



Financial Technology and Credit Accessibility of Small and Medium Scale Enterprise in Lagos State Nigeria.

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Abstract

Small and Medium Enterprises (SMEs) play a crucial role in economic growth, employment generation, and poverty alleviation. However, access to credit remains a major challenge for SMEs in Lagos State, Nigeria, as traditional banks impose stringent lending conditions that limit financial accessibility. This study examines the impact of Financial Technology (FinTech) on SME credit accessibility, focusing on online lending platforms, peer-to-peer (P2P) lending, and mobile banking. A cross-sectional survey approach was employed using a structured questionnaire, targeting owner-managers of selected SMEs in Lagos State registered with the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), totaling 42,067. A multistage sampling method, combining stratified and random sampling techniques, classified SMEs into five strata based on Lagos divisions: Badagry, Epe, Ikeja, Ikorodu, and Lagos Island, from which a proportional sample of 396 respondents was drawn. Data analysis using regression analysis in SPSS revealed that online lending platforms significantly enhance SME funding ($p = 0.000$), P2P lending has a strong positive relationship with SME credit availability ($p = 0.000$), and mobile banking substantially improves SME transaction processes and payment efficiency ($p = 0.000$). The study concludes that FinTech innovations play a transformative role in bridging the SME credit gap, fostering financial inclusion, and enhancing business efficiency. It recommends that government agencies and financial regulators establish clear policies to regulate online lending, implement stronger security measures for P2P lending, and expand mobile banking infrastructure to support SME growth.

Keywords: FinTech, SMEs, Online Lending Platforms, Peer-to-Peer Lending, Mobile Banking, Credit Accessibility.

1.1 Introduction

Small and Medium Enterprises (SMEs) are vital to most economies, driving job creation, innovation, and growth. In Nigeria, they contribute around 48% to GDP and employ over 84% of the workforce (SMEDAN, 2021; NBS, 2021). Operating across sectors like agriculture, manufacturing, and services, SMEs support economic diversification and poverty reduction. Despite their impact, many operate informally and face challenges such as poor access to finance, infrastructure gaps, low financial literacy, and bureaucratic hurdles (Mohammed et al., 2022).

Access to credit remains a major barrier. Traditional banks impose high interest rates, complex requirements, and strict collateral demands (Berger & Udell, 2006). Only 2.9% of Nigerian adults access formal credit (EFInA, 2018), forcing many SMEs to rely on informal sources, which restricts their growth. Bridging this gap is crucial for sustainable development. Financial Technology (FinTech) is transforming SME access to financial services. It offers digital solutions mobile banking, peer-to-peer lending, digital payments, and AI-powered tools that simplify transactions, lower costs, and improve financial inclusion (Rao et al., 2016; Demirgüç-Kunt et al., 2015). Nigeria's FinTech sector, driven by mobile and internet

growth, has birthed platforms like Interswitch, Paystack, Flutterwave, and Paga. These platforms enable faster payments, alternative loans, and financial tools for SMEs without traditional banking barriers. However, FinTech adoption faces obstacles: regulatory uncertainty, cyber threats, financial illiteracy, and weak digital infrastructure (Ozili, 2018). Many SMEs remain unaware or skeptical of digital finance, while data security concerns deter usage. A fragmented regulatory landscape also hampers innovation and investment. Nevertheless, FinTech remains crucial for enhancing SME competitiveness and economic resilience. Addressing adoption barriers through better policies, cybersecurity, and education is key.

1.2 Statement of the Problem

SMEs are key to Nigeria's growth, especially in Lagos State, the country's commercial hub with the highest number of registered SMEs (SMEDAN, 2021). Yet, their growth is constrained by poor access to credit. Traditional banks demand high-interest rates and collateral, making finance inaccessible (Adebisi & Gbegi, 2021). This financial exclusion hinders expansion and innovation (CBN, 2020). FinTech offers alternatives mobile banking, P2P lending, and digital platforms that simplify lending and reduce costs (Ozili, 2018). Globally, FinTech improves access to finance through flexible and efficient models (Fuster et al., 2019). However, in Lagos, adoption remains limited due to digital illiteracy, cybersecurity risks, weak regulations, and trust issues (Ejiro, 2020; Adedokun, 2022). There is also a lack of empirical evidence on FinTech's impact on SME credit access in the city, despite its strategic economic importance (EFInA, 2018). This study therefore examines how FinTech influences credit access for SMEs in Lagos State, identifies adoption challenges, and evaluates its effectiveness in closing the financing gap. Insights from this research will aid policymakers, financial institutions, and SME stakeholders in promoting financial inclusion and economic growth.

1.3 Objective of the Study

The main Objective of the study is to examine the influence of Financial Technology Adoption and Credibility Accessibility of Small and Medium Scale Enterprise in Lagos State, Nigeria. Other specific Objectives are to:

1. examine the effect of online lending platforms on SME funding in Lagos state, Nigeria
2. evaluate the relationship between peer-to-peer lending and SME credit availability in Lagos state, Nigeria
3. analyze the impact of mobile banking on SME transaction processes and payment efficiency in Lagos state, Nigeria

2.0 Literature Review

2.1 Financial Technology (FinTech)

Financial Technology (FinTech) refers to the use of computer programs and digital innovations to deliver financial services and improve banking operations (Schueffel, 2016). It involves the development of new business models, processes, products, and applications that significantly impact the financial services industry (Dorfleitner, Hornuf, & Weber, 2017a). FinTech innovation focuses on enhancing financial activities through technology, enabling both startups and established firms to offer or improve services traditionally provided by conventional financial institutions. FinTech companies operate across key market segments such as finance, asset management, and payments, leveraging technology to broaden access to financial services for both individuals and businesses (Kagan, 2024; Mlangi, 2019). These innovations facilitate new service delivery channels, often disrupting traditional systems through more efficient, user-friendly solutions in areas like money transfers and investment management (Truong, 2016). One of FinTech's key advantages is its ability to increase market efficiency while significantly reducing transaction

costs. It also represents the convergence of finance and information technology, merging digital platforms with financial service delivery (Kim et al., 2015; Lee & Kim, 2015).

2.1.2 Dimensions of Financial Technology for SMEs

2.1.2.1 Online lending platforms

Online lending platforms, a form of FinTech, connect borrowers and lenders directly, offering fast and accessible credit without traditional banking intermediaries (Mills & McCarthy, 2017). These platforms, including peer-to-peer (P2P) lending, help SMEs overcome barriers such as high collateral demands and bureaucratic loan processes (Berger & Udell, 2006). By lowering transaction costs and providing flexible repayment terms, they support SME growth particularly in areas like Abeokuta South Local Government in Nigeria. Despite their benefits, adoption is hindered by regulatory uncertainty, cybersecurity risks, and low financial literacy (EFInA, 2018). Challenges like limited awareness, trust issues, and eligibility constraints further affect usage (Adedokun, 2022), while concerns about loan defaults and platform sustainability persist (Ozili, 2018). For these platforms to reach their full potential, Nigeria needs stronger regulatory frameworks, targeted financial literacy programs, and supportive policies to help SMEs fully leverage online lending for financial growth and competitiveness.

2.1.2.2 Peer-to-peer (P2P)

Peer-to-peer (P2P) lending is a FinTech-driven model that directly connects borrowers and lenders through online platforms, bypassing traditional banks (Zhang & Liu, 2012). It offers SMEs alternative access to credit, addressing funding constraints by eliminating collateral and bureaucratic hurdles (Berger & Udell, 2006). Digital innovation has fueled the expansion of P2P lending, enhancing financial inclusion and accessibility (Zhang et al., 2020). Despite its advantages such as lower transaction costs and improved capital access (Fuster et al., 2019) adoption remains limited in areas like Abeokuta South, Ogun State due to low digital literacy, regulatory gaps, cybersecurity risks, and trust issues (Adedokun, 2022; Ejoro, 2020). Furthermore, concerns around loan defaults, platform credibility, and borrower screening persist (Ozili, 2018). Realizing the full benefits of P2P lending in Nigeria will require robust financial literacy initiatives, clear regulatory policies, and effective risk management—necessitating collaboration among regulators, financial institutions, and FinTech companies.

2.1.2.1 Mobile banking

Mobile banking involves using mobile devices to access financial services, conduct transactions, and manage accounts remotely, promoting convenience and financial inclusion (Shaikh & Karjaluoto, 2015). It has transformed SME operations by enabling real-time financial management, improving payment efficiency, and reducing reliance on traditional banks (Demirgüç-Kunt et al., 2018). In Abeokuta South, where SMEs are prevalent, mobile banking has enhanced cash flow management and minimized the need for physical banking infrastructure (EFInA, 2018). Tools such as mobile money, QR payments, and electronic fund transfers have further streamlined business processes (Ozili, 2018). Despite its benefits, adoption is hindered by network instability, cybersecurity concerns, and low financial literacy (Adedokun, 2022). Mobile banking improves payment tracking and reduces cash dependence, while features like instant alerts and digital invoicing promote transparency and record-keeping (Fuster et al., 2019; Mills & McCarthy, 2017). Yet, SMEs in Lagos State continue to face service inconsistencies, fraud risks, and regulatory hurdles (EFInA, 2018). To maximize its potential, Nigeria must strengthen digital infrastructure, enforce cybersecurity, and implement targeted financial literacy initiatives to support SME growth and efficiency through mobile banking.

2.1.3 Small and Medium Enterprises (SMEs) in Nigeria

In Nigeria, the term "SME" has no set definition and varies from institution to institution and over time. Although different organizations and institutions in Nigeria have classified SMEs differently over time, fixed assets, gross output, and the number of employees are similar metrics in all definitions (Olubiyi, 2022; Bouazza, Ardjouman, & Abada, 2015).

Table 1. Classification Adopted by SAMDAN for National Policy on MSMEs

S/N	Size Category	Employment	Assets (N million) (excluding land and buildings)
1	Micro enterprises	Less than 10	Less than 5
2	Small enterprises	10-49	5 – less than 50
3	Medium enterprises	50-199	50 – less than 500

Source: Small and Medium Enterprises Development Agency of Nigeria (SMEDAN)

SMEs play a critical role in global economic development, serving as drivers of industrialization, modernization, job creation, and income generation (Obinna, 2022; Al-Tayyar et al., 2021). Defined by size 10–49 employees for small, 50–199 for medium they are essential to both developed and developing economies. In Nigeria, SMEs account for 96% of all businesses, 84% of employment, and contribute nearly 50% of GDP (PwC, 2021). Beyond economic impact, they foster technical and managerial skills, improve living standards, and support inclusive growth (Ledwaba et al., 2019). Their performance is key to achieving sustainable economic and social advancement.

2.1.4 Financial Technology and Credit Accessibility of Small and Medium-Scale Enterprises

Financial Technology (FinTech) enhances credit access for Small and Medium Enterprises (SMEs) by addressing traditional banking barriers such as collateral demands, lengthy approvals, and limited credit histories (Berger & Udell, 2006). It offers alternative financing options—digital banking, P2P lending, blockchain, and AI-based credit scoring that streamline lending processes (Arner et al., 2016). FinTech platforms use data analytics to assess creditworthiness through transaction records and online activity, enabling underserved SMEs to secure funding (Jagtiani & Lemieux, 2018). Mobile banking and digital payments improve financial inclusion, while DeFi and crowdfunding offer flexible, accessible financing (Ozili, 2018; Chen et al., 2022). By adopting FinTech, SMEs improve cash flow, access working capital, and drive growth (Zavolokina et al., 2016). To sustain these benefits, strong regulation and cybersecurity are essential (Gomber et al., 2017). FinTech and SMEs thus form a mutually beneficial relationship expanding financial access and economic opportunities.

2.2 Theoretical Review

The study is under pinned by Technology Acceptance Model by Davis (1985). The Technology Acceptance Model (TAM), developed by Davis (1985), serves as the theoretical foundation for this study. It explains how users adopt new technologies based on two main constructs: Perceived Usefulness (PU) and Perceived Ease of Use (PEOU) (Rauniar et al., 2014). PU refers to the extent to which a user believes a technology enhances performance, while PEOU reflects the perceived effortlessness of its use (Cheung & Thadani, 2012). TAM assumes voluntary behavior and does not consider external constraints like lack of funds (Loh, 2011). TAM is particularly relevant in understanding the adoption of FinTech solutions—such as mobile banking and AI-driven credit tools—among SMEs. By assessing PU and PEOU, TAM helps explain how these technologies lower financial barriers and improve credit access. FinTech providers and policymakers use TAM insights to enhance user experience and develop supportive regulations. As digital finance evolves, TAM remains vital for advancing financial inclusion and SME empowerment.

2.3 Empirical Review

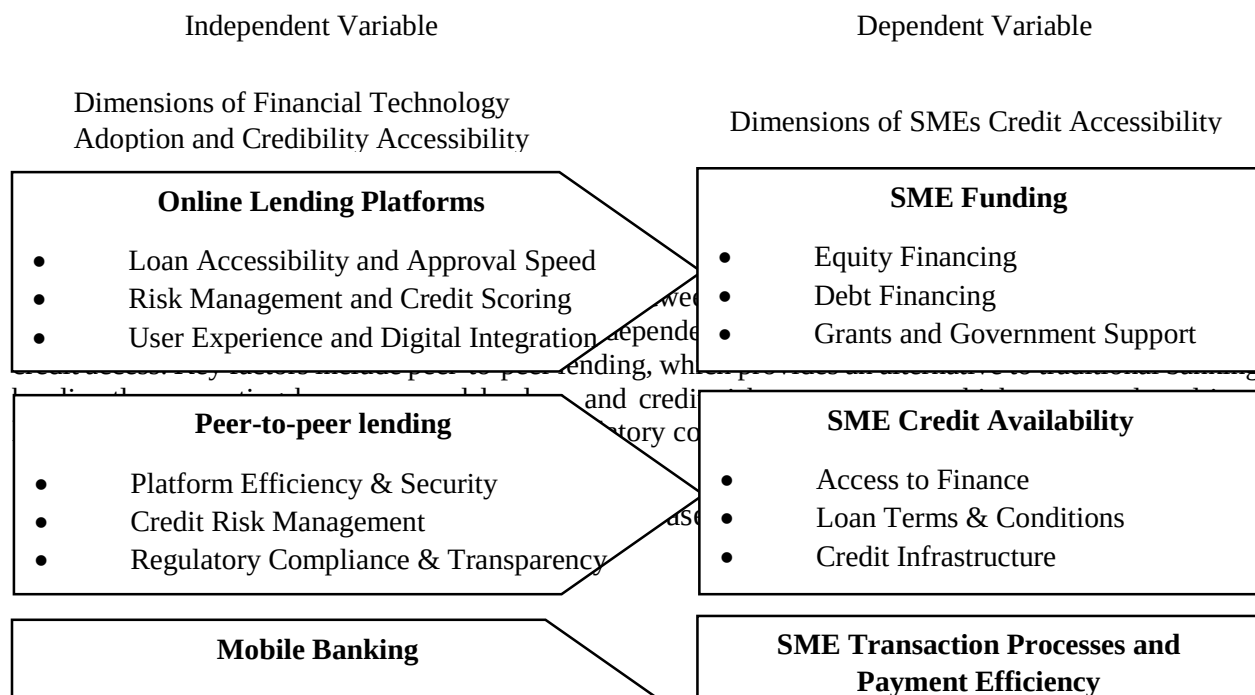
A study by Gopal and Schnabl (2022) analyzed the impact of online lending on SME access to credit in India. The study found that FinTech-based lending platforms, including mobile banking and peer-to-peer (P2P) platforms, improved the financing opportunities for SMEs, particularly in rural areas where traditional banks were scarce. The study outlined that digital lenders utilized alternative credit scoring techniques, such as payments by suppliers and transaction records, in determining whether to approve the loan or not. The primary impediments quoted against complete adoption, however, were regulatory uncertainty as well as cybersecurity threats. The study reasoned that FinTech would significantly bridge the gap in funding in SMEs in developing economies, if regulatory frameworks were strengthened.

A study by Jagtiani and Lemieux (2016) examined the role of alternative data and machine learning in FinTech lending in the US. Using Lending Club data, the study showed that FinTech lenders significantly increased credit availability to SMEs with inferior or non-existent traditional credit history. Compared to traditional banks, FinTech platforms utilized real-time transactional information and AI-powered credit scores, reducing processing time and default risk. The findings reveal that FinTech lending fosters financial inclusion by providing small businesses with faster and more convenient funding solutions, hence catalyzing business growth and employment prospects in the U.S. economy.

A study by Odetayo and Oluwaseun (2021) investigated the influence of FinTech solutions on access to credit for Nigerian SMEs. Based on the study that employed data from 250 SMEs interviewed, online lending platforms like Renmoney, Carbon, and FairMoney provided faster, collateral-free credit compared to traditional banks. The study reported that Perceived Usefulness (PU) and Perceived Ease of Use (PEOU) established in the Technology Acceptance Model (TAM) determined SMEs' adoption of FinTech services. The study reported that while FinTech improved financial inclusion, limitations like interest rates and regulatory barriers limited extensive adoption.

A study by Nwankwo and Eze (2022) was interested in the impact of mobile money services on the financial growth of Nigerian SMEs. The research used secondary data from the Central Bank of Nigeria (CBN) and found that SMEs using mobile money platforms such as Opay and Paga had increased access to micro-loans as well as better cash flow management. The study revealed that FinTech had reduced reliance on non-formal sources of lending, thus making credit more formalized and accessible. Low digital literacy and cybersecurity concerns were, however, cited as significant constraints limiting mass adoption. The study recommended policy reforms to enhance security and trust in FinTech products.

CONCEPTUAL FRAMEWORK



financial services, encouraging wider adoption. Mobile banking enhances accessibility, security, and efficiency in financial transactions, while transaction efficiency and payment systems improve financial management and streamline loan processes. Collectively, these fintech innovations reduce financial barriers, enhance SME credit availability, and foster a more stable credit infrastructure.

3.0 Methodology

This study uses a cross-sectional survey approach with the aid of a constructed questionnaire. The population under research consists of owner-managers of the chosen SMEs in Lagos State who are all registered with the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN). This study looks at the connection between SMEs' access to finance and financial technologies. Lagos State, which is Nigeria's commercial center, was chosen because it is cosmopolitan and has the country's largest density of SMEs (Ajayi, 2010; Akande & Ojukutu, 2008; Olubiyi et al., 2019). For a total of 42,067 SMEs, Lagos State is divided into five administrative zones: Ikorodu (9,120), Epe (7,260), Ikeja (8,346), Badagry (6,562), and Lagos Island (10,779) (SMEDAN, 2021).

A combination of stratified and random sampling approaches was used in a multistage sampling procedure. According to the divisions, the SMEs in Lagos were categorized into five strata: Lagos Island, Epe, Ikeja, Ikorodu, and Badagry. In order to guarantee representativeness, a proportionate sample was subsequently taken from each stratum. In this way, the research uses the multi-stage strategy to adopt a representative group of SMEs operating in different parts of Lagos State. According to Olubiyi et al. (2019), all SMEs from the selected strata had an equal probability of being sampled using a basic random sampling technique.

Table 2. The Five Divisions of Lagos State with SMEs and proportionate numbers

S/N	Five Divisions in Lagos State	Population Size Per Division	Total Population	Sample Size	Proportionate Sample Size	Sample %
1	Ikorodu	9,120	42,067	396	86	21.72%
2	Epe	7,260			68	17.17%
3	Ikeja	8,346			79	19.95%
4	Badagry	6,562			62	15.66%
5	Lagos Island	10,779			101	25.51%
TOTAL			42,067	396	396	100%

Source: Researchers' compilation 2025.

The Table 2 provide an overview of how the sample size is distributed throughout the selected strata, where the respondents were selected by a straightforward random sampling procedure.

Table 3: List of Small Businesses by Divisions in Lagos State, Nigeria

Small Business Sector	Ikorodu	Badagry	Ikeja	Lagos Island	Epe	Total
Manufacturing	12	6	8	10	7	43
Real Estate	29	19	24	30	20	122
Agriculture	24	14	-	-	16	54
Service	21	23	47	61	25	177
Total	86	62	79	101	68	396

Source: Researcher's Compilation (2025).

Data Analysis

This chapter covered the analysis, interpretation, and application of the data gathered using the research instrument basically, the self-administered questionnaire to the testing of the study's hypotheses. Furthermore, the data analysis and findings from 384 registered SME owners in Lagos State are covered in this chapter.

Regression Analysis

Objective 1: To examine the effect of online lending platforms on SME funding in Lagos State Nigeria.

Table 4.1: Regression Table^a

Source	SS	Df	MS	No. of Obs. = 384
Regression	24.884	1	24.884	F (1, 382) = 169.535
Residual	19.522	382	0.147	Prob>F = 0.000
Total	44.406	383		R-Squared = 0.560
				Adj R-Squared = 0.557
				Root MSE = 0.749
FI	Coef	Std. Err.	T	P> t
Online	0.826	0.063	13.021	0.000
Lending				
Platforms				
SME Funding				
	0.456	0.218	2.093	0.038

a. Dependent Variable: SME Funding

b. Predictor: (Constant), Online Lending Platform

Online lending platforms account for roughly 56.0% of the variation in SME finance, according to the R-Squared value of 0.560. The model still explains 55.7% of the variance in SME funding after controlling for the number of predictors, according to the Adjusted R-Squared (0.557), which considers the degrees of freedom. This suggests a somewhat robust correlation between SME funding and internet lending platforms.

The F-statistic tests the overall significance of the regression model. A high F-value (169.535) and a p-value of 0.000 (less than 0.05) indicate that the model is highly significant and that online lending platforms have a statistically significant effect on SME funding.

The constant represents the predicted SME funding level when online lending platforms are absent (0 value). The coefficient value of 0.456 suggests that, even without online lending platforms, SMEs still receive some funding, though at a lower level. The p-value of 0.038 indicates that this constant is statistically significant ($p < 0.05$). The coefficient value of online lending platform which stands at 0.826 suggests that for every unit increase in online lending platform usage, SME funding increases by 0.826 units. This indicates that online lending platforms have a strong positive impact on SME funding.

Hypothesis I

H₀₁: Online lending platforms has no significant effect on SME funding in Lagos State Nigeria.

The regression table indicates that online lending platforms has a significant value of 0.000, which is less than the conventional threshold of 0.05. This suggests that online lending platforms has a statistically significant effect on SME funding. According to this result, alternate hypothesis is accepted. Hence, it is concluded that online lending platforms has significant effect on SME funding in Lagos State Nigeria

Objective 2: To evaluate the relationship between peer-to-peer lending and SME credit availability in Lagos State Nigeria.

Table 4.2: Regression Table^a

Source	SS	Df	MS	No. of Obs. = 384
Regression	27.208	1	27.208	F (1, 382) = 210.422
Residual	17.197	382	0.129	Prob>F = 0.000
Total	44.406	383		R-Squared = 0.613
				Adj R-Squared = 0.610
				Root MSE = 0.783
	Coef	Std. Err.	T	P> t
Peer-to-Peer Lending	0.845	0.058	14.665	0.000
SME Credit Availability	0.339	0.204	1.665	0.098

a. Dependent Variable: SME Credit Availability

b. Predictor: (Constant), Peer-to-Peer Lending

The above regression table revealed that the R-Squared value of 0.613 suggests that 61.3% of the variation in SME credit availability is explained by peer-to-peer lending. The Adjusted R-Squared (0.610) accounts for the degrees of freedom, showing that even after adjustments, 61.0% of the variability in SME credit availability is still explained by the model. This indicates a strong relationship between peer-to-peer lending and SME credit availability. The regression model's overall significance is gauged by the F-statistic. The model is extremely significant, as indicated by the high F-value (210.422) and p-value of 0.000, indicating that peer-to-peer lending significantly and statistically significantly affects the availability of credit for SMEs. The intercept represents SME credit availability when peer-to-peer lending is absent. A coefficient of 0.339 suggests that even without P2P lending, some level of SME credit availability exists. However, the p-value of 0.098 indicates that the intercept is not statistically significant ($p > 0.05$), meaning it may not be reliably different from zero. The Peer-to-Peer Lending coefficient value of 0.845 implies that for every unit increase in peer-to-peer lending, SME credit availability increases by 0.845 units. This suggests a strong and positive effect of P2P lending on SME credit availability.

Hypothesis II

H₀₂: there is no significant relationship between peer-to-peer lending and SME credit availability in Lagos State Nigeria

The above table indicated that peer-to-peer lending has a significant value of 0.000 which is less than 0.05 level of significance. This inferred that peer-to-peer lending has a statistically significant relationship with SME credit availability. Therefore, alternate hypothesis is accepted, and it is concluded that peer-to-peer lending has significant relationship with SME credit availability in Lagos State Nigeria.

objective 3: To analyze the impact of mobile banking on SME transaction processes and payment efficiency in Lagos State Nigeria.

Table 4.3: Regression Table^a

Source	SS	Df	MS	No. of Obs. = 384
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Regression	32.498	1	32.498	F (1, 382) = 362.987
Residual	11.908	382	.090	Prob>F = 0.000
Total	44.406	383		R-Squared = 0.732
				Adj R-Squared = 0.740
				Root MSE = 0.855
	Coef	Std. Err.	T	P> t
Mobile Banking	0.848	0.045	19.052	0.000
SME Transaction				
Processes and				
Payment Efficiency				
	0.469	0.149	3.150	0.002

a. Dependent Variable: SME Transaction Processes and Payment Efficiency

b. Predictor: (Constant), Mobile Banking

From the table, the R-Squared value of 0.732 indicates that 73.2% of the variation in SME transaction processes and payment efficiency is explained by mobile banking. The Adjusted R-Squared (0.740) remains high, suggesting that even after adjusting for additional predictors, mobile banking still explains a significant portion of the changes in SME transaction efficiency. This implies that mobile banking plays a crucial role in improving SME payment and transaction processes.

The F-statistic measures the overall fit of the model. A very high F-value (362.987) with a p-value of 0.000 confirms that the model is highly significant, indicating a strong relationship between mobile banking and SME transaction/payment efficiency.

A coefficient of 0.469 suggests that, even without mobile banking, SMEs still achieve some level of transaction efficiency. The p-value (0.002) indicates that the constant is statistically significant, meaning that even in the absence of mobile banking, SME transaction efficiency is still positively influenced by other factors. Mobile Banking coefficient (0.848) suggests that for every unit increase in mobile banking usage, SME transaction efficiency improves by 0.848 units. This indicates that mobile banking has a strong and positive impact on SME transaction efficiency.

Hypothesis III

H₀₃: mobile banking has no significant impact on SME transaction processes and payment efficiency in Lagos State Nigeria

The regression table also indicates that mobile banking has a significant value of 0.000, which is less than the conventional threshold of 0.05. This suggests that mobile banking has statistically significant impact on SME transaction processes and payment efficiency. According to the findings, alternate hypothesis is accepted. Therefore, it is concluded that mobile banking has significant impact on SME transaction processes and payment efficiency in Lagos State Nigeria.

Discussion of Results

This study examined how FinTech enhances SME credit access in Lagos State, Nigeria. The findings show that online lending platforms significantly support SME financing, offering flexible alternatives to traditional banks. This aligns with Gopal and Schnabl (2022) and Odetayo and Oluwaseun (2021), who found that FinTech lenders improve access to credit through faster, collateral-free loans. However, Alemayehu and Tesfaye (2020) reported low adoption in Ethiopia due to infrastructure gaps and trust issues.

The study also found a positive link between peer-to-peer (P2P) lending and SME credit availability, confirming its role as an alternative financing channel. This supports the findings of Jagtiani and Lemieux (2016) and David et al. (2018), though Ozili (2018) warns of risks like defaults and lack of regulation that may hinder long-term sustainability.

Finally, mobile banking was shown to significantly enhance transaction speed and efficiency. This agrees with Nwankwo and Eze (2022), who found that platforms like Opay improved cash flow and payments. However, Adedokun (2022) highlighted issues such as digital literacy and service reliability as barriers to adoption.

5.0 Conclusion and Recommendations

5.1 Conclusion

In conclusion, the study affirms that FinTech innovations specifically online lending platforms, peer-to-peer (P2P) lending, and mobile banking play a significant role in enhancing credit accessibility and operational efficiency for SMEs in Lagos State, Nigeria. The findings demonstrate that online lending platforms provide viable, accessible alternatives to traditional bank loans, thereby promoting financial inclusion. P2P lending further strengthens SME access to credit by offering more flexible financing options, though it requires ongoing innovation and regulatory oversight to address risks. Mobile banking emerges as a vital tool for improving transaction speed, financial management, and overall business efficiency. Collectively, these FinTech solutions not only support SME growth but also underscore the need for policy frameworks that enhance digital infrastructure, security, and financial literacy. As supported by prior studies, embracing these technologies is essential for sustaining SME development and fostering inclusive economic growth in Nigeria and other developing economies.

5.2 Recommendations

Based on the findings and conclusions of this study, the following recommendations were made for SME owners in Lagos state:

- ✓ The government and financial regulators should establish clear policies to regulate online lending, ensuring transparency, fair interest rates, and responsible lending, while also promoting digital financial literacy among SMEs.
- ✓ Stronger security measures and alternative credit scoring models should be implemented on P2P lending platforms to reduce fraud risks and expand SME access to credit, while incentives should be provided to attract more investors.
- ✓ Financial institutions should promote SME-friendly digital banking solutions, strengthen cybersecurity measures, and expand mobile banking infrastructure to ensure safe, seamless, and inclusive financial transactions that promotes SMEs Credit Accessibility, growth and expansions.

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