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EFFECT OF FINANCIAL TECHNOLOGY ON FINANCIAL INCLUSION OF SMALL AND MEDIUM ENTERPRISES IN LAPAI, NIGER STATE.

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ABSTRACT
Small and Medium Enterprises (SMEs) in Nigeria face major challenges in accessing financial services, especially in semi-urban areas like Lapai, Niger State, where reliance on traditional systems limits financial inclusion. This study was conducted to examine the effect of financial technology on the financial inclusion of SMEs in Lapai, with specific objectives of assessing the impact of Point of Sales (POS), neo-banking, and mobile money on SMEs' financial inclusion. The study adopted a survey research design, with a sample size of 123 SMEs determined using Taro Yamane's formula from a population of 178. Data were collected through structured questionnaires and analyzed using multiple regression analysis. Findings reveal that neo-banking and mobile money significantly enhance financial inclusion, while POS showed no significant effect. The study therefore recommends that financial institutions should increase the deployment of POS terminals in rural communities to improve access, while SMEs should adopt neo-banking and mobile money services for safer, faster, and more convenient transactions that enhance financial participation.

Keywords: *Financial technology, financial inclusion, SMEs, Point of Sales, neo-banking, mobile money*

1. INTRODUCTION
A Small and Medium Enterprise (SME) is an enterprise that has asset base (excluding land) of between N5million and N500million and labour force of between 10 and 300 people (CBN 2022 cited in Ibosiola and Dada (2024). According to predictions from the World Economic Forum for 2023, SMEs account for 96% of all legally recognized businesses on the continent and produce about 48% of its gross domestic product (GDP). SMEs account for 87% of all firms operating in Nigeria and 48% of its GDP (Ezigbo, 2023). Majority of SMEs in Nigeria, however, face a variety of challenges that have an impact on their ongoing operations and long-term survival. With so few businesses surviving longer than a year, it is emphasized that the rates of business failure are alarming. Researchers have found that a variety of issues, such as a lack of funding, difficulty

obtaining loans or other forms of funding, fierce competition, a lack of markets, a lack of government support, and inadequate information and communication technology and training, are hindering the growth of SMEs (Agbim, 2020; Onakoya, Fasanya and Abdulrahman, 2013).

Financial technology (FinTech) is rewriting client rules and other investing activities, as well as how firms run (Abbot, 2021). FinTech also makes sure that clients have a good experience when using mobile, internet, and cloud channels and that sensitive customer data is safeguarded globally. Enhancing financial accessibility, particularly for businesses in developing countries, is one of the new financial innovations and solutions known as fintech, according to Demirguc-Kunt, Klapper, Singer and Oudheusden, (2015). Majority of consumers have been lured to FinTech because it makes it easier to obtain credit, which has increased the technology's acceptability around the world (Ntwiga, 2019). As a result of growing human interconnectedness via the Internet and technological advancement, a new financial technology that will meet community needs by providing access to financial services and transaction processing is now challenging conventional approaches in the financial services industry (Pizzi, Carbo, and Caputo, 2020). Financial technology (FinTech) is a new business model that leverages technology and digital devices to simplify how people transact financially. Wulandari (2017) asserts that the fundamental objective of fintech is to entice clients with goods and services that are simpler to use, more efficient, transparent, and automatic. As a part of the Internet of Things (IoT), which is always evolving, FinTech continues to innovate with quantum computing (Schulte and Liu, 2017).

Banking institutions may leverage financial technology and financial inclusion as important tools to increase SME growth and significantly boost business performance. Therefore, we propose that sufficient financial innovations and proper financial inclusion are necessary for the growth of SMEs in order for them to become more relevant and contribute more to the GDP. Numerous business studies have categorically stated that the availability and accessibility of funding is the most important element impacting the survival and growth of small and medium-sized firms in both developed and developing countries. According to (Onu and Okonkwo, 2021), SMEs' ability to access finance ensures both their competitiveness and the competitiveness of the nation as a whole. This is because credit helps SMEs to make lucrative investments to expand their businesses and buy the newest technologies. Poorly performing financial institutions can seriously undermine a country's microeconomic underpinnings, which will obstruct the rise of revenue and employment. As a result, it is essential to offer financial institutions and SMEs suitable, tailored solutions that promote a "win-win situation" and the accomplishment of their respective business goals.

At this juncture, financial technology is becoming an ever-more-important part of 21st-century organizations due to the numerous benefits it offers, including improved access to money, streamlined payment systems, automated bookkeeping, improved cash flow management, increased access in the financial sector, etc. Financial technology institutions provide a range of the most recent financial technological services in an effort to raise the possibility that SMEs will be financially included and therefore lower the proportion of SMEs who are financially excluded. Financial inclusion and the provision of credit is observed to be a challenge for many business owners in Lapai, Niger State, particularly where information about a customer's creditworthiness is scarce or limited. SMEs in Lapai still rely on paper-based methods to reconcile payments and accounts. Structural deficiencies associated with traditional methods such as returned checks and

lost invoices can create a vicious cycle of inefficiencies. The researcher observed that though a considerable of research were like a study by Babajide, Oluwaseye, Lawal and Isibor (2020) was conducted concerning the effect of financial technology on financial inclusion of SMEs in the southwest, but same has not been evaluated in Lapai, Niger State.

Among other researchers who have previously studied this subject include, John, Sodipo, Zeb-Omoni, Uche, Enegesi, Taenyi, Ekuase, Simeon and Alalibo (2021); Babajide, Oluwaseye, Lawal and Isibor (2020); Salman, Ayo-Oyebiyi, and Emenike (2022); Edet, Valentine, Archibong, Bassey and Isaiah (2022). However, none of the researches stated above looked into how financial technology might affect how SMEs in localized context has been affected. The researcher did this study to reveal how financial technology impacts financial inclusion of SMEs in Local Government Area of Lapai, Niger State.

The main objective of the study is to investigate the effect of financial technology on financial inclusion of small and medium-sized enterprises in Lapai, Niger State.
The following are the study's particular objectives:

i. To determine how Point of Sales (POS) affects financial inclusion of SMEs in Lapai, Niger State.
ii. To determine how Neo-banking affects financial inclusion of SMEs in Lapai, Niger State.
iii. To investigate how mobile money affects financial inclusion of SMEs in Lapai, Niger State.

The following alternative hypotheses are postulated in lne with the specific objectives:

H_1: Point of Sales (POS) has significant effect on financial inclusion of SMEs in Lapai, Niger State.
H_2: Neo-banking has significant effect on financial inclusion of SMEs in Lapai, Niger State.
H_3: Mobile money has significant effect on financial inclusion of SMEs in Lapai, Niger State.

2. LITERATURE REVIEW AND THEORY

This section attempts to review literature relating to the study variables as well as the theory.

2.1 Concept of Small and Medium-sized Enterprises

According to Corporate Finance Institute (2023), the definition of SMEs, or small and medium-sized businesses, differs widely. Depending on the country in which a company does business, a SME's specified size will vary. The size of a company or whether it qualifies as a SME can vary depending on the country. The attributes could include any combination of annual revenue, employees, company assets, and market capitalization.

SMEDAN (2021) defines small and medium businesses as having between 10 and 49 employees and annual revenues between 49 million and less than 100million Naira, while medium businesses were those with between 50 and 199 employees and annual revenues between 100 million and less than 1billion Naira.

A small scale firm, as defined in this study, is one that employs not more than five individuals and has a total share capital (including working capital and rent) of between five million and fifty million Naira. A medium-sized firm, on the other hand, is characterized as one that employs

between 10 and 50 people and generates yearly sales of between 51 million and 500 million naira (including working capital and rent).

2.2 Concept of Financial Technology

Current enterprises must use financial technology, which is defined as the application of the most cutting-edge methodologies, in order to maximize the provision of financial services at the lowest practicable cost (Asian Development Bank, 2014). According to Ozili (2018), financial technology is a current technological advancement that is mostly driven by computer programs and algorithms and is utilized to provide banking and financial services. Financial technology, according to Yacoub, Yaqoub and Rain (2021), also includes any financial innovation or technology that results in a novel business strategy, process, or final product. Utami and Sitanggang (2021) define financial technology as a financial service based on technology that permits transactions to be processed at any time and from any location. It has benefitted small and medium-sized firms (SMEs), from the availability of capital finance to the ease of transactions that foster SMEs' expansion. Inuwa, Shuaib, Gambo, Shehu and Shehu (2022) asserts that the introduction of new business models for capital markets, lending, crowdfunding, and wealth management is how financial technology is reshaping the financial services sector.

2.3 Concept of Financial Inclusion

According to a United Nations report, in 2021, financial inclusion is the consistent provision of affordable financial services that allow the underprivileged to engage in the formal economy. Ibor, Offiong, and Mendie (2017) define financial inclusion as offering the underserved population, especially rural inhabitants, sustainable, relevant, cost-effective, and valuable financial services. Financial inclusion is the usage of financial services by socially excluded populations. It explains what proportions of the population use online banking or have bank accounts. As the number of bank accounts increases, so do financial transactions (Grohman, Klus, and Menkhoff, 2018). The process by which all households and businesses, regardless of income level, have access to and are able to successfully use the financial services they need in order to improve their live (World Bank 2018).

In conclusion, this study adopts a definition of financial inclusion by Eton, Mwos, Okello-Obura, Turyehebwa and Uwonda, (2021) Which defined it as the capacity of individuals and organizations to access and use basic financial services such as savings, loans, and insurance in a way that is reassuringly convenient, dependable, and flexible

2.4 Point of Sales (POS)

A point of sale (POS), according to Fattahi and Mousavian (2011), is a tool installed during the sale of goods or services. The transaction amount from an account holder or customer is electronically deducted from their accounts using an electronic card, while the card acceptor (seller), is paid, instead of paying cash or physically moving money. Indirect taxes, such as VAT, become due at a point of sale (POS), which is widely understood to be the location when a transaction is made, ownership (and typically possession) is passed from the retailer to the client, and ownership is transferred (Sai, 2017). A point of sale (POS), according to some studies, is a device similar to a contemporary cash register that is used to record transactions in a store (Akerejola, Okpara, Ohikhena & Emenike, 2019).

This study defines POS as the device installed in a merchant location where clients swipe their electronic cards to pay for goods and services rather than using cash (Williams, Olalekan, and Timothy, 2018).

2.5 Neo-banking

Glushchenko, Hodasevich and Kaufman (2019) define neo-banks as entirely online financial institutions built on cutting-edge digital platforms without an office network. Neo-bank is a fully digital bank that only communicates with customers through mobile apps and desktop platforms, according to Borges, Perun, and Daradkeh (2020). Similar to this, a research by Tosun (2021) state that a digital only bank, commonly referred to as a neo-bank, is a bank that operates without physical branches and offers its clients digital banking services including online and mobile banking.

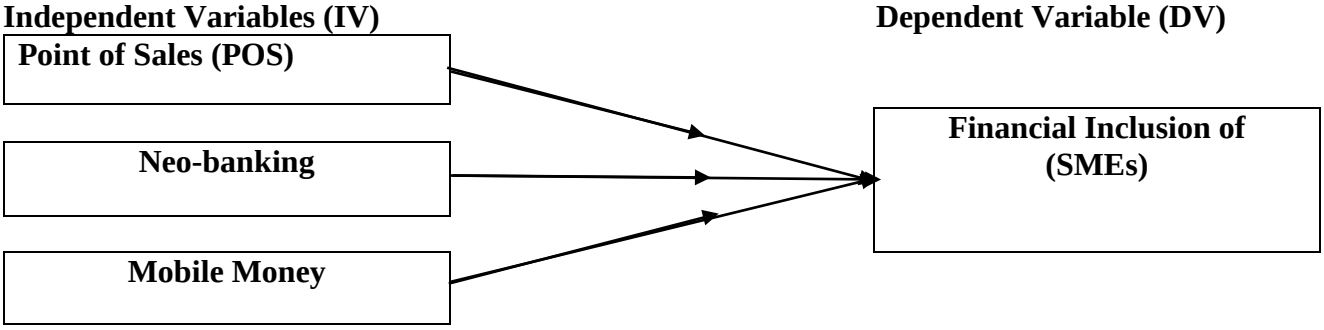
Neo-banks are a type of direct bank that exclusively offers internet banking and lack the traditional physical branch networks found in regular banks (Rublov, 2023). In Nigeria, examples of neo-banks include; Opay, kuda bank, vbank, gomoney etc. Therefore, neo-banks in this study are banks that only have an internet presence and no physical locations. They provide digital, mobile-first financial solutions for lending, payments, money transfers, and other financial demands (Kasa, 2023).

2.6 Mobile Money

Mobile money is a service that enables customers to access financial services via mobile devices, according to the study by Talom and Tengem (2019). Obtaining a loan from a financial institution may be a difficult task because some of the requirements requested by banks are put in place to discourage small business owners from applying. Mobile loan apps and lending platforms are made for those unforeseen situations where you need a quick loan to address an urgent business need. You will therefore stay out of financial trouble (Entrepreneurs.ng, 2019).

According to Egenuka (2019), a smartphone app that provides quick loans has offered almost N9 billion to Small and Medium-Sized Enterprises (SMEs) in Nigeria to spur economic growth, especially in the informal sector. For instant access to financial services, users can borrow between N1000 and N200,000 using the app. Accordingly, mobile money is described in this study as a technology that makes it possible for the consumer sector of less privileged people to transact financially at a low or no cost (Pelletier, Khavul, and Estrin, 2020). The conceptual model of the study variables is shown in Figure 1

Figure 1: Conceptual Research Model



Source: Researhers' Conceptualizaton (2025)

2.7 Empirical Literature Review

Iwedi, Owakah, Wofuru-Nyenke (2023) studied the effect of financial technology on financial inclusion in Nigeria**.** This study used quarterly secondary data and all the data were extracted from Central Bank of Nigeria (CBN) Statistical Bulletin (2021) from 2009-2019. Financial technology was proxy using point of sale, automated teller machine, web banking technology and mobile banking technology, while financial inclusion in Nigeria was proxy using deposit ratio. Time series data were analyzed using the vector auto regression (VAR) estimation technique. The results show that web banking technology has a positive and significant effect on financial inclusion in Nigeria, whereas point of sale, automated teller machine and mobile banking technology have a positive but not significant effect on financial inclusion in Nigeria. Based on the findings, the study recommends that policymakers should encourage the development of affordable and accessible 3G and 4G mobile networks in order to provide rural and remote customers with better access to mobile banking and other financial technologies. Finally, banks should seek to improve the financial literacy of their customer base by offering regular educational programmes on topics such as money management and financial planning. The study used a secondary data which may not reveal the real situation of unbanked population of Nigeria.

Tiony (2024) examined the impact of financial technology (fin-tech) innovation on financial inclusion and economic growth in Kenya. The study aims to analyze how fin-tech innovations, such as mobile money, digital banking, and block chain technology, have enhanced financial inclusion; investigate the contributions of these fintech innovations to economic growth, particularly in terms of small and medium-sized enterprises (SMEs) development, job creation, and GDP growth. The findings reveal that fintech innovations have significantly improved financial inclusion in Kenya by increasing accessibility, affordability, and usage of financial services. Mobile money platforms like M-Pesa have been particularly effective in providing financial services to the unbanked population, while digital banking and blockchain technology also contribute to this trend, albeit to a lesser extent. Economic growth has been positively influenced by fintech through the development of SMEs, job creation, and contributions to GDP growth. SMEs have benefited from easier access to credit and financial services, enabling them to expand and contribute to the economy. The study's policy recommendations emphasize the need for a conducive regulatory environment that supports fintech innovation while ensuring consumer protection and financial stability. Enhancing infrastructure, particularly in rural areas, and addressing cybersecurity issues are also crucial. For practitioners, the study highlights the importance of developing user-friendly and affordable fintechsolutions that cater to the needs of the underserved population. Collaboration between fintech companies, traditional financial institutions, and government agencies is essential to foster an inclusive financial ecosystem. Fintech innovation in Kenya has the potential to significantly enhance financial inclusion and drive economic growth. However, addressing existing challenges through targeted policies and practical solutions is essential to maximize these benefits.

Tiony (2024) showed that fintech innovations like mobile money and digital banking enhanced financial inclusion and economic growth in Kenya. However, differences in socio-economic and regulatory contexts make these findings less applicable to Nigeria, and the study did not address localized SME realities. This creates a gap for examining how specific fintech tools affect SMEs' financial inclusion in Lapai, Niger State.

2.8 Technology Acceptance Theory

The technology acceptance theory (commonly known as TAM), propounded by Davis (1989), is the theoretical framework that best describes this study because Nigeria is a developing nation with a number of issues relating to technology acceptance. TAM tries to offer a general explanation of the factors that drive computer acceptance in order to explain user behavior across a wide range of end-user computing systems and user demographics in a way that is both financially and conceptually justifiable. This paper argues that SMEs' adoption of contemporary financial technology is crucial for the realization of financial inclusion.

In the year 1984, Diamond proposed a theory of financial intermediation. It is the mechanism by which financial institutions link surplus and deficit expenditure units, claim Migap, Okwanya, and Ojeka (2015). This idea illustrated how financial institutions try to address inquiries about the financial operations of intermediaries by linking the surplus units and deficit units. It also illustrated how, as part of their regular responsibilities, banks and other financial institutions may efficiently monitor both borrowers and lenders. Aduda and Kalunda (2012) looked at how Kenyan financial sector stability was impacted by financial inclusion. Their study was founded on the financial intermediation theory, which described how financial institutions serve as a middleman between surplus and deficit units to support economic agents' actions and encourage inclusive growth in all sectors.

Everett Roger developed the theory of diffusion innovation in 1962. A new concept or product, he said, gains traction and spreads throughout a particular population or social structure. The outcome of the diffusion process is that as new concepts, behaviors, and/or goods effectively integrate into a social system, people prefer to accept them (Takon *et al.*, 2019). But in a given social system, adoption of a novel idea, behavior, or item—i.e., "innovation"—does not happen all at once; rather, it is a process in which certain individuals are more likely to adopt the innovation than others. Studies have shown that individuals who adopt new technologies more quickly than those who do so more slowly have various personality traits (Whalley and Curwen, 2015). The theory is that when a business is trying to market an invention to a particular target market, it is crucial to understand the unique characteristics of the target population since these traits can either make or break the acceptance of a new product.

For this study, the researcher made use technology acceptance theory because the use of unique technology will certainly provide SMEs with timely and important information, experiences, better relationships with suppliers and consumers, better collaboration, and higher production and efficiency.

3. METHODOLOGY

The study used quantitative research design through survey research method. This is because primary data were collected through the questionnaire instrument. The population of study is Small and Medium Businesses (SMEs) operating in Lapai, Niger State. At the time of this research, there were 178 small and medium-sized firms in Lapai Local Government Area (Revenue Division of the Department of Finance and Supply, Lapai Local Government Council, 2025).

Using Taro Yamane's (1976) formula for estimating sample size, the study sample was selected. The formula resulted in the production of 123 samples, or 69% of the population.

$$n = \frac{N}{1+N\ (e)^2}$$

$$n = \frac{178}{1 + 178(0.0025)}$$

$$n = 123$$

SMEs owners/managers were picked using simple random selection methods to obtain the study sample size. This was carried out in order to give each SME owner equal and non-zero chance of being selected into the sample.

Primary sources were used to compile the data. A closed-ended questionnaire was developed in order to efficiently collect primary data from 123 SME owners/managers. The target group can answer to surveys at their convenience without being interrupted from their businesses. A 5-point Likert type rating scale was used to measure the variables for small and medium-sized enterprises, neo-banking, mobile payments and Point of Sale (POS) with Strongly agree (SA) equaling 5, Agree (A) equaling 4, Undecided (U) equaling 3, and Disagree (SD) equaling 2, and Strongly disagree (D) equaling 1.

A pilot test was conducted using thirty (30) respondents, the responded questionnaires were used to assess reliability using the Cronbach's alpha (α) test at significant level of α<0.60

Table 1: Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
SMEs- Financial Inclusion	53.2780	46.382	.622	.416	.617
POS	53.5305	52.333	.425	.184	.704
Neo-bank	53.7356	43.173	.603	.404	.606
Mobile money	55.2831	25.768	.576	.336	.695

Source: Aurthors' Computation (2025) using SPSS Version 27

According to Mohsen and Reg (2011), a coefficient value of 0.60 and above indicates that the variable provided in Table 1 is credible in the questionnaire. As a result, in this instance, all surveys used in the study were valid.

Statistical Package for Social Sciences (SPSS) version 27 was utilized to run the data collected through questionnaire. The data were analyzed using both descriptive and inferential statistics. For inferential statistics, correlation coefficient was used to establish relationship between the study variables while regression is used to test hypotheses. The following multiple regression model was used to establish cause and effect relationship between the study variavbles. The study examined how financial technology affects financial inclusion of SMEs' adapting the Agelyne and Musau (2021) model.

$$Y = \beta o + \beta 1X1 + \beta 2X2 + \beta 3X3 + \varepsilon$$

Where: Y = Financial inclusion of SMEs; X_1 = POS; X_2 = Neo-bank; X_3 = Mobile money, β_1 = Interceptor, β_1……. β_3 = Regression Coefficients, £ = Error Terms

The decision rule is that if the P-value is less than the significance value of 0.05, the study accepts the alternative hypothesis. Otherwise, do not accepts the null hypothess.

4. RESULTS AND CONCLUSIONS

This section presents and analyses the data collected through questionnaire instrument to test the hypotheses and draw conclusions.

4.1 Inferential Statistics

In order to determine the relationship between the study variables, a correlation and multiple regression analysis were performed.

Table 1: Correlations analysis between SMEs - Financial Inclusion, POS, Neo-Banking and Mobile Money

		SMEs	POS	Neo-bank	Mobile money
SMEs-Financial Inclusion	Pearson Correlation	1	.365**	.583**	.503**
	Sig. (2-tailed)		.000	.000	.000
	N	118	118	118	118
POS	Pearson Correlation	.365**	1	.344**	.354**
	Sig. (2-tailed)	.000		.000	.000
	N	118	118	118	118
Neo-bank	Pearson Correlation	.583**	.344**	1	.497**
	Sig. (2-tailed)	.000	.000		.000
	N	118	118	118	118
Mobile money	Pearson Correlation	.503**	.354**	.497**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	118	118	118	118

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Aurthors' Computation (2025) using SPSS Version 27

Table 1 indicates the connection between Point of Sale (POS), Neo-banking, Mobile Money, and Financial Inclusion of Small and Medium Enterprises, the Pearson Moment Correlation was utilized in the study. Table 2 displays the results. According to the findings, there is a strong positive correlation between POS and SME financial inclusion (r = 0.365, p = 0.000), a positive correlation between SME financial inclusion and neo-banking (r = 0.583, p = 0.000), and a strong positive correlation between SME financial inclusion and mobile money (r = 0.000, p = 0.503). This implies a relationship between neo-banking, point of sale (POS), and mobile money.

Table 2: Model Summary POS, Neo-banking and Mobile money

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.645[a]	.416	.401	1.59457

a. **Predictors:** (Constant), Point of sales (POS), Neo-banking, Mobile money
b. **Dependent variable:** Financial inclusion of Small and Medium Enterprises

Source: Aurthors' Computation (2025) using SPSS Version 27

Table 2 is the summary of the regression model. The regression model indicates that R square value of 0.416 reveals that when all other factors are held constant, point POS, neo-banking and

mobile money account for 41.6% of financial inclusion of small and medium enterprises, leaving 58.4% to error terms.

Table 3: ANOVA for POS, Neo-banking and Mobile money

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	206.447	3	68.816	27.064	.000[b]
	Residual	289.863	114	2.543		
	Total	496.311	117			

a. **Dependent Variable**: Financial inclusion of Small and Medium Enterprises
b. **Predictors: (Constant),** Mobile money, Point of Sales (POS), Neo-banking
Source: Aurthors' Computation (2025) using SPSS Version 27

Table 3 shows ANOVA statistics of the study variables. The ANOVA statistics has a F statistic of 27.064 and a significance level of 0.000. It is inferred that the data are suitable for making conclusions about the population parameter because the significance value is less than 5%. This highlights how Point of Sales (POS), Neo-banking, and Mobile Money have had a significant influence on the Financial Inclusion of Small and Medium Enterprises in Lapai, Niger State.

Table 4: Coefficient POS, Neo-banking and Mobile money

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	7.572	1.572		4.816	.000	4.457	10.686
	POS	.143	.083	.135	1.723	.088	-.021	.307
	Neo-bank	.353	.072	.413	4.898	.000	.210	.495
	Mobile money	.123	.041	.250	2.958	.004	.040	.205

Dependent Variable: Financial inclusion of Small and Medium Enterprises
Source: Aurthors' Computation (2025) using SPSS Version 27

Table 4 shows the regresson output. Regression equation for the study variables is Y = 7.572 + 0.134X1 + 0.353X2 + 0.123X3 and the beta coefficient is 0.134. Holding POS, neo-banking and mobile money constant; the equation predicts that when POS, neo-banking, and mobile money are in good working order, financial inclusion of small and medium-sized enterprises will be positively influenced by 7.572.

4.2. Test of Hypothesis

This section discusses the results of the hypotheses tested.

Test of Hypothesis One (H1)

Points of sale and financial inclusion are not statistically significant. Hence, alternative hypothesis is not accepted. This discloses that is Point of Sales (POS) has no significant effect on Financial Inclusion of SMEs in Lapai, Niger State.

Test of Hypothesis Two (H2)
Neo-banking and financial inclusion are statistically significant. Hence alternative hypothesis is accepted. This reveals that Neo-banking has significant effect on Financial Inclusion of SMEs in Lapai, Niger State.

Test of Hypothesis Three (H3)
Mobile money and financial inclusion are statistically significant. Hence alternative hypothesis is accepted. This means mobile money has significant effect on Financial Inclusion of SMEs in Lapai, Niger State.

4.3 Discussion of Findings
The findings of the study indicate that neo-banking and mobile money have a statistically significant positive effect on the financial inclusion of Small and Medium Enterprises (SMEs) in Lapai, Niger State. This aligns with prior empirical studies, such as those by Tiony (2024) on fintech innovations in Kenya, which demonstrated significant improvements in financial inclusion driven by technologies like mobile money and digital banking. Similarly, studies like Doshi and Wagh (2021) emphasized the critical role of neo-banks in enhancing SME access to financial services. However, the study reveals that Point of Sales (POS) devices do not significantly affect financial inclusion in Lapai, diverging from studies by Akanbi, Oladejo, and Oyeleye (2022), which showed the effectiveness of POS in enhancing customer engagement and transactions.

4.4 Theoretical Implication
The study reinforces the Technology Acceptance Model (TAM) by showing that SMEs' adoption of fintech tools such as neo-banking and mobile money significantly influences financial inclusion. It also supports financial intermediation and diffusion of innovation theories by demonstrating how digital platforms bridge gaps in access and accelerate acceptance of new financial services in semi-urban contexts.

4.5 Practical Implication
For practice, the study provides evidence that policymakers and financial institutions should expand fintech solutions especially neo-banking and mobile money to SMEs in underserved areas. It also highlights the need for improved deployment of POS infrastructure and sensitization of SME owners to leverage fintech for safer, faster, and more inclusive financial transactions.

5. CONCLUSION AND RECOMMENDATIONS
The development of new, innovative ideas, the allocation of resources, the reduction of poverty, and the generation of cash all depend heavily on small and medium-sized firms. For small and medium-sized firms to continue participating in the global financial inclusion, they must now adopt the most recent style, financial technology. Using a survey research design, the study collected primary data through structured questionnaires administered to 123 SMEs in Lapai, Niger State, and employed multiple regression analysis to test the hypotheses. According to the objectives and results of the study, neo-banking and mobile money have a positive effect on the financial inclusion of small and medium-sized businesses. In Lapai, Niger State, the majority of small- and medium-sized business owners now have access to financial services like credit and financial planning tools, which encourages business growth and expands small- and medium-enterprise financial inclusion. While Point of Sale (POS) has no significant effect on Small and

Medium Enterprises (SME) in Lapai, Niger State. This may be the case because purchasing a Point of Sale (POS) device is expensive, there is uneven connectivity, transactions are risky, there are robberies, etc.

Thus, the following recommendations are given in light of the aforementioned research findings and conclusions:

i. Financial authorities like CBN ought to deploy more POS terminals to SMEs in rural areas. Due to its convenience, accessibility, long working hours, and near proximity to the market, which promote financial inclusion.
ii. The study discovered that mobile money services and neo-banking play a significant role in financial inclusion. Therefore, when conducting financial transactions and paying bills, SMEsshould use neo-banking and money services more. Neo-banking and mobile money services have been proved to benefit customers by saving time, decreasing money theft on business property, allowing users to view account balances at any time, and making it simple and convenient for users to keep track of transactions at any time.

5.3 Suggestion for Further Studies

There is no doubt that this study has methodological flaws that make it risky to extrapolate its results. Only one of Nigeria's 774 local governments—the Lapai local government was the focus of this study's attention on small and medium-sized companies. Therefore, more investigation must be done into all of Nigeria's remaining local governments. This study's conclusions are unlikely to be applicable to those who do not work in the business sphere but nevertheless use financial technologies because it only focuses on businesses. So it is necessary to conduct research on entities besides businesses, such as residences, governmental and non-governmental organizations, etc.

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