

Financial Illiteracy and Cashless System in Nigeria

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Abstract

Despite the huge effort of Central Bank of Nigeria (CBN) to make cashless economic policy system which was, in no doubt, an instrumental tool designed for the development and growth of the Nigerian economy, there is still much problem of financial illiteracy facing the masses of country on this issue. This paper therefore, examined how financial literacy affects the cashless system in Nigeria since its origin, using Lagos State as a case study. The study employed survey method. Questionnaires were administered to 400 participants. Descriptive statistics was used in analysing the data. The Chi-square and the F-distribution done with the stipulations of ANOVA and SPSS showed that the impact of financial illiteracy on the cashless policy system is significant on the Nigerian economy. Hence, the study recommended that CBN increases mass education/enlightenment on finance management so that people can achieve the most from the latest development in the cashless system.

Key words: Financial Illiteracy, Cashless System, Nigerian Economy, ATM, POS

1. INTRODUCTION

By January 1, 2012, the cashless policy system of the Central Bank of Nigeria, whose main objectives were (a) to drive development and modernization of our payment system in line with Nigeria vision in 2020 goal of being amongst the top 20 economies by the year 2020, (b) To reduce the cost of banking services, and, (c) to drive financial inclusion by providing more efficient transaction options and greater reach and to improve the effectiveness of monetary policy in managing inflation and driving economic growth, kicked off.

It was, however, practically operational in banks and businesses from the third day of January 2012, being the first working day after the holiday. The implementation of the policy generated sundry reactions from individuals and different organizations, especially because of the anticipated e-payment challenges.

This cashless economy, as well known, is one where purchases and transactions are done mainly by electronic means and seldomly, by cash (Odo, 2011). The policy, introduced by the CBN (2011), states that individual and corporate customers are restricted to a daily cash withdrawal and lodgment of N500,000 and N3million respectively. By implication, individuals, who make cash withdrawals above the limit will be charged ₦100 on every ₦ 1,000, while a corporate organization that exceeds the limit will be charged ₦200 on every ₦1,000. Apparently relying on its commercial stamina as Nigeria's business hub, the CBN commenced the pilot scheme in Lagos State (Tope, 2012). But as sophisticated as the residents of the metropolis are perceived to be, the level of awareness about this policy is still perceived to be very low.

Subsequently, in June 2012, the Central Bank of Nigeria had the intention of commencing the policy in other major cities in Nigeria such as Aba, Port Harcourt, Abuja and Kano. The policy will also help, in addition to the vision mentioned above, to better the Nigerian economy, such as reducing the dominance of cash in the system, cases of armed robbery and cash related crimes in the country. It will moderate the cost of cash management; encourage the use of electronic payment channels and reduce lending rates to further make credit accessible to big and small businesses.

Ejiofor (2011), for instance, had earlier observed that the committee's findings showed that running a cashless economy could save the CBN about ₦192bn, which is the projected direct cost of managing cash for 2012. While Nigerians could not deny the need to prevent too much cash in circulation among other benefits of the scheme, on the other hand, many still believe that the cash limit is too low and query how the CBN arrived at the benchmark (Omotunde, 2013). Some also expressed the need for a gradual transition to the new policy order; while others think that Nigeria is not even ripe for such a system due to the level of illiteracy among the business and men and women of the country. As laudable as the cashless idea is, an assessment of the usual inconsistencies in the operation of the Automated Teller Machine (ATM) leaves many stakeholders wondering if the same system could produce a better result (Ejiofor, 2012).

Financial literacy, on its own side, is the ability to understand how money works in the world: how someone manages to earn or make it, how that person manages it or how he/she invests it and how the person donates it to help others (Giesler & Meresiu, 2014). While financial illiteracy is the inability to make informed judgment and effective decision regarding the use and management of money in the face of growing financial market which continuously offer increasing product and services.

Gold (2016) observed that most adult do not even know the basics of finance, they do not even know how to beat the pros of the game because of financial illiteracy. Financial illiteracy, as observed by many Nigerians, is a big problem affecting this cashless system. Many of the business men and women who are engaged in the petty trading are not educated and hence implementing this policy as observed has resulted in most of them not going to bank to withdraw money for transaction. Therefore, the desired result for introducing the cashless system is still far from realization.

Amidst this problem, this study seeks to analyze the impact of financial illiteracy on the cashless policy system in the life of many Nigerians, using Lagos State as a case study since this is where it was started and more especially, in the economy of Nigeria as a whole, since its origin. Hence, this paper moves with the hypothesis which states that *financial illiteracy has a negative impact on the utilization of the cashless system in Nigeria*. This hypothesis was adopted for the paper so as to realize the objective of paper which is to encourage the massive utilization of the cashless system in Nigeria.

2. THEORETICAL AND EMPIRICAL LITERATURE

In examining the implications of financial illiteracy on cash-less system in Nigeria, it is necessary to do some theoretical and empirical reviews on the topic in other to help one get more insight on the study.

THEORETICAL LITERATURE

In getting more insight to the study, we are employing the transactions demand for money theory.

The Transactions Demand for Money

The transactional demand for money was one of the Keynesian Theory which arises from the medium of exchange function of money in making regular payments for goods and services. According to Keynes, it relates to “the need of cash for the current transactions of personal and business exchange”. It is further divided into income and business motives. The income motive is meant to bridge the interval between the receipt of income and its disbursement. Similarly, the business motive is meant to bridge the interval between the time of incurring business costs and that of the receipt of the sale proceeds. If the time between the incurring of expenditure and receipt of income is small, less cash will be held by people for current transactions and vice versa. There will, however, be changes in the transactions demand for money depending upon the expectations of income recipients and businessmen. They depend upon the level of income, the interest rate, the business turnover, the normal period between the receipt and disbursement of income, etc.

Given these factors, the transactions demand for money is a direct proportional and positive function of the level of income and is expressed as $LT=KY$. Where LT is the transactions demand for money, K is the proportion of income which is kept for transactions purposes, and Y is the income.

Thus we conclude that the chief determinant of changes in the actual amount of the transactions balances held is changes in income. Changes in the transactions balances are the result of movements along a line like KY rather than changes in the slope of the line. In the equation, changes in transactions balances are the result of changes in Y rather than changes in K .

This theory is fulfilled by this study's contention for cashless system in Nigeria. The theory supports the full utilization of income for transactionary purposes rather than the proportion of income set aside for same purposes. If this is so, this study's contention is in line with the theory's tenet, which is the full utilization of income for transactionary purposes. With the cashless system en vogue, the individual can easily access all the income he or she accrues or possesses during the process of transaction. Hence, if an individual is illiterate as regards the operations and opportunities availed by cashless system, he or she would not get the most of his or her transaction demands.

3. EMPIRICAL REVIEW

A growing body of literature has focused on ways to measure financial literacy using survey, hence our study follow suit.

Alao and Sorinola (2015) conducted a study in a bid to investigate the customers' satisfaction of the recently introduced cashless policy in Ogun State, Nigeria with a survey of bank customers in Abeokuta. Data were collected with a well-structured questionnaire and analyzed with descriptive statistics, while hypotheses formulated for the study were tested with correlation co-efficient. The findings of the study reveal that cashless policy contributed significantly to customers' satisfaction in Ogun State. Also, the study revealed that cashless policy contributed significantly to customers' satisfaction through electronic channels. Finally, the study concluded that the cashless policy is customer friendly and progressive. Hence, it was therefore recommended, among others, that infrastructures should be improved upon to ensure easy operation of the policy in Ogun state.

Meiseigha and Ogbodo (2013) in their study tried to expose the merits of the cashless economy to Nigeria populace, and as well the pains of a cash-based economy. Accidental sampling method was used in the selection of a sample size of 520 persons, out of which 468 persons representing 90 percent of the sampled persons completed and returned the questionnaires administered to them. Collected data were analyzed using the simple percentages method and the hypotheses were tested with the Chi-square and Analysis of variance (ANOVA) tests. The Chi-square test on the first hypothesis reveals a positive and significant relationship between cashless economy and transparency, accountability and reduction cash-related fraud with F-ratio of 70.175 > F-critical of 9.488 at 0.05 level of significance with a 4 degree of freedom, while the ANOVA test on the second hypothesis finds that cashless economy has a positive impact on economy development with F-ratio of 51.37 > F-critical of 5.32 at 0.05 level of significance with 1 to 8 degree of freedom. The study recommended adherence to minimum security standards and deployment of more ATMs for smooth implementation of the cashless policy in Nigeria.

Akhalumeh and Ohiokha (2012) carried out a research on the impact of cashless system. They observed that the cashless economy is a system in which transactions are not done predominantly in exchange for actual cash. It is essentially a mobile money payment system which allows users to make payment through GSM phones with internet facilities. Hence the system increases convenience, create more service options, reduces risk of cash-related crimes and provide cheaper access to banking services and access to credit.

In examining the cost implications of cashless banking instruments, Gresvik and Owre (2002) (in Alao & Sorinola, 2015) studied how much it costs Norwegian banks to process various payment instruments. They found out that payment cards used for cash withdrawals at ATMs cost considerably more since the transactions involve cash replenishment, maintenance and security costs. In addition, the cost of using cheques for cash withdrawals was found to be three times more expensive than cash withdrawals at ATMs.

Humphrey and Berger (1996) (in Alao & Sorinola, 2015) analyzed patterns in the use of cash and other e-payment instruments in 14 developed countries, including the US. Whilst treating payment instruments as if they were traditional goods, the authors construct measures of the cost (analogous to prices) of various payment methods in order to study whether differences in cashless instrument usage across countries can be explained by differences in the relative prices of such instruments. The result showed that such price differences failed to determine the usage of e-banking instruments.

Cobb (2005) (in Meiseigha & Ogbodo, 2013) asserted that efficient, safe and convenient electronic payments carry with them significant range of macroeconomic benefits, the impact of electronic payment is a kin to kick the economy into higher gear.

Omotunde, Sunday and John-Dewole (2013) in their study on the impact of cashless economy in Nigeria found that 51% of withdrawals done in Nigeria was through the Automated Teller Machine (ATM), while 33.6% were through the counter cash withdrawals and 13.6% were with cheques. The conclusion was that the introduction of ATM in Nigeria cash withdrawal system reduces over the counter withdrawal, it implies that the cashless policy supported by the application of information technology will reduce further the over dependent on cash payment in Nigeria.

In a study conducted by Echekoba and Ezu (2012), it was observed that 68.2% of the respondents were not satisfied with long queues in banks, 28.9 % complained of tellers' attitude while 2.89% were not pleased with the proximity from their home to banks. This further confirmed the benefits of cashless system to individuals and the economy at large.

Cashless economy brings with it transparency in business transactions and this no doubt, leads to an increase in tax revenue and by implication an increased infrastructural development, which is vital for economic development (Jaiyeola, 2011).

According to the CBN, the cashless economy aid the tracking of corruption and money laundering, it is a more effective tool for achieving stability goal and economic development. It create faster access to capital, reduces revenue leakages and cash handling costs (Yaqub, Adenuga & Ogundeji, 2013).

4. RESEARCH METHOD

To ensure an effective study, a survey method was employed for the assessment of this work. Random sampling method was used to gather the data in Lagos. Sample size of 400 persons was selected. The questionnaires were administered to the selected 400 among the business men and women in Lagos State for the purpose of reaching a dependable conclusion. From the 400 questionnaire distributed, 390 questionnaires were returned. The study utilized two sources of data collection. The primary and secondary sourced data collected were statistically analyzed with the help of SPSS, using simple percentage ratio, while chi-square and analysis of variance (ANOVA) test were used in testing the hypothesis.

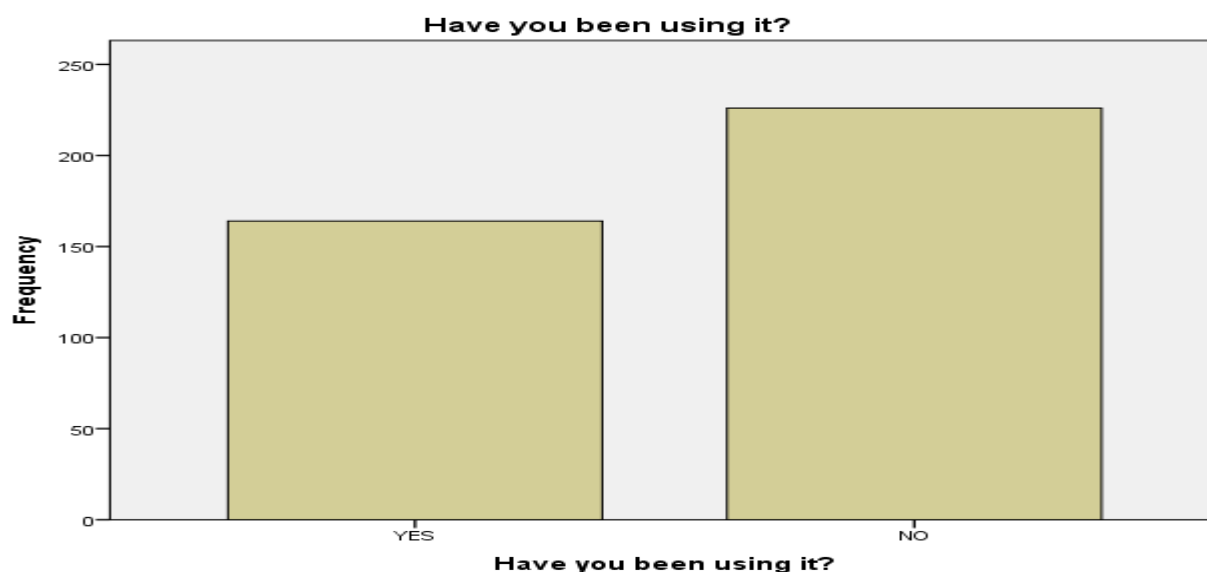
5. DATA PRESENTATION AND ANALYSIS

i. Participants response on whether they know anything about the operations of ATM, POS, Mobile Money and Internet Banking

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	YES	270	54.7	69.2	69.2
	NO	120	24.3	30.8	100.0
	Total	390	78.9	100.0	
Missing	System	104	21.1		
Total		494	100.0		

From the table 1 above, 54% (270) represents people who know about ATM, POS, Mobile Money and Internet banking, while 24.3% (120) represents people who answered No to the question and 21% is missing.

ii. Participants' response on whether they have been using the ATM, POS, Mobile money etc.



iii. Responses on if they have you ever seen an advert as regards the operation of ATM, POS, Mobile Money, Internet banking etc? (Accessibility to knowledge)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	YES	42	8.5	10.8	10.8
	NO	348	70.4	89.2	100.0
	Total	390	78.9	100.0	
Missing	System	104	21.1		
Total		494	100.0		

From the table 3 above, 8.5% which frequency is 42 represent people who said yes that they have seen an advert as regards the operation of ATM, POS, Mobile Money, Internet banking, while 70.4% which is 348 represents people who said No. 21% is missing.

iv. Participants' responses on whether they have been approached by their banks explaining how these operations could be done/occurred

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	YES	189	38.3	48.5	48.5
	NO	201	40.7	51.5	100.0
	Total	390	78.9	100.0	
Missing	System	104	21.1		
Total		494	100.0		

From the table 4 above, 38.3% which frequency is 189 represent people who said yes that they have been approached by their banks explaining how these operations could be done/occurred, while 40.7% which is 201 represents people who said No. 21% which is 104 represents missing responses.

v. Responses on whether the cashless system makes their transactions to be fast?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	YES	154	31.2	39.5	39.5
	NO	236	47.8	60.5	100.0
	Total	390	78.9	100.0	
Missing	System	104	21.1		
Total		494	100.0		

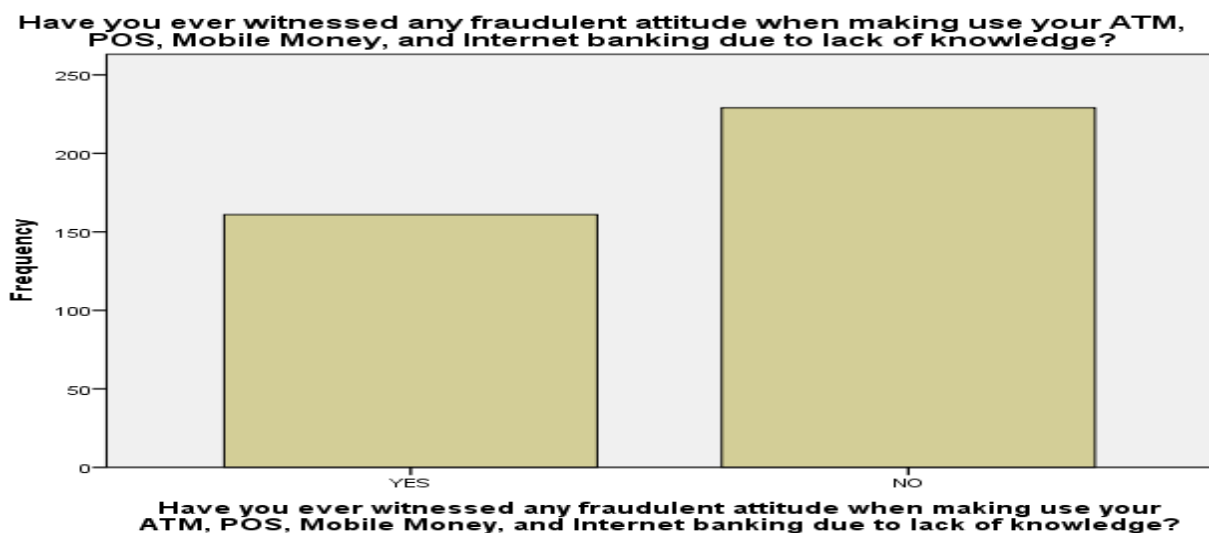
From the table 5 above, 31.2% which frequency is 154 represents people who said yes the cashless system makes their transaction to be fast, while 47.8% which is 236 represents people who said No. 21% is missing.

vi. Participants' response on whether they see the cashless system as transparent in financial transaction.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	YES	133	26.9	34.1	34.1
	NO	257	52.0	65.9	100.0
	Total	390	78.9	100.0	
Missing	System	104	21.1		
Total		494	100.0		

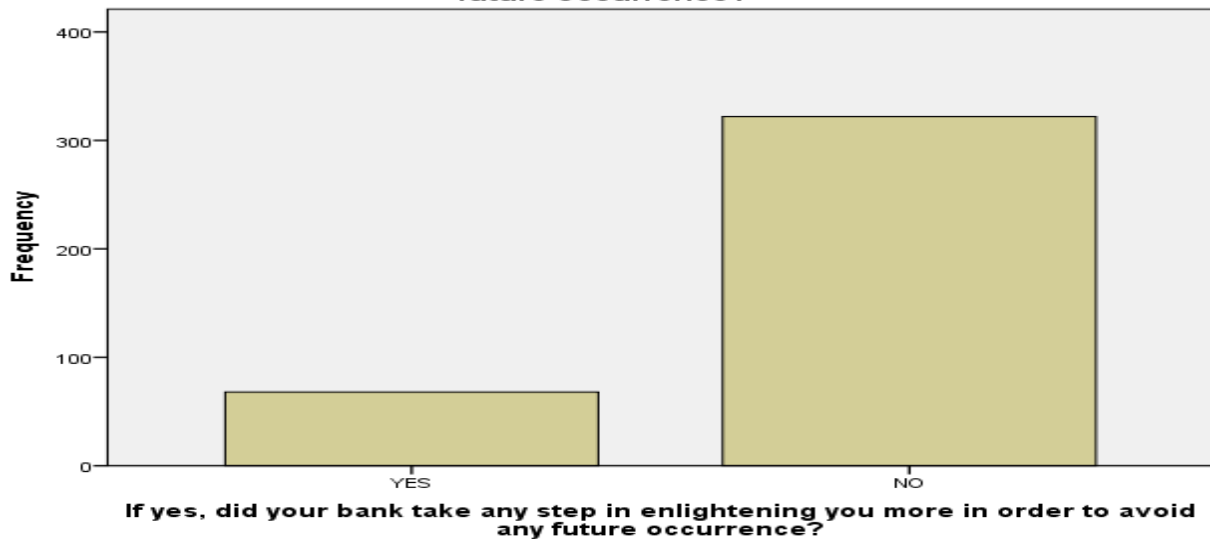
From the table 6 above, 26.9% which frequency is 133 represents people who said Yes and see cashless system as transparent, while 52.0% which is 257 represents people who said No and do not see it as transparent. 21% is missing.

vii. Participants' response on whether they have witnessed any fraudulent attitude when making use of their ATM, POS, Mobile money and Internet banking due to lack of knowledge.



viii. Participants' response on whether their banks took any step in enlightening them more in order to avoid any future occurrence.

If yes, did your bank take any step in enlightening you more in order to avoid any future occurrence?



Crosstabs

The crosstab is a table that shows the relationships between the dependent variables and the respective independent variables. Each table summarizes the relationship between the dependent variable is *Financial Illiteracy*, and one of the independent variables. While the standard residual here dictates the difference between the observed count and the expected count in Chi-square testing. It is to help us know the strength of the difference between observed and expected values. It help us to know better which of the variable is contributing the most to the value and which are contributing the least. If the residual is less than -2, the variable or the cells observed is less than the expected frequency. When it is greater than 2 and the observed frequency is greater than the expected frequency.

(a) Do you know anything about the operation of ATM, POS, Mobile money, Internet banking? * Do you see the cashless system as transparent in financial transaction?

Crosstab

		Do you see the cashless system as transparent in financial transaction?		Total
		YES	NO	
Do you know anything about the operation of ATM, POS, Mobile money, Internet banking?	YES	Count 133	137	270
		Std. Residual 4.3	-3.1	
	NO	Count 0	120	120
		Std. Residual -6.4	4.6	
Total		Count 133	257	390

Symmetric Measures

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval Pearson's R	.480	.026	10.766	.000 ^c
Ordinal by Ordinal Spearman Correlation	.480	.026	10.766	.000 ^c
N of Valid Cases	390			

The symmetric measure shows that the relationship between the dependent and independent variables are significant. This is seen when the error of significance is 0.026 which is less than 0.05. Secondly the approximate significance is 0.000 showing that it is highly good.

(b) Do you know anything about the operation of ATM, POS, Mobile money, Internet banking? * Is fear of fraud a factor affecting you from utilizing the opportunity availed by cashless system?

Crosstab

			Is fear of fraud a factor affecting you from utilizing the opportunity availed by cashless system?		Total
			YES	NO	
Do you know anything about the operation of ATM, POS, Mobile money, Internet banking?	YES	Count	267	3	270
		Std. Residual	6.0	-8.9	
	NO	Count	0	120	120
		Std. Residual	-9.1	13.4	
Total		Count	267	123	390

Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval	Pearson's R	.982	.010	103.079	.000 ^c
Ordinal by Ordinal	Spearman Correlation	.982	.010	103.079	.000 ^c
N of Valid Cases		390			

The symmetric measures show that the relationship between the dependent and independent variables are significant. This is seen when the error of significance 0.01 is less than 0.05. Also, the approximate significance is 0.000 showing that it is highly good.

(c) Do you know anything about the operation of ATM, POS, Mobile money, Internet banking? * Have you ever witnessed any fraudulent attitude when making use your ATM, POS, Mobile Money, and Internet banking due to lack of knowledge?

Crosstab

			Have you ever witnessed any fraudulent attitude when making use your ATM, POS, Mobile Money, and Internet banking due to lack of knowledge?		Total
			YES	NO	
Do you know anything about the operation of ATM, POS, Mobile money, Internet banking?	YES	Count	161	109	270
		Std. Residual	4.7	-3.9	
	NO	Count	0	120	120
		Std. Residual	-7.0	5.9	
Total		Count	161	229	390

Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval	Pearson's R	.559	.028	13.279	.000 ^c
Ordinal by Ordinal	Spearman Correlation	.559	.028	13.279	.000 ^c
N of Valid Cases		390			

The symmetric measures show that the relationship between the dependent and independent variables are significant. This is seen when the error of significance of 0.028 is less than 0.05. Also, the approximate significance is 0.000 signifying also that it is highly good.

(d) Do you know anything about the operation of ATM, POS, Mobile money and Internet banking? * If yes, did your bank take any step in enlightening you more in order to avoid any future occurrence?

Crosstab

			If yes, did your bank take any step in enlightening you more in order to avoid any future occurrence?		Total
			YES	NO	
Do you know anything about the operation of ATM, POS, Mobile money, Internet banking?	YES	Count	68	202	270
		Std. Residual	3.0	-1.4	
	NO	Count	0	120	120
		Std. Residual	-4.6	2.1	
Total		Count	68	322	390

Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval	Pearson's R	.306	.022	6.339	.000 ^c
Ordinal by Ordinal	Spearman Correlation	.306	.022	6.339	.000 ^c
N of Valid Cases		390			

The symmetric measures show that the relationship between the dependent and independent variables are significant. This is seen when the error of significance of 0.022 is less than 0.05 and the approximate significance is 0.000 indicating that it is highly good.

(e) Have you been using it? * Do you see the cashless system as transparent in financial transaction?

Crosstab

			Do you see the cashless system as transparent in financial transaction?		Total
			YES	NO	
Have you been using it?	YES	Count	133	31	164
		Std. Residual	10.3	-7.4	
	NO	Count	0	226	226
		Std. Residual	-8.8	6.3	
Total		Count	133	257	390

Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval	Pearson's R	.844	.025	31.059	.000 ^c
Ordinal by Ordinal	Spearman Correlation	.844	.025	31.059	.000 ^c
N of Valid Cases		390			

The symmetric measures show that the relationship between the dependent and independent variables are significant. This is seen when the error of significance 0.028 is less than 0.05.

(f) Have you been using it? * Is fear of fraud a factor affecting you from utilizing the opportunity availed by cashless system?

Crosstab

			Is fear of fraud a factor affecting you from utilizing the opportunity availed by cashless system?		Total
			YES	NO	
Have you been using it?	YES	Count	164	0	164
		Std. Residual	4.9	-7.2	
	NO	Count	103	123	226
		Std. Residual	-4.2	6.1	
Total		Count	267	123	390

Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval	Pearson's R	.578	.028	13.959	.000 ^c
Ordinal by Ordinal	Spearman Correlation	.578	.028	13.959	.000 ^c
N of Valid Cases		390			

The symmetric measures show that the relationship between the dependent and independent variables are significant. This is seen when the error of significance 0.028 is less than 0.05.

(g) Have you been using it? * Have you ever witnessed any fraudulent attitude when making use your ATM, POS, Mobile Money, and Internet banking due to lack of knowledge?

Crosstab

			Have you ever witnessed any fraudulent attitude when making use your ATM, POS, Mobile Money, and Internet banking due to lack of knowledge?		Total
			YES	NO	
Have you been using it?	YES	Count	161	3	164
		Std. Residual	11.3	-9.5	
	NO	Count	0	226	226
		Std. Residual	-9.7	8.1	
Total		Count	161	229	390

Symmetric measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval	Pearson's R	.984	.009	109.847	.000 ^c
Ordinal by Ordinal	Spearman Correlation	.984	.009	109.847	.000 ^c
N of Valid Cases		390			

The symmetric measures show that the relationship between the dependent and independent variables are significant. This is seen when the error of significance 0.009 is less than 0.05.

(h) Have you been using it? * If yes, did your bank take any step in enlightening you more in order to avoid any future occurrence?

Crosstab

			If yes, did your bank take any step in enlightening you more in order to avoid any future occurrence?		Total
			YES	NO	
Have you been using it?	YES	Count	68	96	164
		Std. Residual	7.4	-3.4	
	NO	Count	0	226	226
		Std. Residual	-6.3	2.9	
Total		Count	68	322	390

Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval	Pearson's R	.539	.031	12.620	.000 ^c
Ordinal by Ordinal	Spearman Correlation	.539	.031	12.620	.000 ^c
N of Valid Cases		390			

The symmetric measures show that the relationship between the dependent and independent variables are significant. This is seen when the error of significance 0.031 is less than 0.05.

(i) Have you ever seen an advert as regards the operation of ATM, POS, Mobile Money, Internet banking etc? (Accessibility to knowledge) * Do you see the cashless system as transparent in financial transaction?

Crosstab

			Do you see the cashless system as transparent in financial transaction?		Total
			YES	NO	
Have you ever seen an advert as regards the operation of ATM, POS, Mobile Money, Internet banking etc? (accessibility to knowledge)	YES	Count	42	0	42
		Std. Residual	7.3	-5.3	
	NO	Count	91	257	348
		Std. Residual	-2.5	1.8	
Total		Count	133	257	390

Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval	Pearson's R	.483	.035	10.863	.000 ^c
Ordinal by Ordinal	Spearman Correlation	.483	.035	10.863	.000 ^c
N of Valid Cases		390			

The symmetric measures show that the relationship between the dependent and independent variables are significant. This is seen when the error of significance 0.035 is less than 0.05.

(J) Have you ever seen an advert as regards the operation of ATM, POS, Mobile Money, Internet banking etc? (Accessibility to knowledge) * Is fear of fraud a factor affecting you from utilizing the opportunity availed by cashless system?

Crosstab

			Is fear of fraud a factor affecting you from utilizing the opportunity availed by cashless system?		Total
			YES	NO	
Have you ever seen an advert as regards the operation of ATM, POS, Mobile Money, Internet banking etc? (accessibility to knowledge)	YES	Count	42	0	42
		Std. Residual	2.5	-3.6	
	NO	Count	225	123	348
		Std. Residual	-.9	1.3	
Total		Count	267	123	390

Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval	Pearson's R	.236	.020	4.779	.000 ^c
Ordinal by Ordinal	Spearman Correlation	.236	.020	4.779	.000 ^c
N of Valid Cases		390			

The symmetric measures show that the relationship between the dependent and independent variables are significant. This is seen when the error of significance 0.020 is less than 0.05.

(k) Have you ever seen an advert as regards the operation of ATM, POS, Mobile Money, Internet banking etc? (Accessibility to knowledge) * Have you ever witnessed any fraudulent attitude when making use your ATM, POS, Mobile Money, and Internet banking due to lack of knowledge?

Crosstab

			Have you ever witnessed any fraudulent attitude when making use your ATM, POS, Mobile Money, and Internet banking due to lack of knowledge?		Total
			YES	NO	
Have you ever seen an advert as regards the operation of ATM, POS, Mobile Money, Internet banking etc? (accessibility to knowledge)	YES	Count	42	0	42
		Std. Residual	5.9	-5.0	
	NO	Count	119	229	348
		Std. Residual	-2.1	1.7	
Total		Count	161	229	390

Symmetric Measures

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval Pearson's R	.414	.032	8.967	.000 ^c
Ordinal by Ordinal Spearman Correlation	.414	.032	8.967	.000 ^c
N of Valid Cases	390			

The symmetric measures show that the relationship between the dependent and independent variables are significant. This is seen when the error of significance 0.032 is less than 0.05. Also, the approximate significance is 0.000 showing a very good sign.

(m) Have you ever seen an advert as regards the operation of ATM, POS, Mobile Money, Internet banking etc? (Accessibility to knowledge) * If yes, did your bank take any step in enlightening you more in order to avoid any future occurrence?

Crosstab

			If yes, did your bank take any step in enlightening you more in order to avoid any future occurrence?		Total
			YES	NO	
Have you ever seen an advert as regards the operation of ATM, POS, Mobile Money, Internet banking etc? (accessibility to knowledge)	YES	Count	42	0	42
		Std. Residual	12.8	-5.9	
	NO	Count	26	322	348
		Std. Residual	-4.5	2.0	
Total		Count	68	322	390

Symmetric Measures

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval Pearson's R	.756	.041	22.748	.000 ^c
Ordinal by Ordinal Spearman Correlation	.756	.041	22.748	.000 ^c
N of Valid Cases	390			

The symmetric measures show that the relationship between the dependent and independent variables are significant. This is seen when the error of significance 0.041 is less than 0.05.

(n) Have you been approached by your banks explaining how this operations could be done/occurred? * Do you see the cashless system as transparent in financial transaction?

Crosstab

			Do you see the cashless system as transparent in financial transaction?		Total
			YES	NO	
Have you been approached by your banks explaining how this operations could be done/occur?	YES	Count	133	56	189
		Std. Residual	8.5	-6.1	
	NO	Count	0	201	201
		Std. Residual	-8.3	6.0	
Total		Count	133	257	390

Symmetric Measures

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval Pearson's R	.742	.028	21.793	.000 ^c
Ordinal by Ordinal Spearman Correlation	.742	.028	21.793	.000 ^c
N of Valid Cases	390			

The symmetric measures show that the relationship between the dependent and independent variables are significant. This is seen when the error of significance 0.028 is less than 0.05.

(o) Have you been approached by your banks explaining how this operations could be done/occurred? * Is fear of fraud a factor affecting you from utilizing the opportunity availed by cashless system?

Crosstab

		Is fear of fraud a factor affecting you from utilizing the opportunity availed by cashless system?		Total
		YES	NO	
Have you been approached by your banks explaining how this operations could be done/occur?	YES	Count 189	0	189
		Std. Residual 5.2	-7.7	
NO		Count 78	123	201
		Std. Residual -5.1	7.5	
Total		Count 267	123	390

Symmetric Measures

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval Pearson's R	.658	.029	17.219	.000 ^c
Ordinal by Ordinal Spearman Correlation	.658	.029	17.219	.000 ^c
N of Valid Cases	390			

The symmetric measures show that the relationship between the dependent and independent variables are significant. This is seen when the error of significance 0.029 is less than 0.05.

(p)Have you been approached by your banks explaining how this operations could be done/occurred? * Have you ever witnessed any fraudulent attitude when making use your ATM, POS, Mobile Money, and Internet banking due to lack of knowledge?

Crosstab

		Have you ever witnessed any fraudulent attitude when making use your ATM, POS, Mobile Money, and Internet banking due to lack of knowledge?		Total
		YES	NO	
Have you been approached by your banks explaining how this operations could be done/occur?	YES	Count 161	28	189
		Std. Residual 9.4	-7.9	
NO		Count 0	201	201
		Std. Residual -9.1	7.6	
Total		Count 161	229	390

Symmetric Measures

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval Pearson's R	.865	.023	33.909	.000 ^c
Ordinal by Ordinal Spearman Correlation	.865	.023	33.909	.000 ^c
N of Valid Cases	390			

The symmetric Measures show that the relationship between the dependent and independent variables are significant. This is seen when the error of significance 0.023 is less than 0.05.

(q) Have you been approached by your banks explaining how this operations could be done/occur? * If yes, did your bank take any step in enlightening you more in order to avoid any future occurrence?

Crosstab

			If yes, did your bank take any step in enlightening you more in order to avoid any future occurrence?		Total
			YES	NO	
Have you been approached by your banks explaining how this operations could be done/occur?	YES	Count	68	121	189
		Std. Residual	6.1	-2.8	
	NO	Count	0	201	201
		Std. Residual	-5.9	2.7	
Total	Count	68	322	390	

Symmetric Measures

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval Pearson's R	.474	.029	10.601	.000 ^c
Ordinal by Ordinal Spearman Correlation	.474	.029	10.601	.000 ^c
N of Valid Cases	390			

The symmetric measures show that the relationship between the dependent and independent variables are significant. This is seen when the error of significance 0.029 is less than 0.05.

(r) Since the inception of the cashless system, have your daily transactions been more efficient? * Do you see the cashless system as transparent in financial transaction?

Crosstab

			Do you see the cashless system as transparent in financial transaction?		Total
			YES	NO	
Since the inception of the cashless system, have your daily transactions been more efficient?	YES	Count	133	21	154
		Std. Residual	11.1	-8.0	
	NO	Count	0	236	236
		Std. Residual	-9.0	6.5	
Total	Count	133	257	390	

Symmetric Measures

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval Pearson's R	.891	.022	38.562	.000 ^c
Ordinal by Ordinal Spearman Correlation	.891	.022	38.562	.000 ^c
N of Valid Cases	390			

The symmetric measures show that the relationship between the dependent and independent variables is significant. This is seen when the error of significance 0.022 is less than 0.05.

6. DISCUSSION OF FINDINGS

From the above analysis, it shows that most of our participants are aware that ATM, POS, Internet banking etc. exist but lack the knowledge on how to use it. It is also observed that many of them have not been approached by the banks explaining how these operations could be used in other to enlighten them better.

The result also shows that majority of the participants are of the opinion that cashless system do not make their transactions fast and hence limits them from achieving their daily aim.

This therefore, proves the hypothesis of this study which states that financial illiteracy has a negative impact on the utilization of the cashless system in Nigeria.

7. RECOMMENDATIONS

Based on the findings, we hereby recommend the following:-

1. CBN needs to increase mass education/enlightenment on finance management so that people can achieve the most from the latest development in the cashless system. If they cannot go in directly, they can also do that through educational institutions by funding them enlighten the masses.
2. The government and CBN can also use massive advertisement of the operations of the cashless system in order to improve and make the cashless policy work more efficiently and effectively.
3. The government and CBN are advised if possible to put it in the school curriculum to enable the young ones grasp the knowledge easily.

8. CONCLUSION

This study analyzed the impact of financial illiteracy on the cashless policy system in the life of many Nigerians, using Lagos State as a case study. The study used Lagos state as its case study because the cashless system was first practiced there. It was found that the initial hypothesis - *financial illiteracy has a negative impact on the utilization of the cashless system in Nigeria*, was right after all. Given that this is the case, the study argues for massive enlightenment so as to encourage the massive utilization of the cashless system in Nigeria.

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