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**DETERMINANTS OF NEO BANKING ADOPTION AND ITS  
IMPACT ON FINANCIAL WELL-BEING: AN APPLICATION OF  
THE TECHNOLOGY ACCEPTANCE MODEL**

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Keywords	Abstract
<p><i>Neo Banking,</i> <i>Fintech,</i> <i>Technology Acceptance Model (TAM).</i></p>	<p>The fast growth of financial technology has changed the traditional banking environment and introduced the concept of neo banking as a convenient and efficient digital alternative. This research aims to investigate the factors that affect the use of neo banking and determine its role in financial well-being. The research design is a quantitative research design based on Structural Equation Modeling (SEM). The results indicate that perceived ease of use, perceived usefulness, and trust are significant predictors of neo banking adoption with ease of use being the most significant predictor and adoption</p>



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	itself having a significant positive effect on financial well-being. The research has significant social implications as it shows that the more the neo banking is adopted, the more financial literacy, better financial decision making and general financial empowerment among educated professionals.
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## 1.Introduction

Financial technology has transformed the banking industry, and as a result, neo banking emerged as a completely digital banking system that does not require physical branches. Neo banks provide a broad scope of financial services via mobile and online platforms, which guarantee the convenience, speed, and cost-efficiency. Neo banking is fast becoming a part of the contemporary financial ecosystems in a developing economy such as India where digital adoption is growing at a rapid pace. Senior college teachers are a significant segment among other professional groups because of their relatively high educational level, financial awareness, and impact on society. Their use of digital financial services does not only indicate personal financial behavior but also leads to the overall adoption of fintech innovations (Davis, 1989; Venkatesh et al., 2003). Moreover, the increasing focus on digital financial inclusion and government-based programs like Digital India have further enhanced the adoption of technology-based banking solutions. The recent post-pandemic trend of contactless transactions has also validated the applicability of neo banking in the provision of continuity in financial services. With these developments, however, there are still issues of cybersecurity, insufficient personal interaction, and technological change aversion, especially among some classes of users. According to previous research, trust and perceived risk have a strong impact on the use of digital financial services, particularly online banking setting (Gefen et al., 2003; Kim et al., 2009). In this regard, the study of the adoption behavior of older college teachers is even more significant, since their acceptance can help to fill the gap between technological innovation and practical application. The aim of the study is to analyze the factors that affect the adoption of neo banking and how it affects the financial well-being of the senior college teachers. Based on the Technology Acceptance Model (TAM) and trust-based attitudes, the paper will refer to perceived ease of use, perceived usefulness, and trust as the primary drivers of adoption. Perceived ease of use is the level of the belief that a person has that the use of the neo banking services would not be accompanied with any effort, whereas perceived usefulness is the level of the belief that the services could contribute to the financial efficiency and decision making processes (Davis, 1989). Trust, conversely, is a decisive factor in the digital financial ecosystem, where issues of data security, privacy, and reliability tend to affect the behavior of users. An outcome variable, financial well-being is the capacity of an individual to make good use of financial resources, future planning, and attain financial security, which gets more and more associated with the use of digital financial tools (CFPB, 2015).



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## 2. Literature Review

- 2.1 Birla, A. & Arya, S. (2024)** analyzed in their research study about examining factors which influences adoption of the services of Neo Banking in India, specifically focusing on customer trust, convenience factors, demographic features, as well as it's role to promote financial empowerment. The results derived from the research indicates convenience factors having significant influence over the intentions of the customers in adopting Neo banking for financial empowerment, it also indicates further that perceived service quality & trust also plays an essential part to enhance the adoption rates and satisfaction among the customers.
- 2.2 Gupta, P. & Srivastava, S. (2025)** conveyed in their research study of reviewing and analyzing important factors which impacts the attitude of the customers towards neo-banking applications. The research identified customer support system, web features, easeof use, overall usefulness of the application, and privacy and security concerns with regards to Neo-Banks. The findings indicated customer support system and security to be the main customer concerns with respect to Neo Banking.
- 2.3 Shabu, K. & Ramankutty, V. (2022)** determined in their research study about the scope and importance of Neo-banking in India as well as listing down the opportunities as well as the challenges from the customer's point of view. The findings derived from the research indicates higher favourable response and approach from the users of Neo-banking applications.
- 2.4 Kumar, J., Rani, V., et al. (2025)** examined in the research the factors which impacts the quality of services of AI-enabled Neo-banking applications and it's effect on customer trust, customer loyalty, and online brand experience in a rising economy such as India. The findings derived from the research indicates customer trust and online brand experience impacts the loyalty of the customers substantially and whereas on the other hand, perceived risk impacts insignificantly.
- 2.5 Mogaji, E. (2023)** described in their research study about the changing banking landscape and the effect of advancements in technology which is important for banks in navigating the opportunities as well as challenges which are presented by digital transformation and Fintech. The findings derived from the research indicates Traditionally Driven Neo Banks (TDNB) represents hybrid model which combines the brand trust & infrastructure of traditional banks with digital agility & capabilities of Neo Banks. On the other hand, Digitally Driven Neo-Banks



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(DDNB) represents pure digital banks which operates extensively through online platforms, which offers innovative as well as user-friendly banking services.

**2.6 Taneja, S., Ali, L., et al. (2024)** investigated in their research study the antecedents towards intention of the customer in adopting digital-only (Neo) banks on the basis of their experience of adoption with current platforms for making digital payments. The findings derived from the research indicates that behavioral intention for adopting digital-only (Neo) banks is impacted through hedonic motivation, effort expectancy, social influence, and performance expectancy, and also trust, attitude, perceived security, green concern, and perceived risk.

**2.7 Singh, D., Malik, G., et al. (2025)** identified in their research study by applying Behavioral Reasoning Theory (BRT) for investigating factors which determine the adoption of Neo Banking. The findings derived from the research indicates the intention to adopt is strongly impacted by Neo banks accessibility as well as cost saving linked with the services of a Neo bank. The finding reveals moderating role of trust & self-efficacy in link among intention, attitude, and reasons for adopting.

**2.8 Raju, M. (2025)** highlighted in their research study the manner in which the Neo Banks have introduced and implemented innovation for improving the experiences of their customers and in increasing financial inclusion. The research gives stakeholders insights related to navigation of such a dynamic sector through presentation of a complete picture about the changing financial landscape of India. It helps in demonstrating need for regulatory adaptation and technological integration for shaping India's banking future.

### 3. Research Methodology

The research design of the study is quantitative research design to investigate the determinants of neo banking adoption and its effect on financial well-being empirically. A structured questionnaire based on validated scales in the existing literature was used to collect primary data, which guaranteed reliability and content validity. The survey was conducted to 212 senior college faculty members who were sampled through non-probability sampling method based on accessibility and importance to the study objectives. The data collected were analyzed with SmartPLS software with Structural Equation Modeling (SEM) to evaluate the measurement and structural models. This



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method allowed testing the construct reliability, construct validity, and the proposed relationships between the constructs.

#### 4. Data analysis

**Table No: 1 Reliability and Validity**

Construct	Cronbach's Alpha	Composite Reliability	AVE
Financial Well-Being	0.836	0.837	0.632
Neo Banking Adoption	0.832	0.833	0.625
Perceived Ease of Use	0.890	0.890	0.730
Perceived Usefulness	0.823	0.825	0.612
Trust in Neo Banking	0.846	0.847	0.651

All constructs demonstrate satisfactory reliability and validity. Cronbach's Alpha and Composite Reliability values exceed the threshold of 0.70, confirming internal consistency, while AVE values are above 0.50, establishing convergent validity. Overall, the measurement model is reliable and suitable for further analysis.

**Table No: 2 Discriminant Validity**

Construct	Financial Well-Being	Neo Banking Adoption	Perceived Ease of Use	Perceived Usefulness	Trust in Neo Banking
Financial Well-Being	0.795				
Neo Banking Adoption	0.721	0.791			
Perceived	0.713	0.784	0.855		

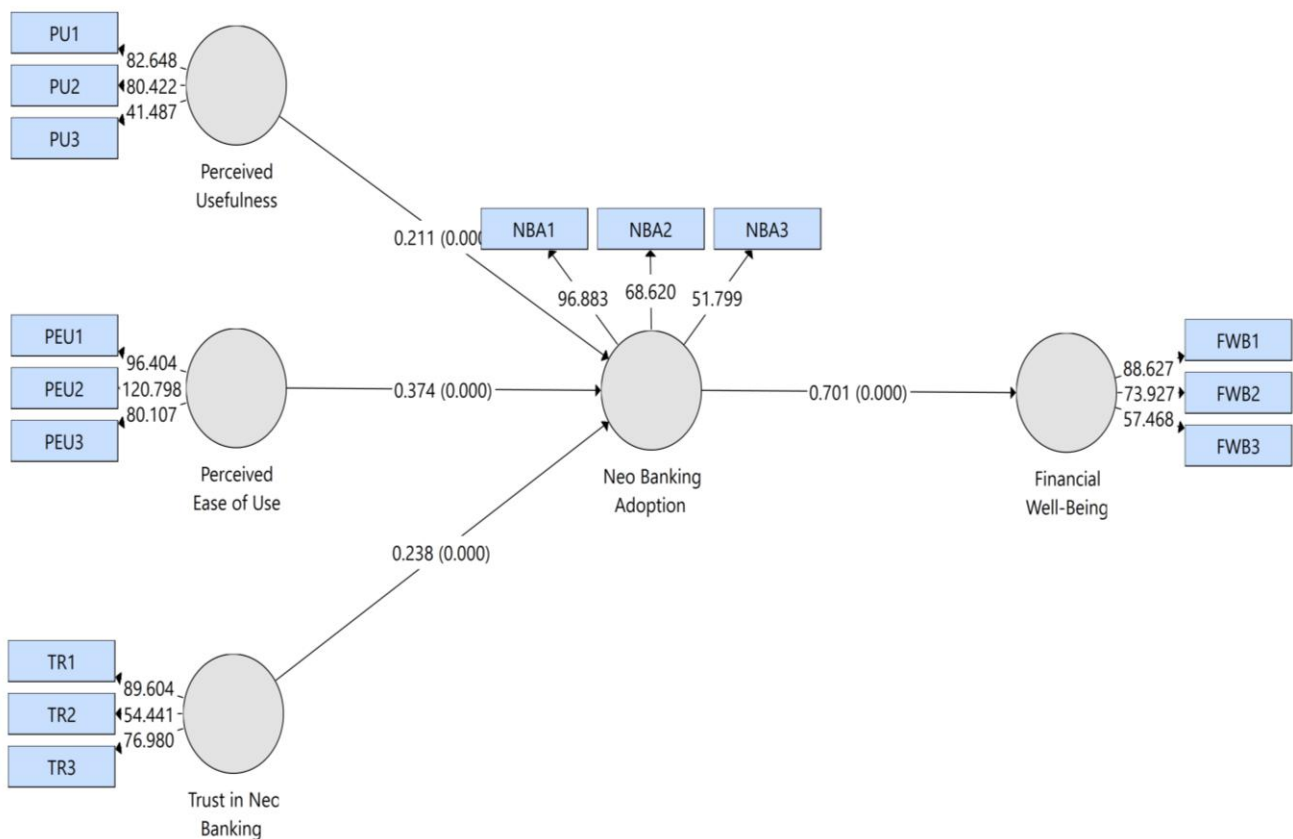


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Ease of Use					
Perceived Usefulness	0.765	0.740	0.774	0.782	
Trust in Neo Banking	0.711	0.748	0.782	0.734	0.807

The discriminant validity of the constructs is established using the Fornell-Larcker criterion. The square root of AVE (diagonal values) for each construct is higher than its corresponding inter-construct correlations, indicating adequate discriminant validity. This confirms that each construct is distinct and measures a unique concept within the model.

Figure No: 1 Sem Model



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**Table No: 3 Hypothesis Testing**

Path	Beta Coefficient	T Statistics	P Value
Neo Banking Adoption → Financial Well-Being	0.701	24.592	0.000
Perceived Ease of Use → Neo Banking Adoption	0.374	5.792	0.000
Perceived Usefulness → Neo Banking Adoption	0.211	3.736	0.000
Trust in Neo Banking → Neo Banking Adoption	0.238	4.177	0.000

The study findings are based on empirical results and indicate that there are significant relationships between the constructs. The strongest impact on neo banking adoption is perceived ease of use (= 0.374,  $p = 0.001$ ) implying that the older college teachers are more likely to adopt digital banking services when they perceive them to be easy and user-friendly. The factor of trust in neo banking (0.238,  $p < 0.001$ ) is also important, as it emphasizes the level of security, privacy, and reliability in the formation of the adoption behavior. Also, perceived usefulness (0.211,  $p < 0.001$ ) is a significant predictor of adoption, which indicates that teachers appreciate efficiency and effectiveness provided by neo banking platforms. However, most significantly, the adoption of neo banking affects financial well-being positively and significantly (= 0.701,  $p < 0.001$ ), which means that the more the respondents use the services of digital banking, the better their financial control, decision-making, and financial stability are.

## 5. Conclusion

The research concludes that technological and psychological factors are significant in the adoption of neo banking especially ease of use, trust and perceived usefulness. Of these, the ease of use comes out as the strongest predictor, which underscores the significance of user-friendly digital interfaces. Moreover, the great influence of neo banking adoption on financial well-being underscores its transformational potential of enhancing the financial management capacity of individuals. In the case of senior college teachers, the neo banking aspect of daily financial activities will enable them to plan their finances better, enhance transparency, and have easy access to financial services. Therefore, neo banking is not only a technological innovation, but also a means of improving financial health.

## 6. Suggestions

Based on the findings, some practical recommendations may be offered. To start with, neo banks and fintech companies ought to work on creating very intuitive and easy-to-use platforms to improve perceived ease of use, particularly among users who might not be very tech-savvy. Second,



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it is possible to enhance security and communicate data protection policies openly to create trust among users. Third, they can arrange awareness programs and training workshops to the senior college teachers to enhance their knowledge of the advantages and functionality of neo banking. Also, policymakers are encouraged to support the spread of digital financial literacy programs to increase the use of fintech services. Lastly, the addition of personalized financial management tools to the neo banking platforms can also improve the financial well-being of users by allowing them to make decisions about budgeting, saving, and investing better.

## 7. AUTHOR(S) CONTRIBUTION

The writers affirm that they have no connections to, or engagement with, any group or body that provides financial or non-financial assistance for the topics or resources covered in this manuscript.

## 8. CONFLICTS OF INTEREST

The authors declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

## 9. PLAGIARISM POLICY

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