

## **The Effect of FinTech on Mobile Payment and Digital Wallet Services in the Retail Banking Industry**

A.L. Abdul Rauf

*Department of Accountancy & Finance, Faculty of Management and Commerce,  
South Eastern University of Sri Lanka.*

*alarauf@seu.ac.lk*

### **ABSTRACT**

**Purpose:** This research investigates the impact of FinTech on mobile payment (MP) and digital wallet services within the retail banking industry. It evaluates how these technologies enhance accessibility, integration, and security, while also addressing the challenges such as security issues, compliance risks, and additional costs.

**Design/methodology/approach:** The study utilized a mixed-method approach, including a literature review and an online survey of 100 participants who are retail bank customers. The literature review examined significant milestones and challenges in mobile payment systems and digital wallet implementation. Survey data were analyzed using descriptive statistics and thematic analysis to provide insights into user experiences and practical implications.

**Findings:** FinTech was found to significantly enhance accessibility and efficiency for users and improve service delivery for organizations. However, challenges such as security risks, compliance concerns, and implementation costs remain. The study highlights the need for strategic measures in these areas to optimize the benefits of FinTech adoption.

**Practical implications:** Retail banks can leverage FinTech to streamline services, improve customer satisfaction, and remain competitive. This requires investments in robust security measures, customer education, and strategic adoption of emerging technologies to address existing challenges and anticipate future developments.

**Originality value:** This research provides a detailed analysis of FinTech's role in mobile payments and digital wallets, offering actionable insights for the retail banking industry to enhance its technological infrastructure and customer offerings.

**Keywords:** *Fintech, Mobile Payments, Digital Wallets, Retail Banking, Security, Compliance*