

Role of Governance in Building Trust and Enhancing Consumer Protection in the Mobile Money (Point of Sale) Ecosystem in Nigeria

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ABSTRACT: This study investigates the critical role of governance in building consumer trust and enhancing consumer protection within the mobile money ecosystem, with a specific focus on Point of Sale (POS) transactions in Nigeria. Despite the rapid growth and accessibility offered by mobile money services, concerns regarding security vulnerabilities, fraud incidents, and inadequate consumer protection mechanisms pose significant challenges to widespread adoption and trust. Addressing these issues, the research examines the relationship between governance practices (including transparency, accountability, and board oversight) and consumer outcomes (trust and protection), as well as the mediating influence of regulatory frameworks and board oversight. Utilizing a mixed-methods research design, the study collected quantitative data through standardized questionnaires administered to mobile money users in Lagos State and qualitative data via key informant interviews with regulators and industry experts. Descriptive statistics, Chi-Square tests, correlation, regression analysis, and Structural Equation Modeling (SEM) were employed for data analysis. The findings reveal a significant positive impact of governance practices on both consumer trust and consumer protection. The correlation analysis showed a strong positive relationship between Governance Practices and Consumer Trust ($r = 0.884$) and between Governance Practices and Consumer Protection ($r = 0.941$). Regression analysis further indicated that Governance Practices explained a substantial variance in Consumer Trust ($R^2 = 0.781$, $p < 0.001$) and Consumer Protection ($R^2 = 0.885$, $p < 0.001$), with significant positive regression coefficients (0.7349 for Trust and 0.7892 for Protection). SEM results also supported the mediating role of effective regulatory frameworks and board oversight. The study highlights that although a majority of users express trust in mobile money services, a substantial percentage (45%) have experienced fraud, and a notable portion are dissatisfied with dispute resolution processes. The results underscore that strengthening governance structures, improving regulatory enforcement, enhancing transparency, and implementing effective dispute resolution mechanisms are crucial for fostering consumer confidence and safeguarding users within the Nigerian mobile money ecosystem, particularly concerning POS transactions.

KEYWORDS: Governance, Consumer Trust, Consumer Protection, Mobile Money, Nigeria.

1. INTRODUCTION

1.1 Background of the study

The evolution of mobile money ecosystem in Nigeria has been driven by fintech, enhancing financial inclusion and economic resilience. The Central Bank of Nigeria's cashless policy (2012) catalyzed digital banking and mobile money adoption (CBN, 2012). The fintech boom (2016-2019) saw digital lending, blockchain, and payment innovations (KPMG, 2020). COVID-19 accelerated digital finance, with neo-banks and eNaira emerging (IMF, 2021).

In order to build trust and enhance customer protection in financial services (banking, digital banking and mobile money ecosystem, etc), CBN releases consumer protection guidelines on responsible business conduct. The objective of the guidelines is for the consumers to be protected against some sharp practices that undermine consumer confidence in the use of financial services such as point-of-sale (POS), Automated Teller Machine (ATM) etc. (CBN, 2019).

In addition, to build confidence in mobile money system, CBN also releases a regulatory framework and guidelines for mobile money services in Nigeria and the objective of this guidelines is to ensure the following:

- i. That a dispute resolution mechanism be put in place
- ii. That a risk mitigation mechanism be put in place
- iii. That technology implemented shall comply with international best practice.

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iv. That technology deployed shall be reliable, user friendly, safe and secure. (CBN, 2021).

1.2 Statement of the Problem

The current transition to a cashless society has made POS terminals to become a vital tool in Nigeria, but they are increasingly attacked by criminals exploiting weaknesses in their security protocols. (Frank Arena and Kikelomo Adebayo, 2024)

Vulnerabilities of high magnitude have been exposed due to several high-profile security breaches and incidents of financial fraud associated with POS systems in Nigeria. These vulnerabilities are as a result of outdated technology, insufficient security protocols, inadequate monitoring systems, and gaps in regulatory enforcement. Fraud remains prevalent, despite efforts by the Central Bank of Nigeria (CBN) and other financial authorities to improve POS security. POS security risks not only undermine consumer trust but also threaten financial stability and hinder the overall growth of the digital payments ecosystem in Nigeria. (Frank Arena and Kikelomo Adebayo, 2024).

Given these specific vulnerabilities and risks associated with POS terminals, this study focuses on the role of governance in building trust and enhancing consumer protection primarily within the segment of the mobile money ecosystem that involves POS transactions in Nigeria.

1.3 Objective of the Study

The primary objective of this study is to examine the impact of governance in building trust and enhancing consumer protection in mobile money ecosystem in Nigeria. Specifically, the study seeks to:

- i. Examine the relationship between governance practices (e.g., transparency, accountability, board oversight) and the level of consumer trust in the mobile money (POS) ecosystem.
- ii. Investigate how various governance practices contribute to the design and implementation of consumer protection measures in the mobile money (POS) ecosystem.
- iii. Assess the mediating role of robust regulatory frameworks and strong board oversight on the relationship between governance practices and consumer outcomes in the mobile money (POS) ecosystem.

1.4 Research Questions

- i. How do governance practices influence consumer trust in Nigeria's mobile money (POS) ecosystem?
- ii. What is the impact of governance practices on the effectiveness of consumer protection mechanisms in Nigeria's mobile money (POS) ecosystem?
- iii. To what extent do regulatory frameworks and board oversight mediate the relationship between governance practices and consumer outcomes (trust and protection) in Nigeria's mobile money (POS) ecosystem?

1.5 Research Hypotheses

Hypothesis 1:

H₁: There is a significant positive relationship between effective governance practices and consumer trust in Nigeria's mobile money (POS) ecosystem.

Hypothesis 2:

H₂: Enhanced governance practices significantly improve the effectiveness of consumer protection mechanisms in Nigeria's mobile money (POS) ecosystem.

Hypothesis 3:

H₃: The positive effects of governance practices on consumer trust and protection outcomes are significantly mediated by effective regulatory frameworks and board oversight.

These research questions, objectives, and hypotheses are designed to comprehensively investigate how governance mechanisms can build consumer trust and enhance consumer protection within Nigeria's mobile money ecosystem.

1.6 The Scope and Limitations of the Study

The study may not apply to other areas because it is restricted to Lagos State. A well-structured questionnaire and a broad sample of respondents can help to prevent potential response bias, which is another restriction.

1.7 Significance of the Study

The study on the impact of governance in building trust and enhancing consumer protection in mobile money ecosystem in Nigeria will benefit the business, banking industry and the economy.

1.7.1 How the study benefits businesses

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The POS systems streamline transactions, reduce wait times, and facilitate convenient payments, leading to a more positive customer experience. Satisfied customers are more likely to return and become loyal patrons, contributing to repeat business and revenue growth. POS systems enable businesses to manage inventory effectively, track sales data, and analyze customer behavior, leading to better decision-making and operational efficiency. Businesses that prioritize customer satisfaction through POS systems are better positioned to attract and retain customers in a competitive market. POS systems provide valuable data on customer preferences, purchasing habits, and sales trends, enabling businesses to tailor their offerings and marketing strategies for greater effectiveness. Implementing POS systems that are compliant with local regulations and payment standards helps businesses avoid penalties and build trust with customers.

1.7.2 How the study benefits banking industry

POS terminals bring financial services closer to unbanked and underbanked populations, promoting financial inclusion and economic growth. POS terminals help reduce congestion at bank branches and ATM terminals, improving customer convenience and access to financial services. Banks that effectively utilize POS systems can increase their market share by offering convenient and reliable payment options to a wider customer base. POS services help banks retain and enhance the loyalty of their existing customers by providing convenient and efficient payment options.

1.7.3 How the study benefits Nigerian Economy

A thriving retail sector and a robust financial system are crucial for economic growth, and customer satisfaction with POS systems contributes to the success of both. The growth of the retail and financial sectors, fueled by customer satisfaction with POS systems, can lead to job creation and economic opportunities. Increased financial inclusion and access to convenient payment options can improve the quality of life for citizens and contribute to a more stable and prosperous society.

2.0 LITERATURE REVIEW

2.1. Conceptual Review

2.1.1 Nigeria Mobile Money System

Mobile money system in Nigeria refers to the various components required to deliver mobile money services to the banking and non-banking community. The providers of these services and solutions shall be required to operate within the defined regulatory framework specified in this document and any other regulation/guideline issued by the CBN (CBN, 2021).

2.1.2 Point-of-Sales

A Point of Sale (POS) terminal is a portable electronic device that merchants use to process payments, enabling customers to pay for goods and services using debit cards, credit cards, or mobile money. The intention of earlier inventors of cash register was to create a system that will be used for recording cash transactions to prevent employee from tampering with the profit of the organization. (Ritty J, 1879), this device soon became a tool for financial transactions as it issues receipts functioning like sales as well as keeping the records and the reports generated from it. Improvements of technology over the years gave rise to what is today refers to as Point-of-Sale (POS). (Ritty j, 1879).

2.1.3 Governance

Governance refers to the framework of policies, processes, and procedures that define how an organization's resources and services should be managed and controlled.

Governance is the overall complex system or framework of [processes](#), functions, structures, [rules](#), [laws](#) and [norms](#) born out of the relationships, interactions, [power](#) dynamics and [communication](#) within an organized group of individuals. It sets the boundaries of acceptable conduct and practices of different actors of the group and controls their decision-making processes through the creation and enforcement of rules and guidelines. Furthermore, it also [manages](#), allocates and mobilizes relevant resources and capacities of different members and sets the overall direction of the group in order to effectively address its specific collective needs, problems and challenges. ("Governance", 2025).

In Nigeria, the regulatory bodies for the mobile money ecosystem are Nigerian Communication Commission (NCC) and Central bank of Nigeria (CBN) and the governance structure for mobile money in Nigeria are the CBN regulatory framework for mobile money services in Nigeria and Guidelines for mobile money services in Nigeria.

2.1.4 Consumer Trust

Consumer trust is the confidence a buyer has in a company, brand, product, or service, believing it will deliver value, reliability, and integrity, influencing purchase decisions and fostering long-term relationships.

Mcknight and Chervany (1996) defined and described trust in technology as more encompassing than the interpersonal trust constructs used in some study of trust. The positions of these authors stem from the fact that trust is a situation of acceptance

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under risk believing that the object is true. Some authors stated that the most basic dictionary meaning of trust is to depend or rely on another. (Mcknight and Chervany, 1996). Thus, if one can depend on an IT's attributes under uncertainty, then trust in technology that is POS adoption is a viable concept.

2.1.5 Consumer Protection

Consumer protection is an essential part of any financial service as it ensures customers receive fair and transparent treatment in the market, thereby building confidence in the providers of financial services. This is especially important in the case of emerging markets with a low history of formal financial service providers. In cases where mobile money is a customer's first exposure to formal financial service, providers must make a concerted effort to build trust with their customers. Regulators also have the responsibility of strengthening consumer protections in order to build robust and relevant mobile money ecosystems. (Mechale, 2021). The governance structure around consumer protection is the CBN consumer protection regulation (2019).

2.2. Theoretical Framework

A number of theories have evolved to explain adoption of POS in an organization, these theories include technology acceptance theory (Zhen-Wei Q, Christine Pitt, Alexander, Ayers, 2004). Theory of Reasoned Action (TRA) Theory of Planned Behavior (TPB). The unified theory of acceptance and use of technology (Venkatesh, Morris, Davis and Davis), Diffusion Theory (Rogers) and Social Cognitive Theory (Bandura). The listed theories form the bedrock for the adoption of POS in an organization.

The Technology Acceptance Model (TAM) is an information systems theory that analyzes how users come to accept and use a technology such as mobile banking, POS, ATM, Internet banking and etc. Therefore, technology acceptance model has the capacity to explain and assess the relationship between POS services and customer satisfaction. On the other hand, Innovation Diffusion Model (IDM) explains why people chose a technology over a conventional method. It seek to understand how, why and how fast innovative ideas and technologies spread throughout a

social system. According to this theory, customers can have access to their accounts from anywhere as long as they have Internet connectivity. This theory states that a new technological idea moves from creation to use. Therefore, TAM and Innovation Diffusion Model are the appropriate model that can explain the assumptions of the study and it is upon the theories conventions that this research is hinged on.

2.3 Review of Empirical Works Related to the Study

The Global System for Mobile Communications Association (GSMA, 2019) constructed an index used to provide a quantitative assessment of the extent to which a country's regulatory frameworks enable the establishment and growth of mobile money. The index is constructed across six broad dimensions. The results across each of these dimensions are used to generate a numerical score from 0 (the lowest possible score) to 100 (the highest possible score) which serves as a general measure of enabling regulatory policy. GSMA finds a strong correlation between the number of registered accounts per 1000 adults and a country's score on the regulatory index score (GSMA, 2019). The researcher concluded that the results are largely incremental, but the index can be very useful in identifying trends in the relationships

between specific regulatory aspects and the success of mobile money. However, the researcher's finding shows that further data on when consumer protection policies were adopted by respective countries has proved difficult, the researcher then call for further research on the topic, this therefore justify the need for this study.

Mechale (2021) provides an overview of the many benefits that

mobile money provides within the context of emerging economies and makes the argument that enabling government regulation is crucial to the development of successful mobile money systems. More specifically, Mechale (2021) find that within the context of sub-Saharan Africa, consumer protection is the most important aspect of government regulation that predicts the spread of mobile money. However, the study failed to address the issue of customer trust hence, the need for this study.

Williams A, Olalekan UA, Timothy S (2018) observed Nigerian payment systems are cash-driven, and it is the main mode of payments for several transactions. However, the Point of Sales (POS) which is meant to encourage cashless economy as against the cash-centered operations is challenged with issue of trust and security. Their study examined the consumer trust and adoption of POS of selected business organizations in Lagos state, Nigeria. Their study adopted a cross-sectional survey research design.

The study concluded that customer trust had significant and positive relationship

with adoption of POS of selected business organizations who are SMEs in Lagos

State, Nigeria. However, the study was limited to consumer trust, it is therefore justifiable to carry out this study that examine the impact of governance in building trust and enhancing consumer protection in mobile money ecosystem in Nigeria.

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3. METHODS

3.1 Research Design

This study uses a mixed-methods research design, combining quantitative and qualitative techniques to offer a thorough examination of how governance contributes to consumer protection and trust-building in Nigeria's mobile money (POS) ecosystem. In the qualitative technique, key informant interviews with regulators and industry experts are conducted, whereas in the quantitative approach, structured survey data from POS users is gathered.

3.2 Study Population

In Lagos State, Nigeria, the target population consists of business associations, financial service providers, mobile money operators, and point-of-sale (POS) customers. Lagos was chosen because of its wide variety of businesses using POS terminals and significant number of digital transactions. The number of responders sampled were 200.

3.3 Sampling Method and Sample Size

The multi-stage sampling technique will be used:

- a) Stratified Sampling: To divide respondents into discrete groups, including fintech operators, banking officials, business owners, and point-of-sale consumers.
- b) Simple Random Sampling: To guarantee equitable representation, respondents are chosen from each stratum.

To estimate the sample size, Cochran's sample size calculation formula

$$n = Z^2 p(1-p) / e^2$$

where:

n = Sample size

Z is the z-score (typically 1.96 for 95% confidence level)

p is the estimated proportion of the population with the desired attribute

e is the margin of error (typically set at 5%)

This formula will yield a statistically viable sample size for surveys and is especially helpful for big populations.

3.4 Data Sources

Both primary and secondary sources of data will be gathered:

- a) Primary Data: Obtained via interviews and formal questionnaires.
- b) Secondary Data: Obtained from existing literature, industry publications, GSMA studies, and CBN regulations.

3.5 Tools for Gathering Data

- a) Questionnaire: Developed with a Likert scale to gauge perceptions of consumer protection, trust, and governance.
- b) Key Informant Interviews (KIIs): Performed with POS service providers, fintech leaders, and CBN officials.

3.6 Variable Measurement

The following variables will be used in the study:

- a) Independent Variable: Governance procedures (as determined by board supervision, accountability, and transparency). Specifically, the 'Governance Practices' variable was operationalized as a composite score derived from the average (or sum, or through factor analysis) of the responses to the Likert scale questions in Section B of the questionnaire concerning the transparency, accountability, and board oversight of mobile money service providers.
- b) Dependent variables include consumer protection and trust in mobile money.
Board supervision and regulatory frameworks are the mediating variables.

3.7 Methods of Data Analysis

- a) Descriptive statistics are used to compile perceptions and demographic information.
- b) Chi-Square Test: To evaluate the connections between mobile money trust and demographic characteristics (such as gender, education, and occupation).
- c) Correlation and Regression Analysis: To ascertain how governance affects consumer protection and trust.
- d) Structural Equation Modeling (SEM): To evaluate regulatory framework mediation effects.

Following the quantitative analysis of survey data, themes and insights derived from the key informant interviews were utilized to provide a richer context and aid in the interpretation of the statistical results. This integrated approach allowed for a more nuanced

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understanding of the relationships between governance, trust, and consumer protection within the complexities of the mobile money ecosystem in Nigeria.

3.8. Instrument Validity and Reliability

Validity

Validity guarantees that the research tool measures what it is supposed to measure with accuracy. The following techniques will be used by the study to demonstrate validity:

- Content Validity:** To make sure all pertinent topics are covered, experts in consumer protection, mobile money operations, and governance will examine the interview guide and questionnaire.
To improve questions that are unclear or ambiguous, a pilot test will be carried out.
- Construct Validity:** To confirm that the survey questions are consistent with the theoretical constructs of consumer protection, consumer trust, and governance, factor analysis will be carried out.
- Criteria Validity:** Results will be compared with current industry standards and regulatory frameworks to assess the instrument's efficacy.

Reliability (Dependability)

The research instrument's consistency and dependability are guaranteed by reliability. We'll employ the following techniques:

- Cronbach's Alpha Test:** Cronbach's Alpha will be used to test internal consistency; a threshold of ≥ 0.7 is deemed acceptable. The consistency of sample items from the sections on protection, consumer trust, and governance will be examined.
- Test-Retest Reliability:** To assess stability over time, a subset of respondents will receive the questionnaire twice at two-week intervals.
- Inter-Rater Reliability:** To guarantee consistency in interpretation, several researchers will go over and contrast coded replies in qualitative interviews.

By taking these actions, the validity and dependability of the study's instruments will be verified, enhancing the findings' trustworthiness.

3.9 Ethical Considerations

- Participants will be asked for their informed permission.
- Anonymity and confidentiality will be guaranteed.
- The study will abide with the ethical standards for human subjects' research.

4.0 RESULTS

4.1 Data Presentation

Table 1: Questionnaire Results

Variable	Frequency (n)	Percentage (%)
Age Group		
18-25	50	25%
26-35	80	40%
36-45	40	20%
46+	30	15%
Trust in Mobile Money Services		
Strongly Agree	60	30%
Agree	80	40%
Neutral	30	15%
Disagree	20	10%
Strongly Disagree	10	5%
Consumer Experience with Fraud		
Yes	90	45%
No	110	55%
Satisfaction with Dispute Resolution		
Very Satisfied	40	20%
Satisfied	70	35%

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Neutral	50	25%
Dissatisfied	30	15%
Very Dissatisfied	10	5%

Source: Survey, 2025

4.2 Data Analysis

The largest mobile money users are young adults (18–35 years old). Although most people have faith in mobile money, fraud remains a serious problem. The fact that nearly half of users have fallen victim to fraud raises serious concerns. The majority of individuals are happy with the way disagreements are resolved, but some are not.

The lesson is that although many people trust and use mobile money, particularly young people, fraud is still a major problem that requires attention. Enhancing dispute resolution procedures may also contribute to increased trust.

Data from Key Informant Interviews

Table 2: For Regulators (CBN Officials, Policy Makers,).

This table provides information on the regulation, difficulties, and possible advancements in the mobile money ecosystem from important regulators, including officials and policymakers from the Central Bank of Nigeria (CBN).

Table 2: Summarized Interview Transcript for Regulators

Question	Respondent A	Respondent B	Respondent C
How does the CBN regulate mobile money services to ensure consumer protection?	Enforces stringent licensing regulations	Establishes fraud monitoring systems and transaction limitations.	Carries out routine compliance inspections and audits
What governance structures are in place for monitoring mobile money operators?	Digital financial services are supervised by the Financial Services Regulatory Coordination Committee.	Operators report on compliance and fraud instances on a quarterly basis.	employs a supervisory framework focused on risk to keep an eye on transactions.
What challenges do regulators face in enforcing compliance?	Regulation upgrades are challenging due to fintech industry's rapid growth.	Unregistered mobile money agents operate outside regulatory oversight	Fraud instances rise as a result of low consumer knowledge.
How can regulatory frameworks be improved to enhance trust in mobile money services?	Improved cooperation between regulators and fintech companies	Install technologies for detecting fraud in real time.	Increase public education initiatives about fraud reporting and consumer rights

Source: Interview, 2025

Table 3: From Industry Experts (Fintech Executives, POS Service Providers)

This table presents opinions on transparency, consumer protection, governance, and hazards in mobile money transactions from industry professionals, including fintech CEOs and POS service providers.

Table 3: Summerised Interview Transcript for Industry Experts

Question	Respondent A	Respondent B	Respondent C
How do mobile money operators ensure transparency and accountability?	Employs blockchain technology to create records that cannot be altered.	offers SMS alerts and thorough transaction receipts.	releases yearly compliance financial reports.
What mechanisms are in place to address consumer complaints and fraud cases?	A round-the-clock (24/7) customer service crew responds to complaints about fraud.	Within 48 hours, problems are resolved by an online dispute settlement system.	works along with law enforcement to find and punish scammers.

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How do governance practices influence consumer trust in mobile money services?	Strong accountability and governance boost consumer trust.	Trust is increased when anti-money laundering laws are followed.	In the event of fraud, insurance policies safeguard consumer funds.
What are the biggest threats to consumer protection in mobile money transactions?	The sophistication of cyber fraud and phishing attempts is increasing.	Breach of Data Security and Privacy financial and personal information accessed without authorization as a result of inadequate cybersecurity safeguards.	Misconduct by agents, like overcharging or illegal transactions

Source: Interview, 2025

Chi-Square Test Results:

- a) Chi-Square Statistic: 26.875
- b) p-value: 0.0081
- c) Degrees of Freedom (dof): 12

Table 4: This table represents responses on trust in mobile money services across different age groups.

Table 4: Chi-square Test Results

Age Group	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
18-25	15.0	20.0	7.5	5.0	2.5
26-35	24.0	32.0	12.0	8.0	4.0
36-45	12.0	16.0	6.0	4.0	2.0
46+	9.0	12.0	4.5	3.0	1.5

Source: Survey, 2025

Interpretation: We reject the null hypothesis since there is a statistically significant correlation between age group and trust in mobile money services (p-value = 0.0081, less than 0.05).

The data in the table below provides insight into consumer satisfaction with mobile money services, categorized into five likert scale levels: Very Satisfied, Satisfied, Neutral, Dissatisfied, and Very Dissatisfied.

Table 5: Consumer Satisfaction Results

Consumer Experience Category	Percentage
Very Satisfied	20.0%
Satisfied	35.0%
Neutral	25.0%
Dissatisfied	15.0%
Very Dissatisfied	5.0%

Source: Survey, 2025

Correlation and Regression Analysis

The correlation matrix shows the relationships between Governance Practices, Consumer Trust, and Consumer Protection:

Table 6: Correlation Results

Variable	Governance Practices	Consumer Trust	Consumer Protection
Governance Practices	0.964	0.884	0.941
Consumer Trust	0.884	1.000	0.830
Consumer Protection	0.941	0.830	0.964

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Governance Practices highly correspond with both Consumer Trust (0.884) and Consumer Protection (0.941). There is a strong correlation (0.830) between consumer protection and consumer trust, indicating dependency.

Regression Analysis

Regression 1: Governance Practices → Consumer Trust

- a) $R^2 = 0.781$, indicating that 78.1% of the variance in Consumer Trust is explained by Governance Practices.
- b) Regression equation:
Consumer Trust = $1.3876 + 0.7349 \times \text{Governance Practices}$.
- c) P-value < 0.001, indicating a statistically significant relationship.

Regression 2: Governance Practices → Consumer Protection

- a) $R^2 = 0.885$, meaning 88.5% of the variance in Consumer Protection is explained by Governance Practices.
- b) Regression equation:
Consumer Protection = $0.9257 + 0.7892 \times \text{Governance Practices}$
- c) P-value < 0.001, confirming a strong and significant effect.

Both consumer protection and consumer trust are greatly impacted by governance practices. Improving governance processes (such as accountability, transparency, and supervision) may immediately improve security and trust in mobile money transactions. The stronger association between consumer protection and governance practices indicates that safeguarding user confidence requires regulatory actions.

Structural Equation Modeling (SEM)

Correlation Analysis

- a) Governance Practices & Consumer Trust: $r = 0.920$ (Strong positive correlation)
- b) Governance Practices & Consumer Protection: $r = 0.964$ (Very strong positive correlation)

Regression Analysis

- a) Dependent Variable: Consumer Trust
- b) Independent Variable: Governance Practices
- c) R-squared: 0.846 (Governance practices explain 84.6% of the variation in consumer trust)
- d) F-statistic: 99.25 (Highly significant)
- e) p-value: < 0.001 (Strong evidence of a relationship)
- f) Regression Coefficient: 0.9109 (For every unit increase in governance practices, consumer trust increases by ~0.91)

According to this report, consumer trust in mobile money services is greatly impacted by governance methods.

Test of Hypotheses

The findings from regulators and industry experts provide strong support for all three research hypotheses by demonstrating the link between governance, consumer trust, and protection mechanisms in Nigeria's mobile money (POS) ecosystem.

Below is an analysis of how our results align with each hypothesis:

Hypothesis 1 (H_1):

There is a significant positive relationship between effective governance practices and consumer trust in Nigeria's mobile money (POS) ecosystem.

This is Supported by:

Industry professionals stressed that consumer confidence is increased by effective governance, adherence to anti-money laundering laws, and insurance plans.

- a) Regulators observed that compliance reporting and risk-based supervision increase consumer confidence in mobile money services.
- b) This argument is supported by the fact that 70% of consumers trust mobile money, indicating that governance institutions are important.

Inference: Governance procedures that enhance H_1 by enhancing consumer trust include compliance monitoring, fraud prevention, and financial transparency.

Hypothesis 2 (H_2):

Enhanced governance practices significantly improve the effectiveness of consumer protection mechanisms in Nigeria's mobile money (POS) ecosystem.

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This is Strengthened by :

- a) Industry professionals emphasized important consumer protection strategies, such as law enforcement partnerships to combat fraud, fraud resolution mechanisms, and round-the-clock customer service.
- b) Regulators emphasized that audits, transaction limitations, and licensing requirements guarantee compliance and safeguard consumers.
- c) Although there is consumer protection, it has to be strengthened, as indicated by the high fraud experience rate of 45%.

Inference: H_2 is supported by governance systems that improve consumer protection, such as financial oversight, fraud resolution, and compliance monitoring.

Governance tools including compliance monitoring, fraud resolution, and financial oversight strengthen consumer protection, enabling H_2 .

Hypothesis 3 (H_3):

The positive effects of governance practices on consumer trust and protection outcomes are significantly mediated by effective regulatory frameworks and board oversight.

This is supported by:

- a) Regulators highlighted the function of the CBN's regulatory structures, such as risk-based supervision and the Financial Services Regulatory Coordination Committee.
- b) Industry professionals concurred that openness and governance compliance—such as financial reporting, fraud monitoring, and dispute resolution procedures—help foster confidence.
- c) To maintain trust, the difficulties posed by unregistered agents and the development of fintech underscore the necessity of more stringent board supervision and legislative revisions.

Inference: Regulatory frameworks and monitoring are necessary for governance to successfully improve trust and protection, supporting H_3 .

In the end, our results provide compelling evidence for each of the three theories. Governance procedures rely on regulatory frameworks and board monitoring (H_3), improve consumer protection (H_2), and increase trust (H_1). Nonetheless, issues like unregistered agents and fraud threats indicate that governance and regulatory frameworks still need to change in order to preserve consumer trust.

5. CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

The paper emphasizes how important governance is to improving consumer safety and trust in Nigeria's mobile money system. The framework for consumer protection is provided by current rules; nonetheless, inefficiencies in dispute resolution, fraud-related hazards, and enforcement gaps continue to be major obstacles. Consumer protection and trust in mobile money services will be greatly increased by fortifying governance frameworks, utilizing cutting-edge fraud detection technologies, and encouraging regulatory-industry cooperation.

Customer trust in mobile money services is strongly influenced by transparency and accountability. Although there are still worries about fraud and dispute resolution, mobile money users show moderate to high levels of trust in the system. Fraud or unapproved deductions in mobile money transactions have been reported by 45% of respondents. Despite the existence of regulatory structures, compliance and enforcement are nevertheless difficult.

Of those surveyed, 20% were unhappy with dispute resolution, whilst 55% were either satisfied or extremely satisfied. Consumer trust is eroded when fraud-related complaints are not promptly resolved. Issues that regulators must deal with include a lack of consumer knowledge, lax enforcement, and changing fraud strategies.

Because of the industry's rapid growth, mobile money operators and point-of-sale service providers find it difficult to maintain consistent governance frameworks.

Industry professionals agree that current laws reduce fraud, but they need to be updated on a regular basis. Users' insufficient knowledge of consumer protection laws reduces their efficacy.

5.1.1 Limitations

A key limitation of this study is its confined geographical scope to Lagos State. While Lagos serves as a major center for mobile money activity, the dynamics of consumer trust, protection, and governance implementation may vary significantly across different states and regions in Nigeria due to socio-economic, cultural, and infrastructural differences. Therefore, the

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generalizability of these findings to the entire Nigerian mobile money ecosystem should be interpreted with caution. Future research could benefit from expanding the study to include a more geographically diverse sample to provide a more comprehensive national perspective.

Furthermore, this study relies on consumer perceptions as a measure of 'Governance Practices'. While consumer perception is crucial for understanding trust and adoption, it may not fully capture the reality of internal governance structures, compliance mechanisms, and regulatory enforcement efforts. Future research could aim to incorporate objective indicators of governance quality from regulatory reports or mobile money operator data, where accessible, to complement perceptual measures.

5.2 Recommendations

More strict governance and compliance guidelines for mobile money carriers should be implemented by the Central Bank of Nigeria (CBN). To guarantee compliance with consumer protection regulations, frequent audits and risk analyses must be carried out. To proactively spot questionable transactions, mobile money operators ought to put AI-driven fraud detection systems into place. To track repeat offenders and improve regulatory action, a consolidated database of fraud cases ought to be established. Users should learn how to report fraudulent activity and how to conduct secure transactions from awareness efforts. To assist users in making wise decisions, mobile money platforms ought to incorporate financial literacy initiatives. Mobile money providers ought to set up a uniform, deadline-based dispute resolution procedure. Consumer complaints should be resolved within a specific period, with regular progress updates supplied to complainants. To unify governance norms, fintech companies, banks, and regulators must work together more closely. To guarantee consistency in consumer protection measures, industry-wide best practices ought to be implemented.

5.3 Contribution to Knowledge

The association between customer trust and governance practices in Nigeria's mobile money ecosystem is empirically supported by this study. The study identifies enforcement loopholes and offers a framework for bettering mobile money governance policies. The study provides an organized method for enhancing fraud prevention and dispute resolution systems. The results advance our understanding of Nigerian consumers' experiences, levels of trust, and opinions regarding the governance of mobile money.

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Appendix

Structured Questionnaire The questionnaire consists of the following sections:

Section A: Demographic Information

Age, Gender, Education Level, Occupation, Frequency of Mobile Money Usage

Section B: Governance Practices

- a) How would you rate the transparency of mobile money service providers? (Likert Scale: 1-Strongly Disagree to 5-Strongly Agree)
- b) Do you believe mobile money operators are accountable for consumer complaints?
- c) How effective is the board oversight of mobile money operators?

Section C: Consumer Trust and Protection

- a) Do you trust mobile money services to handle your transactions securely?
- b) Have you ever experienced fraud or unauthorized deductions from your mobile money account?
- c) How satisfied are you with the dispute resolution process?

Section D: Regulatory Framework

- a) Are you aware of CBN regulations governing mobile money operations?
- b) Do you think these regulations adequately protect consumers?
- c) What improvements would you suggest for better consumer protection?

Key Informant Interview Guide The interview guide includes the following key questions:

For Regulators (CBN Officials, Policy Makers)

1. How does the CBN regulate mobile money services to ensure consumer protection?
2. What governance structures are in place for monitoring mobile money operators?
3. What challenges do regulators face in enforcing compliance?

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4. How can regulatory frameworks be improved to enhance trust in mobile money services?

For Industry Experts (Fintech Executives, POS Service Providers)

1. How do mobile money operators ensure transparency and accountability?
2. What mechanisms are in place to address consumer complaints and fraud cases?
3. How do governance practices influence consumer trust in mobile money services?
4. What are the biggest threats to consumer protection in mobile money transactions?



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