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Research Article

Exploring the Nexus Between Mobile Payments, Digital Financial Literacy, and Financial Well-being: A Systematic Literature Review

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Abstract: ***Purpose***: With the rise in digital payments and technological advancements in the financial sector, there has been a significant improvement in the accessibility of financial services, allowing people to access them with ease and convenience. This, in turn, fosters financial literacy, digital financial literacy, financial inclusion, and overall financial well-being, contributing to inclusive growth. The current study aims to synthesize the existing literature from various journals, official websites, and reports, to identify potential areas for further research and offer recommendations. Design/methodology/approach: In this paper the authors tried to apply systematic analysis of the factors impacting financial behaviour and financial wellbeing for which financial literacy and digital financial literacy were considered as the main element. Different articles, journals and research papers were reviewed to check the similarity and differences in the measurement scale adopted by different authors for the same variable. ***Findings***: The analysis of the 169 selected studies reveals that the topic is still emerging and lacks cohesive scholarly integration. Through a rigorous systematic review process guided by the PRISMA framework, 69 key articles were identified as the most impactful contributions to the field. While the reviewed studies share common foundational elements, they exhibit significant variability in the scales and instruments used to measure core constructs such as digital financial literacy and financial well-being. This inconsistency highlights a pressing need to establish standardized and validated measurement tools. Moreover, the review emphasizes the underexplored relationship between digital financial literacy and financial well-being, calling for further empirical investigation. The findings also advocate for the development of uniform measurement scales to enhance comparability, policy relevance, and regulatory alignment across different contexts.

Keywords: Mobile Payments, Digital Financial Literacy, Financial Well-being, Fintech, Financial Behavior.

INTRODUCTION

People use Mobiles to solve their day-to-day issues. The advantageous features like mobility, flexibility, and efficiency provided by mobile services made it convenient and comfortable for the people to lead easy life (Singh et al., 2017) Amid the profusion of various services offered by the different communication and payment companies like providing the ticket booking, tracking order, financial services, e-commerce, etc., a novel system "Mobile Payments" ruled out the industry.(Dahlberg et al., 2008, Raman, P. and Aashish, K. 2021) All thanks to "FINTECH" without which the achievements, success and growth would be impossible. Moreover the thought of such need and execution was because of the brainstorming meetings and collaborations between the nations whose outcomes were SDG goals.

These goals are the collaborative schedule aimed to convert the people and planet to enjoy peace, partnership and prosperity as these goals include the eradication of poverty, reducing income disparity. Financial inclusion and vivid financial market access provides a platform to achieve the SDGs for participating all category people into the financial chain by implying saving and investment habits for financial wellbeing etc., (Siti Nurazira Mohd Daud.et.al., 2024). The rise in the cashless economy in India is due to Digital India (2015), Demonetisation of currencies (2016) which resulted in the rise in usage of mobile banking, mobile wallets, mobile payment apps etc., which emerged as an alternative to cash for fast, safe and convenient transactions. (Pachare,2016; Kulkarni & Tapas,2017; Midthanpally, 2017) and the Covid-19 adding its impact. Though there is a lot of accessibility, availability of financial services people are not ready to use despite so many traditional & infrastructure barriers India is leading in using the technology but still there is a scope of improving the financial literacy, digital financial literacy among the users to protect them from the exploiters.

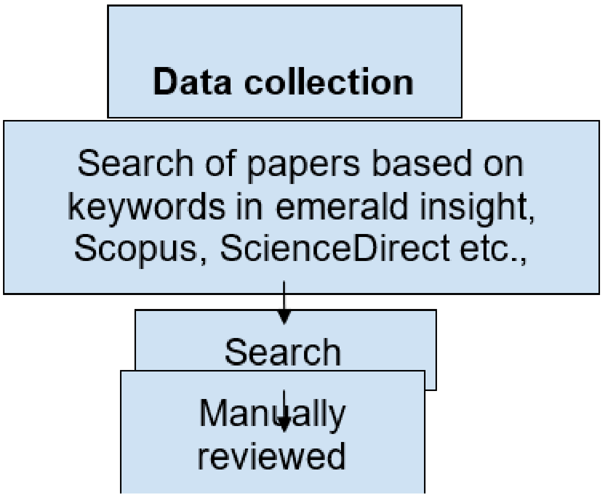
Though the usage increased, it is equally important to check upon the usage behaviour, financial wellbeing because it is found that Being the less transparent mode of payment "the mobile payment wallets & apps" is increasing the impulsive buying behaviour, due to illusion of liquidity, the consumer is not feeling "the pain of paying" (Soman, 1999; Vojvodic & Matic, 2016;

Raghubir & Srivastava (2008), being this the matter of financial wellbeing though there is advancement of technology and its benefits it may also have drawbacks the focus should be on financial behaviour and financial wellbeing of the person his future retirement plans, his readiness for financial shocks or covid like situations, his insurance plans rather than just increasing the buying and spending behaviour which ultimately is a part of financial inclusion.

The current study mainly focuses on the literature review of the mobile payment apps, digital financial literacy and financial wellbeing to know their importance to each other.

LITERATURE REVIEW SEARCH AND SCREENING

Figure1: Literature review



Sources: Author's own work

Review Table 1: Summary of Key Literature Reviewed in the Study

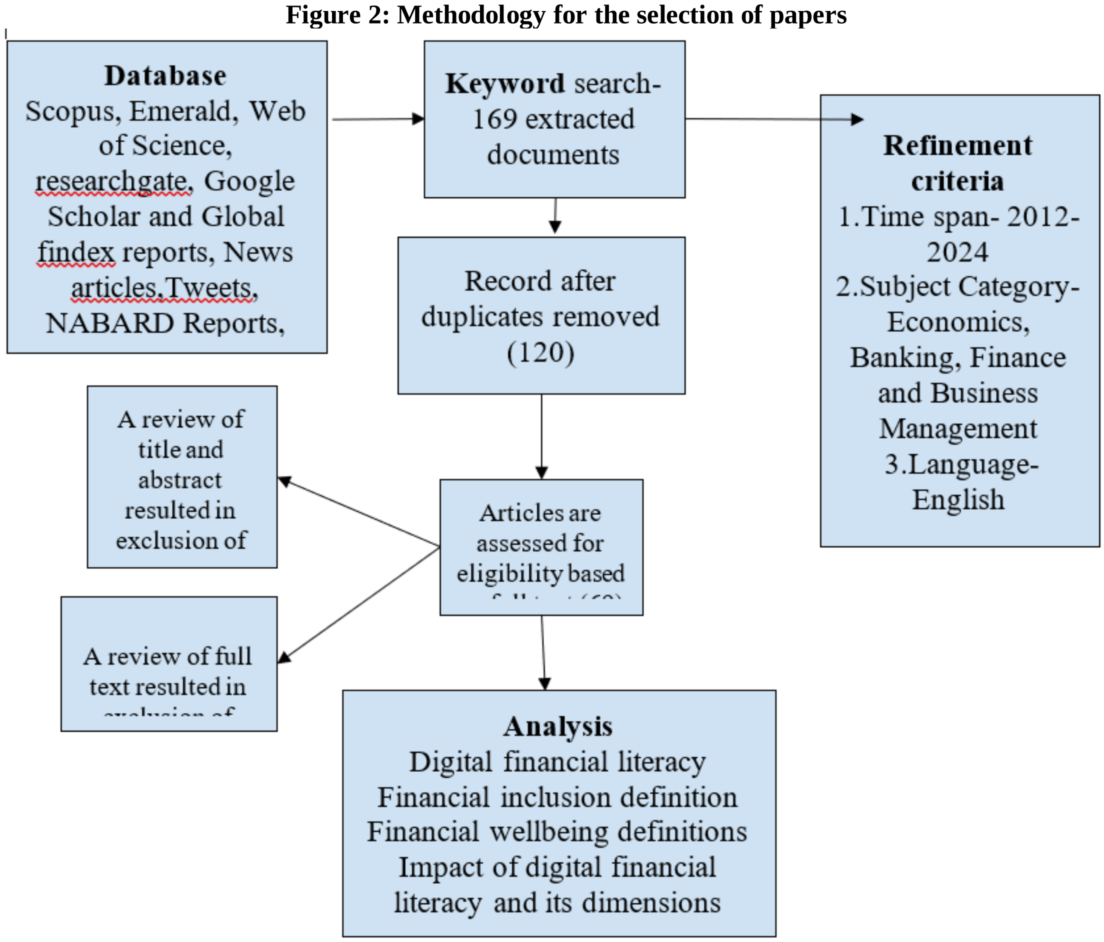
Author name	Jornal / Source	Year	Findings or referred for
Mitchell Grant, 2024	Article, Investopedia.	2024	Financial inclusion definition
Nandru, P., Chendragiri, M. and Velayutham, A. (2021),.	International Journal of Social Economics	2021	Operational definition of financial inclusion & financial inclusion contributes substantially to the well-being of marginalized street vendors.
NABARD	Account Aggregator-Game Changer in Financial Inclusion, NABARD	2022	Statement by NABARD regional head about the focus of financial inclusion towards the quality and usage
Pandey, A.; Kiran, R.;Sharma, R.K.	Sustainability	2022	Usage, digitisation & fintech are the drivers of financial inclusion.
Rana, Nripendra & Luthra, Sunil & Rao, Raghav.	Information Technology & People.	2022	"Lack of strong regulatory compliance " has been recognised as the most important challenge, which inhibited the mobile wallet implementation, whereas "Perception of customers about the value of using mobile wallets" is the most dependent critical challenge.

Niklas Eriksson, Ates Gökhan, Minna Stenius.	Procedia Computer science	2022	Consumers' lack of knowledge on functionality, fragmentation of mobile payment options, old habits, potential risks relating to service providers and need of social approval are the obstacles in mobile payment adoption and usage.
T Ravikumar, B Suresha, N Prakash, Kiran Vazirani & T.A. Krishna	Cogent Economics & Finance	2022	FL and DFL (Digital Financial Literacy) is a prerequisite to use DFS (Digital Financial Services), effectively.
Nenavath Sreenu, Som Sekhar Verma,	Transnational Corporations Review	2024	The influence of FinTech on the growth of the digital economy is enhanced by the existence of local financial regulatory mechanisms.
Parijat Dhar & Dr. Nissar A Barua	International Journal of Management (IJM)	2020	Telangana along with other few states fall under medium financial inclusion index.
OECD/INFE	OECD/INFE	2012	Definition of financial literacy
OECD	OECD/INFE	2022	Toolkit for measuring financial inclusion.
OECD	OECD/INFE	2024	Digital financial literacy definition and measuring tool
Kumar, J., Rani, V., Rani, G. and Sarker, T.	International journal of bank marketing	2023	Financial literacy, financial behaviour, financial risk tolerance and financial socialisation significantly influence financial wellbeing.
Ahmad, S.W. and Wongsurawat, W.	Journal of science and technology policy management	2023	The online payment system has disempowered women's financial independence from their husbands.

Setiawan, M., Effendi, N., Santoso, T., Dewi, V. I., & Sapulette, M. S.	Economics of innovation and technology	2022	Digital financial literacy positively affects current saving and spending behavior.
Seldal, M.M.N., Nyhus, E.K.	Journal of consumer policy	2022	Author highlights the need to study mobile technologies and its impact on financial behaviour.
Shree, S., Pratap, B., Saroy, R. *et al.*	Journal of banking and financial technology	2021	Online fraud deters usage of digital payments varies with purpose of transaction.

RESEARCH METHODOLOGY:

Figure 2: Methodology for the selection of papers



Source: Authors work

A systematic literature review has been conducted to analyse the definition, determinants of financial literacy, digital financial literacy, financial wellbeing, financial inclusion. The review draws on a wide range of sources including Journals, newspapers, websites, official reports from organisations like NABARD, OECD, RBI, WORLD BANK, WTO, G20 meets, ministry of India, press India tweets, linkedin post, and database like science direct, research gate, scopus, emerald etc.,

To identify the relevant literature different keyword combinations were used such as Financial literacy and digital financial literacy, Financial literacy and financial inclusion, Financial literacy and financial wellbeing, Mobile payments and financial behaviour, Digital payments and digital financial literacy, Digital financial services and digital financial inclusion. A study primarily focused on reputed journal publication. As shown in figure 1 & 2, a total of 169 studies related to financial literacy, financial wellbeing, financial behaviour, digital financial literacy and mobile payments from different databases, newspapers, official reports. After removing 49 duplicate articles or similar work, 39 studies were excluded based on their titles and abstract and 12 were excluded after reading the full paper making the final consideration as 69. Notable papers and work are highlighted in review table 1

FINANCIAL INCLUSION

Conceptualising Financial inclusion

Financial Inclusion is an effort to make every day financial services available to all of the world's population at a reasonable cost because it may lead to greater innovation, economic growth, and consumer knowledge. (Mitchell Grant, 2024)

Financial inclusion is derived from the definitions in different perspectives by different authors but the majority of the authors has derived, examined the financial inclusion using the banking

penetration, availability and usage of the banking system notably by Mehrotra et al. (2009), Kuri and Laha (2011), Nandru, P., Chendragiri, M. and Velayutham, A. (2021).

Recent developments and additions in the definition of financial inclusion-

"Financial inclusion is defined as the process of providing financial literacy, accessibility, availability, affordability and usage of basic financial services to the underprivileged section of the society in general and marginalized street vendors in particular for their financial well-being."- Operational definition by Prabhakar Nandru.et.al, 2020

For furthering financial inclusion, policy focus has now been shifting beyond just "access to financial services" to include "usage" and "quality" of the services". - Suseela Chintala, Chief General Manager, NABARD Telangana Regional Office. (Account Aggregator- Game Changer in Financial Inclusion, NABARD 2022.)

Impact of Financial development on Financial Inclusion

India's foundational DPI (Digital Public Infrastructure), called India Stack, has been harnessed to foster innovation and competition, expand markets, close gaps in financial inclusion, boost government revenue collection and improve public expenditure efficiency. India's journey in developing a world-class DPI (Digital Public Infrastructure) highlights powerful lessons for other countries. (Cristian alonso.et.al. Stacking up the Benefits: Lessons from India's Digital Journey, IMF, March 31, 2023). The India Stack is revolutionizing access to finance possible with the levels like Digital identification, Interoperable payments and Trust through consent. Level 1, Digital identification resulted in 1.2 billion people—almost 90 percent of India's population—signed up for a digital ID in less than a decade, about half of them linking their new ID to their bank account in the year 2019. Level 2, Interoperable payments. There was a rise in the retail payments through digi-wallets because UPI has expanded rapidly. According to NPCI, The number of UPI transactions were above 4 billion in India during April 2020-21. Level 3, Trust with the consent as the transactions are done through a third party. There is a matter of trust. (Yan Carriere-swallow.et.al, Stacking up Financial Inclusion gains in India, IMF, July 2021.)

Online banking, understanding banking services and financial literacy are the drivers of Financial Inclusion that can lead to Economic Development. (Shailesh rastogi.et.al., 2018). As stated by Mitchell-Advancements in fintech, such as digital payments, digital wallets, digital banking apps, etc, are making financial inclusion easier to achieve. (Mitchell Grant, 2024)

FINTECH

Fintech and Financial services:

Globally, 1.4 billion people are still excluded from the formal financial system, thus excluding them from achieving financial health and wellness.(Dário A.L.M. Sant'Anna & Paulo N. Figueiredo, 2024). The technological transformation of financial services to improve financial processes which can be termed as FinTech. Fintech includes a variety of facilities like digital platforms, block chain technology, artificial intelligence and so on. Net banking, mobile banking, UPI payments, mobile money wallets etc., are all the result of implementation of technology. Fintech results rise in digital financial services and enhancing digital financial inclusion. Elsaid, H.M. (2023) studied the review of literature directions regarding the impact of fintech on traditional banking and concluded that fintech may take some share of banks in the financial market but cannot substitute the banks. Moreover, banks should accelerate adoption of advanced technology to compete with fintech companies. Both can benefit each other by partnership collaboration. Hence it clearly makes a positive statement that innovation in technology is not going to replace traditional practices because traditional practices is the base from where fintech arose but if these fintech aspects are not embraced then the institutions will lose the market. Collaboration of traditional banks with fintech services is must to uphold and increase the customers. Purvi Khera (2023) Compared to other asia-pacific countries Indian financial inclusion both traditional and fintech is low, though there was improved digital access there was growth in access to mobile money accounts but use of financial services still show the gaps compared to other countries according to IMF financial access. Cyber security, data privacy & consumer protection has to be well addressed for safety of financial inclusion digitally to increase the access and usage. Mobile payment refers to using mobile phones and other electronic devices rather than computer terminals for online payment. It enables consumers to pay more conveniently, safely and accessible, which has been accepted by most countries worldwide (Rosenberg, 2006). Mobile payment apps are the mere third party company making a transaction successful without the exchange of cash as the cash is getting transferred to the concerned digitally. Modernised services like Immediate payment service(IMPS), Bharat Interface for Money-Unified Payments Interface (BHIM-

UPI), prepaid payment instruments (PPIs), Existing services like debit cards, credit cards, National Electronic Funds Transfer (NEFT) and Real-Time Gross Settlement (RTGS) have also grown at a fast pace.BHIM-UPI has emerged as the preferred payment mode of users. (PRESS INFORMATION BUREAU, GOI, October, 2022.) M-wallet considered as a convenience of payment has become a necessity in light of the pandemic.(Nripendra P. Rana.et.al., 2022)

"Mobile payment apps are the most widely used payment system. Gone are the days to stand in a queue near the counter to pay the bills through cash, through debit cards, through credit cards which also takes a few minutes to enter the pin and pay the bill. Now just with a swipe, within seconds by scanning the QR code transactions are done easily comparatively saving more time then debit/credit card payment/ cash payments".(Finserv)

Fintech and Adoption

"Digital financial services (DFS) can be defined as financial operations using digital technology, including electronic money, mobile financial services, online financial services, i-teller and branchless banking, whether through bank or non-bank institutions. DFS can encompass various monetary transactions such as depositing, withdrawing, sending and receiving money, as well as other financial products and services including payment,credit, saving, pensions and insurance. DFS can also include non-transactional services, such as viewing personal financial information through digital devices" (G20/OECD INFE, 2017).

RBI has motivated banks for increase in number of branches, ATM's 2002) also financial inclusion fund has also been created to support adoption of technology and capacity building, differentiated banking license issued for small finance banks and payment banks(2015), and provided relaxation in bank authorisation guidelines (2017).The Indian Government effort to boost cashless payment through demonetisation exercise was a bold initiative to accelerate the adoption of modern retail (AT Kearney, 2017). Now most of the people are used to the mobile payment systems. There are many studies based on adoption on mobile payment systems, digital payment.etc., as mobile payment is not at its inception stage, as we see adoption of mobile banking, e-banking since 2016 in India.When it comes to qualitative studies, consumer resistance has been studied by Niklas Erikson. (2020) In the Indian context, it is found that the adoption of new digital technologies is more in urban consumers than rural consumers (Singh and Aggarwal, 2013). Institutional interventions (in multiple forms) have increased people's eagerness to use mobile payment. Supportive institutional environment and common citizen's increased eagerness for mobile payment usage resulted in the emergence of multiple mobile payment platforms. Moreover, competition among multiple payment platforms positively impacts the continuance intention of users to use mobile payments.(Sandip Mukhopadhyay, et.al.,2022)

The Reserve Bank - Integrated Ombudsman scheme was launched by our Prime Minister shri Narendra Modi in 2021 virtually which is integration of three existing schemes Banking Ombudsman Scheme, 2006., Ombudsman Scheme for Non Financial Companies,2018., and Ombudsman scheme for Digital transactions, 2019 which aims at providing cost-free redressal of customer complaints involving deficiency in services rendered by the institutions under RBI, if customer is not satisfied with the resolutions or not addressed within 30 days by the regulated institutions or entities. (Department of financial services-bank)

Fintech and Economic Growth:

The positive impact of FinTech on economic growth is more pronounced during the pandemic. This association holds in countries with high Internet usage, suggesting that the incremental impact of FinTech on economic growth during the pandemic depends on the extent of local Internet usage based on the data of 193 countries during 2018 to 2021.(Wu-Po Liu & Ya-Ching Chu, 2024)

In terms of alternative payment solutions, Google Pay has overtaken Amazon Pay to become the most preferred online payment solution in India. Its market share increased from 3.5% in 2019 to 16.7% in 2022. Paytm, which heralded the alternative payments growth in India, is currently third with a 12.1% share, the report shows.(Chitranjan Kumar, 2022. Fortune India)

Nenavath Sreenu & Som Sekhar Verma, 2024 in their study Enhancing economic growth through digital financial inclusion: an examination of India found that the progress of technological advancement, existence of local financial regulatory mechanism and decrease in the financial independence of local governments played a fascinating role in influencing the economic growth through Fintech considering the data of fintech and digital economy metrics in all the 28 states during 2010 to 2022 applying CRITIC approach.

"India's fintech market reached $584 billion in 2022, with projections showing it could grow to $1.5trillion by 2025. India's fintech ecosystem includes at least 17 unicorns and over 10,200 registered fintech companies, making it the world's third-largest fintech hub after China and the United States. Notable players include payment solutions providers Paytm, BharatPe and Razorpay, as well as insur-tech firm Acko."(Richie Santosdiaz, 2024) India is recognized as one of the world's largest fintech hubs, with over 6,000 startups operating in the space and a fintech adoption rate of 87%, far surpassing the global average of 64%.(Ram Rastogi,2024 Linkedin).

Digital Financial Inclusion:

Digital financial services enable digital financial transactions and provide accessibility, availability and usage to the undeserved and backward communities which results in digital financial inclusion. In simpler terms, using digital mode of making transactions even by low level income groups, women, street vendors, farmers, rural communities, etc., is digital financial inclusion. While going through the literature it was found that there are some similarities in calculating digital financial inclusion. To determine the financial inclusion and digital financial inclusion Bathula & Gupta (2021), considered the access and usage as two important determinants access & usage of traditional banking was considered for financial inclusion and access and usage of digital financial services like debit card, credit card and digital payments (UPI) were considered for digital financial inclusion. Usage of digital financial services promotes digital financial inclusion (Shen et al., 2018, Ravikumar.et.al., 2022). Social economic factors, income and education were commonly considered by most of the authors while determining the digital financial inclusion such as (Allen et al., 2016; Amoah et al., 2020; Kara et al., 2021;; Bathula and Gupta, 2021 Dar and Ahmed, 2020; Mouna and Jarboui, 2022). Digital technologies and Fintech brought radical changes in the financial services sector and digital financial services have become accessible and affordable across the globe (Ravikumar, 2022; Lyons & Kass-Hanna, 2021a). Digital financial inclusion has become a policy initiative for the government of India and so, focus has been given on constructing digital infrastructure in India (RBI, 2021). In India Women and the poor have low probability of using mobile banking but use traditional banking (Bathula & Gupta, 2021) which gives an understanding that there is financial inclusion but low digital financial inclusion. "The marginal effect indicates that socio-economic factors, mobile phone ownership and banking behaviour of individuals towards borrowings and savings have indicated significant influence on digital financial inclusion" (Ali, J. and Ghildiyal, A.K. 2023). Digital financial services provide a greater opportunity to promote financial inclusion further (Alliance for Financial Inclusion, 2021).

FINANCIAL LITERACY:

Box 1.1. Key definitions

Financial literacy: a combination of financial awareness, knowledge, skills, attitudes and behaviours necessary to make sound financial decisions and ultimately achieve financial well-being.

Digital financial literacy: a combination of knowledge, skills, attitudes and behaviours necessary for individuals to be aware of and safely use digital financial services and digital technologies with a view to contributing to their financial well-being.

Digital financial inclusion refers broadly to the use of digital financial services to advance financial inclusion. It involves "the deployment of digital means to reach financially excluded and underserved populations with a range of formal financial services suited to their needs, delivered responsibly at a cost affordable to customers and sustainable for providers." Digital is a means of distribution and reach of formal financial services, and not a goal in itself.

Digital financial services (DFS) can be defined as financial operations using digital technology, including electronic money, mobile financial services, online financial services, i-teller and branchless banking, whether through bank or non-bank institutions. DFS can encompass various monetary transactions such as depositing, withdrawing, sending and receiving money, as well as other financial products and services including payment, credit, saving, pensions and insurance. DFS can also include non-transactional services, such as viewing personal financial information through digital devices.

Sources: (OECD, 2020[1]; OECD, 2022[9]; OECD, 2017[10]; OECD, 2020[11]).

Image:1. Definition of financial literacy, digital financial literacy, digital financial inclusion and digital financial services. (Source: OECD)

"FL and DFL (Digital Financial Literacy) is a prerequisite to use DFS (Digital Financial Services), effectively." (T Ravi Kumar.et.al., 2022). As usage of financial services leads to financial inclusion showing the direct impact of financial literacy on financial inclusion.Tamil Nadu, Punjab, Kerala, Telangana, Haryana, Karnataka, Maharashtra and Himachal Pradesh form the group of medium Index of FI states with Index of FI values between 0.3 and 0.5. (Parijat Dhar & Dr. Nissar A Barua, 2020). As there is a mix of opportunities and challenges in the path of digital financial services, after pandemic-19 more attention is required towards financial risk and financial literacy.(Yanting, Z. & Ali, M. 2023). Financial literacy is the key indicator of the financial growth, inclusion and development of the country. OECD (2022) in their study toolkit for measuring financial literacy and financial inclusion. While computing financial inclusion indicators they considered holding payments, savings/ investment products, insurance, credit products, awareness of financial products etc., (OECD). India has the second largest unbanked adult population and home to the highest number of inactive bank accounts in the world. (Demirgüç-Kunt et al 2018).(Kshipra jain Vulnerabilities among the Non-vulnerable Groups-Through Financial Literacy and Inclusion, JAN 2023.

Financial literacy is defined as "a combination of financial awareness, knowledge, skills, attitude and behaviors necessary to make sound financial decisions and ultimately achieve individual financial wellbeing" (OECD/INFE, 2012), endorsed by G20 Leaders.(OECD 2018). Financial literacy was measured by awareness and competencies (Amit pandey.et.al.,2022). Financial literacy, a factor determining financial inclusion which impacts the financial well being (Prabhakar Nandru, 2021). Financial literacy boosted the use of digital finance, Junhong Yang et.al, had measured Financial literacy taking 3 aspects: calculation of compound interest, understanding inflation and understanding financial risk. FL is taken as an independent variable, digital finance as a dependent variable and demographic and social factors as control variables. (Junhong Yang.et.al., 2023). Financial education, consumer protection, and financial inclusion are very essential for both the financial empowerment of individuals and the overall stability of financial markets and economies, particularly in the context of the changing pace of technological expansion and the advancement of digital financial services. (Tony, N., & K.Desai. 2020)

Financial literacy is defined as "a combination of financial awareness, knowledge, skills, attitude and behaviors necessary to make sound financial decisions and ultimately achieve individual financial wellbeing" (OECD/INFE, 2012), endorsed by G20 Leaders.(OECD 2018). Financial literacy was measured by awareness and competencies (Amit pandey.et.al.,2022). Financial literacy a factor determining financial inclusion which impacts the financial well being, financial literacy construct was adopted from Noor et al. (2020), Rastogi and Ragabiruntha (2018) taking five items into consideration as the study was based on marginalized street vendors the five statements considered were with respect to deposits_& withdrawals from bank, awareness of benefits of PMJDY, AtmaNirbhar Nidhi micro credit facility, digital payment methods, use of debit card/ATM.(Prabhakar Nandru, 2021). Financial literacy boosted the use of digital finance, financial literacy was measured taking 3 aspects: calculation of compound interest, understanding inflation and understanding financial risk. Taking financial literacy as an independent variable, digital finance as a dependent variable and demographic and social factors as control variables. (Junhong Yang.et.al., 2023). Financial literacy construct was measured by 50 questions referring to 10 topics: interest rates, inflation, mortgages, bonds, investment diversification (the first five adopted from Lusardi-Mitchell) loans & debt, stocks, bank accounts, payment tool, retirement & insurance (remaining from Huston,2010).(Nicolini G, Haupt M.,2019) which was also used by M.M. N Seldal & E. K. Nyhus, 2022.

DIGITAL FINANCIAL LITERACY:

"Digital financial literacy is the combination of financial literacy and digital platforms" (Tony, N & K. Desai, 2020). Awareness of digital financial risks dimensions of digital financial literacy, including knowledge of digital financial products and services, awareness of digital financial risks, knowledge of digital financial risk control, and knowledge of consumer rights and redress procedures is Digital Financial Literacy. (Peter J. Morgan.et.al., 2019)"Digital Financial Literacy facilitates Digital Financial Inclusion." Financial education, consumer protection, and financial inclusion are very essential for both the financial empowerment of individuals and the overall stability of financial markets and economies, particularly in the context of the changing pace of technological expansion and the advancement of digital financial services. (Tony, N., & K.Desai. 2020)

Approximately 40% of all payments in India are now digital, and the platform processes over 11bn transactions monthly. While UPI has more than 300m users, a panelist at the roundtable noted that bridging the gap to the next 200 to 250m users requires concerted efforts in enhancing financial literacy and expanding proliferation of smartphones in the country. (Arunima Sharan, November 2023 OMFIF). While determining the digital financial literacy T.Ravikumar.et.al., 2022 has taken digital knowledge, financial knowledge, knowledge of digital financial services, customer rights, awareness of digital financial risk, digital financial risk control, product suitability, quality, gender social norms, decision making skills, practical application of knowledge and skill, self determination to use the knowledge & skill into consideration. Whereas Mohd Fairuz Adnan.et.al, 2023 while determining the digital financial literacy considered formal financial education (financial knowledge score, programme level) and financial experience (age, gender) & financial socialization/informal financial education (parental, peer and social influence) as the study was conducted on students. OECD (2022) in their study toolkit for measuring financial literacy and financial inclusion have taken financial knowledge, financial behavior and financial attitude (budgeting, financial goals, retirement plans, making ends meet), to determine overall financial literacy score & digital financial literacy score.

Indicators for digital financial literacy were knowledge (understanding of digital financial platforms their usage), skill, experience, awareness of customer rights, control on financial activities and management. (Maman Setiawan.et.al., 2020). In the absence of a standard scale for digital financial literacy Kamble.et.al 2024 has taken financial literacy, digital literacy, mobile phone proficiency and mobile money proficiency as constructs. Financial literacy and financial wellbeing have a positive association (Jitender Kumar.et.al, 2022). Financial literacy has an influence on financial well-being. (Munisamy et al., 2022, Prakash et al., 2022, Thomas and Gupta, 2021, Tahir et al., 2021, Adam et al., 2017). A study in rural Uganda states that There is a positive interaction effect of digital literacy between FinTech's of biometrics identification positively promotes digital financial inclusion.(Okello Candiya Bongomin, G., et.al., 2024)

FINANCIAL WELL-BEING

Financial wellbeing was measured using a scale adopted from Swamy (2014), Michael Collins and Urban (2020) using six statements ability to generate income by accessing required finance, ability to fulfill family financial commitments, creation of wealth by access to formal finance, ability to improve standard of living, ability to achieve financial freedom through different means of access to finance.(Prabhakar Nandru, 2021).The four elements described in CFPB user guide for measuring financial wellbeing are financial security and freedom of choice in present and future scenario while present financial security deals with control over day to day & month finances, future deals with capacity to absorb financial shocks and the present freedom of choice is to make choices to enjoy your life whereas future is to track & meet financial goals.(CFPB, 2015). Financial wellbeing was measured by construct followed by CFPB taking 5 statements regarding financial situation (never had things that I want in life, just getting by financially, money that I have/saved won't last, money left over at the end of the month), financial control (finance control my life), this scale was also used by collins & urban to measure financial wellbeing with NFCs.(Lu Fan & Robin Henager, 2022).

The use of the digital financial system counterintuitively weakened the strength of the relationship between financial behavior and subjective financial wellbeing but it effectively reduced the adverse effect of financial stress on subjective financial wellbeing. (Nurul Shahnaz Mahdzan. et.al, 2023). The conceptual richness of FWB is possible with a multidimensional subjective financial wellbeing scale, it is a construct of 25 items contributing 5 components like general subjective FWB, money management, peer comparison, having money and financial future in which 4 items are common from CFPB measurement scale. (Marc Aubrey.et.al., 2022). Subjective financial wellbeing was measured by 25 items categorized into 5 sub-scale cognitive, behavioral, materialistic, relational and temporal.general subjective financial wellbeing was measured with 10 items like confidence of financial future, sense of sufficient money, money management, & financial comparison with peers.(Paola Iannello.et.al.,2021). Financial wellbeing scale measured inclusively by the 4 constructs financial satisfaction, financial capability, financial confidence & financial anxiety.(Kamble.et.al., 2024). Cash and digital payments both significantly affect the spending behaviour. Moreover, digital payment has a more substantial impact than cash payments. (Shah, M.U.D.. et.al., 2024). Shah, M.U.D.. et.al., 2024 in their study validated the mental accounting perspective by evaluating the direct impact of different payment methods on individuals spending behavior. There is a similarity in few papers like CFPB(2015), OECD, (2018),(2022), Collins, J. M., & Carly, U. (2020), Mutchler, J. (2020), Khashadourian, E., & Harrison, A. L. (2024) as they followed CFPB financial wellbeing as a standard scale to measure financial well being.

DISCUSSION:

Though India is still a developing country, the Indian financial system is booming every year right before independence to till date, still it will emerge. It is a very proud moment to see our country in the top in adopting technology in finance as even other countries accept and appreciate this point. All this development growth is based upon the financial system, financial services, digital financial services, financial literacy, digital financial literacy contributing to inclusion, inclusive growth and financial well being. During the analysis of those terms from the literature considering the literature from different countries, international financial bodies, collaborations, policy reports, G20 country initiatives, SDG Goals and the working papers, research papers available on the Database, internet etc., Different authors based on their assumptions, literature review methodology defined the terms and determinants of the terms financial literacy, digital financial literacy, financial inclusion, financial wellbeing according their understanding. Though there are disparities there are also some similarities as the concept evolves with the same meaning but different terminology. Firstly the whole idea of finance is based on financial literacy which can also be termed as financial knowledge, financial education, financial awareness etc., based on which financial behaviour, inclusion and wellbeing are relied on. The basic scenario and determinants of financial literacy can be 3 financial knowledge, financial attitude and financial behaviour. Using these 3 fundamentals different authors studied financial literacy again each determinant had different perspective as for example to know the financial knowledge authors were asking awareness about the financial services, government schemes on financial support available to them, few authors also tested financial knowledge mathematically giving the calculation questions on interest rate, compound interest etc.,

Financial attitude was determined by individuals feeling, beliefs, value of money few authors asked the questions like which is a better financial instrument to invest banking term accounts, gold bonds, in stock exchange, in mutual funds, etc., likewise about investment plans, retirement plans, monthly budgeting, readiness for the future related questions.

Financial behaviour in general assumed to be a persons behaviour towards finances this was determined using the terms savings, spending, current savings, future savings, current spending , future spending, proper planning of expenditures, looking for financial advice, comparing price before buying, saving fixed amount of money, seeking info before buying & maintaining emergency fund, digital spending behaviour, digital saving behaviour, frequency of using the digital payments app for transactions, insurance plans, retirement plans etc.,

On the whole it is very clear and interesting that there is no proper scale to determine each factor of financial literacy because there are different scales available. This is because of the applicability for their study, their scope and need.

CONCLUSION:

The systematic review of existing literature underscores the growing influence of digital technology in advancing financial inclusion. However, it also reveals a critical need to explore the nuanced relationship between Digital Financial Literacy (DFL) and financial well-being. While numerous studies have addressed aspects of DFL, direct investigations linking it to financial well-being remain limited. This highlights a significant research gap that warrants focused attention. Furthermore, the absence of a standardized, universally accepted scale to measure DFL adds to the complexity—most existing studies have relied on customized instruments tailored to specific populations. To promote consistency and enable global comparability, it is imperative for policy makers and government bodies to advocate for the development of a comprehensive, standardized tool for assessing digital financial literacy at both national and international levels.

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