

Responsible Use of Digital Financial Platforms and its Impact on Digital Well-Being

Vaishali shukla¹ and Prof. Audhesh Kumar²

¹Research scholar

²Professor, Department of commerce, University of Lucknow, Lucknow

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ABSTRACT

Digitalization has changed how people handle their finances by bringing various digital financial services. They begin engaging in financial transactions digitally, like saving, investing, borrowing, and online insurance. These innovations bring various opportunities for users enabling faster, safer, and more convenient financial transactions and bringing financial inclusion and economic growth, but beyond this, they also generate risks, such as cybersecurity frauds, scams, and digital fatigue due to overuse of digital platforms, as well as stress and anxiety, which also have an adverse impact on their digital well-being. Digital well-being refers to maintaining a healthy relationship with digital devices so it enhances physical, mental, and emotional health. Individuals decide when to use technology and how much time to spend on technology by setting boundaries and controlling notifications rather than letting it become a source of distraction and exhaustion. Responsible use of technology through secure, mindful use and goal-oriented approaches reduces stress and anxiety and supports overall quality of life, and helps in maintaining digital well-being. Digital financial literacy plays an important role in how responsible use of digital financial services has a positive role in digital well-being. This paper develops the conceptual framework to explain the role of digital financial literacy in fostering the responsible use of digital financial services which, in turn, promotes digital well-being. On the basis of the theory of planned behaviors and self-regulation theory, the model positions digital financial literacy as an antecedent, and responsible use is theorized as a multidimensional construct that all collectively contribute to digital well-being. This article helps in practical implications for future research encouraging responsible safeguards for users' well-being in an increasing digital financial ecosystem.

Introduction

The rapid digitalization has brought so many digital financial services to the market and reshaped how individuals manage their money through online saving, online investing, and online borrowing. Nowadays, almost everyone has access to the internet, and since a significant portion of the population uses smartphones, so everyone is in digital space. Customers can conduct all online transactions more easily, conveniently, and securely, affordably by sitting at home. Digital financial services provide various advantages, including the ability to bank the unbanked individuals, boost the country's GDP, promote economic growth, and integrate millions of users into the formal financial ecosystem through interoperable payment rails. But expanding access does not automatically lead to its beneficial use. There are number of risks associated with using them, including cybersecurity threats and data theft, impulsive purchasing, and privacy issues that negatively affect users' digital well-being by causing financial stress, anxiety, and technological exhaustion.

As per various studies, there are various challenges in which there is a cybersecurity challenge when customer data is easily targeted by cybercriminals through hacking, phishing and protection of customer data is paramount. (Vineela, 2023) It is a big challenge when we use digital financial services, as it leads to stress and anxiety among users that their data are not safe. Similarly, smartphone and the internet have become integral parts of our daily lives, and now users are so addicted to their phones that they continuously use them for 4 to 5 hours, continuously checking social accounts, and emails, and exploring online shopping apps. Digital financial services provide an easier, faster way of doing online transactions, which leads to impulsive buying (Dewi et al), Various notifications keep buzzing on phones, like offers, discount policies on product, various facilities like one-click payment, buy now pay later, and cashback offers. All this drives to impulsive buying and leads to users being in debt, financial scams, and fraudulent investments. Again, this has a negative impact on the digital well-being as it leads to psychological strain and anxiety. Similarly, like former dimensions, if we do not plan our finances according to our goals, like doing the right investment, saving money for future uncertainties, planning for retirement, and avoiding unnecessary expenses, we trap ourselves in indebtedness, and it all again has a negative impact on digital well-being (Christina 2024) These challenges, like privacy breaches, fraud, scams, and over indebtedness lead to digital stress, fatigue, and exhaustion. So, it is important that not only knowing how to use digital financial platforms, but also that everyone make responsible use of digital financial services, which emphasize mindful, secure, ethical, goal-oriented engagement with digital financial platforms, and it is closely tied to digital well-being. Safe, moral, and knowledgeable use of digital financial services is referred to as "responsible use," and it improves one's "digital well-being." Maintaining healthy digital technology use rather than allowing distractions or harm that

compromise one's physical, mental, or emotional well-being is known as "digital well-being. And digital financial literacy plays a vital role in the responsible use of digital financial services. It provides knowledge and skills to effectively use services to protect passwords, identify secure apps, and evaluate risks.

This paper provides a conceptual framework to explore how responsible use of digital financial practices contributes to digital well-being. Drawing on perspectives from theories, the theory of planned behaviors, and self-regulation theories, it conceptualizes multiple dimensions of responsible use of digital financial services, like security, privacy, mindful engagement, ethical considerations, and goal-oriented use of digital financial services, that contribute to digital well-being.

Literature review

1. Sudip et al. (2023): Due to rapid digitalization, everyone using digital devices leaves behind digital traces/information, and the excessive use of digital services has a bad impact on their health. And digital well-being says that people use digital media in a way that makes them feel comfortable, and secure. This paper discusses the concept of digital well-being and proposes how we use digital information for good health.

2. Marker et al. (2024): As with the use of artificial intelligence, there is a broad spectrum of ethical issues from data usage to vulnerabilities. This article shows the impact of morality and accountability in the use of AI services in financial services. To overcome this problem, they discuss the corporate digital responsibility for firms and implement a conceptual framework on the ethical implication of AI service habit application, drawing on normative ethical theory.

3. Peterson (2017): This article discusses the role of digital finance, its financial inclusion, and its financial stability. Through fintech providers, digital finance has positive effects for financial inclusion in emerging and advanced economies. Digital finance has various benefits for digital financial providers and the government, financial service users and the economy. Despite the benefit, this article also addresses the challenges that digital finance poses for financial Industries.

4. Vineela (2023): Digital transformation brings significant cybersecurity challenges, such as phishing, hacking by cybersecurity criminals, and protection of customer data, becoming paramount. So, implementing strong protocols such as encryption, multi-factor authentication, and secure software helps in cybercrimes. This article explores the critical cybersecurity means that fintech companies need to implement to protect customer information in digital banking.

5. Purna et al. (2024): This article analyzes the role of ethics, culture, and society in the age of digital finance. Digital finance platforms focus on responsible utilization of digital financial tools to prevent malpractices and behold trust in the financial system. Ethics refers to the issue of transparency, fairness, and accountability in the digital landscape. Culture refers to maintaining a delicate balance between technological advancement and cultural identities. This approach helps in the future, where digital finance contributes to a more inclusive and global financial ecosystem.

6. Tinna et al. (2021): Digital innovation transforms customer behavior and how people personally manage their money. Various digital technologies help individuals have quick and easy access to digital services. This study aimed to explore how digitalization helps in individuals' financial literacy and financial capability, and as a result, 3 terms are identified: the intersection of fintech, financial behavior, and behavioral intersection. This article also proposes directions for a necessary digital financial literacy update to the financial literacy curriculum, development of digital learning tools.

7. Lyons and Khanna (2021): The rapid digitalization brings various digital financial services, and other researchers have given importance to digital financial literacy and what it means, but this study's main purpose is to propose a framework to operationalize the emerging concept of digital financial literacy. This study suggests a multidimensional framework for measuring DFL and its impact on financial behavior and decision-making.

8. Mariek et al. (2021): With mobile media use, we can connect with persons, content and server, but it brings some challenges awareness of new struggles, and decision pressure, where we connect or disconnect. Digital well-being refers to a lack of balance with technology connection. This article develops a theoretical model of digital well-being that connects with the dynamic and complex nature of people's relationship with mobile connectivity and overcomes the conceptual and methodological limitations associated with existing approaches.

9. Alberto et al. (2020): As with the increasing overuse of smartphones, various digital well-being apps are available. This study reviews the feature of 1) 42 digital well-being apps .2) They performed a 1128-use review of such apps, 3) and conducted a 3-week-long in-the-wild study of social apps and showing the most common digital well-being feature with 38 participants, after this ,it is discovered that digital well-being is appreciated, but they did not help in the formation of new habits ,and they are not restrictive enough to help users in changing behavior with smartphones.

Significance of study

- 1.** This study helps people use digital finance safely and wisely.

2. This study discusses the importance of responsible use of digital financial services, which help in making better decisions.
3. This study shows how responsible use of digital financial services helps in digital well-being.

Research gap

There are various studies emphasizing access, adoption, and inclusion of financial services but there is limited focus on responsible use of digital financial services, not only knowing how to use digital platforms but also knowing safe and responsible use is important, as it helps in protection from fraud, scams, indebtedness, and misuse of money. This study also shows how responsible use of digital financial services enhances digital well-being. Responsible use of digital financial platforms helps in reducing stress, anxiety and exhaustion, which helps in digital well-being.

Research objectives

1. To discuss the key dimensions of responsible digital financial services usage.
2. To explore digital financial services from multiple viewpoints (technology, social, economic, consumer) to establish their support for different service dimensions.
3. To develop a conceptual framework of responsible use of digital financial services for digital well-being.
4. To highlight implications of this study to users, providers, policymakers.

Meaning of digital financial literacy

Digital financial literacy refers to skills, knowledge, attitude, behavior, and desire to use the digital product more efficiently and effectively. It is an ability of the individual how he /she uses the digital finance products, services, and tools. All people exist in digital space because smartphones have become common and most of the world now uses the internet. Digital financial literacy describes an individual's ability to comprehend and operate digital financial services and financial technologies. The public possesses basic knowledge about digital financial services, through which they can access these services, yet they lack understanding about how to use these services responsibly, which results in their falling victim to fraud and scams while overspending and misusing their funds.

Digital financial literacy helps in the responsible use of digital financial services, which helps in achieving digital well-being. It provides knowledge and skills on how to effectively use services so as to protect passwords, identify secure apps, and evaluate risks. It helps in reducing anxiety, giving users confidence to engage digitally. With digital financial literacy, individuals easily

achieve goals as they track unnecessary expenses, save for the future. and invest in the right platform. They help in financial security and psychological peace of mind. It does help in financial inclusion.

Meaning of responsible use of digital financial services

Responsible use of digital financial services refers to safe, ethical, informed use of digital financial platforms. The various digital financial platforms include mobile banking, internet banking, and digital wallets. It emphasizes not only access but also how individuals use these services to protect themselves from fraud and scams. It helps them make effective financial choices that match their goals, avoid impulsive buying through thoughtful engagement, and follow ethical practices. This approach positively impacts digital well-being.

Digital well being

Digital well-being refers to the healthy and balanced use of digital technologies, in contrast to distractions or harm that adversely impact physical, mental, and emotional aspects of life.

Users set their own time limits on screen time and set boundaries to ensure healthy habits to manage technology use that improves productivity, security, relationships, and mental health. It helps in avoiding stress, avoiding impulsive purchases, and assisting in achieving goal-oriented financial decisions such as saving and investing.

Digital well-being is the use of digital financial services that promote financial security, stability and bring peace of mind by protecting against fraud and scams. Using digital financial services responsibly helps in achieving digital well-being.

Theoretical foundation

1. The Theory of planned behaviour. According to Icek Ajzen's psychological framework, the Theory of Planned Behaviour, individual behaviour is determined by behavioural intentions, which are based on three elements: perceived behavioural control, subjective norms, and personal attitude. In relation to digital well-being, this framework offers helpful insight for the responsible use of digital financial services.

Users' financial security will increase if they have a positive attitude toward using digital platforms safely, which includes safeguarding personal information and refraining from impulsive purchases. And lessens their anxiety and tension. In the same way social influence form family and peer pressure encourages fraud awareness, and reduces expenses, promoting budgeting habits that supports financial behaviour. Similarly, perceived behaviour control refers

to the confidence and skill to use a digital financial platform effectively. Together they shape the intent for responsible use of digital financial services, which contribute to digital well-being

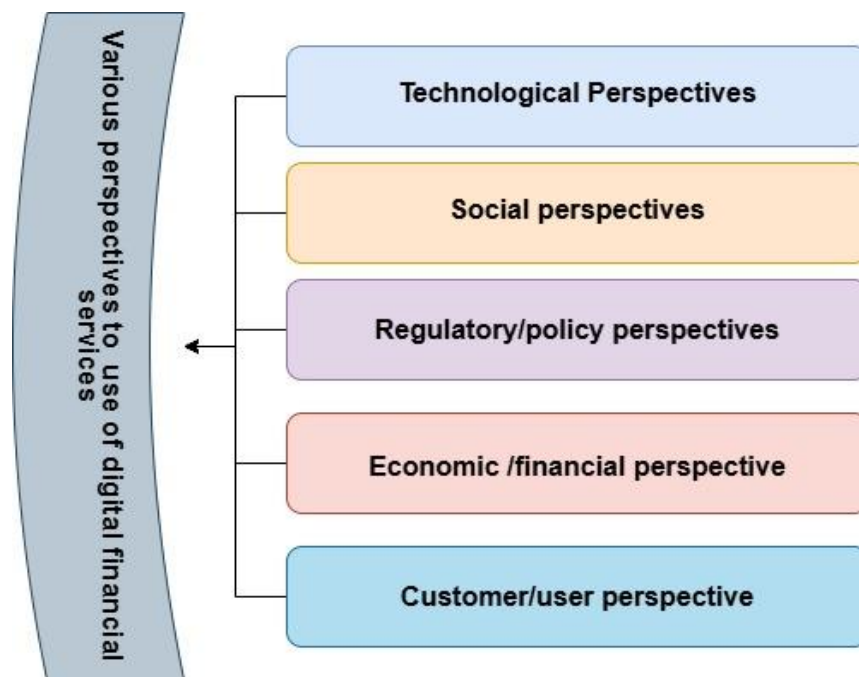
2. Self-regulation: This theory was given by Albert Bandura. It explains how people control their emotions, feelings, thoughts, and behaviour to achieve their personal goals. This theory consists of various stages. It helps in responsible use of digital financial platform.

Self-monitoring, in which people monitor their personal spending habits, check budgeting applications, and set transaction notifications to keep themselves updated about digital payments. Self-judgment in which people evaluate their spending habits/platforms matched with their financial objectives. Self-reacting means taking corrective measures if there is any overspending, such as cutting down on unnecessary expenses.

This helps in decreasing stress, promoting responsible usage, and enhancing overall digital well-being.

Various perspectives which help in determining dimensions of responsible use of digital financial services.

Figure 1: Various perspectives of digital financial services



1. Technological Perspectives- Numerous technologies, including debit and credit cards, digital wallets, internet banking, and mobile banking, are introduced to the market as a result of rapid

digitalization. We use digital platforms to make investments, send money, and make payments. Due to their increased choice and operational efficiency, these services can benefit consumers, providers, and society as a whole. Even though a sizable portion of the populace is aware of how to use these services, they are still victims of fraud and scams. In order to safeguard financial and personal information, this study investigates the need for users to use digital financial services responsibly. This feature encourages responsible use of digital financial services by supporting privacy, security, and technology access.

2. Social perspectives- The social perspective focuses on how peer influence, social norms, culture, and community practices influence users in using digital financial services. This emphasizes how users adopt financial services from encouragement from peers, and family members, and they shape financial behaviour. Responsible use reflects ethical and mindful engagement. People avoid fraudulent activities and misleading leaders and adopt fair, transparent use of digital financial services.

This aspect supports ethical and mindful engagement of digital financial services.

3. Regulatory/policy perspectives -There are various rules and regulations and law policies for safe, convenient and access to digital financial services. Central banks, regulators, and governments establish various guidelines for digital financial services use. These rules and regulations help in customer protection and fraud. Responsible use from this regulatory perspective refers to all users and providers complying with established rules and regulations.

Policy and compliance support security, privacy, and ethical use of digital financial platform.

4. Economic /financial perspective- This aspect focuses on how digital financial services influence the financial behaviour of users and society as users make decisions regarding credit, saving, and investment. Responsible use in this context is goal-oriented, so users have better money management that aligns with their goal to save for the future, emergency funds, and retirement fund to avoid over-indebtedness and build long-term stability.

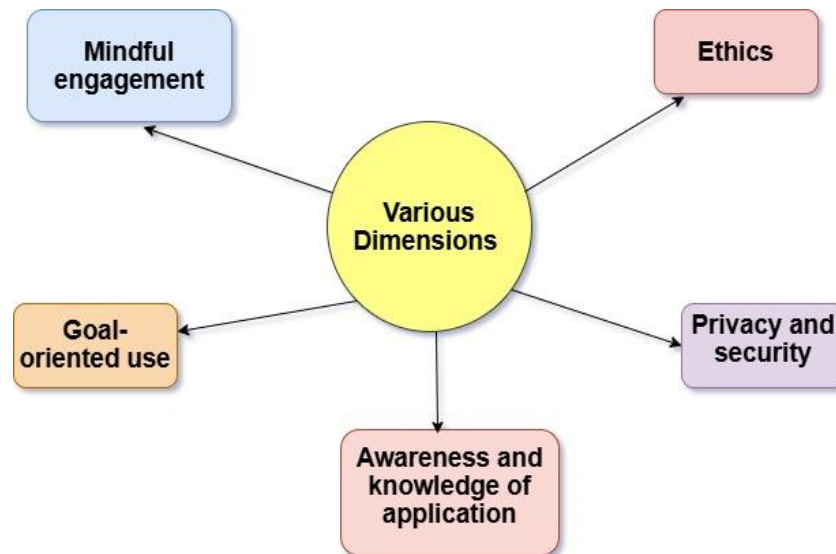
Financial behaviour and planning support goal-oriented behaviour.

5. Customer/user perspective- Digital financial services are valuable for being safe, affordable, and accessible for users and this aspect is very important because ultimate responsibility often lies on users to adopt safe, ethical, mindful, and goal-oriented behaviour to avoid fraud and build trust. Responsible use for users as they kept control of their finances to avoid impulsive activities, did mindful engagement, and security awareness.

This aspect, where self-regulation and awareness are important supports mindful engagement, goal-oriented behaviour and ethical use.

Various dimensions are-

Figure 2: Various dimensions of responsible and effective technology use



1. Meaning of mindful engagement

Mindful engagement refers to fully creative present-moment activity, interaction, non-judgmental and self-awareness without being distracted. It's about involving ourselves in the moment with a sense of awareness and intentionality. In technology it refers to continuously interacting with technology, evaluating information received, and balanced, intentional use of digital financial services.

Problem- Users continuously use digital devices for four or five long hours and keep on checking their phone and apps, these habits have a bad impact on their overall well-being. Due to various notifications from various apps, they influence overspending, which leads to poor decision-making and leads to financial stress and anxiety.

How users overcome

1. Control the addictive use of technology by setting limits on digital systems.
2. Use apps to track themselves for expenses or use apps at specific times only.

3. Reflective before taking loans or making investment, and do not indulge in purchasing unnecessary things to avoid impulsive behaviour.

Contribute to digital well being

Mindful engagement is important because it helps in avoiding impulsive buying behaviour, due to staying in control of their financial choices or addictive behaviour rather than being controlled by promotional strategies. It promotes balanced, stress-free financial habits, reduces stress, anxiety, or financial exhaustion and leads to healthy integration of digital finance into daily life.

2. Ethics- Define the law of morality that says what is right or wrong. It emphasizes fairness, issues of transparency, accountability, and healthy behaviour of users and service providers.

With ethical practices, it helps in building trust among users and providers, prevents misuse of money like theft, fraud, and scams, and ensures long-term suitability of digital finance. It only follows law but also acts in ways to protect oneself and others in the digital ecosystem.

Problem- lack of ethics due to fraudulent activities or collecting personal data of users and sharing it among entities, security issues that lead to scams, fraud, misuse of credit, dark spots, and manipulative practices that lead to impulsive purchases.

How users overcome-

1. Users follow fair and transparent activities.
2. Avoid fraudulent activity, respect terms of service and digital content.
3. Report suspicious activity to the platform and regulation.
4. Provide and protect customer data privacy
5. Avoid dark patterns like manipulative apps that encourage overspending expenses, and transparent communication of risks.

Contribute to digital well-being- By following ethical practices, it encourages a safe, trustworthy environment in digital financial service use, reduce stress, anxiety, and increases confidence in digital systems, and promotes fairness and social inclusion.

3. Goal-oriented use -Goal oriented use means a plan, and purpose to achieve any tasks or objects. Users have goal-oriented use or behaviour in digital financial services like saving money, investment, money budgeting, and planning funds for future uncertainties, for child marriages or education, or buying a home.

Digital finance helps in growth and goal achievement rather than just impulsive purchases or spending money on unnecessary expenses, encourages financial discipline, ensures digital finance is not about convenience but long-term empowerment, improves stability and resilience.

Problem -Without a goal users may misuse money on unnecessary expenses, fail to achieve financial security, over-depend on credit, take instant loans into a debt cycle, lead to financial stress, fail to build savings, and lose track of money.

How users Overcome

1. Set clear financial goals, like whether use money for saving, payment, investment, debt management.
2. Adopt saving habits.
3. Mindful borrowing only for emergencies
4. Use budgeting apps to track and alert on spending.

Contribute to Digital well-being

Reduce stress and regret of not being able to align with goals, promote satisfaction, and build confidence as digital tools help in growth and well-being.

4. Awareness and knowledge of application

Having proper knowledge about digital tools helps in preventing misuse of digital financial services. Enhance users' trust and confidence while using digital financial services. Encourage people to use the digital ecosystem for saving, investment, and budgeting.

Problem - Users fall for fraud like phishing or hacking due to OTP sharing or hacking or clicking on wrong links. Fear in using digital financial services, Poor financial choices as poor investments. Loan because of clicking ads without knowing them.

How users Overcome

1. In app guidance step-by-step investment, fraud alert.
2. Trait and safeguards-users practicing small transactions with safety.
3. Digital and financial literacy programs, workshops, and campaigns.

Contribute to digital well-being

Bring confidence among users in using digital financial platform. Reduce stress by dealing with fraud, errors, scams. Build resilience as knowledge helps in making users smarter, safe, and more

goal-oriented. Promotes financial inclusion as people feel empowered to use digital financial services.

5. Privacy and security

Privacy and security involve safeguarding personal information and determining what data is collected, shared, or secured, focusing on the protection of financial and transaction data from unauthorized access, misuse, and cyberattacks. Users' personal data, such as Aadhar numbers, PAN numbers, bank account details, and card information, must be handled securely, and transactions must be protected.

Problem cyber-attacks, phishing, fake apps, hacking, and malware.

Data misuse, unauthorized sharing of customer data by third parties.

Uses negligence like sharing OPT, using simple passwords or using public WIFI.

Overcome

1. Safe practice, never share OTP/PIN, use a strong password, and two-factor authentication.
2. Update regularly apps, phone, and operating system.
3. Awareness led to the identification of fake links, calls, and scam app.
4. Only-download apps from verified stores or official bank apps.
5. Fraud alerts, transaction links, and biometric login.

Contribute to Digital well being

Build trust and confidence in the digital platform. Protects users from financial fraud, scams, theft, and cybercrimes. Maintains the integrity of the digital financial ecosystem.

This study useful to beneficiaries

1. Users/consumers -the responsible use of digital financial services is very important for consumers they overcome financial fraud, theft and avoid impulsive buying, achieve their financial goals /track expenses, maintain budgeting. These all-good financial habits help in improving digital well-being as they reduce stress and anxiety from financial aspects and bring peace of mind.

2. Financial service providers- this framework also helps the providers as they develop a more user-friendly, secure platform for users; they design a platform in which they reduce the risk of fraud and scams, which increases customer trust and spending habits and goal setting for users.

3. Policymakers-the responsible use of digital financial services helps policymakers to design policy for digital finance awareness and develop digital financial literacy programs.

Conclusion

as we all are in digital space and using digital financial services are very common. Digital financial platform offers various opportunities like help in financial inclusion, increase GDP, and help in making transactions easier, and faster but users still lack their responsible use, which leads them into risk, fraud, and unnecessary debts, which all lead to financial stress, and anxiety. This study conceptually examined the responsible use of digital financial services by identifying key dimensions like ethical use, mindful engagement, goal-oriented use, privacy and security, and awareness and application of knowledge and linked them to digital well-being. this study contributes to existing literature by shifting focus from mere adoption and access towards responsible engagement with digital platforms. Responsible use helps in overall digital well-being as when users are informed, mindful, and goal-oriented, it leads to a healthy impact on their lives. So, this study has developed an overall framework focusing on sustainability trust, including long-term benefits in the digital financial ecosystem through responsible use.

Implications for future research

further research done on this proposed framework by examining the relationship between digital financial literacy, dimensions of responsible use, and digital well-being by using qualitative and mixed-method approaches. Researchers may also explore these dimensions across demographic groups such as income disparities, gender, education, and rural-urban divides.

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