



Digital Fraud and Consumer Trust in Digital Payment Systems

Rishi Kumar Pandey¹, Dr. Rajanarayanan S²

¹Undergraduate student, School of Law and Governance, Central University of South Bihar

²Associate Professor, Department of commerce and Business Studies, Central University of South Bihar

Article Info

Article History:

Published: 07 Oct 2026

Publication Issue:

Volume 03, Issue 10
October 2026

Page Number:

96-117

Corresponding Author:

Rishi Kumar Pandey

Abstract:

Digital payment systems have become a part of everyday life especially for young people. While digital payment systems give convenience the rising use of UPI, mobile banking and other online payment services has also raised concerns about fraud. This is why this study is done for looking at how experiences with fraud and perceptions of digital fraud relate to consumer trust in digital payment systems. All the primary data were gathered by means of a questionnaire sent to 41 respondents. One response listed the occupation as "robbery"; this was seen as a data entry error. And was removed, leaving 40 valid responses. The cleaned data were examined using frequency and percentage tables and Spearman correlation analysis. The findings show that most respondents use payments regularly. And are aware of fraud risks associated with digital payments. The results also show that perceived security has a statistically significant relationship with overall trust whereas the negative effect of digital fraud on confidence has a statistically significant negative relationship with trust. Thus the study suggests that stronger security, effective grievance handling, recovery of fraudulent transactions and better user awareness can increase confidence in digital payment systems. The findings are seen as associations, within this sample. Are not taken as proof of causation.

Keywords: Digital Payments, Digital Fraud, Consumer Trust, UPI, Perceived Security, Payment Security, Fraud Awareness, Digital Payment Systems, Spearman Correlation, Consumer Confidence

1. INTRODUCTION

Digital payments have changed the way people deal with money exchanges. Transactions that used to need cash can now be done in a few seconds using UPI, mobile banking, cards and digital wallets. In India this change has made financial activities easier and available to people but it has also given bad people new ways to steal. Fake links, messages that try to trick you scams involving one-time passwords, fake customer service calls and unauthorized money moves can make users wonder if their money and personal details are safe.

Trust is therefore a part of using digital payments. A person might find a payment app easy to use. Keeping using it depends on whether that person thinks the system is safe and that any problems will be fixed properly if something goes wrong. Previous research has also linked trust, the feeling of risk, security and how well complaints are handled to whether people use payments and keep using them (Pavlou, 2003; Patil et al. 2020; Shree et al., 2021).

The current study looks at the link between fraud and consumer trust. Of just checking if people have lost money themselves the study also looks at how aware people are of fraud how scared they are of being a victim how vulnerable they feel, how confident they are in security measures and how they think payment providers deal with fraud. This gives a complete view of how worries about fraud can affect trust, in digital payment systems.

1.1 Literature Review

Many researchers have investigated the phenomenon of digital payments, focusing on such aspects as trust, security, fraud, and consumer behaviour. The following section presents some of the scholarly works done in this area to explicate the factors affecting the trust of the consumers in digital payments.

Dahlberg et al. (2015) conducted a systematic literature review of the previous research done on the field to establish the key factors that determine the use of mobile payment and its acceptance by the consumers. The study established that trust, security, perceived risk, usefulness, and convenience were some of the factors that influenced customers' intention to adopt mobile payment technology. The findings also revealed that the factors must be considered together with the context in which the adoption process will take place to understand the consumers' behaviour towards mobile payment.

Kim et al. (2010) sought to establish the influence of customer perception of electronic payment security on their attitude towards the use of the same. The findings revealed that most customers were only willing to use electronic payment systems that they perceived as safe and secure regarding their financial and personal information. Customers' perception of the risks associated with electronic payments had a significant negative effect on their attitude towards the adoption of the technology.

Mallat's (2007) study focused on factors that influence the decision of a consumer to use mobile payment technology and the possible negative factors that discourage their use. The findings indicated that usefulness and convenience, compatibility, and situational factors are significant predictors of the adoption of mobile payment technology. On the other hand, the study also found out that uncertainty and poor risk perception could deter consumers from using the technology.

Pavlou (2003) empirically analyzed the impact of trust, perceived risk, and technology acceptance on consumer acceptance of e-commerce. The author's findings revealed that trust and perceived risk during online transaction processes significantly influenced consumer acceptance of e-commerce. It means that high levels of trust and low levels of risk perception promote high rates of acceptance of electronic commerce.

Schierz et al. (2010) investigated the key factors affecting consumer acceptance of mobile payment services and developed a research model based on the identified factors. The authors' findings revealed that consumer willingness to use mobile payments was significantly predicted by the extent to which these services were considered as useful, compatible, personally mobile, and socially influential. In other words, the higher these services' estimated utility and convenience, the higher their chances of being adopted by consumers.

Yang et al. (2012) examined the longitudinal process of consumer adoption of mobile payments and explored the impact of personal beliefs, social influence, and personal characteristics on such a process. The authors' findings revealed the significant impact of mobile payments' perceived utility and consumers' awareness of the influence of others on their adoption decisions. It means that these factors should be considered when promoting mobile payment services

Yang et al. (2015) identified the key risks affecting consumer adoption of mobile payment services in China. The study's findings indicated that the risks associated with the use of these services significantly predicted adoption-related outcomes in Chinese consumers. Moreover, the study revealed that negative factors such as worries and concerns slowed down this process. Therefore, the removal of these obstacles increases the likelihood of successful adoption of such services.

Yang et al. (2015) examined the impact of perceived risk on consumer trust in online payment systems and analyzed the mediating role of consumer trust in the relationship between perceived risk and consumers' attitudes toward online payments. The study's findings revealed that negative consumers' beliefs about online payments significantly reduced their trust in such systems, while their positive attitudes increased consumer trust in online payments. I think that this study is important because of the high level of risks associated with such transactions

Oliveira et al. (2016) identified the factors affecting consumer adoption of mobile payments and their behavioral intentions to recommend such services to others. The authors' findings revealed the significant impact of consumers' expectations of performance, social influence, and personal innovativeness on their mobile payment adoption. The study also showed that the more users are satisfied with the performed transactions, the higher is their likelihood to recommend such services to others.

Singh et al. (2017) investigated the preference pattern and satisfaction level of mobile wallet users in the context of North Indian consumers. Factors including convenience, ease of use, security, and service quality were found to influence consumer satisfaction and preference. This implies that consumers are more likely to embrace mobile wallets that offer a combination of convenience and an element of security

Chawla and Joshi (2019) explored the attitude and intention of Indian consumers towards the adoption of mobile wallets. Factors including usefulness, ease of use, security, and trust were found to predict the likelihood of adoption of mobile wallets by consumers. The findings suggest that mere provision of the digital technology is not sufficient; consumers need to be confident and feel secure while using the technology.

Primadineska and Jannah (2021) evaluated the role of perceived security and trust on consumer adoption of electronic payment systems, particularly in the context of the COVID-19 pandemic. Findings revealed that consumer perception of the safety of electronic payment influenced their level of trust, which ultimately predicted their likelihood of adoption of the payment system. This was a critical condition, especially during the COVID-19 pandemic, as individuals increasingly relied on electronic payment systems for most of their transactions.

Shree et al. (2021) conducted a survey-based empirical study on the impact of digital payments and consumer response in India. Convenience, accessibility, security, and the overall experience of the payment process were found to have an impact on the consumer's perception of the digital payment system. A positive experience with a seamless and secure payment process increases the likelihood that the consumer will continue to use the digital payment system.

Kajol et al. (2022) performed a review of existing literature on the adoption of digital financial transactions and identified research gaps that warrant further investigation. The reviewed articles revealed factors including trust, perceived risk, security, usefulness, convenience, and social influence as key predictors of the adoption of digital financial transactions. This study also identified areas that require more investigation on the influence of various factors on consumer adoption of digital financial transactions.

Kumar et al. (2023) assessed the influence of perceived risk and trust on the adoption of mobile banking services in India. The results of the study revealed that perceived risk and lack of security could deter consumers from adopting mobile banking services. On the other hand, the study found trust to have a positive influence on the likelihood of adoption of mobile banking services by consumers. It is, therefore, necessary that consumers should have an element of security with them in order to boost their trust in mobile banking and increase the likelihood of its adoption.

The work of Joshi and Chawla (2024) aimed to investigate the impact of security on the adoption of digital wallets and the role played by trust and consumer attitude toward the association. The results demonstrated the enhancing effect of positive security perceptions on consumer adoption of digital wallets as well as the influence of trust and attitude. In addition, the researchers have identified gender as a moderating variable in the relationship.

Aljaradat and Shukla (2025) explored the factors shaping trust, perceived cybersecurity, and digital payment adoption among 650 Indian users. The results identified perceived benefits, ease of use, grievance redressal, and social influence as significant predictors of trust and cybersecurity. In addition, the researchers have identified the negative association between cybercrime experiences and the trust-usage relationship. The results suggest that users are likely to trust digital payment methods under the influence of perceived benefits, ease of use, and responsive mechanisms for addressing concerns.

Sihare (2026) aimed to investigate the role of cybersecurity and the impact of digital fraud concerns on consumer adoption of electronic payment systems in India. The results demonstrated that the likelihood of Indian consumers adopting electronic payment methods is subject to their fears and concerns about digital frauds and cybersecurity issues. The results suggest that the growing prevalence of digital fraud and associated concerns can affect the trust of consumers in digital payment systems, thus hindering their adoption.

Aljaradat and Shukla (2026) identified the key predictors associated with digital payment adoption behaviour among urban consumers in North India. The researchers focused on the influence of effort expectancy, performance expectancy, grievance redressal, trust, cybersecurity risks, and social influence. The results revealed that grievance redressal and performance expectancy, alongside effort expectancy, had a positive association with usage intention. In addition, the study demonstrated the dampening effect of cybercrime experiences on the associations between cybersecurity and trust. The results suggest that urban consumers in North India are likely to adopt digital payments when the systems are presented as easy to use, efficient, and accompanied by responsive customer support services.

Samuel et al. (2026) aimed to examine the influence of ease of use, satisfaction, trust, and perceived risk on the adoption of digital payments. The results demonstrated that ease of use and consumer satisfaction predicted higher levels of trust in the context of digital payment adoption. However, the study also revealed the role of perceived risk in shaping consumer adoption decisions. The results suggest that the potential consumer risk associated with digital payments can limit the chances of adoption and sustained use.

1.2 Research Gap

While going through the existing literature it was found that most of the studies and existing research has examined payment adoption, perceived risk, cybersecurity, trust, fraud awareness and grievance redressal from many viewpoints. Still value remains in looking at these issues for everyday users especially by linking fraud-related perceptions with a single measure of trust. Many studies look at adoption intention or technology acceptance. This study gives more weight to how fraud concerns, perceived vulnerability, perceived security and confidence connect to overall trust. This study also offers a focused look at these connections, among the present study respondents.

1.3 Research Questions

1. Does experiencing or witnessing digital fraud affect consumer confidence?
2. Does fear of digital fraud reduce trust in digital payment systems?
3. Does perceived security influence consumer trust?

1.4 Research Objective

1. To examine the effect of fear of digital fraud on consumer trust in digital payment systems.
2. To examine the influence of perceived security on consumer trust in digital payment systems.
3. To assess whether experiencing or witnessing digital fraud affects consumers' confidence in digital payments.

1.5 Variables Of The Study

Independent Variable – Digital Fraud: fraudulent activities carried out through digital payment or communication channels, including phishing, OTP/PIN fraud, fake payment links, UPI fraud, identity theft and unauthorised transactions.

Dependent Variable – Consumer Trust: the extent to which consumers consider digital payment systems secure, reliable, dependable and capable of protecting their money and information.

Other relevant variables include fraud awareness, previous fraud experience, perceived security, perceived risk, fear of cybercrime, grievance redressal and frequency of digital-payment use.

1.6 Hypothesis

- H1: Perceived security of digital payment platforms is positively associated with overall consumer trust.
- H2: Fraud-related negative effects on confidence are negatively associated with overall consumer trust.
- H3: Fear of digital fraud is negatively associated with overall consumer trust.

2. RESEARCH METHODOLOGY

Research design: The study uses a descriptive and analytical survey design. It combines descriptive statistics with relationship testing to understand patterns in the responses.

Data source: Primary data were collected through a structured questionnaire. Secondary understanding was developed through the literature reviewed on digital-payment adoption, trust, perceived risk, security and fraud.

Sample size: 40 respondents.

Sampling approach: The responses represent a convenience/accessible sample of digital-payment users. The sample is useful for understanding the views of the respondents, but it should not be treated as a statistically representative sample of the entire Indian population.

Data analysis: Frequencies and percentages were used for the questionnaire items. Likert-type responses were also examined through ordinal correlation. For selected relationships, chi-square tests were considered; the results are interpreted cautiously because of the small sample and several low-frequency categories.

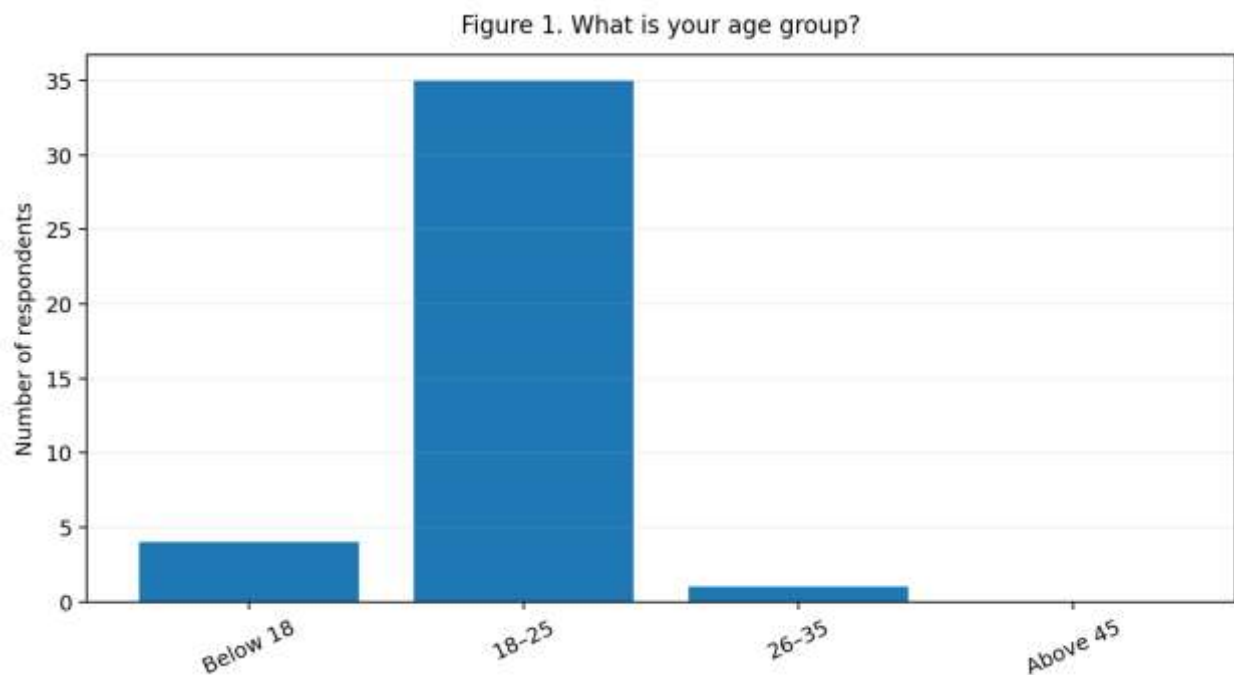
Software-style approach: The presentation follows an SPSS-style structure—frequency tables, percentages, charts and hypothesis-oriented analysis—while keeping the interpretation understandable and human-readable.

3. DATA ANALYSIS AND INTERPRETATION

The following section presents the cleaned questionnaire data from 40 valid respondents. Each question is presented through a frequency and percentage table, followed immediately by its corresponding graph and a short interpretation. The graphs and tables use the same counts so that the visual and numerical presentation remain consistent.

Question 1: What is your age group?

Response	Frequency	Percentage
Below 18	4	10.0%
18–25	35	87.5%
26–35	1	2.5%
Above 45	0	0.0%
Total	40	100%



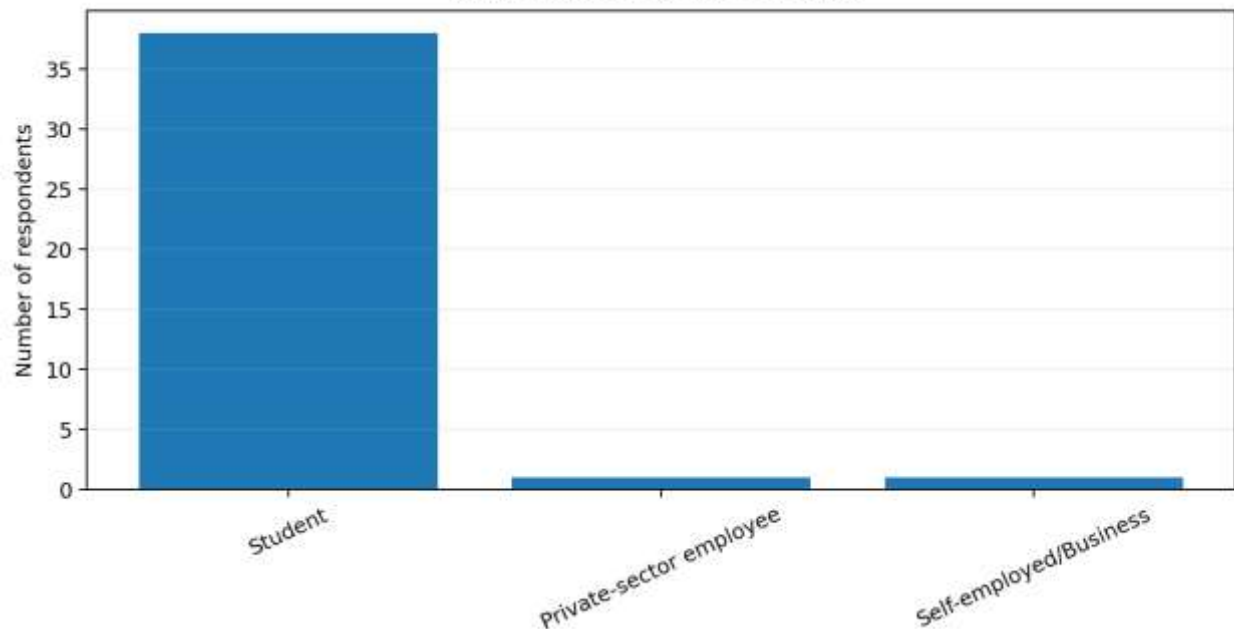
The responses are strongly concentrated in the 18–25 age group, which accounts for 87.5% of the sample. The remaining respondents are mainly below 18, with only one respondent in the 26–35 group. The sample therefore reflects the views of a predominantly young group of digital-payment users.

Question 2: What is your occupation?

Response	Frequency	Percentage
Student	38	95.0%

Private-sector employee	1	2.5%
Self-employed/Business	1	2.5%
Total	40	100%

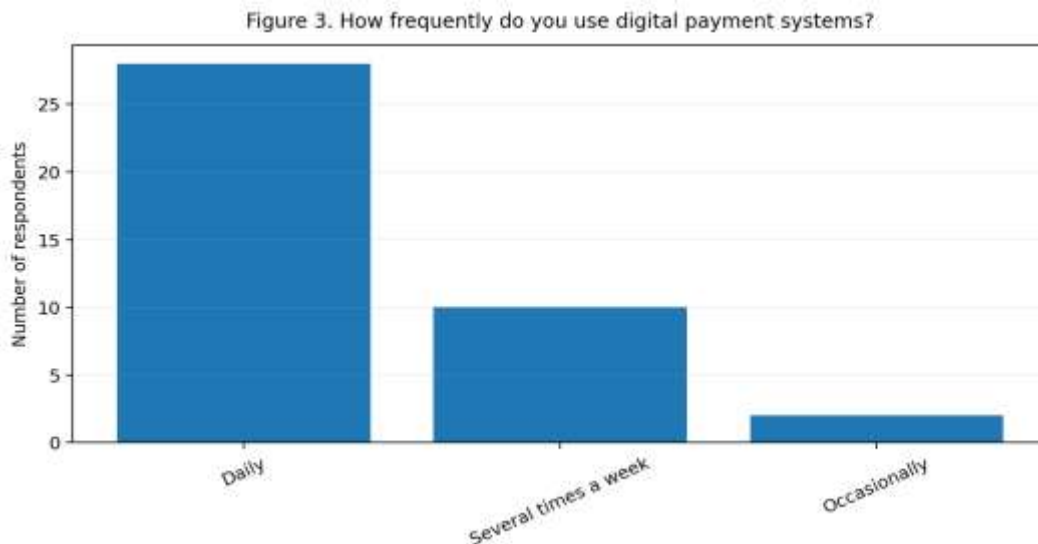
Figure 2. What is your occupation?



Students account for 95% of the valid sample, while one respondent is a private-sector employee and one is self-employed or engaged in business. The findings should therefore be understood mainly in the context of student respondents rather than as a representation of every occupational group.

Question 3: How frequently do you use digital payment systems?

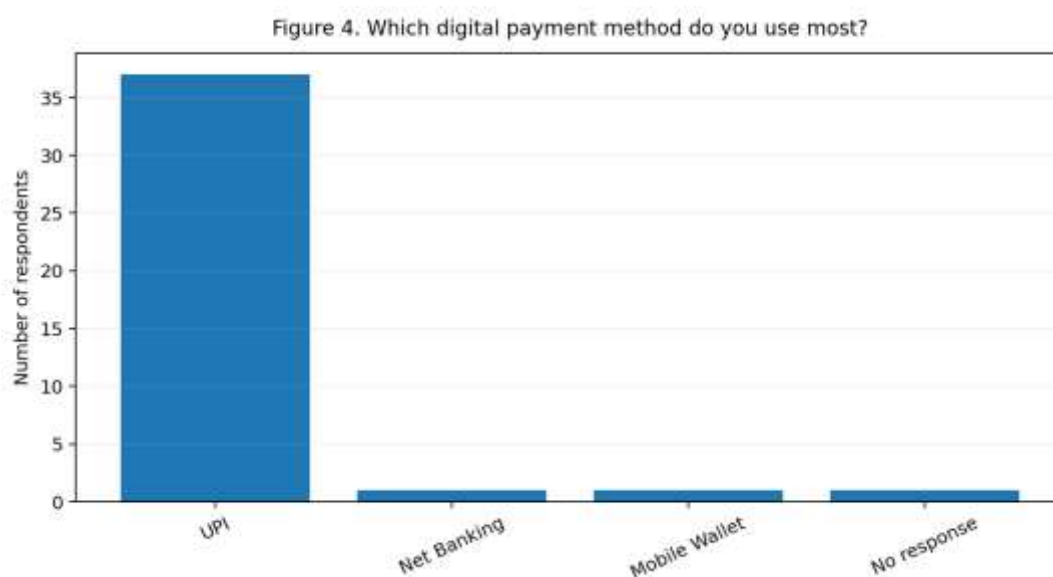
Response	Frequency	Percentage
Daily	28	70.0%
Several times a week	10	25.0%
Occasionally	2	5.0%
Total	40	100%



Digital payment use is frequent among the respondents. Seventy percent reported using digital payments daily, while another 25% use them several times a week. Only 5% reported occasional use, showing that digital payments are a regular part of most respondents' transactions.

Question 4: Which digital payment method do you use most?

Response	Frequency	Percentage
UPI	37	92.5%
Net Banking	1	2.5%
Mobile Wallet	1	2.5%
No response	1	2.5%
Total	40	100%

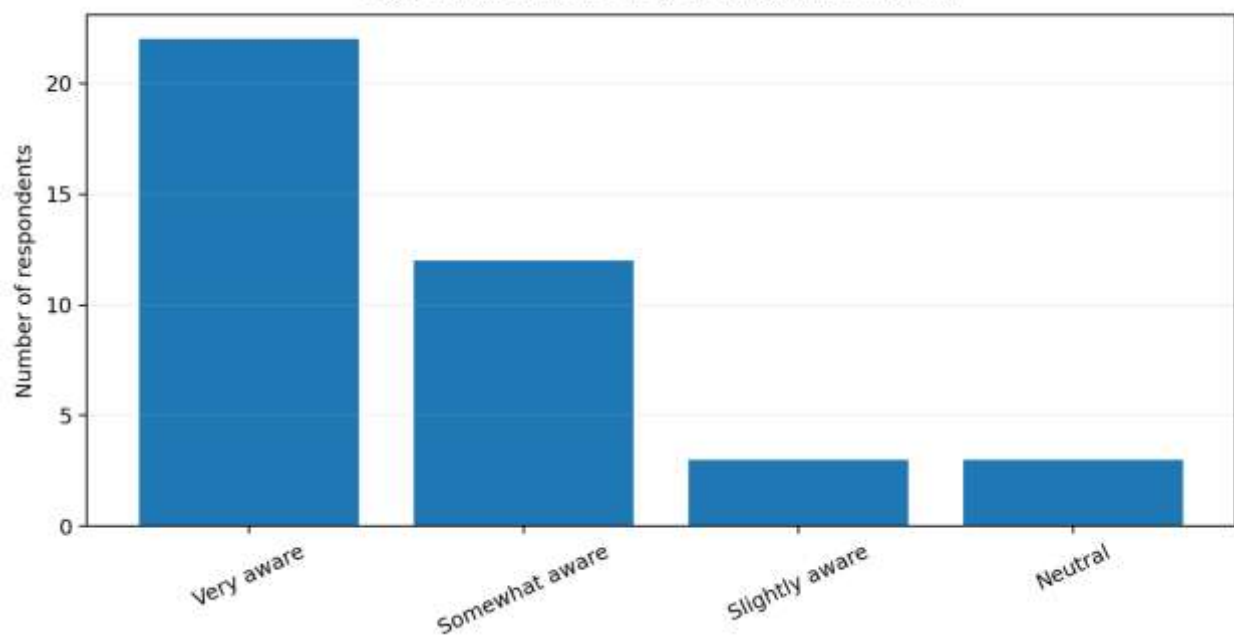


UPI is clearly the dominant payment method in this sample, with 92.5% of respondents selecting it as their most-used method. Net banking and mobile wallets were each selected by one respondent, while one response was left blank. This makes UPI particularly relevant when interpreting the fraud concerns reported by the respondents.

Question 5: How aware are you of digital fraud risks?

Response	Frequency	Percentage
Very aware	22	55.0%
Somewhat aware	12	30.0%
Slightly aware	3	7.5%
Neutral	3	7.5%
Total	40	100%

Figure 5. How aware are you of digital fraud risks?



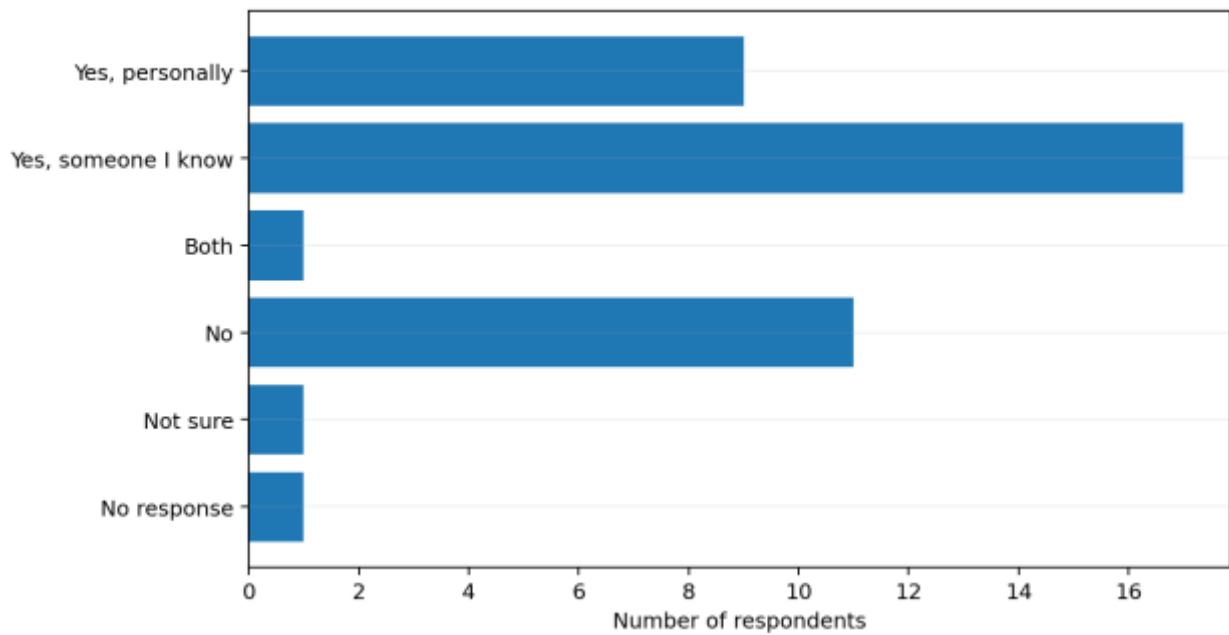
More than 50% of the respondents described themselves as very aware of digital fraud risks, while 30% were somewhat aware. A smaller share selected slightly aware or neutral. Overall, the responses suggest a relatively high level of awareness of fraud-related risks among this sample.

Question 6: Have you or someone you know experienced digital fraud?

Response	Frequency	Percentage
Yes, personally	9	22.5%
Yes, someone I know	17	42.5%
Both	1	2.5%
No	11	27.5%
Not sure	1	2.5%
No response	1	2.5%

Total	40	100%
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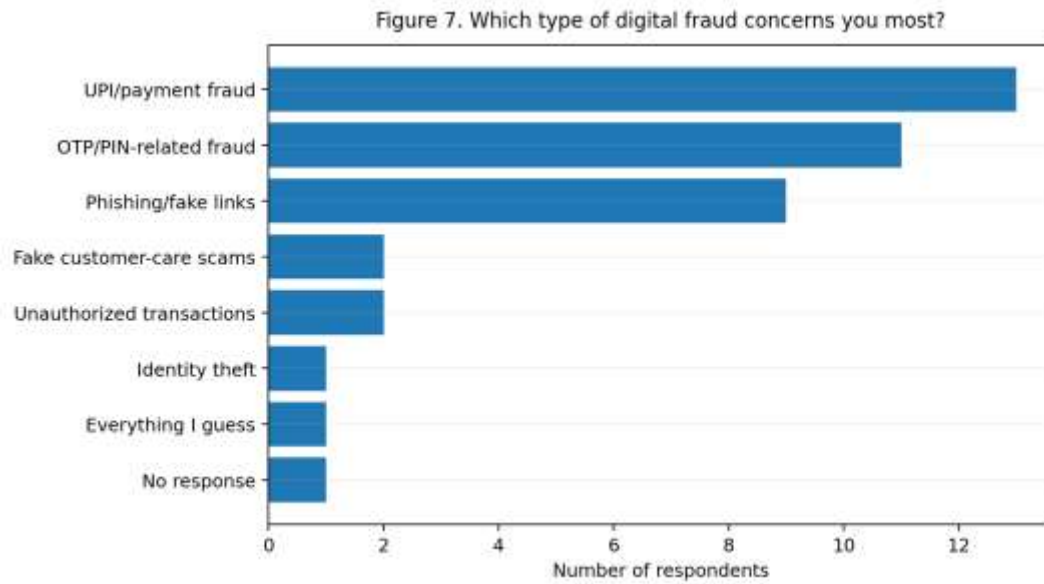
Figure 6. Have you or someone you know experienced digital fraud?



Fraud exposure appears to be familiar to many respondents. 42.5% said that someone they know had experienced digital fraud, while 22.5% had experienced it personally and one respondent selected both. This indicates that direct or indirect exposure to fraud is common within the sample.

Question 7: Which type of digital fraud concerns you most?

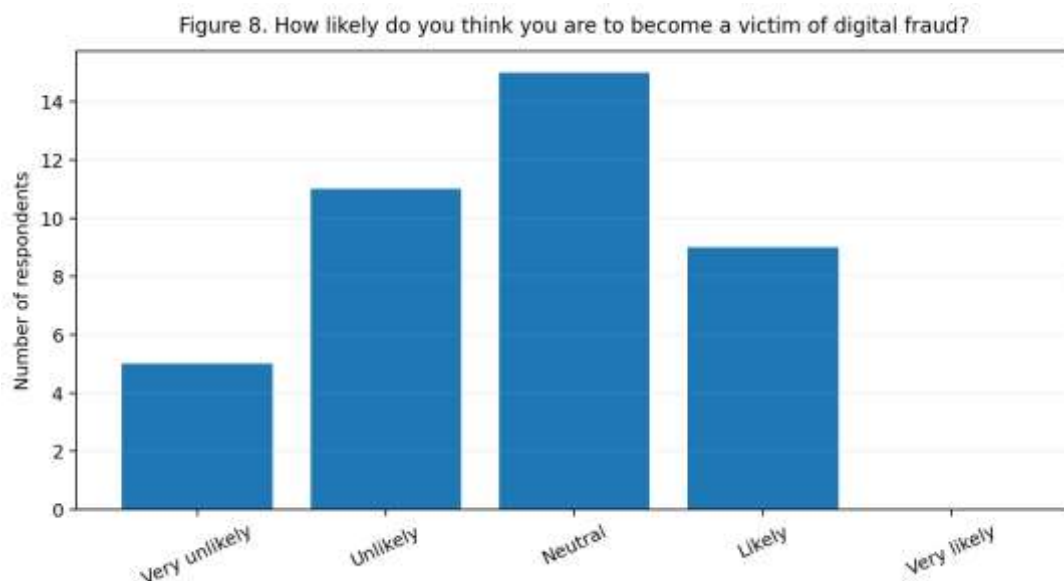
Response	Frequency	Percentage
UPI/payment fraud	13	32.5%
OTP/PIN-related fraud	11	27.5%
Phishing/fake links	9	22.5%
Fake customer-care scams	2	5.0%
Unauthorized transactions	2	5.0%
Identity theft	1	2.5%
Everything I guess	1	2.5%
No response	1	2.5%
Total	40	100%



UPI or payment fraud was the most common concern, followed by OTP or PIN-related fraud and phishing or fake links. The responses show that concerns are spread across several common forms of digital fraud rather than being limited to one type of threat.

Question 8: How likely do you think you are to become a victim of digital fraud?

Response	Frequency	Percentage
Very unlikely	5	12.5%
Unlikely	11	27.5%
Neutral	15	37.5%
Likely	9	22.5%
Very likely	0	0.0%
Total	40	100%

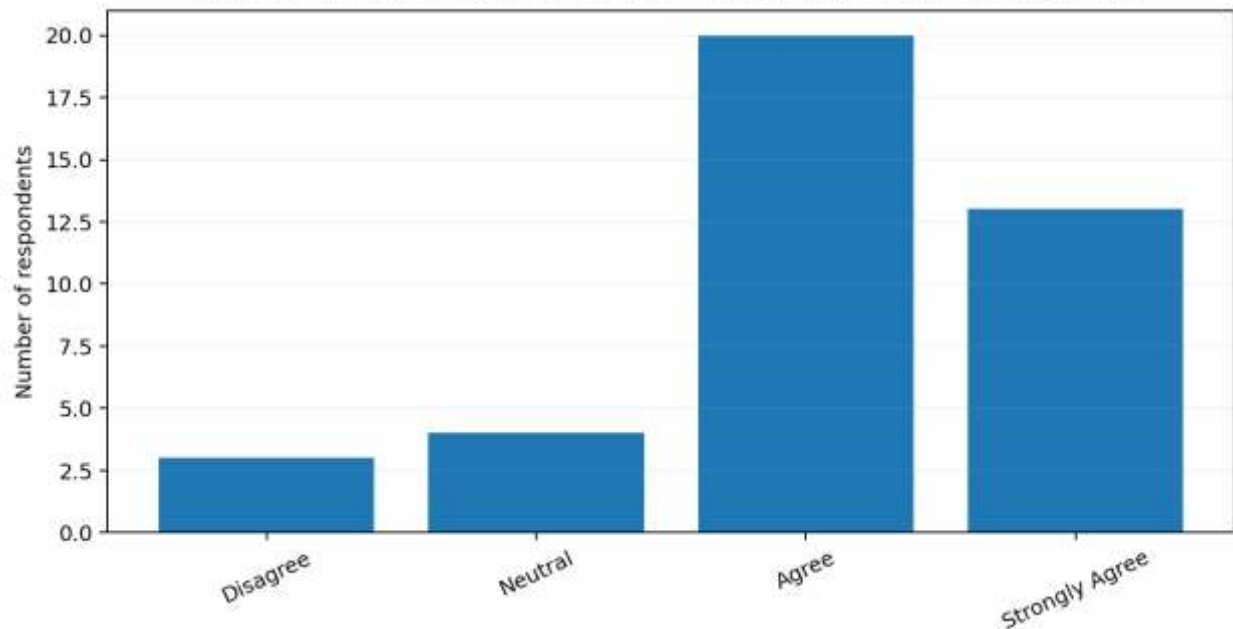


The largest group selected neutral when asked about their likelihood of becoming a victim, while 22.5% considered themselves likely to become victims. Another 40% selected unlikely or very unlikely. The result suggests that respondents do not have a single, uniform perception of their personal vulnerability.

Question 9: Digital fraud has made me more cautious while using digital payments.

Response	Frequency	Percentage
Disagree	3	7.5%
Neutral	4	10.0%
Agree	20	50.0%
Strongly Agree	13	32.5%
Total	40	100%

Figure 9. Digital fraud has made me more cautious while using digital payments.

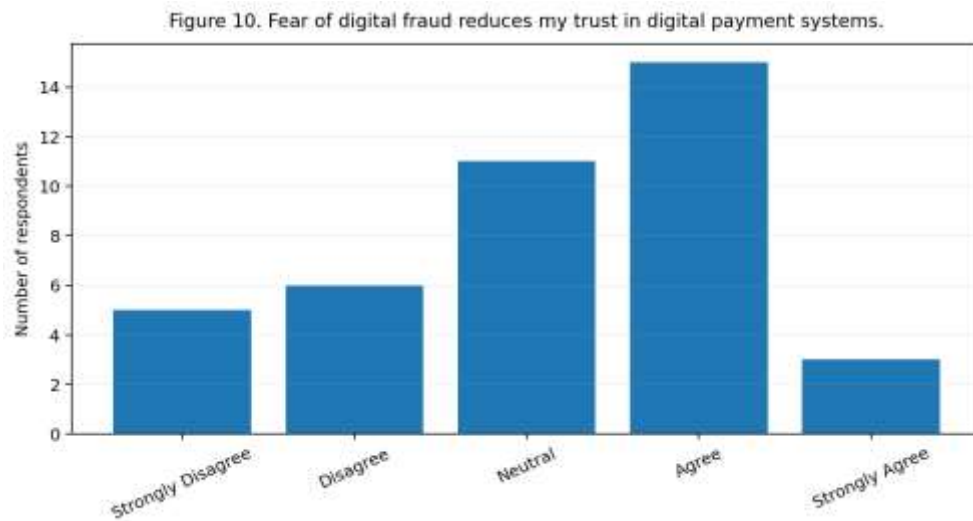


A clear majority agreed or strongly agreed that digital fraud had made them more cautious while using digital payments. This suggests that awareness of fraud can change users' behaviour even when they continue to use digital payment systems.

Question 10: Fear of digital fraud reduces my trust in digital payment systems.

Response	Frequency	Percentage
Strongly Disagree	5	12.5%
Disagree	6	15.0%
Neutral	11	27.5%
Agree	15	37.5%
Strongly Agree	3	7.5%

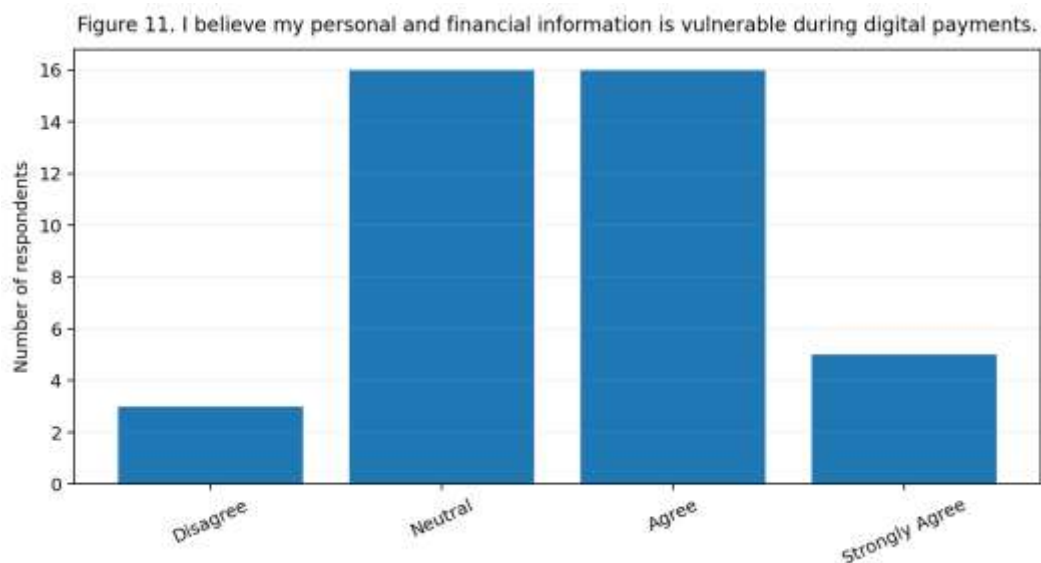
Total	40	100%
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44% of respondents agreed or strongly agreed that fear of digital fraud reduces their trust, while 27.5% disagreed or strongly disagreed and 27.5% remained neutral. The responses therefore show a noticeable connection between fear of fraud and reduced trust, although opinions are not uniform.

Question 11: I believe my personal and financial information is vulnerable during digital payments.

Response	Frequency	Percentage
Disagree	3	7.5%
Neutral	16	40.0%
Agree	16	40.0%
Strongly Agree	5	12.5%
Total	40	100%

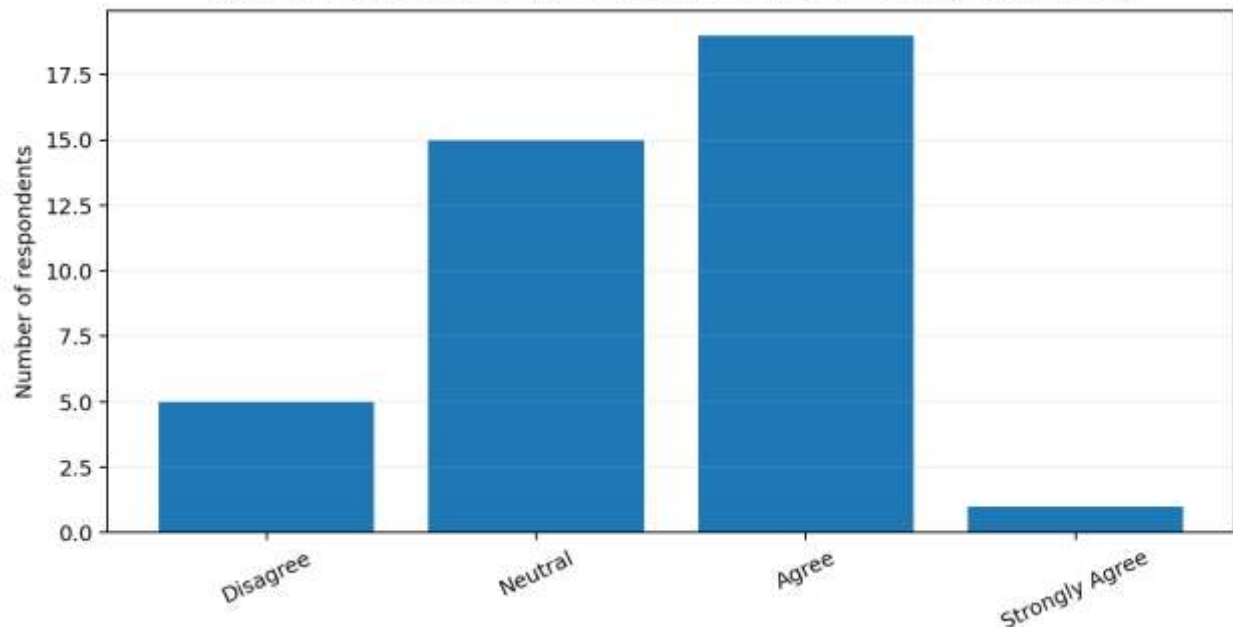


40% agreed and another 12.5% strongly agreed that their personal and financial information is vulnerable during digital payments. An equal 40% were neutral, while only 7.5% disagreed. This indicates substantial concern about information security among respondents.

Question 12: Digital payment platforms provide adequate security against fraud.

Response	Frequency	Percentage
Disagree	5	12.5%
Neutral	15	37.5%
Agree	19	47.5%
Strongly Agree	1	2.5%
Total	40	100%

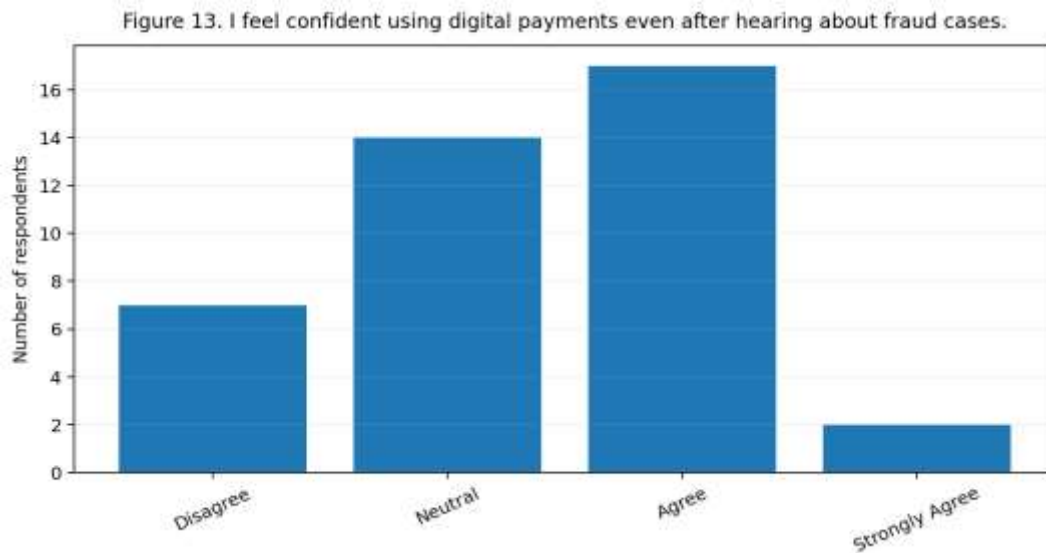
Figure 12. Digital payment platforms provide adequate security against fraud.



Around 50% of the respondents agreed that digital payment platforms provide adequate security, while 37.5% were neutral. A smaller group disagreed. The responses suggest that many users have some confidence in existing security measures, but a sizeable group remains uncertain.

Question 13: I feel confident using digital payments even after hearing about fraud cases.

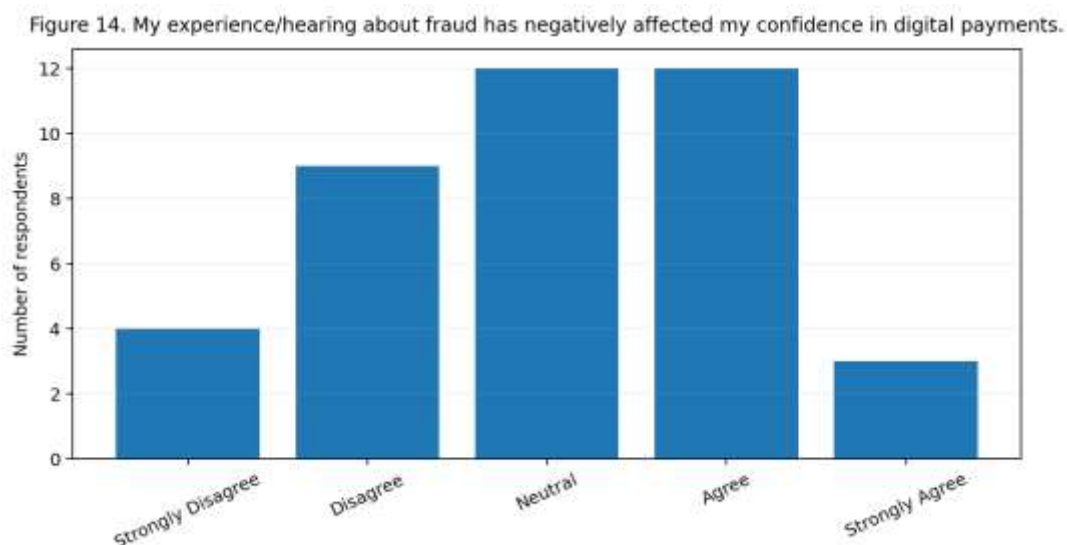
Response	Frequency	Percentage
Disagree	7	17.5%
Neutral	14	35.0%
Agree	17	42.5%
Strongly Agree	2	5.0%
Total	40	100%



Although 47.5% agreed or strongly agreed that they remain confident using digital payments after hearing about fraud, 35% were neutral and 17.5% disagreed. This indicates that fraud awareness does not automatically eliminate confidence, but it may create uncertainty for some users.

Question 14: My experience/hearing about fraud has negatively affected my confidence in digital payments.

Response	Frequency	Percentage
Strongly Disagree	4	10.0%
Disagree	9	22.5%
Neutral	12	30.0%
Agree	12	30.0%
Strongly Agree	3	7.5%
Total	40	100%

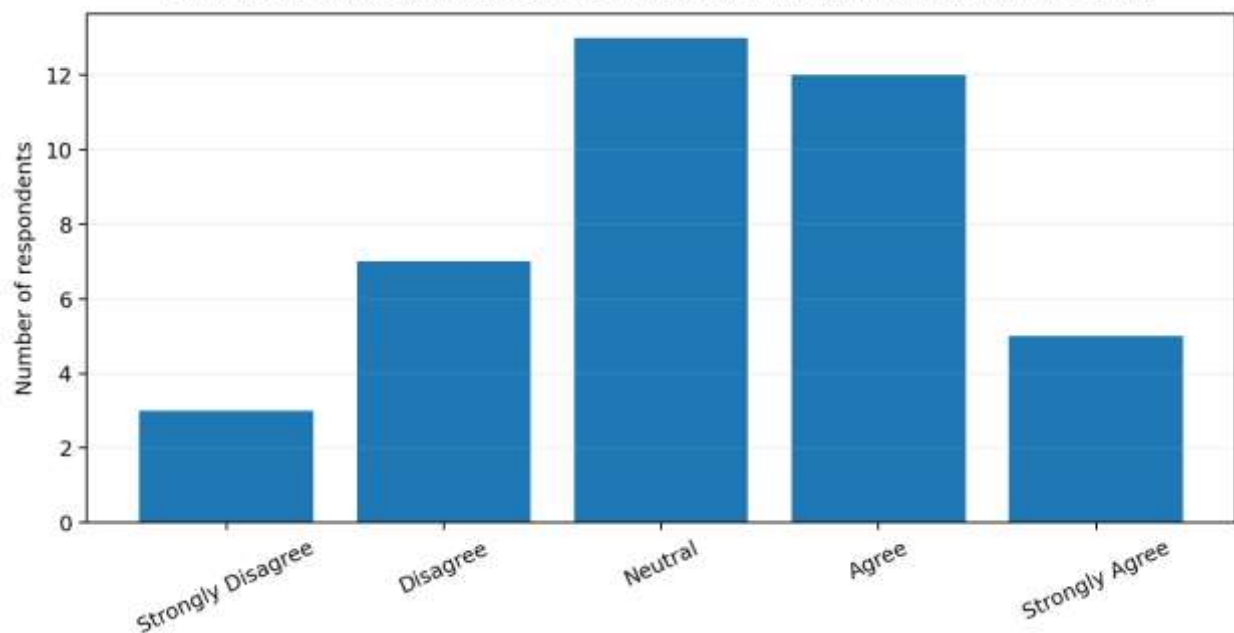


The responses are fairly divided on whether fraud experience or awareness has negatively affected confidence. 37.5% agreed or strongly agreed, while 32.5% disagreed or strongly disagreed and 30% were neutral. This mixed pattern suggests that the effect of fraud on confidence differs across respondents.

Question 15: Banks/payment providers respond effectively when digital fraud occurs.

Response	Frequency	Percentage
Strongly Disagree	3	7.5%
Disagree	7	17.5%
Neutral	13	32.5%
Agree	12	30.0%
Strongly Agree	5	12.5%
Total	40	100%

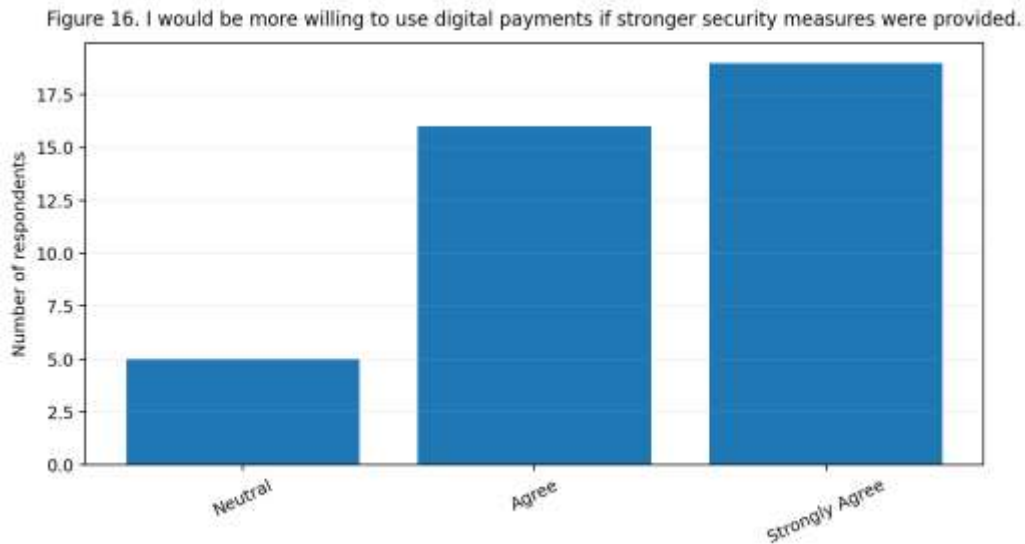
Figure 15. Banks/payment providers respond effectively when digital fraud occurs.



42.5% agreed or strongly agreed that banks and payment providers respond effectively when fraud occurs, while 32.5% were neutral and 25% disagreed or strongly disagreed. The result points to moderate confidence in provider response, with considerable room for uncertainty.

Question 16: I would be more willing to use digital payments if stronger security measures were provided.

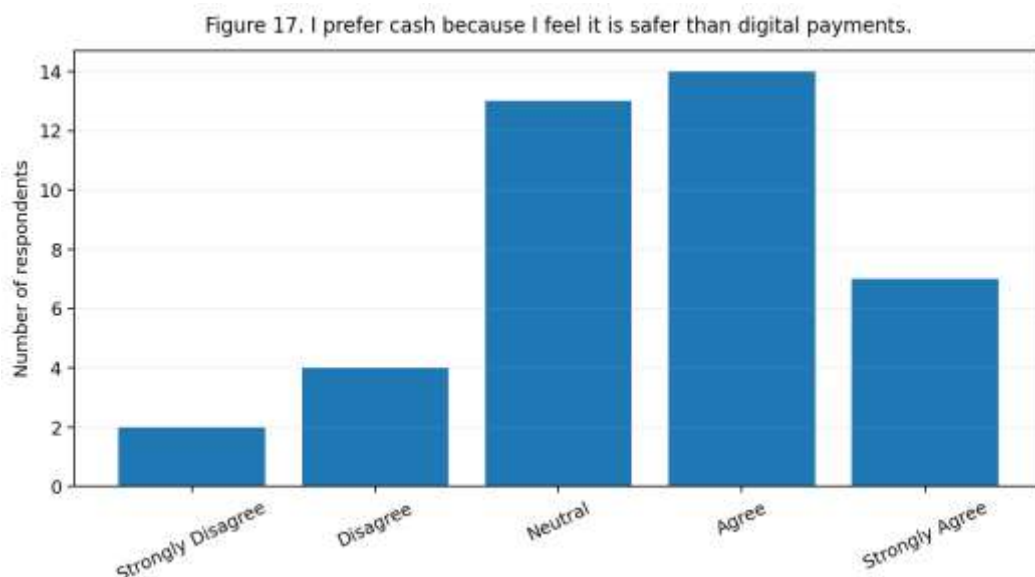
Response	Frequency	Percentage
Neutral	5	12.5%
Agree	16	40.0%
Strongly Agree	19	47.5%
Total	40	100%



The responses show strong support for improved security. 87.5% agreed or strongly agreed that stronger security measures would make them more willing to use digital payments. This makes security improvement one of the clearest themes in the questionnaire.

Question 17: I prefer cash because I feel it is safer than digital payments.

Response	Frequency	Percentage
Strongly Disagree	2	5.0%
Disagree	4	10.0%
Neutral	13	32.5%
Agree	14	35.0%
Strongly Agree	7	17.5%
Total	40	100%

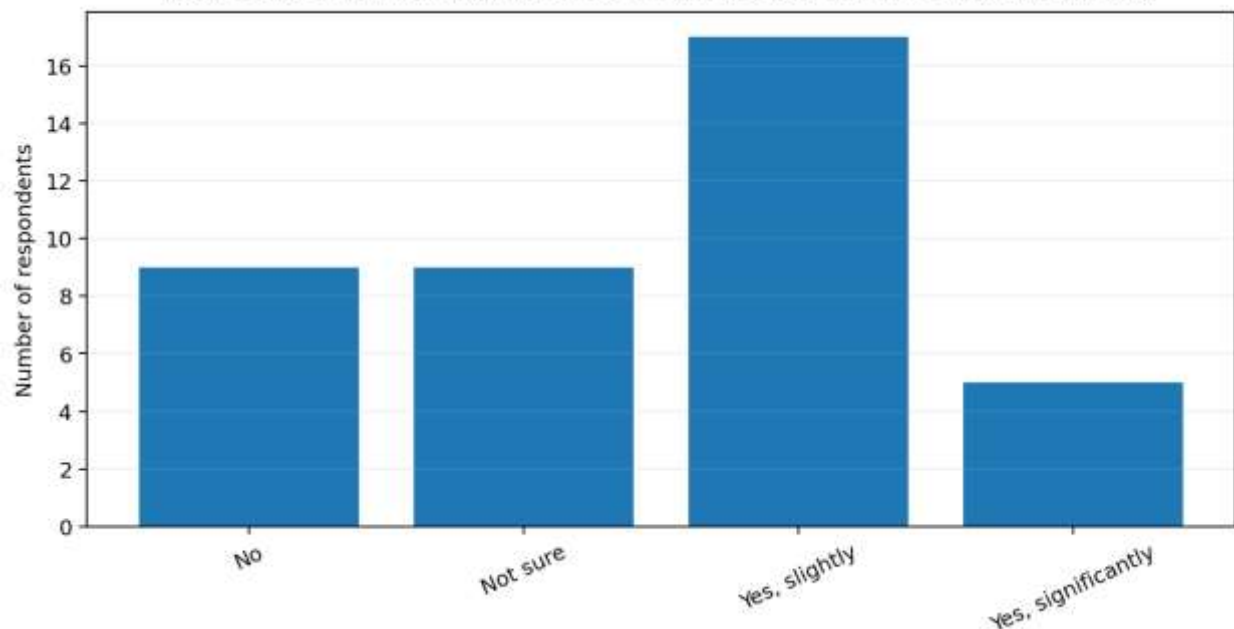


More than half of the respondents agreed or strongly agreed that they prefer cash because it feels safer, while 32.5% were neutral. This indicates that perceived safety can still influence payment preferences even among people who regularly use digital payments.

Question 18: Fear of digital fraud has caused me to avoid or reduce digital payments.

Response	Frequency	Percentage
No	9	22.5%
Not sure	9	22.5%
Yes, slightly	17	42.5%
Yes, significantly	5	12.5%
Total	40	100%

Figure 18. Fear of digital fraud has caused me to avoid or reduce digital payments.



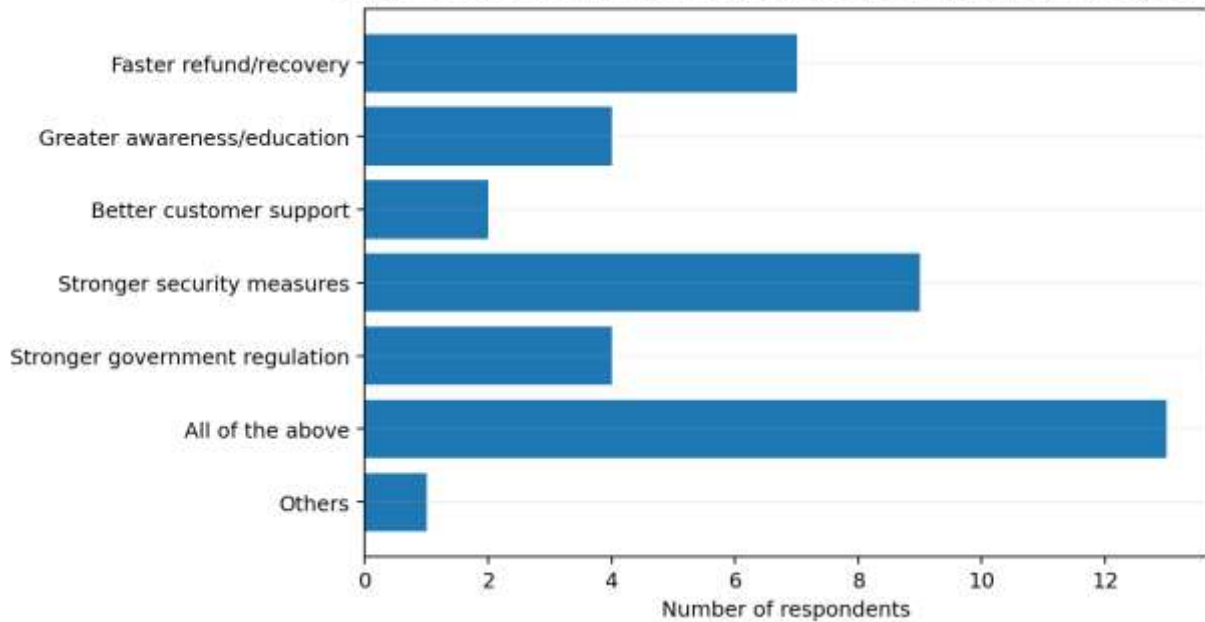
A total of 55% reported that fear of digital fraud had caused them to avoid or reduce digital payments, either slightly or significantly. Another 22.5% were unsure. This suggests that fraud-related fear can translate into changes in actual payment behaviour for a substantial part of the sample.

Question 19: What would most increase your trust in digital payment systems?

Response	Frequency	Percentage
Faster refund/recovery	7	17.5%
Greater awareness/education	4	10.0%
Better customer support	2	5.0%
Stronger security measures	9	22.5%
Stronger government regulation	4	10.0%

All of the above	13	32.5%
Others	1	2.5%
Total	40	100%

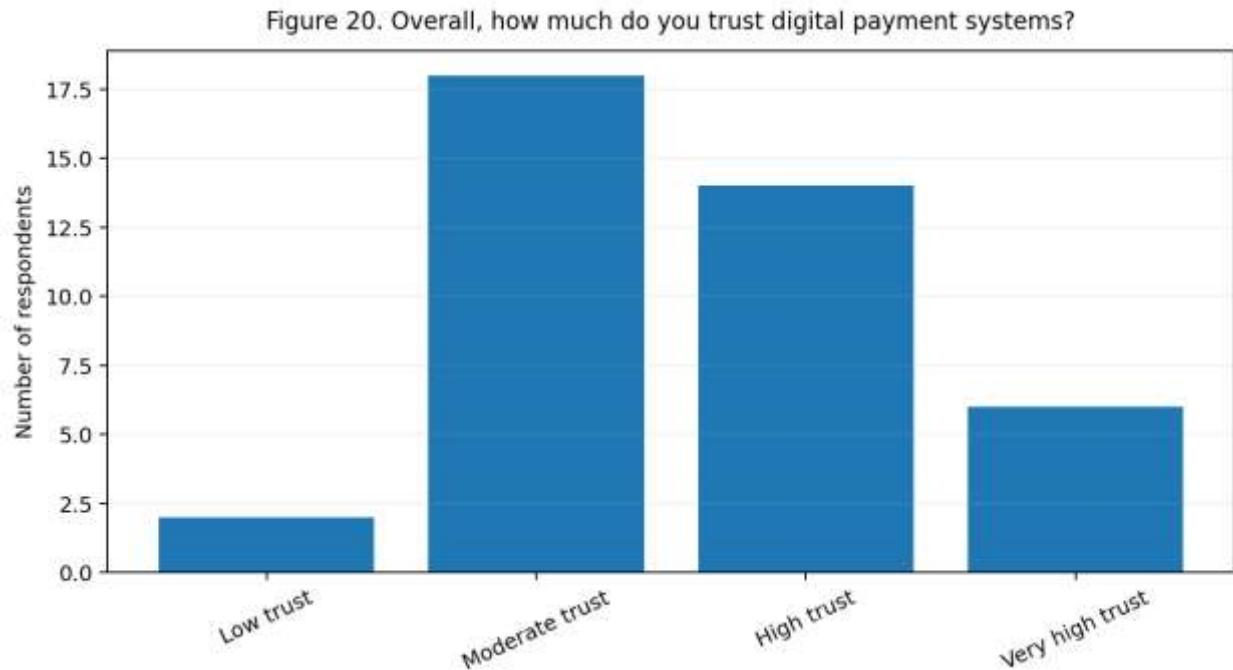
Figure 19. What would most increase your trust in digital payment systems?



The largest group selected all of the listed measures as factors that could increase trust. Stronger security measures were the most frequently selected individual measure, followed by faster refund or recovery. The responses suggest that users view trust as something influenced by a combination of prevention, support, awareness and recovery mechanisms.

Question 20: Overall, how much do you trust digital payment systems?

Response	Frequency	Percentage
Low trust	2	5.0%
Moderate trust	18	45.0%
High trust	14	35.0%
Very high trust	6	15.0%
Total	40	100%



Overall trust is concentrated around the moderate and high categories. 45% reported moderate trust, 35% reported high trust and 15% reported very high trust, while only 5% reported low trust. This indicates that trust remains present among most respondents even though concerns about digital fraud are also evident.

3.1 Relationship Analysis

Spearman's rank correlation was used to examine the relationship between selected fraud-related perceptions and overall trust. The values below are based on the cleaned sample of 40 respondents. A negative coefficient indicates that higher scores on the fraud-related concern variable are associated with lower trust, while a positive coefficient indicates that higher scores on the security or provider-response variable are associated with higher trust. Statistical significance is considered at the 5% level.

Relationship	Spearman's ρ	p-value	Interpretation
Fear of fraud and overall trust	-0.251	0.119	Not statistically significant
Perceived vulnerability and overall trust	-0.212	0.188	Not statistically significant
Perceived security and overall trust	0.391	0.013	Statistically significant positive association
Fraud-related negative effect on confidence and overall trust	-0.327	0.039	Statistically significant negative association
Provider response and overall trust	0.276	0.085	Not statistically significant

The strongest statistically significant result is the positive relationship between perceived security and overall trust ($\rho = 0.391$, $p = 0.013$). This means that respondents who rated security more positively also tended to report higher overall trust. The relationship between the negative effect of fraud on confidence and overall trust was negative and statistically significant ($\rho = -0.327$, $p = 0.039$), indicating that stronger reported negative effects on confidence were

associated with lower trust. The relationships involving fear of fraud, perceived vulnerability and provider response were not statistically significant at the 5% level in this sample. These results show association rather than causation.

3.2 Hypothesis-Wise Interpretation

The first hypothesis is supported within this sample because perceived security showed a statistically significant positive association with overall trust. The second hypothesis is also supported because the negative effect of fraud on confidence was significantly and negatively associated with trust. The third hypotheses is not supported at the 5% significance level because fear of fraud and perceived vulnerability did not show statistically significant relationships with overall trust.

3.3 Major Findings

The analysis shows that digital payments are used a lot by the people who took part in it. UPI is the payment method that people use the most. Many people know about **fraud**. A lot of them have. Been a victim themselves or know someone who has been. The results also show that digital fraud has made users more careful. For a group of people it has caused them to use digital payments less.

At the time the results do not mean that people have lost trust, in digital payments because of fraud. Most people said they trust payments a lot or somewhat. The numbers show details. People who think the system is secure tend to trust it.. When fraud happens it makes people less confident. This means that peoples trust depends not on whether fraud happens, but also on how safe they feel and how much fraud has made them worry.

3.4 Practical Implications

Digital payment providers can build trust from users by making security features easy to spot and keeping fraud warnings clear and simple. They should also provide instructions, about links OTP requests and fake customer-care contacts. I have noticed that digital payment providers that handle complaints well and fix problems quickly help users feel supported after a transaction. Digital payment providers, banks, payment platforms and other people involved in the system can help by organizing awareness campaigns that focus on what people should do of using complicated words. Users say they care about security, more awareness, helpful customer support, faster recovery and solid rules. Creating trust means stopping problems before they happen and offering a response when something goes wrong.

3.5 Limitations Of The Study

The analysis relies on a small sample of 40 valid respondents and 95 percent of the respondents are students. The analysis was not designed to represent the population of digital-payment users. It also relies on self-reported questionnaire responses, which may reflect perceptions and experiences. Finally the correlation analysis identifies relationships between variables. And does not establish cause-and-effect relationships.

4. CONCLUSION

Overall the study and analysis shows that consumer trust in payment systems is strongly linked to how people feel secure and how much fraud has made them doubt the system. Improving the technology that keeps payments safe and making people more aware by using simple and easy to understand words making it easier to fix problems when something goes wrong and helping people get their money back faster after something bad happens can make digital payments more trustworthy. Since the group of people in this study is mostly students the results show what this group thinks, not what everyone thinks about digital payments. More research with people from different backgrounds can give a better idea of how fraud affects trust in digital payments. A key thing that came up in the study is that users don't expect digital payments to be completely safe all the time. Instead they really care about feeling protected and knowing that help will be there if something goes wrong. People kept saying that better security is a way to build trust and they also valued faster help, better support, more information and good rules. This means that trust is built by both stopping problems before they happen as well as dealing with them when they do. The numbers from the study give a picture of this connection. The feeling of security was linked to trust ($\rho = 0.391$ $p = 0.013$) which means people who thought digital payments were safer also trusted them more. On the hand when people had more problems with fraud their trust went down ($\rho = -0.327$, $p = 0.039$). The links between fear of fraud feeling vulnerable and how well the companies respond were not strong enough to be sure in this analysis. These results are about the people in the study and not about proving that one thing causes another. Digital payment systems are now a part of daily life and the results of this study show that just being easy to use is not enough to keep people trusting them. Most people knew about

fraud and many had either experienced it themselves or heard about it from others. This has made a lot of people more careful and more aware as more than half said that fear of fraud made them use payments less. At the time most still trusted digital payments enough to use them showing that people can be worried about digital fraud and still use digital payments.

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