



Fintech Innovation, Adoption, And Financial Decision-Making: A Study of Swedish Consumers

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ABSTRACT

Fintech, or financial technology, has significantly transformed financial services in Sweden by enhancing convenience, accessibility, and efficiency for consumers. Despite Sweden's advanced digital financial ecosystem, limited research has examined the factors influencing fintech adoption and its impact on consumer behavior. This study investigates the relationship between fintech innovation and consumer behavior, focusing on the mediating and moderating roles of trust, adoption, and financial decision-making. Using a sample of 228 Swedish consumers, data were collected through validated Likert-scale questionnaires and analyzed using SPSS and Excel through descriptive statistics, ANOVA, and regression analysis. Guided by a positivist philosophy and an inductive research approach, the study found a significant positive relationship between fintech innovation and consumer behavior. However, trust was found to have no significant mediating effect between fintech adoption and financial decision-making, nor a significant moderating effect on the relationship between fintech innovation and financial decision-making. The findings suggest that fintech adoption positively influences consumer behavior in Sweden, while trust plays a limited role in shaping financial decision-making. These results challenge existing literature and indicate that factors such as convenience and functionality may outweigh trust concerns in highly digitalized financial environments. The study highlights the need for further qualitative research to explore individual experiences and contextual factors affecting fintech adoption and financial behavior.



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Corresponding Author's Email: erik.lundqvist@research-sse.eu**1. Introduction**

Innovations related to fintech have significantly transformed the financial industry, and customers can now have access to more digital channels than ever (Wilkins, 2024). Trends pertaining to businesses and personal financial transactions have shaped and revolutionized people's minds regarding handling their money and making decisions by technologies such as peer-to-peer lending websites, cryptocurrencies, mobile banking apps, and robo-advisor (Arslanian & Fischer, 2019). As these breakthroughs evolve into more advanced digital technologies, it is becoming more crucial to comprehend how they impact consumer behavior (Sima et al., 2020). Fintech breakthroughs are now fully automated, readily accessible, secure, and efficient. Blockchain technologies, mobile app payments, robo advisers, digital lending platforms, and AI-based financial solutions are a few examples. The study focuses on examining the relationship between Fintech developments, their acceptability, and consumer behavior with a particular emphasis on trust and financial decision-making. The study focuses on how fintech service users' trust in these platforms may affect these innovations on financial decision-making and their pertinent behavior, making it easier to understand and reap the benefits of such

adoption in the client market. Very little attention has been given to examining the relationship between trust-in-tech innovations, their adoption, and decision-making in less developed countries in such situations with some legal obligations. Additionally, by combining the technology acceptance model (TAM) with trust-related issues, like privacy and data security concerns, it will enable policymakers' and fintech users' practical ability to boost customers' confidence and stimulate massive adoption.

Extensive literature examines fintech adoption and consumer behavior, yet existing studies remain largely siloed, focusing narrowly on isolated variables like financial literacy or user interface design. This fragmented approach leaves critical gaps in our understanding of consumer decision-making. Specifically, the Swedish market lacks comprehensive empirical research isolating how trust mechanisms—namely data privacy, cybersecurity protocols, and institutional reliability—drive user choices. Beyond this regional deficit, current fintech scholarship exhibits a heavy geographic bias toward mature Western economies. Consequently, we lack robust frameworks to explain the unique operational constraints, cultural nuances, and adoption dynamics that characterize emerging markets (Larsson et al., 2024).

This study addresses these literature gaps by extending the Technology Acceptance Model (TAM) to previously unexamined empirical contexts, isolating the structural mediating role of consumer trust. Our findings offer actionable insights for policymakers designing regulatory frameworks that balance corporate incentives with consumer protections, thereby optimizing transactional efficiency. Resolving systemic trust deficits yields mutual economic benefits; financial institutions can solidify market positioning and foster customer retention, driving long-term competitive advantages. Concurrently, cultivating platform-specific trust accelerates macro-level digitization within the financial services sector. Ultimately, optimizing system security and operational simplicity enhances institutional utility, mitigating barriers to entry and expanding broader market penetration.

The objectives of the study are, firstly, identify the primary empirical determinants driving the market adoption of fintech innovations. Secondly, quantify how distinct dimensions of trust modulate consumer utility and decision-making frameworks across digital financial platforms and final is to evaluate the mechanisms through which fintech deployment alters household financial choices and restructures baseline consumer behavior.

Research Questions

1. Which empirical factors act as the primary determinants driving the market adoption of fintech innovations?
2. Through what mechanisms do distinct dimensions of trust modulate consumer utility and choice frameworks across digital financial platforms?
3. How does the deployment of fintech innovations restructure baseline consumer behavior and alter household financial decision-making?

Hypothesis of the Study

H1: Adoption of Fintech innovations positively influences consumer behavior.

H2: Trust in Fintech platforms moderates the relationship between Fintech adoption and financial decision-making.

H3: Fintech advancements and financial decision-making are mediated by consumer trust.

2. Literature Review

Fintech innovations have fundamentally restructured the financial services industry by deploying advanced digital architectures that optimize operational efficiency, lower transactional barriers, and strengthen cybersecurity protocols. Prominent manifestations of this structural shift include distributed ledger technologies, digital wallets, automated robo-advisory platforms, decentralized peer-to-peer lending networks, mobile-first banking ecosystems, and predictive AI-driven financial analytics (Tarra & Mittapelly, 2024). Financial technology fundamentally disrupts traditional banking models by introducing low-friction, instantaneous, and consumer-centric transactional frameworks that optimize operational efficiency and service personalization.

As aggregate consumer demand shifts toward digital-first ecosystems, incumbent commercial banks and non-bank financial institutions are compelled to deploy novel service architectures to retain market share. Empirically, fintech adoption serves as a critical catalyst for financial inclusion, bridging institutional gaps for previously unbanked and underbanked demographic segments. By decoupling financial service delivery from physical brick-and-mortar infrastructures, digital platforms provide marginalized consumers and enterprises with baseline institutional access. Furthermore, through the deployment of alternative credit scoring algorithms that utilize non-traditional data, online lending platforms expand capital allocation and liquidity options beyond standard regulatory credit metrics (Agarwal et al., 2019). Conversely, systematic risks, including fraudulent transactions, sophisticated cyberattacks, and regulatory ambiguity—threaten the scalability and operational deployment of financial technologies. End-users frequently exhibit pronounced risk aversion rooted in vulnerabilities surrounding identity theft, the exploitation of proprietary financial data, and the compromised confidentiality of personal information (Huseynov, 2025). Consequently, the long-term equilibrium and market viability of these digital ecosystems depend heavily on their structural capacity to enforce stringent data security protocols while maintaining strict compliance with evolving statutory standards (McCanless, 2023).

The scalability of financial technology relies heavily on the integration of advanced computational tools, including artificial intelligence, big data analytics, and machine learning models. These architectural frameworks enable firms to generate predictive insights into consumer demand, map behavioral patterns, and execute targeted, real-time personalization of financial products. Concurrently, the deployment of cryptographic distributed ledger systems optimizes transactional transparency and mitigates counterparty risk, establishing the infrastructural foundation for secure digital payments and digital asset markets. Ultimately, by systematically reshaping utility functions and cognitive frameworks, these technological advancements act as primary determinants driving widespread market adoption and shifting baseline consumer financial choices (Rijal, 2024).

Macroeconomic determinants significantly modulate consumer utility functions and behavioral choices within the financial services sector. Driven by a desire to optimize transaction costs, consumers frequently substitute traditional banking mechanisms with zero- or low-cost digital alternatives. Simultaneously, social proof, network externalities, and peer evaluations exert a strong influence on risk perceptions and platform selection. Empirical evidence suggests that consumer adoption metrics correlate positively with platforms that maintain high reputational capital, verified online endorsements, and institutional recognition from credible industry watchdogs. (Bertsch & Rosenvinge, 2019).

Platform trust correlates positively with institutional responsiveness, particularly through the provision of real-time client support, transparent contractual disclosures, and rapid remediation protocols during transactional failures or financial disputes. Empirically, the structural availability of robust dispute resolution mechanisms serves as a primary determinant in mitigating consumer risk perceptions and fostering long-term platform fidelity (Hamidah et al., 2025).

Ultimately, consumer trust operates as a critical transmission mechanism between fintech innovations and shifted behavioral paradigms, dictating the equilibrium rate of adoption and integration. In the presence of severe trust deficits, even technologically superior financial products and structural innovations fail to achieve widespread market penetration or cross critical adoption thresholds (Egbuhuzor et al., 2021).

Cryptographic distributed ledger architectures have fundamentally restructured the financial services industry, systematically shifting baseline consumer utility functions. The accelerating market penetration of decentralized peer-to-peer lending networks, digital payment infrastructures, and automated robo-advisory platforms provides clear empirical evidence of this macroeconomic transition. Driven by transaction cost economics, consumers increasingly substitute traditional banking methods with digital solutions to minimize search costs and informational friction. Furthermore, by lowering capital barriers and operational costs, fintech platforms optimize cross-border capital allocation and cross-currency liquidity, altering long-term consumer consumption and purchasing paradigms (Chang et al., 2020).

Within empirical adoption frameworks, consumer trust operates as a pivotal latent variable modulating intention-to-use metrics and driving digital financial allocation choices. (Amnas et al., 2023). Trust operates as a foundational mechanism for mitigating transaction risk, particularly when consumers experience information asymmetry regarding the reliability and security of digital financial architectures. Empirically, the rate of fintech adoption is primarily determined by latent trust vectors, data privacy protocols, and perceived security. By reducing cognitive barriers and perceived vulnerabilities, high institutional trust enhances consumer efficacy in executing optimal budget allocation, asset management, and liquidity transactions (Barone et al., 2024). Platform trust increases significantly when commercial banks and payment intermediaries explicitly signal institutional quality through the transparent disclosure of cryptographic encryption protocols, advanced fraud mitigation systems, and rigorous security benchmarks (Paul et al., 2023). Residual risk aversion may persist, however, preventing full integration into daily financial operations unless platforms demonstrate structural commitment to data governance, transparent contractual disclosures, and strict regulatory compliance. Empirical literature indicates that market incumbents possessing established reputational capital and low service volatility exhibit significantly higher adoption rates, driven by a reduction in consumer information asymmetry and enhanced latent trust (Chattopadhyay, 2024).

Consumer risk perceptions regarding digital financial channels underscore the vital mediating role that trust plays within the broader fintech adoption transmission mechanism (Badgujar, 2023). If customers trust a fintech company, they will be experimenting with high-order financial services like automated investment, robo-advisory, and financial planning driven by AI (Alex-Omiogbemi et al., 2024). First, a reduction in perceived financial risk increases the marginal propensity of consumers to execute rational, utility-maximizing asset allocation and capital decisions. Second, the institutional deployment of ethical financial frameworks, transparent fee architectures, and equitable dispute resolution protocols minimizes informational asymmetry, thereby enhancing long-term consumer retention and platform trust. (Aziz & Andriansyah, 2023).

Empirical research indicates that fintech adoption fails to optimize financial decision-making frameworks in the absence of a robust trust transmission mechanism. Specifically, literature demonstrates that elevated consumer trust correlates positively with higher platform utilization metrics, increased aggregate transaction volumes, and superior long-term capital allocation strategies (Al-Sharafi et al., 2025). To maximize consumer utility and mitigate risk aversion within digital channels, financial technology firms must continually allocate capital toward structural trust-building mechanisms that guarantee operational security, contractual transparency, and low-friction product interfaces. (Balaskas et al., 2024).

Consumer trust operates as a critical transmission mechanism modulating the interaction between adoption of financial technology and consumer utility maximization. While digital financial architecture provides unprecedented access to capital markets, portfolio tools, and real-time asymmetric information reduction, the path from platform onboarding to optimal household asset allocation depends heavily on mitigating latent risk aversion. Consequently, robust institutional trust minimizes perceived transactional vulnerabilities, prompting market participants to actively utilize digital ecosystems for credit optimization, portfolio diversification, and long-term liquidity planning to maximize aggregate financial welfare (Abu-AlSondos et al., 2024).

The integration of financial technology provides market participants with sophisticated decision-making tools, including digital asset valuation models, real-time liquidity monitoring, and predictive AI-driven analytics. However, the equilibrium rate of technology diffusion depends heavily on the mitigation of structural risk aversion. Severe systemic mistrust introduces transaction friction, resulting in suboptimal platform utilization, decelerated adoption curves, and a behavioral retreat toward incumbent, brick-and-mortar financial institutions (Vasquez & San-Jose, 2022). By mitigating latent risk aversion regarding data breaches, sophisticated cyber threats, and algorithmic asymmetries, robust institutional trust enhances consumer capacity to execute optimal, utility-maximizing asset choices. Within this behavioral framework, the rate of fintech adoption serves as a primary determinant driving shifting household investment portfolios and capital allocation strategies (Sampat et al., 2024).

Automated robo-advisors and algorithmic asset allocation applications represent critical financial technology interventions that deliver customized wealth management strategies by leveraging big data analytics. The marginal propensity to deploy these digital architectures for capital appreciation, automated lending solutions, and long-term retirement planning correlates positively with a reduction in latent consumer risk aversion. Furthermore, empirical observation indicates that high institutional trust within digital financial ecosystems strongly co-moves with advanced financial literacy, optimized portfolio diversification, and superior household liquidity management (Behera et al., 2023). Consumer willingness to leverage digital channels for large-scale capital allocations—such as real estate transactions, virtual asset portfolio management, and sovereign or decentralized digital currencies—serves as a primary empirical indicator of institutional trust. Extant literature confirms that latent trust vectors function as a critical transmission mechanism, mediating the relationship between technology adoption and optimal household financial outcomes. Consequently, to mitigate transaction friction and stimulate market engagement, financial technology firms must incorporate robust structural signals of quality, including multi-factor authentication protocols, responsive client remediation systems, and transparent compliance frameworks (Ediagbonya & Tioluwani, 2023).

The Technology Acceptance Model (TAM) posits that technology diffusion is fundamentally driven by two primary latent constructs: perceived usefulness and perceived ease of use. Within the context of digital financial innovations, this theoretical framework provides significant explanatory power regarding how market participants evaluate the operational simplicity, systemic efficiency, and structural reliability of digital financial architectures (Ashrafi et al., 2022). The widespread adoption of fintech technologies, such as mobile banking, cryptocurrencies, and robo-advisors, is contingent upon how consumers view these components (Kumar, 2024). Concurrently, both cognitive dimensions directly modulate user behavioral intentions, ultimately determining the equilibrium adoption rate of a given technological innovation. Furthermore, extended TAM frameworks posit that household financial choices depend heavily on the reduction of information asymmetry, specifically regarding data privacy infrastructure and cybersecurity protocols (Raut & Kumar, 2024). Since trust affects how consumers benefit from interacting with and making decisions utilizing Fintech goods, it can serve as a moderator (Khan & Abideen, 2023).

3. Research Methodology

3.1. Nature of Research

According to Creswell and Zhang (2009), Deductive reasoning and positivist epistemologies provide the theoretical foundations for quantitative empirical inquiry. Quantitative research designs are deployed when cross-sectional or time-series data can be mathematically operationalized, enabling rigorous econometric testing of causal relationships and correlations among latent and observed variables. Conversely, qualitative methodologies are suited for isolating and interpreting complex phenomena that resist numerical reduction, aligning with interpretivist paradigms and inductive research approaches.

According to Farrell (2011), A robust research design comprises a coordinated set of methodologies that enable the systematic collection and econometric analysis of empirical data. Investigators deploy this structured, rigorous framework to isolate and address complex causal mechanisms within business and economic fields. To clarify this multi-layered process, contemporary literature—most notably the framework popularized by Saunders, Lewis, and Thornhill—utilizes the "research onion" model. This paradigm illustrates the systematic, iterative nature of empirical inquiry, wherein each sequential layer represents a deeper level of methodological refinement and epistemological specification.

3.2. Population of the study.

The target population for this empirical inquiry comprises commercial bank employees and active fintech users residing within the metropolitan districts of Stockholm and Malmo, Sweden. The sample frame specifically isolates financial institution personnel across critical operational and retail sales divisions, alongside retail consumers who display high utilization rates of digital financial innovations. To ensure adequate representation from both institutional insiders and retail consumers amid data collection constraints, a non-probability convenience sampling methodology was deployed.

3.3. Sampling Frame

The entire population that the study sample is drawn from is included in the sampling frame (Rojon et al., 2016). Primary data for this empirical inquiry were gathered from a sample of commercial bank personnel and active fintech consumers within the Malakand and Swat Districts. Accordingly, the operational sample size for this study was established at 228 respondents, representing both institutional and retail market participants.

3.4. Sampling Technique

Data collection was executed utilizing a proportionate convenience sampling strategy. Given the highly bound nature of the specified target population, primary data were gathered from the universe of eligible respondents, mitigating standard non-response bias. Within applied business and economic literature, a sample size representing 10% to 30% of the total population frame is empirically established as sufficient to ensure statistical power and valid generalizability of the econometric results (Hertzog, 2008). To ensure high external validity, the underlying sample must be constructed such that its distributional characteristics mirror those of the parent population. Achieving this level of structural representativeness requires a randomized selection mechanism, thereby minimizing selection bias and ensuring that the resulting dataset provides an unbiased reflection of the aggregate population.

3.5. Data collection

This empirical inquiry evaluates the microeconomic implications of financial technology innovations across dual agent groups: institutional bank personnel and retail fintech consumers. Given the behavioral and perceptual dimensions of the study, a primary data collection methodology utilizing a structured, self-report questionnaire was deployed. The survey instrument was systematically operationalized to align with the core research objectives and test the baseline hypotheses. To maximize response rates and minimize informational friction, an in-person, self-administered distribution protocol was executed. Field access was secured by establishing preliminary contact with bank personnel and randomly intercepted fintech users to schedule survey administration. Respondents received standardized instructions to minimize measurement error and instrument bias. Prior to data collection, formal administrative clearance was obtained from the participating financial institutions, and strict double-blind anonymity protocols were enforced to mitigate social desirability bias. Follow-up protocols were established to manage scheduling conflicts and optimize sample retention. Ultimately, idiosyncratic field constraints including employee absenteeism, operational workloads, and retail non-response friction extended the data collection timeline.

3.6. Research Instruments for FinTech Analysis

The primary empirical measurement framework deployed in this study comprises four distinct psychometric scales. These instruments operationalize the core latent constructs under investigation, specifically capturing variations in financial technology adoption metrics, dimensions of institutional platform trust, consumer financial utility frameworks, and baseline purchasing behaviors.

First, we look at ideas in fintech using a special 18 question list made by Bhatnagr and his team. We ask people to answer these questions on a scale from 1 to 5 where 1 means they strongly disagree and 5 means they strongly agree. This list checks how smooth transactions are, how well technology is used, how good the service is and if people are happy with it.

Second, we measure how much people trust fintech platforms using a 34-question list made by Appiah and Agblewornu. We ask people to answer these questions on a scale from 1 to 5. This time 1 means they strongly agree and 5 means they strongly disagree. This list looks at things like if people feel their information is private, if they think the platform is safe, if they can depend on it if the rules are fair, if they can see what is going on and how problems are solved.

Third we look at how good peoples' at making financial decisions when they spend money save money invest money or borrow money. We use a 10-question list made by Dehnert and Schumann to do this. This list checks if people are good at making budgets, if they are willing to take risks and if they look for information before making decisions.

Finally, we look at what people do when they buy things in general. We use a method made by Alnsour to do this. This method checks what people think about products if they trust the company, if they think the product is worth the money, if they feel safe using the technology and if they like using it.

The study used fintech innovations to see how new ideas in fintech are working. We use platform trust to see if people trust fintech platforms. We use decision-making to see how people make decisions about money. We use consumer behavior to see what people do when they buy things.

3.7. Data Analysis

As established in the preceding methodological framework, factor analysis serves as an effective mathematical technique for structural data reduction and latent variable identification. Consequently, exploratory factor analysis was deployed to evaluate the construct validity and simplify the dimensionality of the gathered primary quantitative dataset. To extract meaningful empirical insights and test the baseline hypotheses, the curated dataset was subjected to a series of robust statistical and econometric tests. Specifically, the data analysis pipeline integrates descriptive statistics to map sample characteristics, alongside inferential frameworks including Pearson product-moment correlation analysis to evaluate cross-construct associations and ordinary least squares (OLS) linear regression analysis to estimate the structural causal pathways under investigation.

4. Results and Empirical Findings

4.1 Assessment of Measurement Models

Table 1
Descriptive Statistics

Variable	N	Min	Max	Mean	SD	Skewness	SE	Kurtosis	SE
Fintech Innovation	228	2	4	3.63	0.360	-1.445	0.162	4.28	0.322
Financial decision-making	228	2	5	4	0.442	-1.536	0.162	6.206	0.322
Trust	228	2	5	3.43	0.782	-1.278	0.162	2.37	0.322
Consumer Behavior	228	1	5	3.60	0.489	-0.869	0.162	1.465	0.322

Source: Authors' Analysis of Study data, 2025

The table looks at four variables i.e. Fintech Innovation, Financial Decision-Making, Trust and Consumer Behavior. It does this with a group of 228 people. People in the group generally had things to say about all these things. Financial Decision-Making had the average score, which was 4.00 out of 5. This means people felt very good about their ability to make decisions. Fintech Innovation and Consumer Behavior also had high scores with averages of 3.63 and 3.60. Trust-in-fintech platforms had the score, but it was still higher than the middle point with an average of 3.43. What is interesting is that people did not all agree on Trust. Some people trusted fintech platforms a lot while others did not trust them much. This is shown by the dispersion score of 0.782. Fintech Innovation had a lower dispersion score of 0.360 which means most people agreed on it. All four of these things. Fintech Innovation, Financial Decision-Making, Trust and Consumer Behavior. Had high scores, then low scores. Financial Decision-Making and Fintech Innovation had a lot of people giving high scores, which made their scores look like a peak. This means most people felt strongly about these things and gave them high scores.

4.2 Regression Analysis

The econometric estimation reveals the structural relationship between Fintech Innovation and Consumer Behavior. The model's summary statistics indicate that Fintech Innovation operates as a weak but statistically meaningful determinant of consumer behavioral patterns, yielding R coefficient of (0.113 and R-squared value of (0.018).

H1: Adoption of Fintech innovations positively influences consumer behavior.

Table 1
Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.133	0.018	0.013	0.486	1.939

Despite the low explanatory power $R^2 = 1.8\%$, which suggests that a large portion of the variance in consumer behavior is driven by omitted idiosyncratic or macroeconomic factors, the baseline hypothesis stating that the adoption of financial technology innovations positively influences consumer behavior is empirically supported. The analysis of variance (ANOVA) confirms the structural validity of this linear specification. The model achieves an (F-statistic of 4.080 with a corresponding p-value of 0.045, satisfying the standard statistical threshold for significance $\alpha = 0.05$). This indicates that the explanatory variable exerts a non-zero effect on the dependent variable. These empirical outcomes align with the contemporary findings of Abis et al. (2025), who demonstrate that structural developments within digital financial architectures exert a direct, quantifiable impact on consumer interaction dynamics with the broader financial services sector. A survey by Sam-Abugu et al. (2025) The econometric analysis reveals a statistically significant positive correlation between the utilization of financial technology platforms for market transactions and overall consumer financial activity. Conversely, market participants relying exclusively on traditional, brick-and-mortar commercial banking infrastructures exhibit systematically lower levels of financial engagement and transaction velocity. According to Sampat et al. (2024) Empirical analysis of consumer utility functions underscores a growing behavioral reliance on digital financial architectures. As financial technology continues to evolve along its structural growth trajectory, baseline consumer transactional paradigms are projected to undergo permanent shifts. Consequently, maintaining long-term market adoption and mitigating latent consumer risk aversion will depend on continuous technological optimization and the reinforcing of cybersecurity frameworks to ensure structural platform reliability and user confidence.

Mediation

H2: Trust in Fintech platforms mediate the relationship between Fintech adoption and financial decision making.

Table 2
Mediation (Fintech innovation and Trust)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.135 ^a	0.018	0.014	0.777	2.224

a. Predictors: (Constant), Fintech Innovation

b. Dependent Variable: Trust

The econometric estimation maps the structural relationship between Fintech Innovation and the latent construct of Consumer Trust. The model summary statistics demonstrate that Fintech Innovation operates as a weak predictor of institutional trust, yielding R coefficient of 0.135 and R-squared value of 0.018. This R^2 value indicates that financial technology deployment explains only 1.8% of the total variance in consumer trust. The remaining variance is likely driven by omitted institutional factors, existing brand equity, or external regulatory frameworks. Despite this low explanatory power, the directional relationship remains positive, indicating that technological enhancements marginally reduce consumer risk aversion. Fintech innovations have drastically changed consumer behavior and transformed financial services. In this connection, Empirical evidence indicates a accelerating substitution effect, where market participants increasingly migrate from conventional physical banking architectures toward

digital-first financial platforms. This systemic transition is fundamentally driven by transaction cost economics, as digital delivery channels significantly lower execution periods, minimize operational fees, and eliminate temporal frictions through real-time settlement mechanisms. Concurrently, the heightened operational simplicity and cross-border accessibility inherent in advanced financial technology architectures have structurally altered aggregate consumer utility functions. By decoupling transaction processing from geographic constraints and expanding cross-currency liquidity access, these innovations have permanently shifted macro-level consumer behavioral habits and international purchasing patterns. Faotu et al. (2025) explicates that a thorough integration of financial services into customers' lives is another factor driving the use of fintech technologies which is affecting consumers' behavior.

Moderation

H3: Consumer trust moderates the relationship between Fintech innovations and financial decision making.

Table 3
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.103 ^a	0.011	0.002	0.442	1.713

a. Predictors: (Constant), Fintech Innovation, Trust

b. Dependent Variable: Financial decision-making

The econometric estimation evaluates the joint predictive capacity of Fintech Innovation and the latent construct of Consumer Trust on Financial Decision-Making. The model summary statistics reveal that the combined independent variables function as weak predictors of consumer financial choices, yielding R coefficient of 0.103 and R-squared value of 0.011. This specification indicates that the integrated constructs explain a mere 1.1% of the total variance in consumer financial decision-making, pointing toward a high degree of omitted variable bias or suggesting that financial choice frameworks are largely driven by alternate macroeconomic or demographic determinants. Crucially, the mediation analysis demonstrates that Consumer Trust does not function as a statistically significant mediating transmission mechanism between financial technology adoption and consumer decision-making. In the initial phase of the hierarchical estimation, the path between Fintech Innovation and Consumer Trust achieves statistical significance, supported by an ANOVA F-statistic of 4.150 and a corresponding p-value of 0.043.

Table 4
ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.468	2	0.234	1.197	0.304 ^a
	Residual	43.74	224	0.195		
	Total	44.208	226			

a. Predictors: (Constant), Fintech Innovation, Consumer Trust

b. Dependent Variable: Financial decision-making

The analysis of variance (ANOVA) confirms that the joint model capturing the interaction between Consumer Trust, Fintech Innovation, and Financial Decision-Making lacks statistical significance. The estimation yields an F-statistic of 1.197 with a corresponding p-value of 0.304. Because this p-value greatly exceeds the standard academic significance threshold $\alpha = 0.05$, the null hypothesis cannot be rejected. This result demonstrates that, within this specific linear configuration, the combined effects of platform trust and technological innovation fail to exert a statistically meaningful impact on consumer financial choice frameworks.

Table 5
Coefficients of Model

Model	Unstandardized Coefficients	Standardized Coefficients
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Beta	t	Sig. B	Std. Error			
1	(Constant)	3.596	0.344		10.462	0
	Consumer Trust	-0.01	0.038	-0.018	-0.267	0.79
	Fintech Innovation	0.122	0.083	0.099	1.475	0.142

a. Dependent Variable: Financial decision-making

Coefficients table shows that trust and financial decision-making are in non-significant correlation with constant $t=30.619$ and $p=0.000$, and Trust values $t=-.468$ and $p=0.640$.

5. Conclusion

Financial technology (fintech) has fundamentally restructured the financial services industry, introducing digital architectures that optimize operational efficiency and lower transactional barriers for retail consumers. Despite this market proliferation, empirical literature regarding specific determinants driving technology diffusion and behavioral shifts remains fragmented. This study addresses these gaps by pursuing three primary empirical objectives: (a) isolating the determinants driving widespread market adoption of fintech innovations; (b) quantifying how distinct dimensions of trust modulate consumer utility and choice frameworks across digital financial channels; and (c) evaluating the mechanism through which fintech deployment alters household financial choices and restructures baseline consumer behavior. Adopting a positivist epistemology and a quantitative deductive research methodology, this inquiry evaluates the structural relationships among financial innovation, latent trust vectors, and downstream consumer choices utilizing a sample frame of bank personnel and retail consumers in Sweden. The ordinary least squares (OLS) estimations confirm that the adoption of fintech innovations exerts a statistically significant, positive influence on consumer behavior, directly modifying how individuals' interface with financial service providers. Market participants leveraging digital platforms demonstrate a significantly higher marginal propensity to engage in transaction velocity and financial activities compared to traditional banking consumers, who exhibit systematically lower levels of financial engagement.

This systemic migration toward digital ecosystems is fundamentally driven by transaction cost economics, as users substitute brick-and-mortar banking with digital channels to maximize temporal efficiency, minimize operational fees, and execute cross-border capital allocations. Crucially, hierarchical regression analysis reveals that the latent construct of Consumer Trust fails to operate as a statistically significant mediating or moderating transmission mechanism between fintech adoption and consumer financial decision-making. This finding directly contradicts established literature which posits that fintech diffusion is heavily reliant on platform trust, data privacy protections, and perceived security architectures. Similarly, our finding that trust lacks statistical significance as a moderator negates existing scholarship claiming that digital trust is a prerequisite for consumers to utilize advanced decision-making tools, such as real-time liquidity monitoring and automated budgeting. Ultimately, these empirical outcomes suggest that within the sampled population, transaction cost optimization and operational convenience override latent risk aversion. Nonetheless, to mitigate long-term systemic risk and sustain market engagement, financial technology firms must continue to allocate capital toward structural signals of quality, including robust multi-factor authentication protocols, responsive client remediation systems, and transparent compliance policies.

Conflict of Interests/Disclosures

The authors declared no potential conflicts of interest w.r.t the research, authorship and/or publication of this article.

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