CASHLESS POLICY PERFORMANCE ON COMMERCIAL BANKS IN NIGERIA

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CERTIFICATION

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DEDICATION

This project is dedicated to God almighty who has made it possible for me to complete this work and also to my family members who always believed in me.

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ABSTRACT

The study examines the effect of the adoption of cashless policy on the performance of commercial banks in Nigeria. By using client account accessibility and queue's in banking halls as proxy for the adoption of cashless policy and error term as proxy for performance and using the statistical package for the social sciences, the study reveals that there is a high positive relationship between the adoption of cashless policy and commercial bank performance in Nigeria. The spss also revealed that the use of cashless policy instruments like ATMs and POS helps achieve the set out objectives stated in this research project.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Any nation's economy is supported by its banks. They play an important part in the financial structure of the nation and are crucial players in the growth process. By acting as a middleman between an economy's surplus and deficit savings units, banks mobilize and aid in the efficient distribution of national savings, increasing the volume of investments and subsequently national output. In a developing economy like Nigeria, the growth of the financial sector has been accompanied by structural and institutional changes, and the sector has long been recognized as being crucial to the development of the economy of the nation.

For policymakers and financial institutions, the recent development in financial transaction technology raises intriguing questions about the suitability of the existing institutional frameworks and the availability of tools to ensure financial stability, efficiency, and the effectiveness of monetary policy. Throughout history, there have been a wide variety of payment systems. Trade through barter was once popular, but problems with it, including the double coincidence of desires, led to the creation of various forms of money (Swartz et al, 2004). On the other hand, analysts have anticipated the elimination of research tools and the development of the "cashless society," which they believe will be a better replacement for cash or monetary exchanges.

A cashless economy is one where purchases of goods and services are made using credit or debit cards rather than actual cash as the means of exchange for transactions. The influence of Nigeria's cashless policy on commercial bank performance is thus the main subject of this study.

Nigeria has a cash-based economy since the majority of business and retail transactions there are conducted in cash. According to a recent CBN survey, cash-related transactions make up 99 percent of customer activity in Nigerian banks today. Additionally, it was found that cash transactions with a value of N150,000 or more were the most valued (N1469 billion), as well as the second-smallest in terms of quantity or volume (10 percent). Determining the effect of the CBN's cashless policy on the performance of Nigerian commercial banks is thus the main objective of this study.

It is impossible to overstate how crucial it is to manage the economy effectively. The monetary authorities maintain price stability and have an impact on economic activity through managing the money supply, especially when accompanied with effective fiscal policies (Friedman, 1999). The Central Bank of Nigeria (CBN) and other monetary authorities continue to exercise significant monetary control through the banking system. Unfortunately, the estimated 65% of Nigerian currency in circulation that is not in the banking system substantially limits the effectiveness of the CBN's attempts to stabilize the country's economy and prices (CBN 2012). As a result, banks have less money in the form of deposits available to them to print new money. Therefore, the size of this informal sector has an impact on the profitability of the banks, which is

largely reliant on the funding available for lending. However, the development of information and communication technology (ICT) has transformed society in terms of communication, process efficiency, the flow of knowledge generally, and the exchange of commodities and services. It is difficult for physical money to be employed as a medium of such exchanges because transactions may be completed instantly online across multiple geographic locations (Baddeley, 2004).

In order to break down the traditional barriers preventing millions of Nigerians from accessing financial services, the Central Bank of Nigeria (CBN) and the Bankers Committee introduced the cashless policy, which aims to provide mobile payment services that are designed to provide secure and convenient financial services to urban, semi-urban, and rural areas across the nation. However, putting into practice the cashless policy necessitates that banks spend significantly in ICT and other technologies that would improve the effective use of the cashless system. Depending on the strength of the individual banks, this approach may have a favorable or negative impact on the performances and productivity of banks that narrowly avoided recapitalization and numerous others compelled to combine and acquire.

As a result, this study uses Fidelity Bank as a case study to examine the effects of this policy on Nigerian banks in terms of their profitability. "Electronic payments can thereby cut transaction costs encourage higher GDP and consumption, strengthen financial intermediation, and improve financial transparency," claims Cobb (2005). She continued, "Governments have a crucially essential role in fostering a climate in which these

advantages may be realized in a manner that is compatible with their own economic growth ambitions.

A commercial bank in Nigeria called Fidelity Bank, sometimes known as Fidelity Bank Plc. The Central Bank of Nigeria, the country's central bank and national banking regulator, has granted it a license to operate as a commercial bank. According to rankings from 2011, the bank was the 7th most capitalized bank in Nigeria, the 25th most capitalized bank in the continent of Africa, and the 567th most capitalized bank overall. Fidelity Bank Plc. was a significant supplier of financial services in Nigeria as of December 2013, with total assets estimated to be in excess of US$6.318 billion (NGN:1+ trillion) and shareholders' equity in excess of US$1 billion (NGN:158 billion).At that time, the bank served 2.3 million customers at about 220 branches nationally (Wikipedia, 2015).

The current enlarged Fidelity Bank is the result of the merger with the former FSB International Bank Plc and Manny Bank Plc (under the Fidelity brand name) in December 2005. Fidelity Bank is today ranked amongst the top 10 in the Nigerian banking industry, with presence in all the 36 States as well as major cities and commercial centers of Nigeria. Fidelity continues to rank among Nigeria's most capitalized banks, with tier-one capital of nearly USD1 billion (One Billion US Dollars). The quest for banks in Nigeria to have efficient customer service delivery and maintain global relevance in the system has led to the exploitation of the many advantages of ICT

through the use of automated devices imperative in the industry. Many studies have also been conducted to establish the relevance of ICT to commercial bank performance.

Customer satisfaction is another reason why there have been so many research on e-banking. Increased customer satisfaction has the ability to grow a company's client base, utilization of a more volatile customer mix, and reputation. As a result, securing a competitive edge requires intelligently identifying and meeting consumer demands earlier and more effectively than competitors, as well as maintaining customer happiness through superior goods and services. A pleased customer will undoubtedly return, while an unsatisfied customer will stop doing business with you. Evidence is required to show how ICT operations have affected Nigerian deposit banks' ability to perform customer service.

A civilization that operates and performs transactions without utilizing coins or banknotes for money transactions, instead using credit cards or electronic funds transfers, is known as a "cashless society" (Reverso Dictionary). A cashless economy is one in which purchases may be made using credit or debit cards rather than having to carry actual currency around with you to trade for products and services. Therefore, the focus of this study is on how Nigeria's commercial banks are performing in light of the country's cashless policy.

In order to put Nigeria on the right track and in line with global trends, the Central Bank of Nigeria (CBN) has recently undertaken a number of reforms aimed at strengthening both the country's financial system and its overall economic performance.

Since Nigeria gained independence in 1960, there have been several changes aimed at advancing social welfare and fulfilling developmental objectives, but there hasn't been a significant improvement in the country's economic indices. In Nigeria, the advent of mobile banking, electronic banking, and internet transactions has set the way for a new age of growth in which the need for and use of hard currency are steadily reducing.

According to the Central Bank of Nigeria's (CBN) publications and statistics bulletins, as well as the annual reports of the majority of Nigerian banks, the growth of modern information technology has caused banking services to become increasingly automated and less paper-intensive than in the past. Nigerian banks have come to the conclusion that, if they don't keep up with the rate at which information technology (IT) is redefining the production of value and worth for their clients, they would soon cease to exist as a corporate entity.

1.2 Statement of Problem

Pundits have predicted the arrival of a "cashless society" as additional payment solutions are deployed. Today, we still pay with cash and checks, but we also use a variety of different payment methods, such as credit and debit cards. Paper money is becoming less popular, although at a slower rate. As it is, Nigeria is a cash-dominated society, and there are a number of variables that influence people's decision to use cash versus non-cash instruments. These include time spent counting and validating currency, vulnerability to loss, and time spent in banking halls, to name a few (Nnanwobu et al, 2011). A cash-based economy is defined by the psychology of holding and touching

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currency, as well as a culture affected by ignorance, illiteracy, and a lack of security awareness and appreciation for the benefits of digital payment (Ovia, 2002).

Cash, as a payment method, has a number of disadvantages, including the high cost of handling cash, the hazards of utilizing cash and having it in one's home, which can lead to a high rate of robbery, and financial loss in the event of a fire or flood. Because of the widespread use of cash, there is a lot of money outside the formal economy, reducing the efficacy of monetary policy in controlling inflation and promoting economic growth. People who are illiterate or have a poor level of education are left in the dark, and as a result, they are unable to grasp when new advances are implemented. Many people do not see the need to keep their money in banks or invest it due to a lack of understanding, as well as insufficient publicity and awareness measures, which, if addressed, would at the very least reduce many people's lack of understanding and make them see viable reasons why they should keep their money in banks and invest it rather than keeping it in their homes as a route to the safety of many lives and economic growth. This is, of course, the study's raison d'être.

In fact, the average willingness of people to hold money in cash or demand deposits in banks affects commercial banks' activities in controlling the amount of money in circulation, which in turn determines the CBN's hold on the economy in terms of monetary policy implementations. The Central Bank of Nigeria's (CBN) grasp on the extent to which they have been able to nurture financial transactions in money deposit banks across the country will be determined by analysing banking innovations and the

public's reaction to them. E-commerce has opened place for a variety of instruments in commercial transactions, albeit not all of these technologies have been completely utilized. The new strategy has been designed to effect the entire economy and to fully utilize all of these tools, including monetary and fiscal policies, in order to maximize the effort of e-commerce innovation. Despite the usefulness of the proposed technology, there are still some disadvantages of a cashless society as enumerated below: the disadvantages include that the unstable electronic value of money will become even more volatile especially, given that people will be conducting business with imaginary money.

The government would be able to monitor purchases, spending habits and businesses patronized. Under this new system, the government will have a total control of our transaction and therefore exposing the privacy of individuals. Another issue concerns the transaction involving children with the challenge of determining the age at which children will have to be allowed to such transactions as accessing their substance "pocket" money since it would need a mobile phone or a payment card to store their money.

1.3. Research Questions

The following questions will direct the course of this study:

(1) What is the link between the Cashless policy and customer account accessibility?

(2) To what extent does the Cashless policy affect queue-ups in banking halls?

(3)What is the relationship between Cashless policy and the promptness of bank-related transactions?

1.4 Objective of the study

This general goal is then broken down into the following specific goals:

1. Determine the link between the Cashless policy and client account accessibility.
2. To investigate the relationship between Cashless policy and queue-ups in banking halls.
3. Ascertain the relationship between Cashless policy and the promptness of bank-related transactions.

1.5. Research Hypothesis

The hypothesis to be tested in this course of study includes:

Hypothesis 1:

$H0$: Cashless policy has no impact on client account accessibility.

$H1$: Cashless policy has impact on client account accessibility

Hypothesis 2:

$H0$: Cashless policy has no impact on queue-ups in banking halls

$H1$: Cashless policy has impact on queue-ups in banking halls

Hypothesis 3:

$H0$: Cashless policy has no impact on the promptness of bank-related transactions.

$H1$: cashless policy has impact on the promptness of bank-related transactions.

1.6 Significance of the Study

The bulk of retail and commercial payments in Nigeria are made in cash, making it a cash-based economy. Cash-related transactions account for 99 percent of client activity in Nigerian banks today, according to a recent CBN survey. Furthermore, it was determined that cash transactions worth more than N150,000 were the most valuable (N1469 billion) and the second smallest in terms of quantity or volume (10 percent). Other policy agendas, however, did not receive the same level of support as the recapitalization agenda; for example, the re denomination plan was ignored and deemed unhelpful. In a similar spirit, the non-interest Islamic banking notion has been met with suspicion, and its proponents have been accused of concealing a secret goal. The same might be stated of the idea to implement a "cashless economy. "I am foreseeing the ANTI-CHRIST stepping in and the fulfilment of Biblical prophecy that a time for cashless society would come and nobody will buy or sell unless you have a number, be wise," says one Gibson, expressing concern in certain areas about the "cashless economy."

This might indicate that not enough has been done to address citizens' legitimate worries about the cashless economy. The importance of this study cannot be overstated because it aims to assist in the improvement of the policy, increasing its chances of being implemented successfully. This research will help to identify the policy's flaws, as well as the policy's advantages and implementation, as well as how it impacts money deposit bank

transactions in Nigeria. As a result, this study's current focus is on gaining a thorough knowledge of the whole cashless policy process and its execution.

Existing research on the subject were analysed, and as a result, this study shed further insight on the subject in issue. Although previous studies have shown that work has been done on it in other countries, this study is one of the most recent works addressing the effectiveness and impact of the cashless policy on money deposit bank transactions in Nigeria. It is hoped that this study will help bridge the gap between current perceptions about the cashless economy and the actual operations of the system.

1.7 Scope of the Study

The influence of the CBN's cashless policy on the Nigerian economy was investigated in this study. Because the cashless policy is a new economic policy with no prior data, the study seeks the public's viewpoint by studying the policy's effect analysis. In order to conduct this study, both primary and secondary data sources were utilised. A survey will be conducted inside the Lagos State metropolitan for primary data, as it is the only state where the policy is currently being implemented, while secondary data will focus on everything accessible from the Central Bank of Nigeria (CBN) and different printed publications.

1.8 Study Plan

This research would be divided into five (5) sections. The background to the study, statement of the problem, research questions, research hypothesis, objectives of the study, justification of the study, scope of the study, and study plan are all included in the first chapter. The conceptual and theoretical analysis, the analytical review, and the study of associated literature on the cashless policy are all covered in Chapter 2. It will also give an outline of the policy, including its goals, objectives, merits, flaws, applicability, and execution, as well as how it impacts money deposit bank-based transactions. This chapter will also discuss a few other countries' experiences with cashless economies. Chapter three includes the research methodology that is data specification, method of data collection, method of analysis and sources of data. Chapter four is basically data presentation and analysis. Chapter five is the summary, conclusions and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

The review of relevant literatures on the research topic is the subject of this chapter. The review of related literatures is divided into three sections: conceptual, theoretical, and methodological/ empirical. The purpose of de-constructing the overview is to give a more detailed approach to the study issue.

2.2. Conceptual Review

2.2.1. A Glimpse at Pre-Cashless Policy Era

This section examines the evolution of traditional money across time. Money serves as a00000 unit of account, a store of value, a medium of exchange, and a method of deferred payment in economic activity. Furthermore, money has developed over time to reduce the friction of transaction expenses associated with facilitating exchange. Indeed, the process may be traced back to the creation of the first monetary items. Conducting economic transactions in barter systems, for example, included substantial transaction costs due to the time and effort necessary to find a suitable partner.

Following that, the demand for fungibility and divisibility became a factor in the evolution of money. As a result, the introduction of study money (notes and coins) reduced the cost of the process by letting workers to specialize in manufacturing based on their talents

and enabled monetary authorities to produce coins in handy denominations, resulting in divisibility (Baddeley, 2004).

Several attempts have been made to develop more mobile money through electronic methods, resulting in innovation from the Nigerian central bank, with one of the most inventive concepts being electronic banking. According to the European Central Bank (ECB), electronic money is "a prepaid bearer instrument that acts as an electronic store of monetary value on a technical device that can be widely used for making payments to undertakings other than the issuer without necessarily involving bank accounts in the transactions." A cashless economy, in which no notes or coins are issued by central banks but by private financial firms, is analogous to this definition (Costa and De Grauwe, 2001).

2.1.2. Conceptualizing Cashless Economy

It's important to realize that a cashless economy refers to one in which transactions using cash are kept to a minimum. Rather than implying a total absence of cash transactions, a cashless economy refers to those that use cash as little as possible. It's a form of economy where exchanges aren't frequently done in exchange for money. Additionally, it is not a system of exchange where products and services are exchanged for one another (the barter system).. According to the definition, it is "one in which there are no transaction frictions that may be avoided by employing money balances, and so offer a rationale for holding such balances even when they generate a rate of return" (Babalola, 2008). The quantity of money in your wallet is practically irrelevant in a cashless society. It should be noted that various sorts of cashless transactions are now being carried out in Nigeria.

In Nigeria, there are currently up to seven distinct electronic payment channels, including Automated Teller Machines (ATM), point-of-sale terminals, mobile phone, online, and interbank branch. E-payment activities in Nigeria have been led by local businesses and have been aided by technological advancements and infrastructure.As previously stated, a cashless economy does not entail the complete elimination of cash (or money) circulation in the economy, but rather the functioning of a financial system that minimizes cash transactions. The CBN has established daily withdrawal and deposit restrictions of 150, 000 for individual clients and 1,000,000 for corporate customers (now 500,000 and 3million respectively). The system's functioning does not mean that individuals or companies cannot store cash in excess of 150,000/N1million (currently 500,000/N3million correspondingly) at any given time, but that their total cash transactions with the bank must not exceed these limitations in a single day.

The system is targeted at encouraging electronic means of making payments, and not aimed at discouraging cash holdings. This policy on limits implies that an individual can actually have 5,000,000 (more than 150,000 now 500,000) under his pillow at home, buys goods and services with them but must not pay more than 500,000 into his bank in one day without attracting a fine of 5% per 1000 for the excess.

This strategy anticipates that instead of making significant withdrawals to pay for goods and services, such funds will be held in the banking system and used in "credit card-like ways." Users of this system receive electronic cards that may be inserted into specialized electronic equipment to process payments. The Point of Sales (POS) terminals are the heart of

such a payment system. These will be positioned at the commercial hubs of the nation. These point-of-sale terminals will operate similarly to ATMs (ATM). An amount is entered into a POS terminal, into which the electronic card has been placed, once a transaction is finished and its value is calculated.

2.1.3 Cashless Policy and E-banking Electronic Payment

E-banking is a term that refers to any sort of banking activity that takes place through the internet. It is the newest financial service delivery channel, and it is utilized for both business-to-business (B2B) and business-to-consumer (B2C) transactions (Mohammad, 2009).

Electronic banking refers to several types of services through which a bank customer can request information and carry out most retail banking services via computer, television, or mobile phone, and the definition of e-banking varies among researchers partly because electronic banking refers to several types of services through which a bank customer can request information and carry out most retail banking services via computer, television, or mobile phone (Mohammad, 2009).(Mohammad, 2009) defines e-banking as an electronic connection between a bank and a customer for the purpose of preparing, managing, and controlling financial transactions, while Leow, Hock Bee (1999) define personal computer (PC) banking, online banking, Internet banking, telephone banking, or mobile banking as a variety of ways in which customers can access their banks without having to be physically present at a bank branch. As a result, e-banking encompasses all of these electronic banking methods (Mohammad, 2009).

In every economy, electronic transactions are a key instrument for reducing cash circulation. It is a pre-requisite to the adoption of a cashless policy if it is to succeed. Electronic currency is a mechanism that allows people to buy products and services in today's society without having to trade physical items. Money is still used, but it is now in an electronic format. This is becoming increasingly accepted as the world moves toward a cashless society, which is being presented as a more convenient mode of payment and a way of reducing crimes ranging from individual cash robberies to money laundering among criminal syndicates and cash hoarding at home by corrupt government officials.

2.1.4. Type of Electronic Banking

Electronic banking consists of the following, mobile banking, internet banking, telephone banking, electronic card etc as stated by (Azouzi, 2009) and are discussed below:

1) Mobile Banking

Mobile banking is the use of a mobile phone to settle financial transactions; it supports person-to-person transfers with immediate availability of funds for the beneficiary; mobile payments use the card infrastructure for movement of payment instructions as well as secure SMS messaging for confirmation of receipt to the beneficiary; mobile banking is meant for low-value transactions where speed of completion is critical; mobile payments have a vested interest in the beneficiary; mobile banking is meant for low-value transactions where speed of completion is critical; mobile payments have a vested interest in the Account inquiry, cash transfer, phone recharge, password changes, and bill payment are among the services covered by this product, which are only provided by a few institutions.

According to Alhaji Suleiman and staff of the banking operation department of the Central Bank of Nigeria's research report on the survey of developments in the e-payments and service products of banks and other financial institutions in Nigeria in 2007, page 6, twenty-one institutions offered these services with very low patronage by customers for funds transfer. Furthermore, sixteen (16) recharge phone services were given, all of which were in the low and medium ranges, indicating poor patronage.

As a result of the preceding study, mobile banking has yet to obtain widespread acceptance among the banking public and is still far behind what is expected in terms of usage.

2) Internet Banking

Internet banking is utilizing electronic instruments such as a computer to execute banking operations such as account inquiries, statement printing, and money transfer payments for products and services, and so on over the internet (World Wide Web). E-commerce is greatly facilitated by internet banking, which is primarily used to effect payment. Internet banking also uses the electronic card infrastructure for executing payment instructions and for final settlement of goods and services over the internet between the merchant and the customer. At this time, the most common internet payments are for consumer bills and the purchase of airline tickets through merchant websites.

3) Telephone Banking

These are banking services that a customer of a financial institution can access via a telephone line that connects to the institution's computer centre. Account balances, cash transfers, pin changes, phone recharges, and bill payments are all available through telephone banking.

4) Electronic Credit Card

An electronic card is a tangible plastic card that uniquely identifies the bearer and may be used to authorize payment to a merchant via the internet, automated teller machine (ATM), or point-of-sale (POS) terminal (seller).Debt cards are linked to local bank accounts and offer immediate confirmation of payment, while credit cards are linked to a credit line and can be used for accessing local and international networks and were widely accepted in most countries. The underlying infrastructure and operational rules are often provided by global trump cards. Debit cards, commonly known as ATM cards, are the most widely used card mechanism in Nigeria, with ATM use outnumbering POS transactions due to the current limited deployment of POS terminals.

There were five types of services in this category: reloadable card, debit card, naira credit card, visa card, master card, and other. According to a survey conducted by the staff of the central bank of Nigeria's banking operation department, seventeen institutions offered the product, ten of which had low patronage, five had medium patronage, and two had high patronage.

2.1.5. Nigeria's Cashless Policy Implementation Challenges

Agboola claims that a number of factors have prevented Nigeria from putting in place an efficient mechanism for money transfers (2001). These problems, which include an erratic power supply and a weak communication link, are caused by a lack of infrastructure. In this situation, the government must do all reasonable efforts to provide a dependable and effective power supply and communications network.

One of the issues is the absence of competent management and the essential tools on end users' and client systems' systems; initiatives should be taken in this area to offer infrastructure and professional staff. Another problem is the vast amount of currency that has accumulated in the nation; the government should impose laws to replace cash with electronic payments. Agboola claims that a number of factors have prevented Nigeria from putting in place an efficient mechanism for money transfers (2001). These problems, which include an erratic power supply and a weak communication link, are caused by a lack of infrastructure. In this situation, the government must do all reasonable efforts to provide a dependable and effective power supply and communications network.

One of the issues is the absence of competent management and the essential tools on end users' and client systems' systems; initiatives should be taken in this area to offer infrastructure and professional staff. Another problem is the vast amount of currency that has accumulated in the nation; the government should impose laws to replace cash with electronic payments.Also, because e-payment terminals (ATMs) have a high price or cost, banking regulation should establish regular costs for e-payment services.

Another issue is the lack of proper security for fraud prevention. Banks should strive to install a stand-by camera in every ATM machine to check the identity of the operator's account and hire a skilled computer wizard to dictate and prevent computer hacker fraud.

It's also due to lack of government support for e-banking. The Central Bank of Nigeria should be involved in public awareness campaigns and escalating infrastructure difficulties to the appropriate government authorities, as well as encouraging Nigerians to trust and migrate to e-payments.

In a country where literacy is still quite low, especially in the north, a high percentage of illiteracy and inadequate sensitization has been a serious obstacle. Inadequate education, along with a lack of awareness among bankers and clients about many elements and issues related to electronic payment transactions and cashless policies prior to the scheme's inception, has caused the marketing tactics to fall short of expectations.

The policy's success has been limited by poor timing and sequencing for both the policy and the penalty, which is too harsh for Nigerians who have a strong habit of using cash for most of their transactions. This is because the implementation of a policy like this requires attitudinal change from the public, which is an inherently complex endeavor involving multiple players and systems.

Another important issue is the public's lack of computer knowledge and appreciation, as well as their overreliance on cash for all forms of transactions. The public should be made aware of the trust and advantages received from the use of e-payments through media such as television and radio, as well as the ongoing promotion of a cashless society.

Lack of Unique National Identity System which makes it difficult to implement the policy efficiently and effectively. The effect of this is that one can rob Peter to pay Paul. Thus, one can dupe a bank today and reappear in another area under another name.

Inadequate infrastructure which ranges from network failure, inadequate ATM and POS machines and epileptic power supply which is critical to efficient electronic payment system will undoubtedly militate against the success of cashless policy. For example, some ATM and POS machines do not work when the consumers need them because it is out of service or unable to dispense cash.

2.1.6. Cashless Policy Prospects

The greater use of the e-payment system and, as a result, the cashless policy, is projected to bring a range of benefits to diverse stakeholders. These are some of them:

1. For consumers: Increased convenience, more service options, lower risk of cash-related crimes, cheaper access to (out of branch) banking services, and access to credit are just a few of the advantages.

2. For businesses: Improved access to financing, lower revenue leakage, and lower cash handling costs

3. Expanded tax collections, higher financial inclusion, and increased economic development for the government

4. For banks, the efficiency of the electronic payment process lowers operating costs (cash handling) and expands bank penetration.

Other possibilities include:

5. It will lower the cost of minting and carrying currency around the country while also reducing the danger of armed robbery, theft, bribery, and corruption that comes with dealing with cash. Money laundering and terrorist funding will be reduced as well. All of this will contribute to the effectiveness of monetary policy.

6. Because of the rise in velocity, it would offer more job opportunities in the financial sector and assure development in the actual economy. This would not only ensure that credit is available to investors, but it would also offer banks with extra liquidity to lend to the economy's most vulnerable sectors at competitive rates.

According to Adesina (2010), electronic banking and cashless policies have the following favorable effects:

Increase the speed with which a transaction is settled: Electronic banking facilitates the settlement of transactions on a national or worldwide scale, with the bank acting as both a paying bank to clients for the settlement of transactions or debts, and a collecting bank for the collection of payments on those transactions.

Reduces the number of customers that visit banks: The development of this method has bridged the gap between the consumer and his bank, allowing the customer to easily walk to any branch bank near him and withdraw money from an ATM machine using the interbank switch, saving time, energy, and tension.

The introduction of electronic payment systems has resulted in a decrease in the rate of theft in society. On Tuesday, April 21 (2009), the federal government reported to the daily champion that endemic corruption in official transactions and incessant robbery attacks on bullion vans and bank vaults prompted the federal government to direct immediate automation of government fiscal operations through an electronic payment system (e-payment).

Payment System in Customs Areas: Payment systems in customs areas aid in the simple facilitation of importer clearance of products, as well as the electronic payment of money owed to the government, making revenue collection and fraud detection much easier.

Certain things must be present in order for the cashless economy to function, and they must be present in sufficient quantity and quality. As a result, many commentators dispute Nigeria's suitability for a cashless economy, among other things. Infrastructure is one of the most important of these variables. The general doubt about Nigeria's preparation can be summarized as follows:

The CBN's rhetoric about making Nigeria's economy cashless is catchy. But that's putting the wagon ahead of the horse, rushing to run before crawling. What are the foundations in Nigeria for a cashless economy to take off? How well-educated are Nigerians and how familiar are they with information and communication technology (ICT)? How many Nigerians have access to electronic banking?What infrastructures are there to support electronic banking, assuming most Nigerians are educated and ICT-compliant is it enough to flood the nooks and crannies with ATMs, with their vulnerability to fraud unresolved? (Moses, 2011).Certain

issues have been linked to the operation of the cashless economy: "communication issues such as power, ICT and uptime payment platform, network interoperability, and cheque clearing period are important issues to consider for the smooth operation of the cashless economy," according to the report (Moses, 2011). To put it another way, the issue of infrastructure must be handled in a deliberate manner if a cashless economy is to be successful. The public's level of awareness and literacy is a critical aspect in the effective deployment of a cashless economy. "Those who have also frowned on the program contend that the country's high level of illiteracy, limited banking population, and leaky banking system are characteristics that would work against the scheme's effectiveness," says (Ezumba, 2011)

2.1.7. The Benefits and Drawbacks of a Cashless Economy

Many questions have been raised about the essentials of a cashless economy in a country like Nigeria; nonetheless, the main point that can be drawn is that for a cashless economy to succeed, certain variables must be present, and in the proper number and quality. As a result, many commentators dispute Nigeria's suitability for a cashless economy, among other things. Infrastructure is one of the most important of these variables. The general doubt about Nigeria's preparation can be summarized as follows: The CBN's rhetoric about making Nigeria's economy cashless is catchy. But that's putting the wagon ahead of the horse, rushing to run before crawling. What are the foundations in Nigeria for a cashless economy to take off? How well-educated are Nigerians and how familiar are they with information and communication technology (ICT)? How many Nigerians have access to electronic banking?

Is it enough to flood the nooks and crannies with ATMs, with their vulnerability to fraud unaddressed, presuming most Nigerians are educated and ICT – compliant? (2011, Ogu)

Several researchers have identified certain concerns with the cashless economy's operation: "communication issues such as electricity, ICT and uptime payment platform, network interoperability, and cheque clearing period are essential issues to address for the successful functioning of the cashless economy" (Ifeakandu, 2011).The CBN must consider the following elements as it prepares Nigeria for a difficult transition to a cashless economy: • Investments; the CBN must be willing to invest extensively to make these transitions happen. Technology isn't inexpensive, and it's always changing at a breakneck speed. Investing billions of dollars in infrastructure, training, marketing, security, network maintenance, and other areas will be done on a regular basis for the foreseeable future, and should be a collaborative effort by all parties involved.

• Power; power needs to be greatly enhanced in order for financial activities to run smoothly.

• Infrastructure; Nigeria's financial infrastructure is insufficient to carry the burden of a cashless society; ATMs, point-of-sale systems, mobile banking, and other media must be greatly expanded to reach at least 40% of the economy before any meaningful effect can be realized.

• Real-time data; all financial institutions must retain and communicate proper and correct identity of account holders as needed; the CBN must also engage with all other government and private agencies responsible for collecting and reconciling identification of individuals in Nigeria.

• Security; in terms of laws, there is a need to enforce new methods of transactions and a changing culture, and the CBN must collaborate with the National Assembly to guarantee that correct legislation is drafted. The CBN and all other empowered executive arms, like as the EFCC, will be in charge of enforcing new legislation. They must devote to employee training, and the judiciary must be prudent and capable.

Alilonu Ifeanyi recommended in his article "Is Cashless Society a Way Forward" that the following key performance parameters should be addressed for a successful transition to a cashless society in Nigeria:

1. Sensitization; the general public still has to be educated about this policy initiative, to assess its merits, to address their concerns, and to enlist their support.

2. Security; the proposed and existing payment systems' security must be improved in order to protect users from malware, hackers, fraudsters, viruses, and identity theft.

3. Power; in Nigeria, the subject of power remains a vexing issue. The majority of these channels still require electronic power to operate. The government must do everything possible to boost the supply of electricity.

4. Online, Real-time, Always; these alternative payment methods necessitate that the various media employed be online, real-time, and always. Downtime at banks is extremely frustrating for those who have experienced it. The devices must be connected to the internet for the transactions to be successful. Dual-sim POS terminals will be used to reduce downtime at POS terminals, according to the announcement (Alilonu, 2012).

To put it another way, the issue of infrastructure must be addressed in a deliberate manner if a cashless economy is to function effectively. The public's level of awareness and literacy is another critical aspect in the effective deployment of a cashless economy. It should be mentioned that: "Those who have criticized the policy suggest that the country's high illiteracy rate, limited banking population, and porous banking system are all factors that will work against the scheme's effectiveness" (Dada and Oronsaye, 2011).

People need to know how else they can pay illiterates who do not have bank accounts; "...the high degree of illiteracy among Nigerians renders the usage of checks and electronic payments problematic in some situations," according to the report (Ogu, 2011). The difficulty with this illiteracy condition is that a large percentage of the population would come to rely on the educated few, leaving them vulnerable to the scruples of such "literate few."They will be vulnerable and may become a cog in the cashless economy's wheel.

The topic of security was brought up in passing. With Nigeria being dubbed the "Internet Scam Capital of the World," one can only speculate on how the cashless system's vulnerability to various sorts of internet-related crime would be dealt. According to reports, Nigerian information technology security experts have warned that unless the Central Bank of Nigeria and other financial sector regulatory agencies ensure that service providers adhere to minimum security standards on their web-based platforms, the country's current move towards a cashless economy may prove to be a futile exercise (Azeez, 2011).As a result, security worries on the internet, the platform for the cashless economy, are widespread. If the issue of security is not completely addressed, there will be a rise in occurrences of internet

scam in Nigeria as we move into the e-payment era. Another aspect of cyber security worries is the recent wave of cyber-attacks that have occurred around the world. Can we ensure a smart system capable of overcoming the threat of cyber-attacks that threaten to disrupt the entire cashless system?

According to reports, the internet is the best thing (in a commonplace sense) to happen to the globe, but it also poses the greatest risk and opportunity for criminals to spread terror. Even in countries like the United Kingdom, the United States, and other developed countries with great conformity to internationally acceptable security requirements, incidences of hacking have been reported on a regular basis, according to the findings (Azeez, 2011). If this is the case in more organized economies, one can only image what may happen in an unregulated and lawless economy like ours. "If gold rusts, what will happen to iron?" as the saying goes. If we must become cashless, the government must first ensure cyber security. "I want to inform you that Nigeria at the cyber arena is under attack," says Laja Sorunke, the Association's Vice President, speaking at an Information Security Society of Africa, Nigeria (ISSAN) organized seminar. We are a vulnerable species.. We have issues bothering on our payment networks" (Azeez, 2011).

We cannot treat this issue with the same official levity and laxity as it had come to be with government programmes and projects. We must sit down together and address these security concerns if we will not rush out of the cashless economy just like we are rushing in now. There is the need for proactive measures by companies in the country to put up a defensive mechanism against these attacks. Another security expert at the same forum notes

that, "Truth is Nigeria cyber space is very insecure, vulnerable, we are open to attacks. For example we have no cyber security emergency programme in place so if we are attacked on cyber space today we have no way of knowing" (Azeez, 2011).

Another essential is that adequate terminals and Automatic Teller Machines (ATMs) must be provided for the system to operate smoothly. As noted: "unless about 26,000 additional POS terminals are deployed, by various merchants across the country, a proper take off of cashless economy in Nigeria may be a mirage" (Azeez, 2011).

Investigations reveal that "only about 14,000 POS currently exists in the country" (Azeez, 2011). This is supported by the following observations: Within this period (between now and the start of the cashless economy), the apex might not record much success because infrastructure such as POS, ATM, etc needed to migrate from a cash-aware Lagos to a cashless Lagos are not on ground. Unless the song coming from the CBN is not true, the road to a cashless Lagos is like the Ibadan Expressway, there are so many detours, so many potholes and gullies (Olaegbe, 2011).

2.2 Theoretical Review

2.2.1 Rogers' Diffusion Theory

These generally accepted conceptions of innovator and early adopter are based on diffusion theory, whose founder is regarded as Everett Rogers. The fundamental tenet of the theory is that diffusion or penetration of technological innovation follows a typical bell-shaped distribution pattern. In this diffusion pattern, the theory distinguishes five adopter

segments, each with its own set of size, profile, and adoption-related presumptions. According to Rogers (2003), the timeliness of one's adoption choice or the innovativeness of a collection of product qualities is presumed to be determined by the subjective impression of those attributes (relative advantage, complexity, compatibility, trialability and observability). Early adopters and innovators, for instance, are thought to perceive complexity as being lower and to perceive relative benefit as being higher than the majority segments.

Bank-Led Theory

Lyman, Ivatury, and Stachen (2006) put out the bank-led theory of branchless banking, which emphasizes the function of an intermediary between the banks and their clients. In this instance, the retail agents deal directly with the consumers of the banks and assume the obligations of the bank by either paying cash or collecting deposits (Owens, 2006).Finally, this agent is required to use electronic means to transmit all of his communications with the bank's clients to the bank he is representing (such as phones, internet, etc)

Theory of Non-Bank Led

Hogan made this assertion (1991). This point of view contends that clients do not deal with banks and do not have bank accounts. To exchange cash for e-money accounts, customers only conduct business with non-bank organizations such mobile network carriers or makers of prepaid cards. The E-money account is then stored on the server of this non-bank agency. This platform often carries the highest level of risk among electronic payment systems since there is currently no regulatory framework upon which these E-agents may operate.

2.3 Empirical Review

Many scholars have tried to look at the cashless system, sometimes called e-banking. However, some of that research has to be reassessed. For instance, on the theoretical side, early studies in this field—including Fisher (1896) and Patinkin—tried to explain the underlying reason for price indeterminacy (1965). It established the following fundamental finding: For every given real demand for money, there exist an infinite number of combinations of money stock and price levels that will lead to money market equilibrium. In other words, economic actors don't care if increased money supply or falling prices satisfy people's increased need for cash.

Gresvik and Owre (2002) looked at how much it costs Norwegian banks to handle different payment instruments in order to study the economic effects of cashless financial instruments.

According to the report, payment cards used for ATM cash withdrawals cost much more since those operations need currency replenishment, maintenance, and security. Furthermore, it was discovered that using checks to withdraw money costs three times as much as using an ATM.   De Grauwe et al (2000) compared the expenses of cash and payment cards in Iceland and Belgium in another cross-national study. These nations were selected because they offer a clear difference, with Belgium being on the extreme side of the cash usage spectrum and Iceland having one of the lowest percentages. The research investigates the card issuers, commercial and savings banks, cardholders, and merchants for the Icelandic cash payment system and deducts the profits made from interest payments not made on the currency in circulation. They investigate the card issuers, commercial and savings banks,

cardholders, and retailers for the card-based system. It was shown that from a social perspective, a card-based system is substantially more effective than a cash-based one for two reasons.

The first is that when cards replace cash, the economies of scale for cards rise while diseconomies of scale in the currency supply worsen. Second, the displacement relegates cash to smaller transactions, which must pay the fixed costs of the cash system. Recent empirical studies, such Kriwoluzky and Stoltenberg (2010), estimated the cashless and monetary economy in the United States using Bayesian estimating techniques. The data set was divided into two halves and covers the first quarter of 1964 through the third quarter of 2009, according to Lubik and Schorheide (2004); Clarida et al (2000). Despite using GDP deflator, output per capita, and real wages as observable variables, its results demonstrate that interest rate policy was passive in the monetary economy but active in the cashless economy. In a monetary economy, the loss of money's predictive power lowered production and inflation volatility, according to Gali and Gambetti (2009). The same result was reached by Stock and Watson (2002), Kim and Nelson (2002), and Stock and Watson (2002). (1999).

It is challenging to control short-term interest rates because, as Claudia and De Grauwe (2001) pointed out, central banks are losing their monopoly on the provision of liquidity and are thus becoming smaller.

Marco and Bandiera (2004), on the other hand, claim that expanded use of cashless banking instruments improves monetary policy efficacy and that the existing level of e-money usage does not jeopardize financial system stability. It does, however, conclude that if the

government does not pursue a responsible fiscal policy, central banks may lose control of monetary policy.

According to a previous research by Joze, Julie, and Angela, among the main benefits of e-commerce adoption not expected by the industry are company, efficiency, improved image, competitive advantage, greater automation of operations, and higher business turnover (2002). Technology costs, a lack of e-commerce experience, managing change, budgeting, and difficulties with connecting back end systems are also highlighted as significant hurdles for the industry. Secure transactions were viewed as one of the industry's success factors rather than as a major hurdle.

Technology is becoming more often used in Nigerian financial operations, claim Salawu and Salawu (2007). The Central Bank of Nigeria (2007) reports that the ATM is the most widely utilized form of electronic banking by Nigerian banks. Additionally, it was shown that their ATM usage was significantly influenced by their attitudes. According to Klynveld, Peat, Marwick, and Goerdeler's (2009) research, Nigerian bank customers value banking, particularly ATMs. Because of this, it seems that Nigerian bank customers are increasingly associating bank service quality with online real-time accessibility. They now choose their banks more carefully and selectively (Idowu, Aliu, & Adagunodo, 2002).

Agboola (2001) investigated the influence of computer automation services and found that electronic banking has greatly improved the services provided by various banks in Lagos to their consumers. His research, however, was limited to Nigeria's commercial nerve center

and focused on only six banks. He conducted a comparison study between old and new generation banks to determine the rate of automated device adoption.

The advantages of electronic banking adoption were recognized by Lee (2009), as referenced by Azouzi (2009). E-banking, for example, offers users a variety of financial incentives such as fewer transaction fees, greater deposit rates, chances to win prizes, and additional credit card bonus points. Customers can save time by doing transactions fast without having to line and by using paper documents, to name a few benefits. Because all critical transaction details are given up on the website, e-banking allows clients to exchange electronic data as well as connect with bank staff. Online banking, according to Lee, gives users access to information that is readily available and transparent.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

Methodology refers to all of the methods employed to gather the data needed for this research project. In order to put together the study, research and data gathering approaches and procedures are described in this chapter. It includes information about the population, sample size and methodology, data sources, instruments for acquiring data, methods for data analysis, and study strategy.

3.2 Research Design

The descriptive survey design was used for this inquiry, which was done in Lagos. As a result, a sample that is representative of the entire population could be employed, which is why the survey approach was selected. In order to understand more about how the CBN's cashless policy has impacted bankers' and customers' performance as well as their degree of familiarity with the new payment system policy, a structured questionnaire was used to interview bankers and consumers.

3.3 Methodological Review

The cashless policy is a recent innovation in the Nigerian economy; the resources that are accessible are discussion-oriented and nothing has been written about it.

In order to uncover the possible hazards and possibilities cashless banking may bring for the Nigerian economy, Ernest S. O. and Fadiya B.B. (2012) used a discussion approach to assess

its implications. This research study use descriptive analysis to achieve its aims using graphs, tables, charts, and trend analysis of the Nigerian monetary system.

They reached to the conclusion that there are substantial management and security issues with the transition towards a cashless Nigeria, even if it could first seem helpful. O. Nwankwo and O. R. Eze (2013). the possibilities and problems of electronic payment in Nigeria's cashless society. The study, which used a descriptive research approach, revealed that while the electronic payment system has a big influence on Nigeria's paperless economy, it would have a large negative impact on the banks' capacity to mobilize deposits and offer credit. In addition to Raymond E., P.V.C. (2013). A Study of the Effects of the Cashless Economy on the Development of the Nigerian Economy, The descriptive research design was adopted for the study, which included 68 participants. It was done using the practical sampling method. The structured questionnaire was the main instrument used to collect data.

The acquired data was put through a face validity test, tested with an ANOVA, and the hypotheses were put to the test using the chi-square (x2) method. The findings showed that the majority of Nigerians are already aware of the policy and that most of them believe it will minimize the risk associated with carrying cash while also assisting in the battle against corruption and money laundering. Cyber fraud and illiteracy are two major issues that are anticipated to impede the implementation of the strategy.

Ohiokha F. and Akhalumeh P. (2012).Examines the cashless economic system in order to evaluate its viability in Nigeria in light of its readiness, appropriateness, and level of technological and educational progress. The study used standardized questionnaires to collect

data, which were then evaluated using a straightforward percentage technique. The findings show that the majority of Nigerians are already aware of the policy and that most of them believe it will minimize the risk associated with carrying cash while also assisting in the battle against corruption and money laundering.

Two significant problems that are projected to hinder the implementation of the approach are cyber fraud and illiteracy.

Aganifo and further (2012). Determine the challenges associated with establishing cashless transactions in Nigeria and assess the contribution of ICT in preparation for structured questionnaires were sent at random to bank customers in Akure, Ondo State. The Central Bank of Nigeria provided information on the volume of transactions made through the alternative payment methods used in Nigeria. The obtained data was analyzed using a frequency distribution table and graphics. The study of the replies from the customers and the secondary data indicated that, among other things, a poor power supply and communication network may prevent ICT from playing an effective role in assuring its success.'

3.4Population:

All bank customers in Lagos State as well as the numerous money deposit banks in Lagos State, which total 21, each having a branch dispersed around the city, make up the population for this study. Recently, the CBN decided that Lagos State will serve as the starting point for the Cashless Policy initiative.

3.5 Sample and Sampling Technique

These five banks were chosen as a sample size of five money-deposit banks because it was thought that they adequately reflected the population of the 21 banks in Lagos State: Guarantee Trust Bank, Zenith Bank, United Bank of Africa, Eco Bank, and Access Bank. A total of 100 respondents—100 bankers and bank users—from the five aforementioned money deposit institutions provided the necessary information.

A convenience sampling approach and a random sampling methodology were both used to establish the sample size for this study, yielding a sample frame of 5 money deposit banks. With random sampling, every bank in the designated population has an equal chance of being selected for the sample.

3.6 Information Sources

In order to collect data and obtain information from respondents for this study, both primary and secondary sources of data were utilised. The primary source of data was gathered firsthand, while the secondary source of data came from numerous publications of the Central Bank of Nigeria and other related journals.

The Primary Source

A structured questionnaire was administered to a number of respondents as the major source of data for this study. Field research is the collection of primary data obtained directly from the researcher.

Secondary Source

The study extensively relied on documentary sources as secondary data, including books, journals, articles, newspaper reports, and paper presentations. Additionally, it contained publications from the Central Bank of Nigeria and other monetary institutions, such as CBN bulletins, presentations, slides, and commercial bank bulletins.

3.7 Data Collection Instrument

A custom designed questionnaire was the main tool used in this study to collect primary data from bankers and bank users of the selected sample of banks. It was used to gather data while preserving the privacy and anonymity of the respondents. The primary source of data for the research project is information obtained via questionnaires that are presented individually because of their versatility in gathering opinions, data, and intentions.

3.8 Data Analysis Technique

The research deals with methods for analysing obtained data in order to evaluate the hypothesis. Regression analysis is one of the methods used to analyse the data in order to find out how the CBN's Cashless policy affects the performance of commercial banks and whether or not the various hypotheses should be accepted. To make the presentation of the analysis results easier, the study's results were presented in tables using the Statistical Package for Social Sciences (SPSS).

3.9 Model Specification

Using abstraction from the real world, a model represents reality. Since it is very challenging to perform research with all of the variables present in a real-life situation, it is an abstraction from reality. The creation of models is crucial to economics since it helps to reduce the complexity of real-world situations.

It is essential to quantitatively express any relationship between variables when trying to research a link between them, i.e., when creating a model to use for an experimental investigation of an economic phenomenon.

Operationalization of Variables:

$$ACA = \beta_0 + \beta_1 CP + \mu \text{------------ (1)}$$

Where:

ACA = Accessibility to Customer's Accountants

β_0 = Intercept

CP = Cashless Policy

μ = Error Term

$$QU = \beta_0 + \beta_1 CP + \mu \text{------------ (2)}$$

Where:

QU = Queue Ups in Banking Halls

β_0 = Intercept

CP = cashless Policy

μ = Error Term

$$CRR = \beta_0 + \beta_1 CP + \mu \text{--------- (3)}$$

The above hypothesis is formulated into a model as follows:

$$P = \beta_0 + \beta_1 CP + \mu \text{------------ (4)}$$

Where:

CRR = Promptness of Bank-Related Transactions

$\beta_0 =$ Intercept

P = Cashless Policy

μ = Error Term

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter deals with the presentation and analysis of the result obtained from the returned questionnaire. A total of one hundred (100) questionnaires were administered to obtain information on the effect of CBN's cashless policy on money deposit bank transactions in Nigeria. The data gathered were presented according to the order in which they were arranged in the questionnaire, simple percentage and pie graphs were used to analyze the demographic information of the respondents while regression techniques were adopted to test the research hypothesis.

4.2 Demographic Information of the Respondents

Table 4.2.1: Sex of Respondents

SEX

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALE	60	60.0	60.0	60.0
	FEMALE	40	40.0	40.0	100.0
	Total	100	100.0	100.0	

Source: Researcher's Survey, 2022.
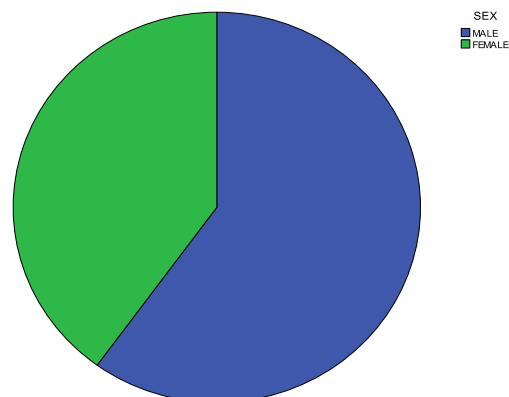
Table 4.1 shows that, 60.0% of the respondents were males while the remaining 40.0% of the respondents were females. With this information, it can be concluded that males participated more than males in the study.

Table 4.2.2: Age Distribution of Respondents

AGE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BELLOW 20	10	10.0	10.0	10.0
	20-30	30	30.0	30.0	40.0
	31-40	40	40.0	40.0	80.0
	41 AND ABOVE	20	20.0	20.0	100.0
	Total	100	100.0	100.0	

Source: Researcher's Survey, 2022.

According to Table 4.2, 40 percent of respondents were between the ages of 31 and 40, 40 percent were between the ages of 20 and 30, 30 percent fell within the age range of 20 to 30 years, and 20 percent fell within the age range of 41 years and above. It can be inferred that the majority of respondents fell within this age range

Table 4.2.3: Marital Status of Respondents

MARITAL STATUS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SINGLE	38	38.0	38.0	38.0
	MARRIED	54	54.0	54.0	92.0
	DIVORCED	5	5.0	5.0	97.0
	WIDOWED	3	3.0	3.0	100.0
	Total	100	100.0	100.0	

Source: Researcher's Survey, 2022.
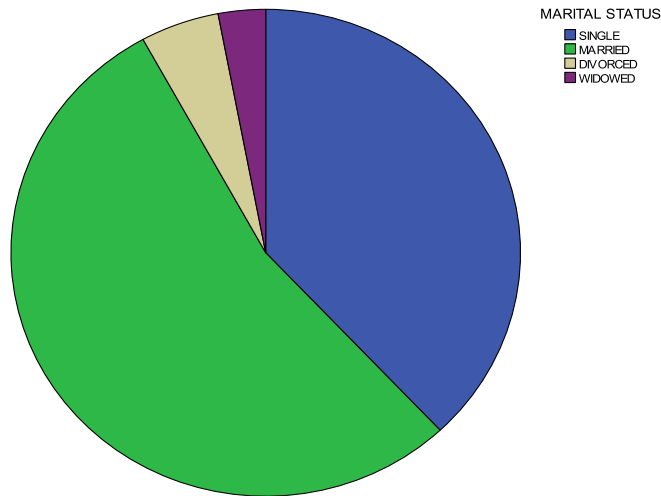
According to Table 4.3, 38.0 percent of respondents identified as single, 54.0 percent as married, 5.0 percent as divorced, and 3.0 percent as widowed. This observation leads to the conclusion that the majority of respondents were married

Table 4.2.4: Educational Qualification of Respondents

EDUCATION QUALIFICATION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	WASC/GCE	2	2.0	2.0	2.0
	OND/NCE	16	16.0	16.0	18.0
	HND/B.SC	21	21.0	21.0	39.0
	POST-GRADUATE DEGREE	25	25.0	25.0	64.0
	PROFESIONAL QUALIFICATION	36	36.0	36.0	100.0
		100	100.0	100.0	
	Total				

Source: Researcher's Survey, 2022.
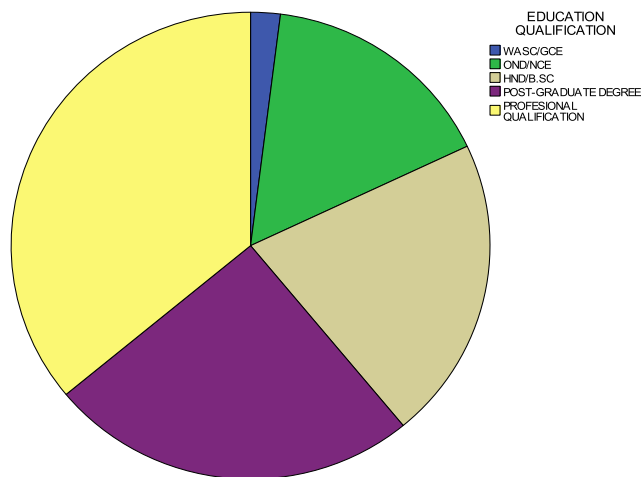
Table 4.4 reveals that, 2.0% of the respondents have acquired WAEC/GCE certificates, 16.0% have acquired N.C.E/OND certificates, 21.0% were B.Sc/HND certificate holders, and 25.0% of the respondents were post-graduate certificate holders while the remaining

36% have acquired Professional qualification. From this observation, it can be concluded that majority of the respondents have are holders of post-graduate degree certificates.

Table 4.2.5: Occupation of Respondents

OCCUPATION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	TRADER	8	8.0	8.0	8.0
	CIVIL SERVANT	23	23.0	23.0	31.0
	CRAFTSMEN	14	14.0	14.0	45.0
	OTHERS	55	55.0	55.0	100.0
	Total	100	100.0	100.0	

Source: Researcher's Survey, 2022.
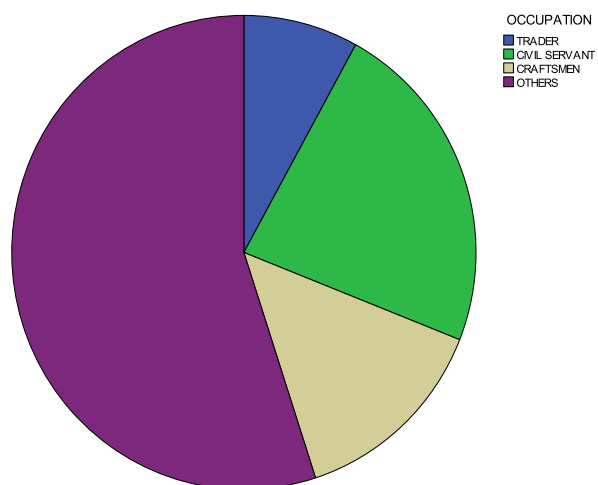
According to Table 4.5, of the respondents, 8.0 percent are traders, 24.0 percent are civil servants, 14.0 percent are artisans, and 55.0 percent are other respondents. This finding leads to the conclusion that the majority of respondents are others.

Table 4.2.6: Salary/Income Scale of Respondents

SALARY/INCOME SCALE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	NO SALARY	15	15.0	15.0	15.0
	50,000 AND ABOVE	12	12.0	12.0	27.0
	51,000-100,000	38	38.0	38.0	65.0
	101,000-200,000	18	18.0	18.0	83.0
	ABOVE 200,000	17	17.0	17.0	100.0
	Total	100	100.0	100.0	

Source: Researcher's Survey, 2022.
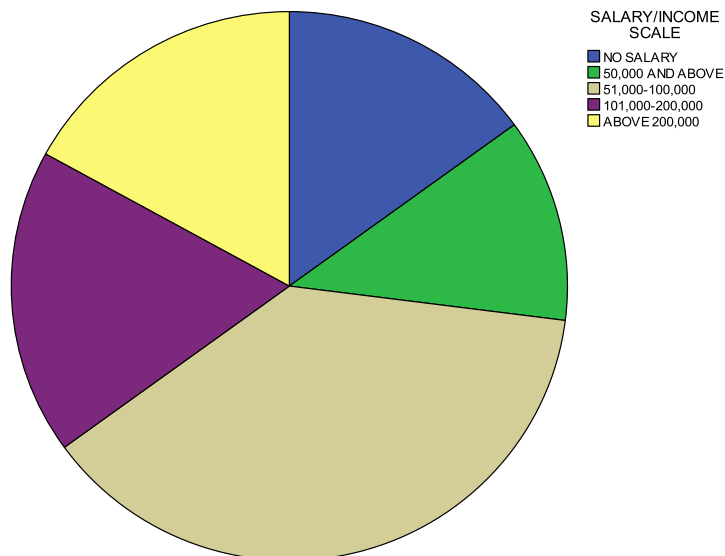
Table 4.6 shows that 15.0 percent of respondents do not receive a salary, 12.0 percent receive a salary of $50,000 or more, 38.0 percent receive a salary between $100,000 and $200,000, and 17.0 percent receive a salary of $200,000 or more.This observation leads to the conclusion that the bulk of respondents are earning between 51,000 and 100,000 naira.

4.2.7: Bank Patronized by Respondents

BANK PATRONISED

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	ACCESS	20	20.0	20.0	20.0
	UBA	20	20.0	20.0	40.0
	ECO	20	20.0	20.0	60.0
	ZENITH	20	20.0	20.0	80.0
	GTB	20	20.0	20.0	100.0
	Total	100	100.0	100.0	

Source: Researcher's Survey, 2022.

BANK PATRONISED
- ACCESS
- UBA
- ECO
- ZENITH
- GTB
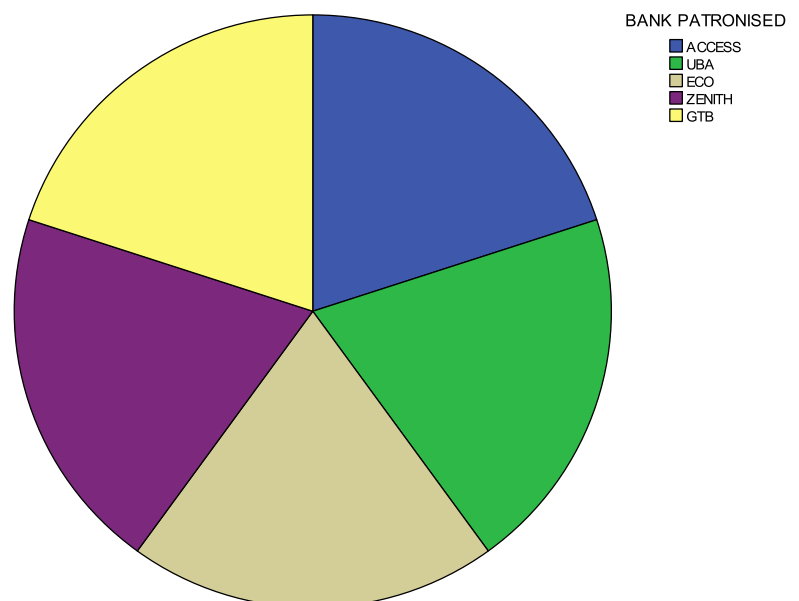
Table 4.7 reveal that 20.0% of the respondent are access bank, 20.0% of the respondent are UBA bank, 20.0% of the respondent are ECO, 20.0% of the respondent are Zenith, while 20.0 of the respondent are GT bank. From this information it can be concluded that all the bank have the same patronage.

4.2.8: Respondents' Use of ATM

USE OF ATM

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	YES	92	92.0	92.0	92.0
	NO	8	8.0	8.0	100.0
	Total	100	100.0	100.0	

Source: Researcher's Survey, 2022.

USE OF ATM
- YES
- NO
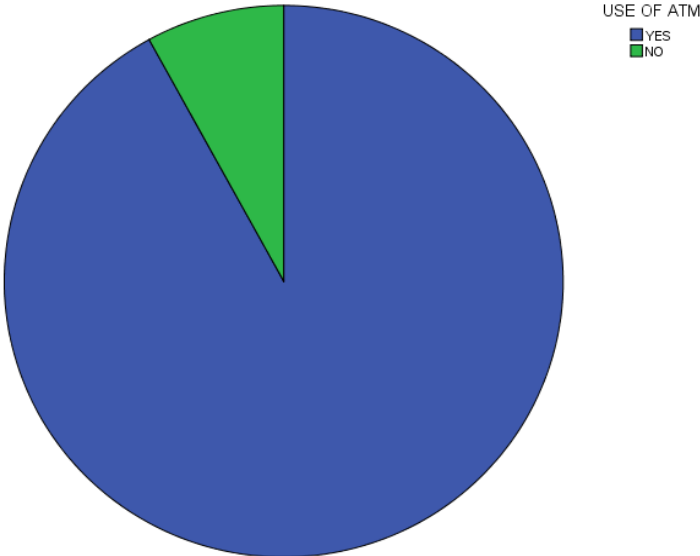
Table 4.8 reveals that 92.0% of the respondent picked yes, while 8.0% of the respondent picked no. From this information it can be concluded that majority of the respondent picked yes.

4.2.9: Banking Service Used by Respondents

BANKING SERVICE USED

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	DIRECT PAYMENT/WITHDRAWAL	55	55.0	55.0	55.0
	INTERNET BANKING	25	25.0	25.0	80.0
	MOBILE BANKING	14	14.0	14.0	94.0
	TELEPHONE BANKING	6	6.0	6.0	100.0
	Total	100	100.0	100.0	

BANKING SERVICE USED
- DIRECT PAYMENT/WITHDRAWAL
- INTERNET BANKING
- MOBILE BANKING
- TELEPHONE BANKING
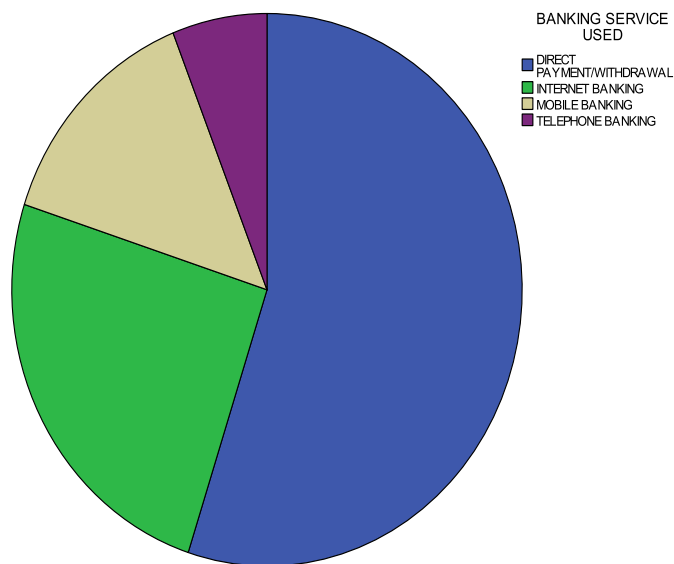
Table 4.9 reveal that 55.0% of the respondents are using direct payment/withdrawal, 25.0% of the respondents are using internet banking, 14.0% of the respondents are using mobile banking, while 6.0% of the respondents are using telephone banking. It can be concluded that majority of the respondent are internet banking

4.2.10: Would you still prefer direct payment and withdrawal to e-payment or e-banking, if the cashless policy is effective?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	YES	48	48.0	48.0	48.0
	NO	52	52.0	52.0	100.0
	Total	100	100.0	100.0	

Source: Researcher's Survey, 2022.
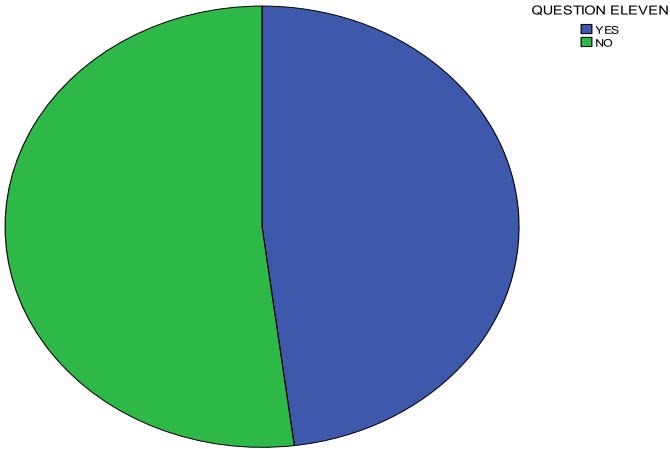
If the cashless policy is implemented, according to Table 4.10, 48.0% of respondents say they would prefer direct payment and withdrawal to electronic payments, while the other 52.0% disagree. This finding implies that, if the cashless policy is successful, the majority of respondents would not favor direct payment and withdrawal over e-payment.

4.3 Analyzing Section B of the Questionnaire

This section attempts examines respondents' perception on the issues raised in the section B of the questionnaire.

Table 4.3.12: The Cashless policy poses restrictions to the transactional capacities of customers.

QUESTION TWEELVE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	16	16.0	16.0	16.0
	AGREE	18	18.0	18.0	34.0
	UNDECIDED	4	4.0	4.0	38.0
	DISAGREE	34	34.0	34.0	72.0
	STRONGLY DISAGREE	28	28.0	28.0	100.0
	Total	100	100.0	100.0	

Source:

The study revealed that 34% of the respondents strongly agreed that the cashless policy poses restrictions to the transactional capacities of customers, 4% of the respondent did not decide, 62% of the respondent disagreed. It can then be concluded that the majority of the respondent disagreed that cashless policy poses restrictions to the transactional capacities of customers.

Table 4.3.13: Security of transactions are ensured through the implementation of the new policy

QUESTION THIRTEEN

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	44	44.0	44.0	44.0
	AGREE	28	28.0	28.0	72.0
	UNDECIDED	6	6.0	6.0	78.0
	DISAGREE	12	12.0	12.0	90.0
	STRONGLY DISAGREE	10	10.0	10.0	100.0
	Total	100	100.0	100.0	

The study also showed that 72% of the respondents claimed that Security of transaction is ensured through the implementation of the new policy, 6% of the respondent did not decide while 22% of the respondents disagreed. This infers that security of transactions is ensured through the implementation of the new policy.

QUESTION FOURTEEN

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	31	31.0	31.0	31.0
	AGREE	44	44.0	44.0	75.0
	UNDECIDED	2	2.0	2.0	77.0
	DISAGREE	14	14.0	14.0	91.0
	STRONGLY DISAGREE	9	9.0	9.0	100.0
	Total	100	100.0	100.0	

Table 4.3.14: The policy has reduced the long queues and slow response to customers in the Nigerian banking halls

Furthermore, it was discovered that 75% of the respondents agreed that the policy has reduced the long queues and slow response to customers in the Nigeria banking halls. 2% of the respondents did not decide, while 23% of the respondent agreed that the policy has reduced the long queues and slow response to customers in the Nigeria banking halls.

Table 4.3.15: Transactions are accurate and less falsified as a result of the application of the policy

QUESTION FIFTEEN

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	35	35.0	35.0	35.0
	AGREE	38	38.0	38.0	73.0
	UNDECIDED	1	1.0	1.0	74.0
	DISAGREE	12	12.0	12.0	86.0
	STRONGLY DISAGREE	14	14.0	14.0	100.0
	Total	100	100.0	100.0	

It was however discovered that 73% of the respondents agreed that transactions are accurate and less falsified as a result of the application of the policy. 1% of the respondents did not decide, while 26% of the respondent disagreed to this. Hence, this discovery infers that transactions are accurate and less falsified as a result of the application of the policy.

Table 4.3.16: E-banking is more effective and efficient than banking hall transactions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	34	34.0	34.0	34.0
	AGREE	51	51.0	51.0	85.0
	DISAGREE	11	11.0	11.0	96.0
	STRONGLY DISAGREE	4	4.0	4.0	100.0
	Total	100	100.0	100.0	

The study revealed that 85% of the respondents claimed that E-banking is more effectives and efficient than banking hall transactions. 15% of the respondents claimed otherwise. A conclusion can then be reached that E-banking is more effectives and efficient than banking hall transaction

Table 4.3.17: Financial transactions are carried out faster and easier with the new policy being implemented

QUESTION SEVENTEEN

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	39	39.0	39.0	39.0
	AGREE	40	40.0	40.0	79.0
	UNDECIDED	4	4.0	4.0	83.0
	DISAGREE	8	8.0	8.0	91.0
	STRONGLY DISAGREE	9	9.0	9.0	100.0
	Total	100	100.0	100.0	

Furthermore, the study shows that 79% of the respondents agreed that financial transactions are carried out faster and easier with the new policy being implemented, 4% of the respondent did not decide, while 17% of the respondents disagreed to this. It can then be concluded that financial transactions are carried out faster and easier with the new policy being implemented.

Table 4.3.18: Lesser complaints are gotten from customers on the availability of credit and debit alerts on transactions made through E-banking

QUESTION EIGHTEEN

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	33	33.0	33.0	33.0
	AGREE	37	37.0	37.0	70.0
	UNDECIDED	9	9.0	9.0	79.0
	DISAGREE	13	13.0	13.0	92.0
	STRONGLY DISAGREE	8	8.0	8.0	100.0
	Total	100	100.0	100.0	

It was discovered from the study that 70% of the respondents claimed that lesser complaints are gotten from customers on the available of credit and debit on transactions made through E-banking, 9% of the respondent did not decide while 21% of the respondents claimed otherwise. Hence an inference can be drawn that lesser complaints are gotten from customers on the available of credit and debit on transactions made through E-banking.

Table 4.3.19: The policy poses a more secure environment for financial transactions

QUESTION NINETEEN

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	26	26.0	26.0	26.0
	AGREE	30	30.0	30.0	56.0
	UNDECIDED	5	5.0	5.0	61.0
	DISAGREE	15	15.0	15.0	76.0
	STRONGLY DISAGREE	24	24.0	24.0	100.0
	Total	100	100.0	100.0	

The study also revealed that 56% of the respondents agreed that the policy poses a more secure environment for financial transaction, 5% of the respondent did not decide while 39% perceived otherwise. It can then be concluded that majority of the respondent agreed that the policy poses a more secure environment for financial transaction.

Table 4.3.20: **The policy does not reduce the level of corruption in the economy**

QUESTION TWENTY

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	38	38.0	38.0	38.0
	AGREE	34	34.0	34.0	72.0
	UNDECIDED	8	8.0	8.0	80.0
	DISAGREE	6	6.0	6.0	86.0
	STRONGLY DISAGREE	14	14.0	14.0	100.0
	Total	100	100.0	100.0	

The results of the study showed that 72% of respondents agreed that the policy does not lower the amount of corruption in the economy, 8% of respondents were undecided, and 20% of respondents disagreed with this assertion. The majority of respondents, it can be deduced, were in agreement that the policy does not lower the level of corruption in the economy.

Table 4.3.21: The new policy poses a level of threat to individual literate level and thus enhances the level of literacy of people in the economy

QUESTION TWENTY-ONE

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid STRONGLY AGREE	49	49.0	49.0	49.0
AGREE	27	27.0	27.0	76.0
UNDECIDED	14	14.0	14.0	90.0
DISAGREE	4	4.0	4.0	94.0
STRONGLY DISAGREE	6	6.0	6.0	100.0
Total	100	100.0	100.0	

The study also showed that 76% of the respondents claimed that the new policy poses a level of threat to individual literate level and thus enhances the level of literacy of people in the economy, 14% of the respondent did not decide whie 10% of the respondents disagreed. This infers that majority of the respondent agree that the new policy poses a level of threat to individual literate level and thus enhances the level of literacy of people in the economy.

Table 4.3.22: Usage of physical cash in the economy is still relatively high despite the introduction of the policy.

<p align="center">QUESTION TWENTY-TWO</p>

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	32	32.0	32.0	32.0
	AGREE	28	28.0	28.0	60.0
	UNDECIDED	8	8.0	8.0	68.0
	DISAGREE	10	10.0	10.0	78.0
	STRONGLY DISAGREE	22	22.0	22.0	100.0
	Total	100	100.0	100.0	

Furthermore, it was discovered that 60% of the respondents agreed that Usage of physical cash in the economy is still relatively high despite the introduction of the policy. 8% of the respondent did not decide while 22% of the respondents disagreed. It can then be concluded that majority of the respondent agreed that the usage of physical cash in the economy is still relatively high despite the introduction of the policy.

Table 4.3.23: The policy may also serve as a means of creating more job opportunies for people in the economy

QUESTION TWENTY-THREE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	40	40.0	40.0	40.0
	AGREE	18	18.0	18.0	58.0
	UNDECIDED	10	10.0	10.0	68.0
	DISAGREE	16	16.0	16.0	84.0
	STRONGLY DISAGREE	16	16.0	16.0	100.0
	Total	100	100.0	100.0	

It was however discovered that 58% of the respondents agreed that the policy may also serve as a means of creating more job opportunies for people in the economy. 10% of the respondent did not decide, while 32% of the respondents disagreed to this. Hence, this discovery infers that the policy may also serve as a means of creating more job opportunies for people in the economy.

Table 4.3.24: The technology available is sufficient to fulfil the terms of the implementation of the new policy

QUESTION TWENTY-FOUR

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	28	28.0	28.0	28.0
	AGREE	10	10.0	10.0	38.0
	UNDECIDED	16	16.0	16.0	54.0
	DISAGREE	27	27.0	27.0	81.0
	STRONGLY DISAGREE	19	19.0	19.0	100.0
	Total	100	100.0	100.0	

The study revealed that 38% of the respondents claimed that the technology available is sufficient to fulfil the terms of the implementation of the new policy. 16% of the respondent did not decide, while 46% of the respondents disagreed. A conclusion can then be reached that majority of the respondent disagreed that the technology available is sufficient to fulfil the terms of the implementation of the new policy.

Table 4.3.25: The Cashless policy is made in such a way that the level of technology in the economy is increasing

QUESTION TWENTY-FIVE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	33	33.0	33.0	33.0
	AGREE	19	19.0	19.0	52.0
	UNDECIDED	10	10.0	10.0	62.0
	DISAGREE	12	12.0	12.0	74.0
	STRONGLY DISAGREE	26	26.0	26.0	100.0
	Total	100	100.0	100.0	

It was noticed from the study that 52% of the respondents agreed that the Cashless policy is made in such a way that the level of technology in the economy is increasing, 10% of the respondent did not dicide, while 38% of the respondent disagreed. A conclusion can then be reached that majority of the respondent agreed that the Cashless policy is made in such a way that the level of technology in the economy is increasing.

Table 4.3.26: The Cashless policy is made fully aware to customers and also has adequate media backing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	46	46.0	46.0	46.0
	AGREE	20	20.0	20.0	66.0
	UNDECIDED	6	6.0	6.0	72.0
	DISAGREE	14	14.0	14.0	86.0
	STRONGLY DISAGREE	14	14.0	14.0	100.0
	Total	100	100.0	100.0	

Furthermore, the study shows that 66% of the respondents agreed that The Cashless policy is made fully aware to customers and also has adequate media backing.6% of the respondents did not decide while 28% of the respondent disagreed. It can then be concluded that majority of the respondent agreed that The Cashless policy is made fully aware to customers and also has adequate media backing.

Table 4.3.27: I am fully aware of the policy and how it operates and I believe it will work

QUESTION TWENTY-SEVEN

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	50	50.0	50.0	50.0
	AGREE	17	17.0	17.0	67.0
	UNDECIDED	9	9.0	9.0	76.0
	DISAGREE	13	13.0	13.0	89.0
	STRONGLY DISAGREE	11	11.0	11.0	100.0
	Total	100	100.0	100.0	

It was discovered from the study that 67% of the respondents claimed that they are fully aware of the policy and how it operates and i believe it will work. 9% of the respondent did not decide while 24% of the respondents disagreed. Hence an inference can be drawn that majority of the respondent agreed that they are fully aware of the policy and how it operates and i believe it will work.

4.4. Analysis of the research Hypothesis

4.4.1 Data Estimation and Evaluation Techniques

Statistical tools are used as evaluation techniques and evaluation criteria, these are: Standard error, t-test, R-Squared, f-test.

The Standard Error is used to determine whether the parameter estimations are statistically significant and significantly different from zero. According to the rule of

thumb governing standard error, the standard error of the parameter estimate must be less than half of the parameter estimate in order for statistical significance to be established. When this occurs, we must reject the null hypothesis and accept the alternative hypothesis, and vice versa.

Furthermore, the T-test is employed to evaluate the estimated parameter's statistical significance at a particular level of significance, often 5% or 1%. According to the t-general test's rule of thumb, the t-calculated must be higher than the t-tabulated or the theoretical value at the 5% or 1% level of significance in order for statistical significance to be established. The null hypothesis must be accepted if the critical value is greater than the t-statistics, and the alternative hypothesis must be accepted if the t-statistics is more than the critical value.

R-squared is additionally used to evaluate the model's degree of goodness of fit. The joint statistical significance of the explanatory variable and the dependent variable is also tested using F-statistics. There is a joint significant relationship where f-calculated is greater than f-critical, and vice versa.

Hypothesis One

H1: Accessibility to client accounts and cashless policies have a big connection.

H0: The cashless policy and consumer account accessibility have no meaningful correlation.

Model Estimation

The above hypothesis is formulated into a model as follows:

$$ACA = \beta_0 + \beta_1 CP + \mu$$

Where :

ACA = Accessibility to Customer's Accountants

β_0= Intercept

CP = Cashless Policy

μ = Error Term

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.694	.170		9.993	.000
Cashless Policy	.783	.065	.773	12.055	.000

Source: Researcher's computation E Views 10

a. Dependent Variable: Accessibility to Customers' Accounts

Substituted coefficient

ACA= 1.694 + 0.738CP

The result of the test showed that there is a positive relationship between accessibility to customers' accounts and cashless policy. This showed that cashless policy can impact on the Nigerian banking system in various advantageous ways: it has enhanced customers' easy access to accounts. The cashless policy of the central Bank of

Nigeria has helped to reduce the restrictions of transactional capabilities of customers. The test of the statistical significance using t-test and standard error showed that there is significant relationship between accessibility to customers' accounts and cashless policy. The T-calculated is 9.544 while the t-tabulated is 1.99 at 5% level of significance. Since the calculated t-value is more than the tabulated t-value it can be concluded that there is significant relationship between accessibility to customers' accounts and cashless policy. This is further justified on the standard error estimate; the standard error (0.065) is less than half of the parameter estimate (½ * 0.783= 0.3915). Therefore, there is sufficient evidence to conclude that accessibility to customers' accounts has a significant relationship with cashless policy.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.773ᵃ	.597	.593	.93341

Source: Researcher's computation E Views 10

a. Predictors: (Constant), cashless Policy

However, the result of R-Squared showed that the model has a good fit and that cashless policy accounts for about 59.7% variation the accessibility to customers' account. This indicates that cashless policy can only determine about 59.7% of accessibility to customers' account whereas the remaining 40.3% are other factors which determine the accessibility to customers' account but were not captured in the model. Even after adjusting with the degree of freedom; the adjusted R-Squared showed that cashless policy within the context of the model account for 59.3% systematic variation in accessibility to customers' account.

Testing the Joint Statistical Significance and test of Hypothesis

ANOVA[b]

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	126.617	1	126.617	145.326	.000[a]
Residual	85.383	98	.871		
Total	212.000	99			

Source: Researcher's computation E Views 10

a. Predictors: (Constant), cashless Policy

b. Dependent Variable: Accessibility to Customers' Accounts

According to the estimated f-test, which is 145.326 with a lower probability value of 0.000, which is extremely less than 0.05 using a 5 percent level of significance, there is a joint significant link between the cashless policy and accessibility to customers' accounts. Therefore, the accessibility to consumers' accounts and the cashless policy have a substantial mutual relationship. Therefore, there is sufficient statistical support for the alternative hypothesis, which claims that there is a substantial correlation between client account accessibility and cashless policy.

Hypothesis Two

H_1: There is a significant relationship between queue-ups in banking halls and cashless policy.

H_0: There is no significant relationship between queue-ups in banking halls and cashless policy.

Model Estimation

The above hypothesis is formulated into a model as follows:

$QU = \beta 0 + \beta 1 CP + \mu$

Where:

QU = Queue Ups in Banking Halls

$\beta 0$ = Intercept

CP = cashless Policy

μ = Error Term

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	.464	.088		5.283	.000
Policy	.824	.034	.927	24.483	.000

Source: Researcher's computation E Views 10

a. Dependent Variable: Que-Ups

Substituted coefficient

QU= 0.464 + 0.824CP

The result of the test showed that there is a positive relationship between queue-ups in banking halls and cashless policy. This could be explained on the grounds that, the empirical findings showed that the cashless policy posed by the central Bank of Nigeria has helped to reduce the long queues experienced in most banks in Nigeria. The policy has aided quick and prompt response to customers in banking halls and this has reduced

the long frustrating queues experienced in most banks in the country. The test of the statistical significance using t-test and standard error showed that there is significant relationship between queue-ups in banking halls and cashless policy. The T-calculated is 24.483 while the t-tabulated is 1.99 at 5% level of significance. Since the calculated t-value is more than the tabulated t-value it can be concluded that there is significant relationship between queue-ups in banking halls and cashless policy. This is further justified on the standard error estimate; the standard error (0.034) is less than half of the parameter estimate (½ * 0.824= 0.412). Therefore, there is sufficient evidence to conclude that queue-ups in banking halls has a significant relationship with cashless policy.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.927[a]	.859	.858	.48380

Source: Researcher's computation E Views 10

a. Predictors: (Constant), cashless Policy

R-Squared analysis, however, revealed that the model has a good fit and that the cashless policy explains around 85.9% of the variation in line lengths in banking halls. This suggests that a cashless policy might cut line-ups in banking halls by roughly 85.9%, with the remaining 14.1 percent being caused by other factors that were not included in the model. The adjusted R-Squared demonstrated that the cashless policy within the

framework of the model account for 85.8% systematic variance in line-ups in banking halls, even after being corrected for degree of freedom.

Testing the Joint Statistical Significance and test of Hypothesis

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	140.302	1	140.302	599.433	.000[a]
	Residual	22.938	98	.234		
	Total	163.240	99			

Source: Researcher's computation E Views 10

a. Predictors: (Constant), cashless Policy

b. Dependent Variable: Que-Ups

The f-test showed that there is joint significant relationship between cashless policy and queue-ups in banking halls as shown with calculated f-test which is 599.433, with lower probability value of 0.000, which is extremely less than 0.05 using 5% level of significance. Therefore, there exist joint significant relationship between cashless policy and queue-ups in banking halls. Thus, there is enough statistical evidence to accept the alternative hypothesis which states that there is a significant relationship between queue-ups in banking halls and cashless policy.

Hypothesis Four

H_1: There is a significant relationship between the promptness of bank-related transactions and the cashless policy.

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H₀: There is no significant relationship between the promptness of bank-related transactions and cashless policy.

Model Estimation

The above hypothesis is formulated into a model as follows:

$$P = \beta 0 + \beta 1 CP + \mu$$

Where:

CRR = Promptness of Bank-Related Transactions

$\beta 0$= Intercept

P = Cashless Policy

μ = Error Term

Coefficientsª

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.366	.096		3.801	.000
	Policy	.786	.037	.907	21.322	.000

Source: Researcher's computation E Views 10

a. Dependent Variable: Promptness of Bank

Substituted coefficient

P = 0.366 + 0.786CP +

The result of the test showed that there is a positive relationship between promptness of bank-related transactions and cashless policy. This showed that cashless policy makes financial transactions faster and easier, lesser complaints are gotten from customers on availability of credit and debit alerts on transaction made through e-banking and transactions are and less falsified. The test of the statistical significance using t-test and standard error showed that there is significant relationship between promptness of bank-related transactions and cashless policy. The T-calculated is 21.322 while the t-tabulated is 1.99 at 5% level of significance. Since the calculated t-value is more than the tabulated t-value it can be concluded that there is significant relationship between promptness of bank-related transactions and cashless policy. This is further justified on the standard error estimate; the standard error (0.037) is less than half of the parameter estimate (½ * 0.786= 0.393). Therefore, there is sufficient evidence to conclude that promptness of bank-related transactionshas a significant relationship with cashless policy.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.907[a]	.823	.821	.53022

Source: Researcher's computation E Views 10

a. Predictors: (Constant), Cashless Policy

However, the result of R-Squared showed that the model has a good fit and that cashless policy accounts for about 82.3% variation in promptness of bank-related transactions. This indicates that cashless policy can only determine about 82.3% of cash promptness of bank-related transactions whereas the remaining 17.7% are other factors which determine promptness of bank-related transactions but were not captured in the model. Even after adjusting with the degree of freedom; the adjusted R-Squared showed that cashless policy within the context of the model account for 82.1% systematic variation in promptness of bank-related transactions.

Testing the Joint Statistical Significance and test of Hypothesis

ANOVA[b]

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	127.809	1	127.809	454.618	.000[a]
Residual	27.551	98	.281		
Total	155.360	99			

Source: Researcher's computation E Views 10

a. Predictors: (Constant), Cashless Policy

b. Dependent Variable: Promptness of Bank

According to the calculated f-test, which is 454.618 with a lower probability value of 0.000, which is considerably less than 0.05 using a 5 percent level of significance, there is a joint significant link between cashless policy and promptness of bank-related transactions.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1. Introduction

This study has analyzed other studies and their conclusions and made a substantial contribution to the body of knowledge in this field based on prior empirical findings. The success of the CBN's cashless policy in Nigeria is highlighted and briefly reviewed in this study's analytical use of descriptive statistics, and the research hypothesis was tested using regression analysis. Major aspects of the intriguing questions that the recent development of electronic money raises for policymakers around the world were addressed in this paper. The summary of the main results from the empirical investigation, the conclusions reached, the suggested policies, and the areas that require additional research are all included in this chapter.

5.2. Summary of Major Findings

After carefully examining the evidence, it was concluded that the advent of banking in Nigeria had a number of ramifications for decision-makers. This section aims to assess these important implications, especially as they relate to monetary policy, bank operations, and performance. One of the findings of the study is that changes in policy may cause the demand for currencies to fall. Even in a pure economy, monetary notes are not a perfect replacement for electronic money. This is so because demand for currency is also a demand for the base money issued by central banks. Economically, banking operations imply a corresponding reduction in high-powered money (H), a highly liquid

form of money. The amount of reserves (R) and currency in circulation (C) determine high-powered money (R). As a result, high-powered money also lowers in a culture where the amount of currency in circulation does. On the other hand, high-powered money rises if the Reserve falls. High-powered money hence has a positive and negative association with Reserve and Money in circulation, respectively. Additionally, since private institutions will control a major portion of the electronic money market, the CBN's monopoly on currency issuance may suffer. This does not, however, prohibit the CBN from carrying out its role in monetary policy.Thus, item 21 of the questionnaire showed that the policy would not impose constraints on customers' ability to transact.

The respondents listed a number of benefits that the policy would bring, including: ensuring that transactions are secure through the implementation of the new policy; reducing long lines and slow service to customers in Nigerian banking halls; ensuring that transactions are accurate and less likely to be falsified as a result of applying the policy; and making financial transactions more effective and efficient through e-banking than through banking hall transactions.

On the other hand, the study noted that among the disadvantages attributed to cashless policy is that the policy does not reduce the level of corruption in the economy, the new policy poses a level of threat to individual literate level and thus enhances the level of literacy of people in the economy, the usage of physical cash in the economy is still relatively high despite the introduction of cashless policy.

Another major policy implication found in the course of this study is that the consistent usage of e-channels in financial transactions possibly leads to network congestion. In other words, there exist large probabilities that such banking systems such as POS terminals and ATMs experience overload.

Also learned, was that because the CBN is printing fewer currency notes, the analysis of banking shows that public revenue (in the form of seignories) may steadily fall. However, this is also countered by savings in printing expenses, so it could not ultimately affect sales. The banking system also suggests that more competition exists between financial and non-financial institutions, including telecommunications firms. Additionally, the expansion of the financial sector is implied by the banking system's installation because the expense of handling currency is drastically decreased. However, this does not imply that the expansion of the financial sector will necessarily benefit the real economy.

The investigation also discovered that the CBN's proposal to license a small number of POS manufacturers could result in an oligopolistic market and possibly a cartel, thereby exposing Nigerians to abuse. In a perfect society, the CBN might only have a little amount of power to raise money, manage liquidity, and regulate short-term interest rates. But it depends on how much the Treasury can offer the central bank in terms of potentially substantial amounts of risk-free securities. As the velocity of circulation (the rate at which money is transferred) is likely to rise with time, banking has the potential to stimulate trade and commercial activity.Analysis of the respondents' responses to the

survey questions reveals that the policy may also be used to increase employment opportunities in the economy, and it is designed in such a way as to allow for proper economic development free from geographical constraints.

Based on the test of the hypothesis, the study summaries that:

- There is significant relationship between accessibility to customers'accounts cashless policy. The study found that cashless policy enhances the accessibility of customers' account more easily and that several easier means of transacting in the account by the customers though internet banking and e-banking has been made easier by cashless policy.

- There is a significant relationship between queue-ups in banking halls and policy. The findings showed cashless policy has reduced the queue-ups in the banking industry.

- There is a significant relationship between cash-related robbery in money deposit banks and cashless policy. Findings showed cashless policy has reduced the way bank related robbery occurs because more transactions are carried out through the internet, electronic means, credit cards, POS terminals etc.

- There is a significant relationship between the promptness of bank-related transactions and cashless policy. Cashless policy has enhanced the prompt payment and transaction in the banking industry.

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5.3. Conclusion

Numerous findings were drawn from the study, and they were used to assess other Central Bank of Nigeria policies. According to the study's findings, there have been numerous banking sector changes without corresponding increases in Nigerians' level of living. Second, there has been dispute on the type of currency that should ensure the success of monetary policy. The study finds that conventional currency and technical money, or e-money, should coexist in the economy. E-money, on its own, cannot function properly in an economy without oppressing the majority of less-privileged people.

Innovative banking's growth has the potential to change economic activity and advance developmental objectives. The Nigerian economy will benefit if an efficient banking system can be created and the following suggestions are implemented. Therefore, encouraging the development of well-liked e-banking channels requires a major contribution from reputable central banks and governments.

According to the report, much has already been done to educate the public about the economy, and a sizable section of the population is really looking forward to its arrival. It also seems like a lot of individuals truly concur with the government regarding the value of the economy. It is acknowledged that the method will be beneficial in the struggle against money laundering and corruption. It is anticipated that the economy will lessen the risk associated with carrying cash, which is one of its most important contributions. Since the majority of transactions will now be completed electronically, fewer people

will need to travel around with cash, which will substantially reduce the incidence of theft, armed robbery, and cash loss.

The study also concludes that one major problem in the working of the economy is internet related fraud. Nigeria is a major hub of electronic fraud and this can only be expected to increase as we march into the economy. Illiteracy is also a major factor. The level of illiteracy in Nigeria is still very high. The economy is effectively an e-economy and in any e-system there is almost no place for the non-literate.

5.4. Recommendation

The following steps are advised to ensure the system's smooth adoption in Nigeria:

Since the system will have an impact on everyone, there is a need to step up the public education campaign about it. This will ensure that everyone is informed about the system before it is implemented.

The government should create specific enlightenment programs for the non-literates, employing probably signs and symbols to teach this sector on how to use the system, given the high percentage of illiteracy and the need to include everyone in the system.

In order to safeguard the people from cyber-attacks and fraud, Nigeria should make serious efforts to develop an internet security framework.

In order to avoid unneeded friction in the system, it should be carefully studied to establish the number of point of sales terminals that would ensure its smooth operation in Nigeria.

In order to appropriately protect both the system's operators and the general public, there should be adequate regulation covering every facet of the system's functioning

It is necessary to have a functional infrastructure that is adequate. To make it easier to use electronic money, the government should focus on the problem of electricity.

Regular awareness campaign to educate the public on the banking channels and security measures that protects the users from electronic theft.

Consistent and effective appraisal of banking operations. Basically, such appraisals should be quantitative and qualitative in nature.

Effective regulatory measures should be continuously implemented at the domestic and international level. In other words, legal, regulatory and economic policy frameworks should evolve to cope with these new banking products.

The Central Bank of Nigeria should update its framework for monetary policy to take the effects of decreased note output into account.

To assess the relative influence on the economy of the various e-banking channels, individual and collective study should be conducted.

Implementing the cashless policy should be done in phases.

Either inflation-targeting aims or economic growth and development goals must be clearly intended to be pursued.

Given that a greater proportion of Nigerians experience poverty, the fee shouldn't be prohibitively high in order to encourage Nigerians to use these financial channels.

5.5 Suggestion for further Studies

There is need to investigate the following:

    i.   The Effect of cashless policy on the informal Sector of the economy.

    ii.   The effects of cashless Policy in the payment of Consumer Consumables?

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