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Fintech Apps as Tools for Promoting Financial Literacy: A Study Among Students in Coimbatore City

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ABSTRACT

The rapid development of digital technology has significantly transformed the financial services sector, particularly through the emergence of financial technology (fintech) applications. These applications provide convenient platforms for digital payments, banking services, expense tracking and investment management. Among students, the increasing use of FinTech apps has created opportunities to improve financial knowledge and practical money management skills. Financial literacy is an essential life skill that enables individuals to make informed financial decisions related to saving, spending, budgeting, and investing in financial markets. This study examines the role of FinTech applications in enhancing students' financial literacy in 2025. This study focuses on understanding students' awareness, usage patterns, and perceptions of FinTech platforms. Primary data were collected from students using structured questionnaires. Statistical tools such as percentage analysis, chi-square test, rank analysis, and ANOVA were used for data analysis. The findings indicate that the regular use of FinTech applications positively influences students' financial behavior and awareness of financial management practices. FinTech apps help students track their expenses, manage their budgets, and understand digital financial services. The study also identified certain challenges, including limited knowledge of financial risks and security concerns. Despite these challenges, FinTech platforms contribute to improving practical financial learning for students. This study highlights the importance of integrating digital financial tools into financial education programs. Such integration can strengthen students' financial decision-making skills. Overall, FinTech applications play a significant role in promoting financial literacy within the digital economy.

Keywords: FinTech applications, financial literacy, digital finance, financial technology, student financial behavior, digital payments, mobile banking, financial education.

INTRODUCTION

The advancement of digital technology has significantly changed the global financial system. One of the most important developments in recent years is the emergence of financial technology (FinTech). FinTech refers to the integration of technology into financial services to improve the efficiency, accessibility, and convenience of financial transactions. Digital payment systems, mobile banking, investment platforms, and budgeting applications are common examples of FinTech services. These technologies have made financial activities faster, easier, and more accessible.

Students are among the major users of digital financial services because of their familiarity with smartphones and Internet technology. FinTech applications allow students to perform various financial activities, such as transferring money, making online payments, tracking expenses, and managing personal finances. Through these activities, students gain practical exposure to financial management.

Financial literacy is an essential skill that helps individuals understand financial concepts, such as saving, budgeting, investing, and managing financial risks. However, many students lack sufficient financial knowledge and practical experience in managing their finances.

STATEMENT OF THE PROBLEM

The rapid growth of fintech applications has significantly transformed how students manage their personal finances. Features such as digital payments, budgeting tools, AI-based recommendations, and fraud detection alerts have made financial transactions convenient and accessible. However, despite the widespread use of fintech apps, there is limited empirical evidence on how effectively these applications influence students' financial behavior, financial literacy, and awareness of secure financial practices. Additionally, students face several challenges, such as a lack of proper understanding, security concerns, and overdependence on technology. Hence, there is a need to examine the role of fintech applications and AI technologies in shaping students' financial behavior and literacy, while identifying challenges and suggesting improvements for better financial education in the future.

OBJECTIVES OF THE STUDY

1. To study the impact of fintech apps on students financial behavior ,such as saving and spending habits.
2. To understand the challenges faced by students while using FinTech apps.
3. To compare the financial literacy levels between frequent and occasional fintech app users.
4. To recommend improvements for integrating AI technologies to enhance financial literacy education among students.
5. To assess how AI driven fraud detection alerts increase students awareness of secure financial practices.

SCOPE OF THE STUDY

The scope of this study focuses on understanding how FinTech applications contribute to improving financial literacy among students in 2025. It examines students' awareness, usage patterns, and familiarity with digital financial services, such as mobile banking, UPI payments, budgeting tools, and investment apps. The study covers students from selected educational institutions and analyzes their saving, spending, and financial decision-making behavior. It evaluates the role of FinTech apps in enhancing knowledge of basic financial concepts such as budgeting, digital payments, and financial security. This study also explored the accessibility and ease of use of FinTech applications among students. This study considers both frequent and occasional users of FinTech apps. This highlights the role of technology in promoting practical financial learning. The scope of this study is limited to student users and does not include working professionals. The findings of this study aim to support academic research and policy recommendations. This study provides insights that are useful for educators, app developers, and financial institutions. This reflects the current digital finance trends among the youth. This study emphasizes the educational impact of FinTech tools.

NEED FOR THE STUDY

In recent years, the rapid growth of digital financial services has made FinTech apps an integral part of students' daily lives. Despite its widespread usage, many students lack adequate financial literacy to make informed financial decisions. This study was necessitated by the increasing dependence of students on digital payment and investment platforms. Understanding how FinTech apps influence financial awareness is essential for promoting responsible financial behavior. Students are future earners and decision-makers, making financial literacy a critical life skill for them. This study helps identify gaps between app usage and actual financial understanding. This highlights the importance of integrating FinTech tools into financial education. This research supports efforts to reduce financial mismanagement among young users. This study also benefits policymakers in promoting digital financial inclusion. FinTech companies can use these findings to improve the educational features of their apps. This research emphasizes practical learning through technology. Overall, this study is necessary to enhance students' financial knowledge in a digital economy.

RESEARCH METHODOLOGIES

- **AREA OF RESEARCH:** This study was based on descriptive research. This study aims to analyze the role of FinTech applications in improving financial literacy among students. This study focuses on examining students' awareness, usage patterns, and perceptions of FinTech applications and their influence on financial behaviors, such as saving habits, spending patterns, and financial decision-making.
- **PRIMARY DATA:** Primary data for the study were collected directly from students using a structured questionnaire. The questionnaire was designed to gather information regarding students' awareness of FinTech apps, frequency of usage, financial behavior, and understanding of digital financial services and security practices.
- **SECONDARY DATA:** Secondary data were collected from various sources, such as books, journals, research articles, newspapers, online publications, websites, and reports related to FinTech, digital finance, and financial literacy. These sources provided supporting information and theoretical background for the study.
- **SAMPLE SIZE:** The sample size of the study was 120 respondents. The respondents included students from different educational backgrounds and age groups who actively used digital financial applications.
- **STUDY PERIOD:** The study was conducted from November 2025 to February 2026.
- **SAMPLING TECHNIQUE:** A convenience sampling technique was used to select the respondents for the study.
- **TOOLS AND TECHNIQUES USED:** *Percentage analysis, Chi-Square, Rank analysis, and ANOVA.*

LIMITATIONS OF THE STUDY

1. The study is limited to a specific group of students and may not represent the views of all student populations.
2. The research focuses only on students who have access to smartphones and the Internet, which excludes students from economically disadvantaged backgrounds who may have limited digital access.
3. The findings are based on primary data collected through questionnaires that may be subject to personal bias.
4. Time constraints restrict the depth of the analysis, particularly in tracking long-term behavioral changes in financial literacy resulting from FinTech app usage. This study focuses only on selected fintech apps and AI features.
5. Changes in technology and fintech regulations may affect the relevance of the findings over time.

PERCENTAGE ANALYSIS

TABLE NO.: 1

AGE OF THE RESPONDENT

AGE GROUP	NO. OF RESPONDENT	PERCENTAGE
18–20 YEARS	86	71.7
21–23 YEARS	16	13.3
24–26 YEARS	12	10
27 YEARS AND ABOVE	6	5
TOTAL	120	100

(SOURCE: PRIMARY DATA)

INTERPRETATION

The table presents the respondents' age distribution. Among the total respondents, 71.7% were in the 18–20 years age group, 13.3% were aged 21–23 years, 10% were between 24 and 26 years, and 5% were 27 years or older. The analysis indicates that most respondents belonged to the 18–20 years age group.

TABLE NO.: 2

PERSONAL BANK ACCOUNT

PERSONAL BANK ACCOUNT	NO. OF RESPONDENT	PERCENTAGE
YES	112	93.3
NO	8	6.7
TOTAL	120	100

(SOURCE: PRIMARY DATA)

INTERPRETATION

The table shows the respondents' personal bank account status. Among the total respondents, 93.3% had a personal bank account, while 6.7% did not. The analysis concluded that the majority of respondents had personal bank accounts.

CHI SQUARE ANALYSIS

TABLE NO.: 3
RELATIONSHIP BETWEEN FREQUENCY OF USING FINTECH APPS AND SATISFACTION WITH FINTECH APPS

Frequency of using FinTech apps	Agree	Disagree	Neutral	Strongly Agree	Strongly Disagree	Total
Daily	8 (16.3%) [24.2%]	1 (2.0%) [10.0%]	13 (26.5%) [48.1%]	25 (51.0%) [55.6%]	2 (4.1%) [40.0%]	**49**
Weekly	13 (32.5%) [39.4%]	5 (12.5%) [50.0%]	5 (12.5%) [18.5%]	15 (37.5%) [33.3%]	2 (5.0%) [40.0%]	**40**
Rarely	11 (40.7%) [33.3%]	3 (11.1%) [30.0%]	8 (29.6%) [29.6%]	5 (18.5%) [11.1%]	0 (0.0%) [0.0%]	**27**
Never	1 (25.0%) [3.0%]	1 (25.0%) [10.0%]	1 (25.0%) [3.7%]	0 (0.0%) [0.0%]	1 (25.0%) [20.0%]	**4**
Total	**33**	**10**	**27**	**45**	**5**	**120**

H_0: There is no significant association between frequency of using FinTech apps and avoiding unnecessary spending.
H_1: There is a significant association between frequency of using FinTech apps and avoiding unnecessary spending.

Chi-Square Test Result

Test	Value	df	P-value
Pearson Chi-Square	**23.65**	**12**	**0.023**

INTERPRETATION

Based on the row percentages, among daily users, the majority agreed and strongly agreed that FinTech apps help avoid unnecessary spending, while weekly users also showed high agreement levels. Rarely and never users showed comparatively lower agreement levels. Although there are visible differences in percentages, these variations indicate differences in financial behaviour based on usage frequency.
Therefore, the opinion on avoiding unnecessary spending depends on the frequency of using FinTech apps. This indicates that frequent usage plays an important role in improving financial discipline among students. Since the p-value is less than 0.05 ($p = 0.023$), the null hypothesis is rejected at the 5 percent level of significance. Hence, it is concluded that there is a significant association between frequency of using FinTech apps and avoiding unnecessary spending.

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RANK ANALYSIS

TABLE NO.: 4
FINANCIAL SKILLS IMPROVED AFTER USING FINTECH APPS

Financial Skills	N	Range	Mean	Std. Deviation	Rank
Budgeting skills	120	2	1.61	0.792	**I**
Risk awareness	120	2	1.79	0.819	**II**
Decision-making ability	120	2	1.82	0.686	**III**
Expense monitoring	120	2	1.84	0.686	**IV**
Saving habits	120	2	1.88	0.801	**V**

Valid N (listwise): 120

INTERPRETATION

Based on the mean scores, Budgeting skills (Mean = 1.61) is the most improved financial skill after using FinTech apps. Risk awareness and Decision-making ability follow next. Saving habits (Mean = 1.88) received the lowest ranking among the listed skills. Since lower mean indicates higher importance (Rank 1 = Most Important), budgeting skills are considered the most significantly improved skill.

ANOVA ANALYSIS

TABLE NO: 5
ANOVA FOR FINANCIAL LITERACY OF AGE

Source of Variation	Sum of Squares	df	Mean Square	F Value	Sig. (p-value)
Between Groups	79.907	3	26.636	**1.930**	**0.129**
Within Groups	1601.269	116	13.804		
Total	**1681.175**	**119**			

H_0: There is no significant difference in financial literacy among the groups.
H_1: There is a significant difference in financial literacy among the groups.

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INTERPRETATION

The above table presents the results of the ANOVA test conducted to examine whether there is a significant difference among the groups.

It is observed that the Sum of Squares between groups is 79.907 with 3 degrees of freedom, and the Mean Square between groups is 26.636. The Sum of Squares within groups is 1601.269 with 116 degrees of freedom, and the Mean Square within groups is 13.804. The calculated F value is 1.930.

The p-value (0.129) is greater than the standard significance level of 0.05. Therefore, the result is not statistically significant.

This indicates that there is no significant difference among the group means. Hence, the null hypothesis is accepted, and it can be concluded that the variation between the groups is not strong enough to establish a meaningful difference. The differences observed may be due to random variation rather than a significant effect.

FINDINGS OF THE STUDY

1. The majority of respondents (71.7%) belong to the age group of 18–20 years.
2. Most of the respondents (93.3%) have a personal bank account.
3. Google Pay is the most widely used FinTech application among respondents (58.3%).
4. A majority of respondents (40.8%) use FinTech applications on a daily basis.
5. The major challenge faced by respondents while using FinTech apps is technical issues (59.2%).
6. Most respondents (57.5%) feel that FinTech apps educate them about online financial risks.
7. A significant number of respondents (34.2%) often receive discount or cashback offers through FinTech apps.
8. A majority of respondents strongly agree (30.8%) that AI fraud detection alerts are helpful in preventing financial fraud.
9. Most respondents (55%) believe that AI features in FinTech apps should be improved for better financial education.
10. A majority of respondents (46.7%) partially understand bank charges and transaction fees.
11. Most respondents (35%) are neutral regarding whether managing finances would be difficult without FinTech apps.
12. A significant portion of respondents (32.5%) strongly agree that FinTech apps have positively influenced their financial behavior.
13. The majority of respondents (68.3%) recommend FinTech apps to other students.
14. There is a significant association between frequency of using FinTech apps and avoiding unnecessary spending ($p < 0.05$).
15. There is no significant association between level of education and financial risk education ($p > 0.05$).
16. There is no significant association between gender and satisfaction with FinTech apps ($p > 0.05$).
17. There is a significant association between AI awareness and fraud detection awareness ($p < 0.05$).
18. There is a significant association between financial risk education and recommendation of FinTech apps ($p < 0.05$).
19. Budgeting skills are the most improved financial skill after using FinTech apps.
20. FinTech apps are the most preferred payment method compared to traditional banking methods.
21. Respondents generally have a good perception and understanding of FinTech applications.
22. ANOVA results indicate that in some cases there is no significant difference in financial literacy among groups, while in one analysis a significant difference was observed ($p < 0.05$).

SUGGESTIONS OF THE STUDY

- Improvement of Technical Infrastructure FinTech companies should focus on minimizing technical issues such as app crashes, transaction delays, and server errors. Regular system updates and performance optimization should be carried out to ensure smooth functioning. A stable and user-friendly interface will enhance customer satisfaction and trust. Providing 24/7 technical support can also help users resolve issues quickly.
- Strengthening Security and Fraud Prevention Measures Since security concerns remain a challenge for many users, FinTech providers should enhance encryption systems and multi-factor authentication mechanisms. AI-based fraud detection alerts should be continuously upgraded to identify suspicious activities in real time. Clear communication about safety features can build user confidence. Awareness messages within the app can educate users about safe digital practices.
- Integration of Financial Literacy Programs FinTech applications should incorporate structured financial education modules to improve users' knowledge. Simple explanations about bank charges, transaction fees, and investment risks should be provided within the app. Interactive tools such as quizzes, tutorials, and short videos can make financial learning engaging. This will help users make informed and responsible financial decisions.
- Promotion of Responsible Spending and Saving Habits Apps should include budgeting tools, spending trackers, and personalized savings suggestions to encourage financial discipline. AI-based insights can guide users in controlling unnecessary expenses. Reward programs should promote saving behavior instead of impulsive spending. Such features can significantly improve long-term financial stability among students.
- Collaboration with Educational Institutions FinTech companies can collaborate with colleges and universities to conduct workshops and awareness programs on digital financial management. Special student-focused features can be introduced to meet their financial needs. Training sessions on online financial risk management can improve digital confidence. This partnership approach will strengthen financial literacy at the academic level.

CONCLUSION

The present study examined the role of FinTech applications and AI technologies in improving financial literacy among students. The findings reveal that a majority of students actively use FinTech apps, particularly Google Pay, and prefer digital payment methods over traditional banking services. The study also indicates that FinTech applications positively influence budgeting skills, risk awareness, and financial decision-making ability. AI-powered fraud detection systems significantly contribute to improving awareness of secure financial practices. The findings further reveal that FinTech applications positively influence financial behaviour, especially in improving budgeting skills, risk awareness, and decision-making ability. A significant association was found between frequency of usage and avoidance of unnecessary spending, as well as between AI awareness and fraud detection awareness.