**A STUDY INTO THE ACCEPTANCE AND ADOPTION OF THE CBN CASHLESS POLICY**

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**ABSTRACT**

*This study was carried out to examine a* ***study into the acceptance and adoption of the CBN cashless policy using Port Harcourt as a case study.*** *Specifically, the study was aimed at ascertaining the level of acceptability and adoption of the CBN cashless policy in Port Harcourt. The study employed the survey descriptive research design. A total of 300 responses were validated from the survey. From the responses obtained and analysed, The findings revealed the level of acceptability and adoption of the CBNs cashless policy in Port Harcourt is high. The findings also revealed that The people of Port Harcourt has significantly accepted and adopted the CBNs cashless policy. The findings also revealed that Increased convenience for consumers, Reduced risk of cash-related crimes, Cheaper consumer access to (out-of-branch) banking services, Consumer access to credit and financial inclusion are amongst the advantages of accepting and adoption of the CBN’s cashless policy in Port Harcourt. The findings further revealed that Ineffective sensitization campaign exercise, Inadequate protection of the interest of merchants and people in the informal sector, Non availability of POS terminals in strategic locations, Poor internet connectivity etc are amongst the challenges facing the use of internet and mobile banking service/POS in Port Harcourt City. The study recommend the CBN should intensify in its awareness campaign by harnessing other opportunities such as the use of religious leaders in the awareness campaign since the lack of banking culture especially in the Country has been largely due to religious belief. Moreso, Governments at every level should collaborate in providing essential social and physical infrastructures that drive the cashless economic policy.*

**CHAPTER ONE**
**INTRODUCTION**

**BACKGROUND TO THE STUDY**

One of the prerequisites for the development of national economy according to Ajayi et al, 2006 is by encouraging a payment system that is secured, convenient, and affordable. The world today is moving away from paper payment system to electronic means, especially payment cards (Humphrey, 2004). In most countries, for instance, it is possible to pay for a snack through vending machine by simply dialing a number on one’s phone bill. In Nigeria, like most developing countries, cash is the main mode of payment and a large percentage of the populations are unbanked (Ajayi et al., 2006) thus making the Nigerian economy to be heavily cash-based.
Recently, the Central Bank of Nigeria (CBN, 2011) revealed that the direct cost of cash management is estimated to reach a staggering sum of one hundred and ninety two billion naira (N192bn) in 2012. Other challenges resulting from high-cash usage among others include: armed robberies and cash-related crime, revenue leakage arising from too much of cash handling, inefficient treasury management due to nature of cash processing, high subsidy, high inflation etc (Akpan, 2009). Against these backdrops, the CBN introduced the cashless policy in April 2011 with the objective of promoting the use of electronic payment channels instead of cash. This no doubt led the CBN into conducting a pilot scheme of the cashless policy in Lagos in January 1st 2012. So far, implementation of the policy in Lagos has not gained expected reaction. Hence a rollout across the country has been substituted with phase implementation in Port Harcourt, Kano, Abia and the Federal Capital Territory (CBN, 2012).
A cashless economy is one where purchases and transactions are done mainly by electronic means and seldom by cash. The policy, introduced by the CBN in April 2011, states that individual and corporate customers are restricted to a daily cash withdrawal and lodgment of N500000 and N3m respectively. By implication, individuals, who make cash withdrawals above the limit will be charged N100 on every N1000 while a corporate organization that exceeds the limit will be charged N200 on every N1000 (Ezio, 2008).

According to the CBN and the Bankers Committee, the economy will be better off with the policy. For instance, it will reduce the dominance of cash in the system, thereby reducing cases of armed robbery and cash related crimes. It will moderate the cost of cash management; encourage the use of electronic payment channels and reduce lending rates to further make credit accessible to big and small business. The committee’s findings showed that running a cashless economy could save the CBN about N192bn, which is the projected direct cost of managing cash for 2012. While Nigerians could not deny the need to prevent too much cash in circulation among other benefits of the scheme; many still believe that the cash limit is too low and query how the CBN arrived at the benchmark. Some also express the need for a gradual transition to the new policy order; while others think that Nigeria is not even ripe for it. As laudable as the cashless idea is, an assessment of the usual inconsistencies in the operation of the Automated Teller Machine (ATM) leaves many stakeholders wondering if the same system could produce a better result. Realizing this potential threat, the CBN recently directed banks and independent service providers to deploy more ATMs and ensure their efficiency to ensure a smooth implementation of the policy. The most outstanding cashless banking channels world over according to Siyanbola (2013) are Mobile banking; Internet banking; Telephone banking; Electronic card implants; POS terminals, and ATMs.
The word mobile is related to mobile business which connotes the possibilities of having access to business activities anywhere and anytime in the world and which is managed by computer mediated network. The facility makes service availability location possible. Mobile
Banking involves the use of mobile phone in carrying out financial transactions. This is more or less fund transfer process between customers with immediate availability of funds for the beneficiary. According to Siyanbola (2013), it uses card infrastructure for movement of payment instructions as well as secured SMS messaging for confirmation of receipts to the beneficiary. It is very popular and exciting to the customers given the low infrastructure requirements and a rapidly increasing mobile phone penetration in the country. In the banking industry, services that are finance-related which involves mobile telecommunication technologies are known as Mobile financial services. These services are therefore categorized into mobile payment and mobile banking (Alex, 2010). Services covered by this product include account enquiry; funds transfer; recharge phones; changing password and bill payments (Tiwari & Buse, 2007).
Internet banking involves conducting banking transactions on the internet (www) using electronic tools such as the computer without a customer having to visit the banking hall. Internet or electronic banking is also a system by which transactions are settled electronically with the use of electronic gadgets such as ATMs, POS terminals, GSM phones, V-cards etc, handled by e-holders, bank customers and other stakeholders (Edet, 2008). These innovations in the banking system no doubt have greatly facilitated e-commerce mostly in effecting payments. Internet banking, like mobile banking, also uses the electronic card infrastructure for executing payment instructions and final settlement of goods and services over the internet between the merchants and the customers. Commonly used internet banking transactions in Nigeria are settlement of commercial bills and purchase of air tickets through the websites of the merchants or service providers.

Electronic card on the other hand is a physical plastic card that uniquely identifies the holder used in transacting business on the internet, automated teller machine (ATM) and point of sales (POS) terminals (Carow and Staten, 2000). This includes debit and credit cards with debit cards linked to local bank accounts and offer immediate confirmation of payment while credit card can be used for assessing local and international networks. As credit cards are widely accepted in most countries, the underlying infrastructures and operational rules are often provided by global trust scheme (such as visa and master card) in addition to local lines.
Debit cards are the dominant cards in Nigeria, otherwise known as ATM cards and their usage is wider than POS transactions given the current limited deployment of POS terminals.

Point of Sale (POS) or Point of Purchase (POP) terminals is the location where a transaction occurs. A POS or POP is generally referred to the hardware and software used to check out, the equivalent of an electronic cash register. A POS manages the selling process by a salesperson as an accessible interface while allowing the creation and printing of receipts.
Automated Teller Machine is a computerized device that provides the customers of a financial institution with access to financial transactions in a public place without a need for assistance from bank teller or any bank official (Migdadi, 2008). It is the commonest form of electronic banking which has gained popularity among Nigerians including the illiterate bank customers.
Notwithstanding the benefits posited by cashless economy from the foregoing, these alternative payment channels are still faced with enormous challenges. According to Wales (2013), challenge is a general term referring to things that are imbued with difficulty and victory. Thus, there are many difficulties associated with the actualization of the cashless economic policy among the Nigerian populace especially the illiterate family members; those living mostly in rural areas and the unemployed as well.
The Port Harcourt community is among the elite class of the Nigerian society who by virtue of their positions are bound to embrace the cashless policy, giving the presence of commercial banks available at their disposal. To this effect, the study would determine the acceptability and adoption of the cashless policy in Port Harcourt.

**STATEMENT OF THE PROBLEM**

According to the Global FINDEX Survey in 2011, around one-third of Brazilians and South Africans with debit cards use e-payments, compared with one in ten Nigerians: the 2% of Nigerian adults who currently make e-payments represent a small fraction of the 19% holding debit cards (which is used as a proxy for a type of account more likely to provide e-payment functionality). Similarly, data from EFInA’s Access to Financial Services in Nigeria 2012 survey (A2F, 2012) highlight Nigerians’ limited acceptance and adoption of electronic payments and services to date, with 0.7% of banked adults using POS terminals, 0.8% of banked adults using the internet, and less than 2.5% using mobile phones for banking transactions. The policy has since been affected by many factors namely ineffective sensitization campaign exercise; inadequate protection of the interest of merchants and people in the informal sector; non availability of Point-of-Sale (POS) terminals as well as other technological challenges. Thus, these challenges have seriously affected the implementation of the policy. It is therefore the belief that the move is too idealistic in a country like Nigeria where a larger percentage of their population has low level of functional literacy skills and resides in rural areas where compelling them to travel long distances in order to use these services. It therefore becomes pertinent to examine the level of acceptability and adoption of the cashless economic policy in Nigeria.

**OBJECTIVES OF THE STUDY**

The broad object of the study is to determine the level of acceptability and adoption of the CBNs cashless policy in Port Harcourt metropolis. The specific objectives are as follow.

1.    To determine the level of acceptability and adoption of the CBNs cashless policy in Port Harcourt.

2.    To find out the advantages, benefits and implications of accepting and adoption of the CBN’s cashless policy in Port Harcourt

3.    To Determine the challenges facing the use of internet and mobile banking services/POS and the disadvantages of CBN’s cashless policy in Port Harcourt

4.    To find out the factors that can improve the level of acceptability and adoption of the CBN’s cashless policy in Port Harcourt.

**RESEARCH QUESTION**

1.    What is the level of acceptability and adoption of the CBNs cashless policy in Port Harcourt?

2.    What are the advantages, benefits and implications of accepting and adoption of CBN’s cashless policy in Port Harcourt?

3.    What are the challenges facing the use of internet and mobile banking services/POS and the disadvantages of CBN’s cashless policy in Port Harcourt?

4.    What are the factors that can improve the level of acceptability and adoption of the CBN’s cashless policy in Port Harcourt?

1.    **HYPOTHESIS**

The following hypotheses were formulated to guide the study and were tested at level of significance of 0.05.

Ho: The people of Port Harcourt has not significantly accepted and adopted the CBNs cashless policy

HA: The people of Port Harcourt has significantly accepted and adopted the CBNs cashless policy

**SIGNIFICANCE OF THE STUDY**

This study is targeted at determining the level of acceptability and adoption of the CBNs cashless policy in Port Harcourt considering the factors and challenges facing the use and the acceptability and adoption of the policy, therefore this study will educate the general public on the need for the acceptance and adoption of the cashless policy educating the general public of the advantages of the policy. Furthermore, this study will also educate stakeholders in the financial sector on ways to solve the problems limiting the acceptance and adoption of the CBNs cashless policy.
Lastly, the outcome of this study will increase the volume of the literature in the area of acceptability and adoption of the CBNs cashless policy.

**SCOPE AND LIMITATION OF THE STUDY**

In ascertaining the level of acceptability and adoption of the CBNs cashless policy, this study will cover all the Local Government area in the city of Port Harcourt. **LIMITATIONS OF STUDY**

Limitations experienced in the course of this study are basically centered on problems relating to:

1.    Difficulty in generating reasonable, adequate and reliable information from respondents- Respondents tend to provide information which they feel the researcher would be pleased to get, which may not be the right information.

2.    Financial constraint- Insufficient fund tends to impede the efficiency of the researcher in sourcing for the relevant materials, literature or information and in the process of data collection (internet, questionnaire and interview).

3.    Time constraint- The researcher will simultaneously engage in this study with other academic work. This consequently will cut down on the time devoted for the research work.

**DEFINITION OF TERMS**

**Payment**– the action or process of paying someone or something or of being paid

**Economy**– the state of a country or region in terms of the production and consumption of goods and services and the supply of money.
**Transactions**– an instance of buying or selling something.
**Cash**– money in coins or notes, as distinct from cheques, money orders, or credit.
**Internet**– a global computer network providing a variety of information and communication facilities, consisting of interconnected networks using standardized communication protocols

**CHAPTER TWO**

**REVIEW OF LITERATURE**

**INTRODUCTION**

Our focus in this chapter is to critically examine relevant literatures that would assist in explaining the research problem and furthermore recognize the efforts of scholars who had previously contributed immensely to similar research. The chapter intends to deepen the understanding of the study and close the perceived gaps.

Precisely, the chapter will be considered in three sub-headings:

* Conceptual Framework
* Theoretical Framework
* Empirical Review and

**2.1 CONCEPTUAL FRAMEWORK**

**Cashless Policy**

Cash-less banking is that banking system which aims at reducing, but not eliminating, the volume of physical cash circulating in the economy whilst encouraging more electronic based transactions. In other words, it is a combination of e-banking and cash-based system. It is essentially a mobile payment system which allows users to make payment through GSM phones with or without internet facilities (Odior and Banuso, 2012; Akhalumeh and Ohiokha, 2012). In 2011, it was estimated that 99% of over 215 million customer transactions in Nigeria banks were through ATM and over-the-counter, and this was valued at about N2.1 trillion. It is estimated that an average Nigerian transacts about N65 in cash out of N100 income earned (Princewell and Anuforo, 2013) The operation of the cash based system has been at a significant cost to the Nigerian economy. The estimate shows that cash distribution cost accounts for 60% overheads in the banking industry while cash management operations require up to 80% of the industry’s infrastructure base and staff strength (CBN, 2012). Furthermore, the direct cost of transporting, processing and storing (vault) huge volume of cash borne by the financial system was valued at N114.5 billion in 2009 and it was estimated to rise to N192 billion by the end of 2012. Again, heavy cash users (i.e. those with transaction value above N150, 000) account for only 10% of transaction volume but 71% of the transaction value. It appears therefore, that implicit cash holding costs for the minority class of cash users are being subsidized by the majority (Nweke, 2012). In response to this trend, the Central Bank of Nigeria by its legal mandate initiated the policy shift from cash-based system to cash-less one. In 2005, the CBN initiated the National Payment Systems (NPS) specifically to achieve the objectives of promoting efficiency and effectiveness of payment system, promoting safe and sound banking practices and protection against systemic risks. It also set the objective of migrating to cash-less mode of payment, such as electronic debit/credit instruments, credit/debit cards, ATM – sharing Electronic Fund Transfer at Point of Sales and Real Time Gross Settlement System (RTGS). Other objectives of NPS include; to ensure payment system audit transparency and full transaction reporting and to achieve acceptance and confidence through information dissemination, customer convenience and total quality delivery (Princewell and Anuforo, 2013). Eventually, the NPS initiative metamorphosed into the cash-less policy in April 20, 2011. According to CBN, the cash-less policy aims at reducing the amount of physical cash in circulation and to encourage more electronic based transactions. The policy came into effect in January 1, 2012 with partial implementation in Lagos State and later moved into full execution in that State in April 1, 2012. Thereafter, the policy was extended to five states (Kano, Ogun, Rivers, Anambra, and Abia) and Abuja on October 1, 2013 and to the entire country in July 1, 2014. The cardinal objectives of the policy are: (i) to drive development and modernization of Nigeria payment system in line with vision 2020 goal of Nigeria becoming one of the top twenty economies of the world by year 2020, (ii) to reduce the cost of banking services (including the cost of credit) and drive financial inclusion by providing more efficient transaction options and greater reach, (iii) to limit high cash usage outside the formal sector and thereby improve the effectiveness of monetary policy in managing inflation and encouraging economic growth, and (iv) to curb some of the negative consequences associated with high physical cash usage, including high cost of cash: robberies, corruption and leakages through money laundering, fraud and cash-related crimes (Central Bank of Nigeria, 2011; Odior and Banuso, 2012; Shonubi, 2012). However, the following are vital issues of the cash-less policy. First, there is a threshold of daily cumulative cash of N500, 000 and N3 million on cash withdrawals and lodgments by individual and corporate bodies respectively free of processing fees. At the conception of the policy in 2011, these were pegged at N150, 000 and N1 million but were later reviewed. This limit applies to all account so far as it involves cash, irrespective of the channel used. Second, there are processing fees for withdrawals above the limit, and it is 3% for individual and 5% for corporate bodies. Lodgment above the limit attracts 2% and 3% processing fee for individual and corporate bodies respectively. These processing fees are subject to review every six months. Thirdly, these fees do not apply to accounts operated by Ministries, Departments and Agencies of the Federal and State Governments, solely meant for the purpose of revenue collections. Exemptions are also extended to Embassies, Diplomatic Missions and Multi-lateral and Aiddonor Agencies, as well as Micro Finance Banks and Primary Mortgage Institutions (CBN, 2012) Reducing the huge population of Nigerians who do not have access to financial services is one of the major targets of the CBN. A survey on enhancing financial innovation and access in 2010, revealed a marginal increase of those served by formal financial market from 35% in 2005 to 36.3% in 2010; five years after the launch of Micro finance policy which was thought could massively mobilize rural Nigerians into formal financial services (Onyinye, 2012). The survey attributed the reasons why most Nigerians do not have or maintain a bank account to unsteady income, unemployment and distance to bank branches. Accordingly, the CBN targeted to increase the number of Nigerians in the formal sector from its figure of 36.3% in 2010 to above 70% by 2020 (The Nigerian Voice, 2013; The Nation, 2013). In pursuant of the foregoing, the CBN has undertaken a number of strategic initiatives, including a commitment at the 2011 Alliance for Financial Inclusion Global Forum held in Mexico to reduce Nigeria’s financial exclusion from 46.3% to 20% by 2020. One way to realizing this is to facilitate access to the otherwise disadvantaged groups like the farmers, aged citizens, self-employed, jobless school leavers and SMEs considered by banks a costly, risky and unviable bankable population (Onyinye, 2012). Also, the introduction of mobile money services by the CBN is seen as a veritable tool to create payment access to those unbanked Nigerians in the rural areas, and also help drive financial inclusion in the country. Financial analysts are of the view that the high level of mobile telecommunications usage in the country is expected to translate into increase in bankable Nigerians if perfectly harnessed (Amaka, 2012).

**Benefit of Cashless Policy**

Undoubtedly, an efficient payment system (that which depends less on cash) is a sinequa-non for national development and a significant national infrastructure for growth. All things being equal, it has been shown that 10% increase in the efficiency of the national payment system can cause the Gross Domestic Product to increase by 1% (Odior and Banuso, 2012). With the advent of cash-less policy in Nigeria, what are the likely benefits? Opinions on this differ. On one side, we have those who are apprehensive about the policy. The assertion by Tunde (2012) sums up this: “Transaction charges are seen to make significant contribution to the profits of the banks. The cash-less Nigeria programme has even brightened the horizon for the banks to make even higher income from transaction fees. Isn’t this likely to result in “armchair banking” whereby banks will do little to mobilize deposits and build credit asset while also scaling back retail distribution outlet as has been reported? Are we likely to see some of the multiple fees consolidated to some point?” On the other hand there are those who are optimistic about the policy. For instance, Obina (2012) believes that if the reported two-third of the total cash in the economy which are outside the banking system is brought in (as it will be in cash-less economy), the banks will have enough resources to do their businesses. Still expressing optimism, this study agrees with the submissions of Laoye (2011), Akhalumeh and Ohiokha (2012), and Okey (2012) that if the cashless policy is successfully implemented, the following benefits will be attained.

i. A shift towards cash-less policy will reduce the high operational cost incurred in a cash based economy. Such costs emanate from cash management and movement, currency sorting and printing. ii. Cash-less policy will help minimize the risks associated with the use of physical cash that do arise from burglaries and thefts as well as financial losses in fire outbreaks. iii. Cash-less economy will make every segment of the banking population to pay for its usage of cash. The situation in the cash based system where the majority small cash users pay for the minority high cash users will stop. There will be no more subsidies on cash transaction costs. To recapitulate, a survey conducted by the CBN in 2009 revealed that 90% of bank customers’ daily withdrawals are amounts below N150, 000, whereas, only 10% of the bank customers who withdraw over N150, 000 are responsible for the rise in cost of cash management incurred by all the customers. Implicitly, the entire banking population supports financially the costs that the minority (10%) incurs. A cashless economy will reduce this subsidy and makes the minority of the bank population account for the cost of cash movement they incur rather than the entire banking population. iv. Cash-less economy will arrest a situation where a lot of cash are outside the formal banking system. By encouraging formal financial arrangement, it will facilitate the effectiveness of monetary policy in checking inflation and pushing economic growth. v. Furthermore, cash-less economy is capable of reducing corrupt practices like money laundering which is common-place in cash based economy. To the extent that cash is not easily pulled out of the system, it will discourage launders. vi. The cash-less economy will bring about increased convenience, more service option, reduced risk of cash related crimes, cheaper access to banking services, and credit to customers. vii. Corporate organizations will benefit by way of faster access to capital, reduce revenue leakages and reduce cash handling cost. viii. On the part of the government, it will bring about increased tax collection, greater financial inclusion, reduced revenue leakages and increase economic development. ix. Other stakeholders: The cash-less system brings along with it different banking instruments such as POS systems, mobile payments, direct debits, internet banking, electronic fund transfer etc. Implicitly, companies that are connected with the production of these products will benefit. Such companies include: Nigeria Inter-Bank Settlement System Plc (a shared infrastructure company of the bankers committee with a mandate to continuously enhance the Nigeria payments system owned by all licensed deposit money banks in Nigeria and the CBN), POS manufacturers, telecom providers, and switch operators.

**Challenges of the Cash-less Economy**

Notwithstanding the fact that the cash-less policy comes with enormous benefits, there are also some envisaged challenges that could confront the policy. These challenges identified by this study, and elsewhere by Okechukwu (2011), Ejiofor and Rasaki (2012) include, but not limited to: i. The policy is challenged by financial infrastructure deficit. The cash-less payment channels that are currently available are not adequate to cope with the demand of the policy if it is to be implemented religiously. This means that the policy will require further investment of funds by operators and regulators. ii. Given that the system is driven largely by ICT, the policy is exposed to dangers of fraudulent practices as any security lapses can be exploited by the astute fraudster to perpetuate fraud. Internet related crimes like hacking is likely to threaten the cash-less policy in Nigeria.

iii. Electricity is a critical infrastructure for an efficient e-payment system. Sadly, Nigeria cannot boast of steady power supply across its urban and rural areas. This will without doubt affect the success of cash-less policy if not addressed. iv. The high charges and fees on some of the electronic channels are capable of generating resistance by the banking public. For example, the recent re-introduction of charges for ATM withdrawals didn’t go down well with the users. v. To operate successfully in cash-less economy, some level of literacy is required in view of the technology involved. Therefore, Nigeria with high rate of illiteracy will certainly have some challenges. Illiterate population would prefer to keep their money in cash.

**Cashless Society**

A cashless society is a culture where no one uses cash; all purchases being made are by credit cards, charge cards, cheques, or direct transfer from one account to another through mobile banking. It is an environment in which money is spent without being physically carried from one person to the other. It involves the widespread application of computer technology in the financial system.

**Cash-less Nigeria**

The CBN has introduced a new policy on cash-based transactions which stipulates a ‘cash handling charge’ on daily cash withdrawals or cash deposits that exceed five hundred thousand Naira (N500,000) for individuals and three million Naira (N3,000,000) for corporate bodies. The new policy on cash-based transactions (withdrawals and deposits) in banks aims at reducing, but not eliminating the amount of physical cash (coins and notes) circulating in the economy; and encouraging more electronic-based transactions (payments for goods, services, transfers, etc.)

**Reasons for the Cash-less Policy**

The new cash-less policy was introduced by CBN for a number of reasons amongst which are:

¬ To drive development and modernisation of the payment systems in line with Nigeria’s vision 2020 goal of being amongst the top twenty (20) economies by the year 2020. An efficient and modern payment system is positively correlated with economic development; and is a key factor for economic growth.

 ¬ To reduce the cost of banking services (including cost of credit); and drive financial inclusion by providing more efficient transaction options and greater reach.

¬ To improve the effectiveness of monetary policy in managing inflation and driving economic growth. In addition to the above reasons, the cash policy aims to curb some of the negative consequences associated with the high usage of physical cash in the economy which include:

¬ High cost of cash – There is a high cost of cash along the value chain from the CBN and the banks, to corporations and traders; everyone bears the high costs associated with volume cash handling.

¬ High risk of using cash – Cash encourages robberies and other cash-related crimes. It can also lead to financial loss in the case of fire and flooding incidents.

¬ High subsidy – CBN analysis showed that only ten percent (10%) of daily banking transactions are above 150k, but the ten percent (10%) account for majority of the high value transactions. This suggests that the entire banking population subsidises the costs that the tiny minority ten percent (10%) incurs in terms of high cash usage.

¬ Informal economy – High cash usage results in a lot of money outside the formal economy, thus militating against the effectiveness of monetary policy in managing inflation and encouraging economic growth.

¬ Inefficiency and Corruption – High cash usage enables corruption; leakages and money laundering, amongst other cash-related fraudulent activities.

**Contents of the Cash-less Policy**

The following aspects of the policy were applied in Lagos State from 1st January, 2012 tagged ‘Cash-less Lagos’:

¬ Only cash in transit (CIT) licensed companies are allowed to provide cash pick-up services. Banks ceased CIT lodgement services rendered to merchant – customers in Lagos State from 31st December, 2011. Any bank that continues to offer CIT lodgement services to merchants shall be sanctioned.

¬ Third party cheques above one hundred and fifty thousand Naira (N150,000) shall not be eligible for encashment over the counter. Value for such cheques shall be received through the clearing house. The service charge took effect from 30th March, 2012. This gave people time to migrate to electronic channels and experience the infrastructure that has been put in place. Banks were to use this period as grace to encourage their customers to migrate to available electronic channels; and where possible, demonstrate the costs that will accrue to those that continue to transact high volumes of cash from 30th March, 2012 in Lagos State. The pilot was run in Lagos State from January 2012; while the policy took effect in Rivers, Anambra, Abia, Kano, Ogun and the Federal Capital Territory (FCT) on the 1st July, 2013. The policy was implemented nationwide on 1st July, 2014. The cash-less policy applies to all accounts with exception to government revenue generation account, primary mortgage institutions, microfinance banks and embassies. Banks were directed to therefore work with their corporate customers to arrange for suitable e-collection options. The limits are cumulative daily limits for withdrawal and for deposits respectively (for individuals – the daily free withdrawal limit is five hundred thousand Naira (N500,000); while the daily free deposit limit is equally five hundred thousand Naira (N500,000). The limits apply to the account so far as it involves cash, irrespective of channel (such as over the counter, ATM, third party cheques encashed over the counter, etc) in which cash is withdrawn or deposited. For instance, if an individual withdraws four hundred and fifty thousand Naira (N450,000) over the counter, and one hundred and fifty (N150,000) from the ATM on the same day, the total amount withdrawn by such customer is six hundred thousand Naira (N600,000); and the service charge will apply on one hundred thousand Naira (N100,000) which is the amount above the daily free limit. The limit also applies to cash brought through CIT companies, as the CIT companies only serve as means of transportation. The charges became applicable from 30th March, 2012 in Lagos; and 1st October, 2012 in Rivers, Abia, Anambra, Ogun, Kano and the FCT respectively. The service charge for daily cumulative deposits/withdrawals above the limit shall be borne by the account holder. The policy does not however prohibit withdrawals or deposits above the stipulated amounts, but that such transactions will be subject to cash handling charges.

**Disadvantages of the Cash-less Policy**

There are a number of constraints on the cash-less policy in the Nigerian economy. They include:

 ¬ Network unreliability: Instability of POS networks which is prevalent across all operators poses a challenge which may serve as a barrier to usage especially when money sent is not received when needed, which is crucial.

 ¬ Fraud: Prevalent fraudulent acts among ATM scammers are likely to occur on the POS channels.

¬ Security: There are great concerns about trust in the agents providing cash-in and cash-out services. This could be risky for customers and the agents if there is no form of adequate security.

¬ Charges determinants: The question of how will charges be determined is a factor. Will the charges be determined by location/proximity; amount involved; periodic monthly charges or occasional access fees?

¬ System instability: The instability in the economy in general and banking in particular (both deposit money banks and microfinance banks) has created and is continuously creating fears in the public.

¬ Literacy issue: Both consumers and business enterprises have limited knowledge of what services exist, how they operate and what benefits to be derived from cash-less economy. This is a situation where many of the targeted populace are illiterate of the e-banking applications. For instance, a dubious businessman may capitalise on a customer ignorance of the e-banking applications to the disadvantage of the customer.

¬ Inadequate infrastructural development: Lack of infrastructural development particularly energy puts a lot of constraints to the operations of e-payment machines. There are also great concerns on the policy operations in the rural areas, especially where there is currently no network coverage.

¬ Operational disruptions: These may greatly affect the cashless policy. Examples abound, even in developed economies of the world. The computer problem that caused the Bank of New York a whooping $22 billion overdraft in 1985; a roof collapse after a heavy snow resulting in a shutdown of an electronic data system facility for processing ATM transactions affecting more than 5000 ATMs in the US in 1993; the disruption of the operations of the internet as a result of the worm virus in 1987; and a host of other disruptions.

**Prospects of cashless policy**

A variety of benefits are expected to be derived by the various stakeholders from an increased utilization of epayment system and consequently the cashless policy. These include:

• For consumers:- The benefits ranges from increased convenience, more service option, reduced risk of cash related crimes, cheaper access to (out of branch) banking services and access to credit.

• For corporations:- Faster access to capital, reduced revenue leakage and reduced cash handling cost.

• For government:- Increased tax collections, greater financial inclusions, increased economic development.

• For banks: The efficiency through electronic payment process reduces cost of operation (cash handling) and increases banks penetration. Other prospects cashless policy includes:

• It will reduce the cost of minting and transporting cash around the country even as it will help forestall the inherent risk in dealing with cash such as armed robbery, theft, bribery and corruption. It will also reduce money laundering and terrorist financing. All this will make monetary policy to be effective.

• It would create more employment opportunity for financial sectors and ensure growth in the real sector of the economy because of the increase in velocity. This would not only ensure that credit is available to investors but also provide banks with more liquidity for lending to the needy sectors of the economy at attractive rates.

**2.2 THEORETICAL FRAMEWORK**

The theoretical framework of this study is Technology Acceptance Model (TAM) and Diffusion of Innovation (DOI) Theory. TAM is one of the models that have been developed to provide a better understanding of the usage and adoption of information technology. It is presently a prominent theory used in modeling technology acceptance and adoption in Information systems research. Fred Davis in 1985 proposed the TAM in his doctoral thesis at the MIT Sloan School of Management. TAM is an information systems theory that models how users come to accept and use a technology that will encourage economic growth. The model suggests that when users are presented with a new technology, a number of factors influence their decision about how and when they will use it. The factors are; perceived usefulness (PU) and perceived ease-of-use (PEOU). According to TAM, one‟s actual use of a technology system is influenced directly or indirectly by the user‟s behavioral intentions, attitude, perceived usefulness of the system, and perceived ease of the system. DOI theory seeks to explain how, why, and at what rate new ideas and technology spread through cultures. This theory was developed by Gabriel and Rogers (a professor of rural sociology), popularized the theory in their 1962 book Diffusion of Innovations. He said diffusion is the process by which an innovation is communicated through certain channels over time among the members of a social system. Rogers explained the process of Innovation diffusion as one which is dictated by uncertainty reduction behavior amongst potential adopters during the introduction of technological innovations. Innovation Diffusion Theory (IDT) consists of six major components: innovation characteristics, individual user characteristics, adopter distribution over time, diffusion networks, innovativeness and adopter categories, and the individual adoption process. Arguably the most popular of the six components of IDT centers on the characteristics of the innovation itself. After analyzing a variety of previous innovation diffusion studies, Rogers singled out the following five characteristics of innovations that consistently influence the adoption of new technologies.

**2.3 EMPIRICAL REVIEW**

Empirical studies on cashless policy are sparse because it is a newly implemented policy of the CBN. However, the following are worth mentioning. Echekoba and Ezu (2012) in a research carried out in Nigeria, observed that 68.2% of the respondent complained about long queues in the bank, 28.9% complained of bad attitude of teller officers (cashiers), while 2.89% complained of long distance of bank locations to their home or work places. Likewise in her 24th NCS national conference in December 2011, CBN data shows that 51% of withdrawal done in Nigeria was through ATM, while 33.6% was through over the counter (OTC) cash withdrawals and 13.6% through Cheque. Payment was also done through point of sales machine (POS) which accounted for 0.5% and web 1.3%. Therefore, if the introduction of ATM in Nigeria cash withdrawals system reduced OTC withdrawal; then it will implies that introduction of cashless policy supported by application of information technology can achieve more to reduce over dependent on cash payment in Nigeria economy system. Adewoye (2013) empirically studied the impact of mobile banking on service delivery in the Nigerian Commercial Banks through the use of questionnaire. He found out that the introduction of e-banking services has improved banking efficiency in rendering services to customer. His findings shows that mobile banking improve banks service delivery in a form of transactional convenience, savings of time, quick transaction alert and save of service cost which has recuperate customer‟s relationship and satisfaction. To this end, he recommended that banks management should create awareness to inform the public about the benefits derived on the e-banking service products, collaboration among banks should perfectly maintained, skilled manpower and computer wizard should be employed by every banks, in other to prevent fraudulent personal and hackers from manipulating the banks data and stealing money from the banks accounts. Finally, provision and maintenance of public network system such as telephone (Nitel) and the availability of these basic infrastructures is fundamental to the efficient functioning of the mobile banking services. Olatokun and Igbinedion (2009) used DOI theory to investigate the adoption of ATM in Nigeria. They found out that constraint such as relative advantage, complexity, observability, compatibility and trialability were positively related to attitude to the use of ATM cards in Nigeria. Olorunsegun (2010) used cluster sampling technique to study the impact of electronic banking in Nigerian banking system. He found out that a bank has an effective electronic banking system which has improved its customer‟s relationship and satisfaction. James (2012) used Statistical Package for Social Sciences (SPSS) to investigate the acceptance of ebanking in Nigeria. The result showed that acceptance of e-banking in Nigeria was significantly influenced by age, educational background, income, perceived benefits, perceived ease of use, perceived risk and perceived enjoyment. James (2013) used Rogers Diffusion of Innovation theory to investigate the determinants of the adoption of mobile banking in Nigeria. The study empirically showed that age, educational qualification, relative advantage, complexity, compatibility, observability and trialability were important determinants of the adoption of mobile banking. This therefore makes it imperative for relevant stakeholders to make efforts to positively influence these independent variables so as to make mobile banking more popular. Morufu and Taibat (2012) used qualitative survey to ascertain banker‟s perceptions of electronic banking in Nigeria. The results suggest that bankers in Nigeria perceive electronic banking as a tool for minimizing inconvenience, reducing transaction costs, altering customers queuing pattern and saving customers banking time. Olajide (2012) used theories to investigate cashless banking in Nigeria and its implications on the economy. He found out that cashless banking will boost the economy on the long run. Egwali (2008) used consumer acceptance theory to investigate customers‟ perception of security indicators (SI) in online banking sites in Benin, Nigeria. He found out that SI were not very effective at alerting and shielding users from revealing sensitive information to fool e-banking sites in Nigeria. Humphrey and Berger (1990) and Humphrey et al.

(1996) suggests that the increased use of cashless payment sysyem, that is money or scrip which is exchanged only electronically via computer networks has led to predictions of a cashless society. In a cashless society, consumers can make payments over the internet, payment at unmanned vending maching, mannned point of sale (POS) using mobile phone device, personal digital assistant (PDA), smart cards and other electronic payment sysyems, including debit and credit cards. Ezeoha (2006) used descriptive survey to examine regulating internet banking in Nigeria, problem and challenges. He found out that Internet banking in Nigeria is slowly been embraced by customers because Internet practice in Nigeria has been abused by cyber fraudsters who use real and deceptive banking websites to fool users‟ and set their sensitive information and funds.

Gresvik and Owre (2012) adopted a survey research method and studied how much it costs Norwegian banks to process various payment instruments. They found that payment cards used for cash withdrawals at ATMs cost considerably more since the transactions involve cash replenishment, maintenance and security costs. In addition, the cost of using cheques for cash withdrawals was found to be three times expensive than cash withdrawals at ATMs. Cross country studies such as Makinde et al., (2016) analyzed patterns in the use of cash and other epayment instruments in 14 developed countries, including the US. Whilst treating payment instruments as if they are traditional goods, the authors constructed measures of the cost (analogous to prices) of various payment methods in order to study whether differences in cashless instrument usage across countries can be explained by differences in the relative prices of such instruments. The result showed that such price differences failed to determine the usage of e-banking instruments. In other words, the convenience of using a particular instrument—a factor that is not measured may outweigh the price differences that users face. Okoye and Ezejiofor (2013) examined the significant benefits and essential elements of cashless policy, and the extent at which it can enhance the growth of financial stability in the country. Descriptive research design was adopted for the study with a sample size of 68 questionnaires arrived at using the convenience sampling technique. The data collected were subjected to face validity test, and were tested with ANOVA and chi – square (X2 ) technique. The results indicated that majority of Nigerians are already aware of the policy and have agreed that the policy will help the fight against corruption and money laundering as well as reduce the risk of carrying cash. However, the major problems envisaged to hamper the implementation of the policy are cyber fraud and illiteracy. Based on their findings, they recommended that government should adopt a different strategy to educate the non-literate Nigerians about the cashless economy; and a framework should be worked out to provide cyber security in Nigeria. Muhammad (2012) in an article titled analysis of value creation of electronic banking in Nigeria examined trends of banking habit in Nigeria across banking regimes of regulation and deregulation hinged on historical perspective of banking development in Nigeria, from the period of independence to 2012.The findings suggest a static behavior across the monetary policy regimes and thus cautioned rushing the cashless policy until measures are in place to encourage and push fast the banking culture’s change for the success of the cashless economy in Nigeria. In a like manner, Nwankwo and Eze (2013) ascertained the extent to which electronic payment affects cashless economy of Nigeria using a descriptive research design. The study indicated that the electronic system of payment has a great implication on cashless economy of Nigeria, but that it will lead to significant decrease in deposit mobilization and credit extension by Nigerian deposit money banks. They concluded that cashless system of payment need to be examined and e-payment system developed, so that people will get used to it before talking of cashless economy. Osazevbaru and Yomere (2015) explored the benefits and challenges of the cashless policy vis-à-vis the cash based policy. Specifically, the study sought whether other Point of Sales card acceptance services’ stakeholders attract a significant part of banks income in cash-less economy. To address this, secondary data were collected and content analysis applied in their data analysis. After factoring in other POS stakeholders share of income, the study found that banks’ income are higher in cash-less setting than in cash based arrangement. Their findings further revealed that the cash-less policy offers immense benefits to the banking sector.

**CHAPTER THREE**

**RESEARCH METHODOLOGY**

**3.1 AREA OF STUDY**

Port Harcourt Local Government Area (PHALGA) is a [local government area](https://en.wikipedia.org/wiki/Local_government_area%22%20%5Co%20%22Local%20government%20area) of [Rivers State](https://en.wikipedia.org/wiki/Rivers_State%22%20%5Co%20%22Rivers%20State) in southern [Nigeria](https://en.wikipedia.org/wiki/Nigeria%22%20%5Co%20%22Nigeria). It is one of the 23 local government areas created for the state. Its administrative seat is located in [Port Harcourt](https://en.wikipedia.org/wiki/Port_Harcourt%22%20%5Co%20%22Port%20Harcourt). Although the local government consists of two different ethnic groups the Okrika(Ijaw) in the South and Ikwerre (Igbo) in the North, it has been advised that the local government be divided into two homogeneous local governments.

**3.2 RESEARCH DESIGN**

Research designs are perceived to be an overall strategy adopted by the researcher whereby different components of the study are integrated in a logical manner to effectively address a research problem. In this study, the researcher employed the survey research design. This is due to the nature of the study whereby the opinion and views of people are sampled.

**3.3 POPULATION OF THE STUDY**

According to Udoyen (2019), a study population is a group of elements or individuals as the case may be, who share similar characteristics. These similar features can include location, gender, age, sex or specific interest. The emphasis on study population is that it constitute of individuals or elements that are homogeneous in description.

This study was carried out to study into the acceptance and adoption of the CBN Cashless Policy using Port Harcourt Local government area as a case study. The people in Port Harcourt City form the population of the study.

**3.4 SAMPLE SIZE DETERMINATION**

A study sample is simply a systematic selected part of a population that infers its result on the population. In essence, it is that part of a whole that represents the whole and its members share characteristics in like similitude (Udoyen, 2019). In this study, the researcher adopted the simple random sampling (srs.) method to determine the sample size.

**3.5 SAMPLE SIZE SELECTION TECHNIQUE AND PROCEDURE**

The Taro Yamane (1967:886) provides a simplified formula to calculate sample sizes.

**Assumption**

95% confidence level

 P = .5



n= 2,200/1+2,200 (0.05)2

n= 2,200/1+2,200 (0.0025)

n= 2,200/1+5.5

**n=300**

Therefore, for this study, the sample size is 300

**3.6 SOURCES OF DATA COLLECTION**

The research instrument used in this study is the questionnaire. A 10 minutes survey containing 19 questions were administered to the enrolled participants. The questionnaire was divided into two sections, the first section enquired about the responses demographic or personal data while the second sections were in line with the study objectives, aimed at providing answers to the research questions.

**3.7 METHOD OF DATA ANALYSIS**

The responses were analysed using the frequency tables, which provided answers to the research questions. The hypothesis test was conducted using the Chi-Square.

**3.8 VALIDITY AND RELIABILITY OF THE STUDY**

The reliability and validity of the research instrument was determined. The Pearson Correlation Coefficient was used to determine the reliability of the instrument. A co-efficient value of 0.68 indicated that the research instrument was relatively reliable. According to (Taber, 2017) the range of a reasonable reliability is between 0.67 and 0.87.

**CHAPTER FOUR**

**DATA PRESENTATION AND ANALYSIS**

**4.1 DATA PRESENTATION**

**Table 4.1: Demographic data of respondents**

|  |  |  |
| --- | --- | --- |
| **Demographic information** | **Frequency** | **percent** |
| GenderMale |  |  |
| 101 | 44% |
| Female | 129 | 56% |
| Religion |  |  |
| Christian | 130 | 45% |
| Muslim | 170 | 55% |
| Age |  |  |
| 20-25 | 79 | 34% |
| 25-30 | 112 | 48% |
| 30+ | 39 | 17% |

**Source: Field Survey, 2020**

**4.2 ANSWERING RESEARCH QUESTIONS**

**Question 1:** How can you rate the level of acceptability and adoption of the CBNs cashless policy in Port Harcourt?

**Table 4.2:** Respondent on question 1

|  |  |  |
| --- | --- | --- |
| **Options** | **Frequency** | **Percentage** |
| Very high  | 50 | 20 |
| High  | 150 | 70 |
| Very low  | 50 | 20 |
| Low  | 50 | 20 |
| **Total** | **300** | **100** |

**Field Survey, 2020**

From the responses obtained as expressed in the table 4.2 above, 20% of the respondents said to a very high, 70% said high, 20% said very low while the remaining 20% said to a low.

**Question 2:** What do you think are the advantages of accepting and adopting of the CBNs cashless policy in Port Harcourt?

**Table 4.3:** Respondent on question 2

|  |  |  |  |
| --- | --- | --- | --- |
| **Options** | **Yes** | **No** | **Total %** |
| Increased convenience for consumers.  | 300 | 00 | 100 |
| Reduced risk of cash-related crimes.  | 300 | 00 |  |
| Cheaper consumer access to (out-of-branch) banking services.  | 300 | 00 |  |
| Consumer access to credit and financial inclusion.  | 300 |  |  |

**Field Survey, 2020**

From the responses obtained as expressed in the table 4.3 above, All the respondents constituting 100% said yes to all the options provided. There was no record of no.

**Question 3:** What do you think are the challenges facing the use of internet and mobile banking services/POS?

**Table 4.4:** Respondent on question 3

|  |  |  |  |
| --- | --- | --- | --- |
| **Options** | **Yes** | **No** | **Total %** |
| Ineffective sensitization campaign exercise | 300 | 00 | 100 |
| Inadequate protection of the interest of merchants and people in the informal sector | 300 | 00 |  |
| Non availability of POS terminals in strategic locations | 300 | 00 |  |
| Poor internet connectivity | 300 | 00 |  |
| **Total** | **300** |  | **100** |

**Field Survey, 2020**

From the responses obtained as expressed in the table 4.4 above, All the respondents constituting 100% said yes in all the provided options. There was no record of no.

**Question 4:** What do you think are the factors that can improve the level of acceptability and adoption of the CBN’s cashless policy in Port Harcourt?

**Table 4.5:** Respondent on question 4

|  |  |  |  |
| --- | --- | --- | --- |
| **Options** | **Yes** | **No** | **Total %** |
| effective sensitization campaign exercise | 300 | 00 | 100 |
| adequate protection of the interest of merchants and people in the informal sector | 300 | 00 |  |
| availability of POS terminals in strategic locations | 300 | 00 |  |
| Good internet connectivity | 300 | 00 |  |
| **Total** | **300** |  | **100** |

**Field Survey, 2020**

From the responses obtained as expressed in the table 4.5 above, All the respondents constituting 100% said yes in all the provided options. There was no record of no.

**2.3 TEST OF HYPOTHESES**

Ho: The people of Port Harcourt has not significantly accepted and adopted the CBNs cashless policy

HA: The people of Port Harcourt has significantly accepted and adopted the CBNs cashless policy

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Response**  | **Observed frequencies** | **Expected frequencies (E)**  | **O-E** | **(O-E)2** | **(O-E)** **E** |
| Very highHighVery LowLow | 501505050 | 540.55300.25170.1523.5 | 29.4519.7529.8523.5 | 867.3025390.0625891.022543.45 | 1.604.303.243.2415.53 |

Degree of freedom = (row-1) (column-1)

= (4-1) (3-1)

= 4\*1

=4

At 0.05 level of significance, given the above degree of freedom, table value of X2 (ie X2t) = 9.448.

To test our hypothesis, the decision rule is

Accept Ho if X2t>X2cal, and

Reject Ho if X2t<X2cal

Thus, since the X2t (9.448) < X2cal (15.53), we reject Ho and accordingly accept Ha. We conclude by accepting the alternate hypothesis. This implies that the people of Port Harcourt has significantly accepted and adopted the CBNs cashless policy.

**CHAPTER FIVE**

**CONCLUSION AND RECOMMENDATION**

**5.1 CONCLUSION**

In this study, our focus was to carryout **a study into the acceptance and adoption of the CBN cashless policy using Port Harcourt as a case study.** The study specifically was aimed at ascertaining the level of acceptability and adoption of the CBN cashless policy in Port Harcourt.

The study adopted the survey research design and randomly enrolled participants in the study. A total of 300 responses were validated from the enrolled participants where all respondent are residents in Port Harcourt City.

The findings revealed the level of acceptability and adoption of the CBNs cashless policy in Port Harcourt is high. The findings also revealed that The people of Port Harcourt has significantly accepted and adopted the CBNs cashless policy. The findings also revealed that Increased convenience for consumers, Reduced risk of cash-related crimes, Cheaper consumer access to (out-of-branch) banking services, Consumer access to credit and financial inclusion are amongst the advantages of accepting and adoption of the CBN’s cashless policy in Port Harcourt. The findings further revealed that Ineffective sensitization campaign exercise, Inadequate protection of the interest of merchants and people in the informal sector, Non availability of POS terminals in strategic locations, Poor internet connectivity etc are amongst the challenges facing the use of internet and mobile banking service/POS in Port Harcourt City.

**5.2 RECOMMENDATION**

Based on the responses obtained, the researcher proffers the following recommendations:

1. The CBN should intensify in its awareness campaign by harnessing other opportunities such as the use of religious leaders in the awareness campaign since the lack of banking culture especially in the Northern part of the Country has been largely due to religious belief.
2. The CBN should reconsider its punitive based system of punishing non-adherents of the cashless policy; and adopt a reward based system which rewards adherents to the policy no matters how negligible. This will serve as attraction to non-adherents and will make users be friendly to the policy that they will be eager to learn more about the policy.
3. Governments at every level should collaborate in providing essential social and physical infrastructures that drive the cashless economic policy.
4. The speed adopted in the implementation of the policy in the Country should be reduced that the pace of the implementation should now be gradual.

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**APPENDIX**

**QUESTIONNAIRE**

**PLEASE TICK [√] YOUR MOST PREFERRED CHOICE (s) ON A QUESTION**

**SECTION A**

**PERSONAL INFORMATION**

**Gender**

Male [ ] Female [ ]

**Age**

18-25 [ ]

20-30 [ ]

31-40 [ ]

41 and above [ ]

**Educational level**

WAEC [ ]

BSC/HND [ ]

MSC/PGDE [ ]

PHD [ ]

Others……………………………………………….. (please indicate)

**Position**

Position 1 [ ]

Position2 [ ]

Position3 [ ]

Position4 [ ]

**Marital Status**

Single [ ]

Married [ ]

Separated [ ]

Widowed [ ]

**Duration of Service**

0-2 years [ ]

* 1. years [ ]

5 and above [ ]

**Section B**

How can you rate the level of acceptability and adoption of the CBNs cashless policy in Port Harcourt?

|  |  |
| --- | --- |
| **Options** | **Frequency** |
| Very high  |  |
| High  |  |
| Very low  |  |
| Low  |  |

What do you think are the advantages of accepting and adopting of the CBNs cashless policy in Port Harcourt?

|  |  |  |
| --- | --- | --- |
| **Options** | **Yes** | **No** |
| Increased convenience for consumers.  |  |  |
| Reduced risk of cash-related crimes.  |  |  |
| Cheaper consumer access to (out-of-branch) banking services.  |  |  |
| Consumer access to credit and financial inclusion.  |  |  |

What do you think are the challenges facing the use of internet and mobile banking services/POS?

|  |  |  |
| --- | --- | --- |
| **Options** | **Yes** | **No** |
| Ineffective sensitization campaign exercise |  |  |
| Inadequate protection of the interest of merchants and people in the informal sector |  |  |
| Non availability of POS terminals in strategic locations |  |  |
| Poor internet connectivity |  |  |

What do you think are the factors that can improve the level of acceptability and adoption of the CBN’s cashless policy in Port Harcourt?

|  |  |  |
| --- | --- | --- |
| **Options** | **Yes** | **No** |
| effective sensitization campaign exercise |  |  |
| adequate protection of the interest of merchants and people in the informal sector |  |  |
| availability of POS terminals in strategic locations |  |  |
| Good internet connectivity |  |  |