent the most safe, convenient, and manageable payment method. The extensive variety of credit, debit, and prepaid cards offers significant flexibility. These cards provide secure PIN and OTP two-factor authentication for transactions. Card payment systems include RuPay, Visa, and MasterCard. Payment cards facilitate transactions in-store, online, by mail-order, and over the phone. They save time and resources for customers and merchants, facilitating more straightforward transactions.

1.2. Unstructured Supplementary Service Data (USSD)

The innovative payment service *99# employs USSD technology. USSD-based mobile banking operates on basic feature phones devoid of mobile internet access. The objective is to promote financial literacy and financial inclusion.

1.3. AEPS

AEPS facilitates Aadhaar-authenticated online transactions at Point of Sale (PoS) or Micro ATMs via any bank's Business Correspondent (BC) Using Aadhaar authentication.

1.4. Unified Payments Interface

The Unified Payments Interface (UPI) consolidates several bank accounts, facilitates seamless money transfers, and enables merchant transactions inside a single mobile application for all participating banks. It also facilitates "peer-to-peer" collection requests for adaptable scheduling and payment. Every bank has a UPI application for Android, Windows, and iOS platforms.

1.5. Mobile wallets

Mobile wallets digitally hold cash. You may link your credit or debit card to a mobile wallet application or conduct online money transfers in mobile wallets. Utilize your smartphone, tablet, or smartwatch for payment instead of a conventional card. It is necessary to link one's account to a digital wallet to deposit funds. Numerous banks and commercial companies provide e-wallets, including Paytm, Mobikwik, Freecharge, Oxigen, Airtel Money, Jio Money, SBI Buddy, Vodafone M-Pesa, Axis Bank Lime, mRuppee, ICICI Pockets, SpeedPay etc.

1.6. Point of sale/ Point of purchase

Point of Sale may refer to a shopping center, marketplace, or urban area. At the micro level, merchants characterize a PoS as a checkout terminal.

1.7. Internet banking

Internet banking, referred to as online banking, e-banking, or virtual banking, enables customers of banks and financial institutions to do various financial transactions online (in websites).

Various financial transactions may be conducted online:

1.7.1. National Electronic Funds Transfer

The National Electronic Funds Transfer (NEFT) facilitates individual financial transactions throughout the nation. This scheme enables people, groups, and companies to electronically transfer funds between any participating bank branches nationwide.

1.7.2. Real Time Gross Settlement (RTGS)

Real Time Gross Settlement refers to the immediate, individual settlement of financial transactions without netting. These transactions are processed by the Reserve Bank of India, i.e. why payments are conclusive and irreversible. High-value transactions often use RTGS. RTGS requires a minimum payment of Rupees 200,000.

1.7.3. Electronic Clearing System (ECS)

ECS represents an alternative payment mechanism. This may be used for telecommunications, utilities, insurance, credit, loans, and several other expenses that necessitates the requirement to issue and manage paper instruments.

1.7.4. Immediate payment service

Mobile device-oriented IMPS facilitates instantaneous money transfers between banks 24X7. IMPS facilitates rapid bank transfers in India using mobile, internet, and ATM channels.

1.8. Mobile banking

A product or service offered by banks or financial institutions that allows customers to perform diverse payments online using portable devices such as smartphones or laptops. Financial institutions and banking organizations provide software, often referred to as mobile applications, to serve this purpose. All banks have its own mobile banking application for Microsoft Windows, Android, and iOS systems.

1.9. Micro automated teller machines

This mini technology will work on affordable machines (micro-ATMs) linked to banks across the country. This would allow a person to put money in or take money out right away, no matter which bank the Business Correspondents work with. Each Business Correspondent will have this device, which works through a cell phone link, ready to use. Customers need to verify their name to add or take money out of their bank accounts. The money will be taken from the cash box at the Business Correspondents. Customer unique identifiers will help Business Correspondents operate like banks by confirming that they are real. Micro ATMs will allow basic transactions such as payments, cash outs, cash swaps, and checking balances.

1.10. Quick response code

A kind of a two-dimensional barcodes composed of a dot matrix (BYJU'S, n.d.); these transactions are conducted using a smartphone's camera. The user is required to utilize the phone's camera to capture a QR code in order to facilitate a digital payment (infosysbpm, 2024).

2. Lending Tech

An article published by the National Institute of Bank Management, Pune (Vaidya, 2024) [41], identifies five primary forms of digital lending possible in India's digitalization, as shown below;

2.1. Personal loans

Instant personal loans to salaried or self-employed individuals are the most common kind of digital lending and are offered via fintech-driven app-based consumer lending platforms.

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2.2. Embedded finance

This relates to the smooth integration of loans or other financial services into non-financial applications or platforms, such as e-commerce websites or social media networks. Users are increasingly preferring the execution of loan actions inside the same application or platform, instead of leaving the existing application. E-commerce behemoths like Amazon provide options such as 'Buy Now Pay Later'. The key advantage of these solutions is that app developers may use users' current connections and digital tracks to customize their experience without incurring additional costs for client acquisition.

2.3. Gold loans

Numerous financial institutions have launched an online gold loan service, enabling individuals to secure a loan by pledging their gold assets. Such an asset may also be regarded as a borrower's digital gold, commonly referred to as e-gold, which serves as an online counterpart to physical gold.

2.4. Micro, Small, and Medium Enterprises (MSME) loans

A loan designed specifically to meet the financial needs of small and medium-sized businesses, offered and handled through online tools or technology. Unlike regular loans from banks or financial institutions, digital MSME loans use technology to speed up the application, approval, and payment processes. It has resulted in quicker loan approvals through easier forms and automatic, paperless processes.

2.5. Loans related to credit cards

Numerous enterprises are utilizing the Credit-Card-as-a-Service model by introducing private credit cards that offer solutions specifically designed to meet the needs of their clientele. Although credit cards are not a novel concept, their innovative services are rendering them a feasible option for obtaining financial access and unsecured loan.

3. Insurtech

An electronic platform is merging traditional insurance services with cutting-edge technology. Insurance technology companies, or InsurTech companies, employ technology to enhance how insurance firms' function, i.e., perform comparisons of policies, the purchasing process, claims management, the provision of microinsurance, the application of AI for risk assessment, and how their customers interact with them. It uses modern technologies like big data, analytics, AI, the Internet of Things (IoT), and machine learning to make the insurance process more efficient and cost-effective. (Sarkar, 2021).

4. Wealthtech

WealthTech comprise robot-advisors providing automated financial guidance, internet trading platforms facilitating direct market access, and tools for centralized investment management. Business-to-business software packages provide customized technological solutions to enhance the operational efficiency of wealth management firms. These solutions elucidate complex financial methodologies, making them more comprehensible and accessible, so enhancing the industry's efficiency and availability to everybody (Joshi & Naker, 2024) [26].

5. Fintech Infra/SaaS

SaaS (Software-as-a-Service) and fintech infrastructure represent the key platforms and technology that support financial services and enable online transactions. These services and tools, which are mostly a cloud-based let businesses construct, manage, and expand their financial services with exceptional efficiency while avoiding the necessity for large investments in costly infrastructure. Payment gateways and APIs, KYC (know your customer) and compliance solutions, security and fraud prevention measures, and Banking-as-a-Service (BaaS) are just a few of the many instruments and platforms that fall under the umbrella of FinTech Infrastructure/SaaS. (Agarwal & Dhingra, 2024) [3].

6. Neobank

A neobank functions only online, without any physical branches. It may operate alone or in conjunction with traditional banks, providing various financial services primarily aimed at small and medium enterprises. All their services are exclusively online, enabling them to reach a diverse clientele (Limited, n.d.).

History of fintech in India

Having familiarized ourselves with the various forms of fintech operating in India, let us briefly examine the historical context of fintech and the main causes or key factors contributing to its expansion in the country.

Table 1

Phase	Key factors	Changes	What happened	Sources
1991-2006	GOVERNMENT (due to reforms by Narsimhan Committee recommendations)	First wave of digitization	▪ ICICI Bank started online banking. ▪ The first private mutual fund launched. ▪ NSDL and CDSL were formed. ▪ IRDA established	(Agarvwal, et al., 2024), (India, n.d.)
2007-2009	Government & Internet Connectivity	Second wave of fintech	▪ Mobile banking has been initiated. ▪ Commencement of smartphone adoption. ▪ AADHAAR Biometric National Identification.	(Agarvwal, et al., 2024), (CIBIL, et al., 2023)
2010-2014	Government & Internet Connectivity	Third wave of fintech	▪ 4th Generation Network launched. ▪ Entry of PayTech & Lending Tech firms.	(Agarvwal, et al., 2024), (CIBIL, et al., 2023)
2015-2018	Demonetization, Government & Internet Connectivity	Acceleration wave (This was the phase where fintech began to establish its roots in India)	▪ Affordable Data ▪ UPI Launched ▪ Demonetization (Demonetization substantially enhanced fintech since the prohibition of 500- and 1000-rupee notes rendered individuals cashless, hence prompting a shift towards digital payments) ▪ Open Banking Regulations (NBFC AA) ▪ GST implementation	(Agarvwal, et al., 2024), (CIBIL, et al., 2023)
2019-2024	COVID – 19 Pandemic	Innovation Phase (Fintech is entering a period of established milestones and is poised to attain further achievements)	▪ Entities such as Account Aggregator, OCEN, ONDC, and CBDC were established. ▪ Fintech services have gained popularity as a method to minimize physical touch and mitigate disease transmission of covid. ▪ Digital Lending Guidelines.	(Agarvwal, et al., 2024), (CIBIL, et al., 2023)

Source: Author

We have thoroughly examined fintech; now let us explore the concept of digital fraud and its various varieties.

Financial frauds

I designate it as "financial digital fraud," or more succinctly, digital fraud; this term refers to a category of cybercrime perpetrated with the intent to unlawfully acquire funds through various electronic means. The Bank for International Settlements describes digital fraud as any cheating done by outsiders using digital methods (like emails, websites, or harmful software) in order to steal money or account information from banks or their clients (Supervision, 2023) [39]. And the (Centre, 2024) [11] identifies prevalent forms of digital fraud in India as follows:

1. Digital arrest scam

Prime Minister Narendra Modi revealed that Indians incurred losses of ₹ 120.30 crore due to digital arrest scams in the first

quarter of 2024 alone (Service, 2024) [36]. The criminals behind digital arrest scams use email, text messages, or phone spoofing, to pose as legitimate law enforcement or legal officers, committing an impersonation fraud. They state that you are the subject of an investigation or that an arrest warrant has been issued for you, typically in relation to allegations of cybercrimes. They will demand immediate payment or personal information in order to resolve the issue, and they will resort to threats of arrest if you do not cooperate.

2. Investment apps/websites (spoofing) - Part Time Job Fraud, Ponzi scheme

Fake investment and website applications - Scammers now create bogus investment sites that promise excessive profits with minimal danger, while website spoofing refers to the process of constructing a false site. Phishers employ images, text, logos and even coding of websites to make duplicate websites seem legitimate. These fake sites entice users to provide their personal details.

Fake part time jobs - Scammers advertising fictitious part-time jobs often pose as real employers and recruiters. To publicize these openings, they often employ unsolicited emails, social media, or online job sites. The primary goal is to trick people into giving over sensitive information, paying upfront costs, or doing work for free.

Ponzi scheme - Ponzi schemes employ capital from new investors to provide returns to earlier investors. The term "Ponzi scheme" is named after Charles Ponzi. In the 1920s, Ponzi guaranteed investors a 50% return on international postal coupons within a matter of months. The Ponzi scheme allocated "returns" to earlier investors by utilizing capital obtained from new investors. Ponzi scheme perpetrators assure significant returns with minimal financial investment. They designate a portion of inbound investor funds to fulfill prior obligations. Ponzi schemes necessitate a perpetual influx of capital to maintain their operations, as they do not produce legitimate profits. These schemes generally disintegrate when the acquisition of new investors proves difficult or when a substantial proportion of participants withdraw their funds (Commission, n.d.).

3. Illegal lending apps – extortion

These are fake lending applications that look to be legitimate and provide loans to clients in a simple manner. However, if they fail to refund the necessary amount, which includes the real cost plus excessively high interest, the fraudsters start blackmailing the debtor and their family members, disclosing sensitive information, and threatening to do unlawful activities that violate IPC laws.

4. Customer care number & android malware - OTP forwarders

The hackers are altering outcomes from search engines and substituting the customer care numbers of reputable companies with fraudulent ones (Garg & Murali, n.d.).

Criminals are establishing fraudulent impostor websites to gather consumer complaints and subsequently infect clients' devices with malware. This sophisticated malware is employed to intercept SMS communications for the purpose of acquiring one-time passwords (OTPs). Upon acquiring the one-time passwords, the hackers abscond with funds and other assets from the victims' accounts.

5. Account takeover / impersonation

Account takeover fraud occurs when an impostor breaks into a real user's account. This may happen if an attacker gains a user's login info. Account takeovers may damage any company or individual since hackers can work surreptitiously while posing/pretending as respectable and authoritative.

6. Sextortion

Sextortion is a kind of blackmail when the perpetrator menaces and coerces the victim. Threat entails the dissemination or revelation of the victim's intimate pictures or videos.

7. AePS frauds

Aadhar Enabled Payment System (AePS) fraud involves perpetrators obtaining an Aadhar card number or generating biometric data for example, (biometric fingerprints may be "cloned" by making a silicon copy of the fingerprint) using illicit methods, thereafter exploiting this information to wrongfully access the account of the owner and steal funds.

My theory is that by raising enough cyber awareness and digital literacy, we might prevent digital fraud; nonetheless, what do these concepts mean? Let's also look at them.

Digital Literacy

Paul Gilster first coined the term "digital literacy" in 1997. Paul Gilster characterized digital literacy as the capacity to understand and make effective use of information via the medium of the internet and computers. According to him, digitally literate is to possess the cognitive and technical abilities necessary to effectively use information and communication technology for the purposes of finding, evaluating, creating, and communicating information (Bashar & Naaz, 2024) [8]. The UNESCO Institute for Statistics 2018 describes digital literacy as being able to use digital technology to efficiently and securely manage, comprehend, disseminate, evaluate, and produce information for employment possibilities, professional advancement, and entrepreneurship. It necessitates expertise in information literacy, computer literacy, media literacy and ICT literacy (Law, et al., 2018) [27]. The American Library Association (ALA) Task Force defined digital literacy to be the capacity for using information and communication technology to locate, assess, generate, and convey information, necessitating both cognitive as well as technical competencies (Association, 2011) [7], According to American Library Association (ALA) Task Force, someone who possesses these traits is considered digitally literate;

- The person has the vast range of cognitive and technical abilities needed to discover, comprehend, assess, produce, and convey digital information in a number of different ways.

- The person is proficient at retrieving data, interpreting outcomes, and evaluating data quality and knows how to use variety of technologies.
- The person has a firm grasp of how data management, confidentiality, individual development, and technology all interact with one another.
- Together with the right tools of technology and skills, the person is able to interact and work with people in his/her social circle, his/her professional network, his/her family, and even the public at large.
- With these abilities, the person is able to take part in civic activities and help build a community that is knowledgeable, active, and full of life.

Digital literacy may be cultivated via the completion of several information technology (IT) or computer science (CS) courses provided by many universities or by the government.

Cybersecurity awareness

The term "cybersecurity awareness" refers to the understanding of current cybercrimes, the severity and potentially destructive nature of these crimes, and the precautions that should be taken to prevent being a victim of cybercrime or fraud.

Literature review

Numerous publications on fintech exist; however, none have demonstrated that fintech is a primary factor directly influencing digital fraud in India, despite the presence of certain tangentially connected themes. Let us examine them:

This paper (Javaheri, et al., 2023) [25] explores various safeguards against these dangers, including malware prevention software and intrusion detection, access control systems, blockchain-based technologies, cyber-culture with security consciousness, cybersecurity education, and more, before outlining a methodology for identifying safety concerns in FinTech. After applying the PRISMA approach to seventy-four works, eleven main cyber dangers were identified and classified as either based on technology, originated by humans, or related to procedure. These hazards are detailed in forty-three articles, accompanied by nine security techniques cited in thirty-one articles. International political institutions, banks, and enterprises all benefit from this detailed study. The findings of this study lay out a strategy for dealing with the ever-changing threats that security personnel face. Examining how landmark events like 2016's demonetization prompted more people to adopt UPI, mobile accounts, and digital payments in India is the focus of this (OJHA, 2024) [29] research. It will demonstrate how fintech has facilitated India's transition away from cash. Here they show how fintech has simplified banking for both urbanites and rural residents, using Paytm as an example. Persistent issues, such as insufficient financial literacy, data security concerns, and fraud, are discussed in the report. (Raj & Upadhyay, 2020) [33] emphasized the benefits of technological advancements in the Indian banking sector which includes digital transformation for small businesses, creation of suitable financial products, expansion of banking services, elimination of gender inequities, and reduction of uneven treatment or biased behaviors. However, there are also challenges and risks that need oversight and regulation to protect both providers and customers. It is true that FinTech is creating quite a stir in Indian cities, as the article pointed out. Improving FinTech services in both urban and rural areas would have a greater impact.

(Hasan, et al., 2021) [19] analyzed eight hundred fifty-two people in Bangladesh to find out how they used banking services and products, micro financial institutions, and new financial technologies. More financial education was associated with easier access to financial services, according to the results. People in more village or backward areas may be less likely to utilize banking services because they lack the education and experience to fully understand them. Education programs are also useless if people don't pay attention or if the wrong methods are employed. The study's authors concluded that a better knowledge of financial services might lead to their increased accessibility. Advertising is not enough to sell a variety of financial goods, it added. (Arner, et al., 2019) [6] stressed the significance of making inclusion in finance a core target for attaining financial technology's contribution to the United Nations' Sustainable Development Goals (SDGs). Additionally, they emphasized the importance of promoting growth while also managing risks. More efficient usage of twenty-five existing financial sources, increased resource availability, and better utilization of technology and finance in FinTech and financial inclusion are crucial, according to the authors, in order to achieve the Sustainable Development Goals. Regulatory technology, which applies suitable regulations to improve the financial system, is what they see as the key to making this a reality. This paper (Vijai, 2019) [42] offers a qualitative analysis of the current state of the fintech business in India, including its prospects and obstacles. The article goes on to detail how the finance technology sector has developed over the years, the many fintech technologies and businesses operating in India, and the present situation of fintech in India's financial system. This document (Ravi, 2021) [34] constitutes a theoretical exposition that enhances our understanding of the theoretical structures pertaining to fintech services. It provides insights into the acceptance of fintech within the Indian financial services industry, elucidates its motivating drivers, and identifies the obstacles and difficulties associated with the implementation of financial technology in India. Additionally, it addresses regulatory concerns and examines the demographic structure of the Indian populace.

Research GAP

Although fintech is a relatively obscure yet extensively utilized subject, authors have predominantly emphasized its merits or other associated factors, rather than specifically addressing its potential role as a primary contributor to the persistent rise in digital crimes. Furthermore, aside from financial literacy, there has been a lack of focus on how digital literacy may also significantly contribute to the challenges faced by the fintech sector.

Methodology

I'm undertaking analytical study with the specific goal of determining a causal relationship between fintech and digital fraud, with digital literacy and cyber awareness serving as the basis for analysis. I acquired primary data from 241 ordinary individuals using snowball sampling, which is a type of non-probability sampling. Furthermore, I am evaluating this data using statistical methods such as regression and correlation, as well as the two-tailed test and pearson coefficient test, to ensure the correctness of the specified association.

Data interpretation and Results

H1: Fintech and digital frauds exhibit a causal link, with fintech as the independent variable and digital frauds as the dependent variable.

Table 2: Coefficients[a]

Model		Unstandardized coefficients		Standardized coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.306	.190		1.610	.109
	Use of Fintech	.519	.073	.419	7.128	.000

a. Dependent variable: digital frauds

Result: Here sigma = .000<.001, which elaborates that null hypothesis was rejected and there is an existence of difference, and hence H1 (Fintech and digital frauds exhibit a causal link, with fintech as the independent variable and digital frauds as the dependent variable) is selected, reflecting a positive causation relationship.

H2: with digital literacy and cyber awareness as the primary components contributing to this relationship.

Table 3: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.639	.154		10.625	.000
	Use of Fintech	.564	.050	.454	11.218	.000
	Digital Literacy	-.281	.075	-.275	-3.765	.000
	Cyber Awareness	-.450	.078	-.420	-5.735	.000

b. Dependent variable: digital frauds

Result: Here, all the values of sigma = 0.000 < 0.001, and therefore null hypothesis is rejected, and our H2(digital literacy and cyber awareness as the primary components contributing to this relationship) is selected, reflecting a negative impact on relationship between fintech and frauds.

H3: and that cybersecurity awareness is positively correlated with digital literacy.

Table 4: Correlations

		Cyber awareness	Digital literacy
Cyber Awareness	Pearson Correlation	1	.833**
	Sig. (2-tailed)		.000
	N	241	241
Digital Literacy	Pearson Correlation	.833**	1
	Sig. (2-tailed)	.000	
	N	241	241

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

Result: Here, r = 0.833 which is < 1 but > 0.75, it signifies highly positively correlated variables i.e. cyber awareness and digital literacy so H3 (cybersecurity awareness is positively correlated with digital literacy) is selected.

Conclusion/Findings

I have used coefficients and a two-tailed test to test the accuracy of my hypothesis and turns out that sigma = 0.000 < 0.001, indicating that the null hypothesis was rejected and a difference exists. This indicates that H1 (Fintech and digital frauds demonstrate a causal relationship, with fintech as the independent variable and digital frauds as the dependent variable) has been selected, indicating a positive correlation between fintech and digital frauds. The null hypothesis is rejected due to all sigma values being below 0.001. This indicates that H2 (digital literacy and cyber awareness as the primary elements influencing this connection) is selected. This indicates that digital frauds are negatively impacted by the existence of cyber awareness, and digital literacy while using fintech. H3 (cybersecurity awareness is positively connected with digital literacy) is picked with r = 0.833, indicating a strong positive correlation between the variables, since it is less than 1 but greater than 0.75, Hence it can be concluded that:

- *(Cybersecurity awareness) + (Digital literacy) + (Fintech) = Reduced digital frauds,*

Only FINTECH = RISKY!

The ramifications of this equation in Indian society may significantly contribute to the decrease of digital fraud.

Limitations

The limitations of my study include the insufficient data collected, which mostly represents North Indian regions, hence hindering the ability to draw a general conclusion about India as a whole.

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