



Assessing Financial Inclusion through Student Focused Digital Lending Platforms: A Study of Loan Applications

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Abstract

This study investigates the influence of student centric digital lending platforms on financial inclusion and perceived financial empowerment in India. This study examines the impact of trust, financial and digital literacy, application functionalities, credit availability, and loan adaptability on students' borrowing behaviour and empowerment. A quantitative study design was employed, utilising data gathered from urban students via a structured survey. Structural Equation Modelling was utilised to examine direct, indirect, and mediating interactions, with financial inclusion serving as a mediating variable between digital lending characteristics and empowerment. The results indicate that trust in digital platforms and financial literacy are critical factors influencing financial inclusion, but application features, credit accessibility, and loan flexibility exert lesser influence. Financial inclusion augments felt empowerment, substantiating its mediating function between trust and awareness. Future research may concentrate on rural people and employ longitudinal or qualitative methodologies. This study amalgamates technological and behavioural viewpoints into a unified framework, offering an extensive comprehension of the role digital lending platforms play in fostering financial inclusion and empowering students.

Keywords: Digital Lending Platforms, Financial Inclusion, Finance Awareness, Financial Empowerment.

1. Introduction

Financial inclusion is considered a vital facilitator of sustainable development since it guarantees fair access to financial services for marginalised groups (Ozili, 2018) [6], (Tay *et al.*, 2022) [8]. The advent of digital financial services has expedited this process by dismantling conventional access obstacles and broadening loan opportunities in developing economies (Sreenu & Verma, 2024) [7], (Basnayake *et al.*, 2024) [2]. Mobile loan applications have been identified as a means to extend loans to persons lacking collateral or credit records, hence promoting inclusive growth (Bu *et al.*, 2024) [3], (Vuong *et al.*, 2025) [9].

India serves as a pivotal setting for this shift owing to swift smartphone adoption, cost-effective internet access, and government-driven programs that advocate for digital finance (Kajol *et al.*, 2022) [4], (Ashoer *et al.*, 2024) [16]. Student-oriented digital lending platforms provide rapid approvals, streamlined documentation, and adaptable repayment options, rendering them more attractive than conventional banking institutions (Basnayake *et al.*, 2024) [2]. Nonetheless, other issues remain, especially concerning loan transparency, repayment frameworks, and concealed fees, which erode confidence and hinder long-term adoption (Yang, 2021) [10], (Appiah & Agblewornu, 2025) [11]. Furthermore, disparities in financial literacy and digital awareness intensify dangers, as

students frequently struggle to comprehend payback commitments or evaluate platform reliability (Tay *et al.*, 2022) [8], (Aftab *et al.*, 2025) [12].

These challenges generate a significant research deficiency. Although previous research recognises the capacity of digital finance to enhance inclusion (Basnayake *et al.*, 2024) [2], (Bu *et al.*, 2024) [3], there is a paucity of empirical evidence investigating the synergistic effects of application features, accessibility, transparency, repayment flexibility, awareness, and trust on student borrowing behaviour and empowerment (Ashoer *et al.*, 2024) [16]. Current study has predominantly examined these variables in isolation, resulting in unresolved enquiries on their interdependent function in promoting financial inclusion (Appiah & Agblewornu, 2025) [11].

This study aims to examine how digital lending attributes, financial and digital literacy, trust, accessibility, and repayment flexibility collectively impact financial inclusion and perceived empowerment among students in India. The objectives are fourfold:

- i). To identify application-specific features that enhance inclusion,
- ii). To evaluate the impact of literacy, awareness, and transparency on adoption,
- iii). To assess the influence of trust and repayment flexibility on borrowing behaviour, and

- iv). To examine the correlation between inclusion and perceived empowerment (Tay *et al.*, 2022)^[8], (Basnayake *et al.*, 2024)^[2].

This study makes two contributions. It theoretically blends technological and behavioural characteristics into a cohesive framework, addressing deficiencies in the digital finance literature that has historically analysed them in isolation (Appiah & Agblewornu, 2025)^[1], (Yang, 2021)^[10]. It offers insights for FinTech developers, legislators, and educational institutions to create transparent, user-friendly, and trust-enhancing credit systems. Such measures are essential to guarantee that digital lending platforms enhance student financial empowerment instead of subjecting them to new vulnerabilities (Aftab *et al.*, 2025)^[12].

2. Literature Review

This literature review analyses critical elements affecting the adoption of digital lending platforms, such as application features, credit accessibility, financial literacy, and trust, to identify study gaps and direct future inquiry.

i). App Features (AF)

Digital lending platforms have become significant facilitators of financial inclusion, especially for marginalised populations like students, who frequently encounter obstacles in obtaining regular banking loans (Tay *et al.*, 2022)^[8]. The growing integration of FinTech has generated potential for sustainable development by connecting financial access with empowerment and economic engagement (Basnayake *et al.*, 2024)^[2]. App features are a crucial aspect of student-oriented digital lending platforms, as studies indicate that user-friendly design, navigational simplicity, and efficient loan disbursement foster trust and encourage adoption (Kajol *et al.*, 2022)^[4]. Younger cohorts benefit from intuitive digital platforms that diminish cognitive hurdles and enhance ongoing engagement, hence reinforcing the connection between app quality and financial inclusion. Previous research demonstrates that the quality of mobile applications directly influences consumer loyalty and sustained engagement with financial goods (Tay *et al.*, 2022)^[8].

Hypothesis 1 (H1): App Features (AF) Positively Influence Financial Inclusion (FI).

ii). Credit Accessibility (CA)

Access to credit is fundamental to financial inclusion, and digital platforms have developed novel methods to provide loans to individuals typically marginalised by established financial systems (Bu *et al.*, 2024)^[3]. Studies demonstrate that digital inclusive finance models circumvent collateral prerequisites and broaden credit accessibility, particularly for students without official income sources (Basnayake *et al.*, 2024)^[2]. Streamlined loan procedures provided via applications, featuring immediate approvals and reduced documentation, enhance the probability of acceptance among student borrowers (Tay *et al.*, 2022)^[8]. Simultaneously, research indicates that the perceived equity of eligibility criteria and the clarity of credit standards are crucial determinants influencing uptake (Yang, 2021)^[10].

Hypothesis 2 (H2): Credit Accessibility (CA) Positively Influences Financial Inclusion (FI).

iii). Loan Terms Information and Flexibility (LTIF)

Loan conditions and repayment adaptability are significant factors influencing the borrowing behaviour of students who

frequently need smaller, short-term credit for educational and living costs (Bu *et al.*, 2024)^[3]. Evidence indicates that when platforms offer transparent loan terms, encompassing explicit interest rates and repayment options, users are more inclined to utilise digital lending services (Basnayake *et al.*, 2024)^[2]. Repayment flexibility, including customisable timeframes and fee waivers, has demonstrated efficacy in alleviating financial stress and fostering long-term trust in loan applications (Appiah & Agblewornu, 2025)^[1]. The absence of transparency or inflexible loan structuring may hinder uptake and elevate default rates (Kajol *et al.*, 2022)^[4].

Hypothesis 3 (H3): Loan Terms Information and Flexibility (LTIF) Positively Influence Financial Inclusion (FI).

iv). Financial Awareness and Digital Awareness (FADA)

Financial awareness and digital literacy are acknowledged as crucial facilitators of financial well-being, with elevated levels of awareness resulting in more informed decision-making and prudent borrowing behaviours (Sreenu & Verma, 2024)^[7]. Students possessing heightened digital awareness are more adept at navigating intricate application interfaces, comprehending loan agreements, and evading exploitative practices (Kajol *et al.*, 2022)^[4]. Research indicates that increased digital literacy enhances confidence in utilising financial technologies, hence directly fostering empowering effects (Aftab *et al.*, 2025)^[12]. In the academic environment, financial and digital literacy collectively facilitate the prudent use of credit applications, hence enhancing access to lawful and inexpensive loan options (Tay *et al.*, 2022)^[8].

Hypothesis 4 (H4): Financial Awareness and Digital Awareness (FADA) Positively Influence Financial Inclusion (FI).

v). Trust in Digital Platforms (TIDP)

Trust in digital platforms is recognised as both an obstacle and a facilitator in FinTech adoption, as users frequently exhibit reluctance to depend on new technologies due to apprehensions over privacy, data security, and equity (Yang, 2021)^[10]. Research indicates that robust perceptions of openness, accountability, and reliability are essential for fostering user trust in digital loan applications (Appiah & Agblewornu, 2025)^[1]. Trust is particularly crucial for students, who often depend on peer evaluations, institutional endorsements, and social networks prior to utilising such services (Tay *et al.*, 2022)^[8]. Previous research indicates that even with good app features and accessibility, a deficiency in trust might completely hinder adoption (Basnayake *et al.*, 2024)^[2].

Hypothesis 5 (H5): Trust in Digital Platforms (TIDP) Positively Influences Financial Inclusion (FI).

vi). Financial Inclusion (FI)

Financial inclusion functions as a mediating variable that connects technical characteristics with empowering results by facilitating access to inexpensive and sustainable financial services (Tay *et al.*, 2022)^[8]. Digital financial inclusion in student populations guarantees that credit facilities facilitate education, skill enhancement, and living expenses, thus enhancing social and economic consequences (Basnayake *et al.*, 2024)^[2]. Research indicates that financial inclusion enhances resource accessibility and mediates the connection between technological facilitators, such as application functionalities and trust, and outcomes related to empowerment. This indicates that financial inclusion serves

not merely as an outcome but as a catalyst for financial empowerment (Appiah & Agblewornu, 2025)^[1].

Hypothesis 6 (H6): Financial Inclusion (FI) Mediates the Relationship between Independent Variables (AF, CA, LTIF, FADA, TIDP) and Perceived Financial Empowerment (PFE).

vii). Perceived Financial Empowerment (PFE)

Perceived financial empowerment denotes an individual's perception of control, confidence, and capability in financial decision-making, increasingly linked to access to digital

financial services (Tay *et al.*, 2022)^[8]. In economically underdeveloped regions, empowerment results are facilitated by digital financial inclusion and advancements in lending technology (Vuong *et al.*, 2025)^[9]. Among students, empowerment correlates with financial independence, less dependence on informal borrowing, and enhanced confidence in future financial decision-making (Aftab *et al.*, 2025)^[12]. Research indicates that perceived empowerment rises when individuals believe their access to credit is equitable, transparent, and sustainable (Basnayake *et al.*, 2024)^[2].

Hypothesis 7 (H7): Financial Inclusion (FI) Positively Influences Perceived Financial Empowerment (PFE)

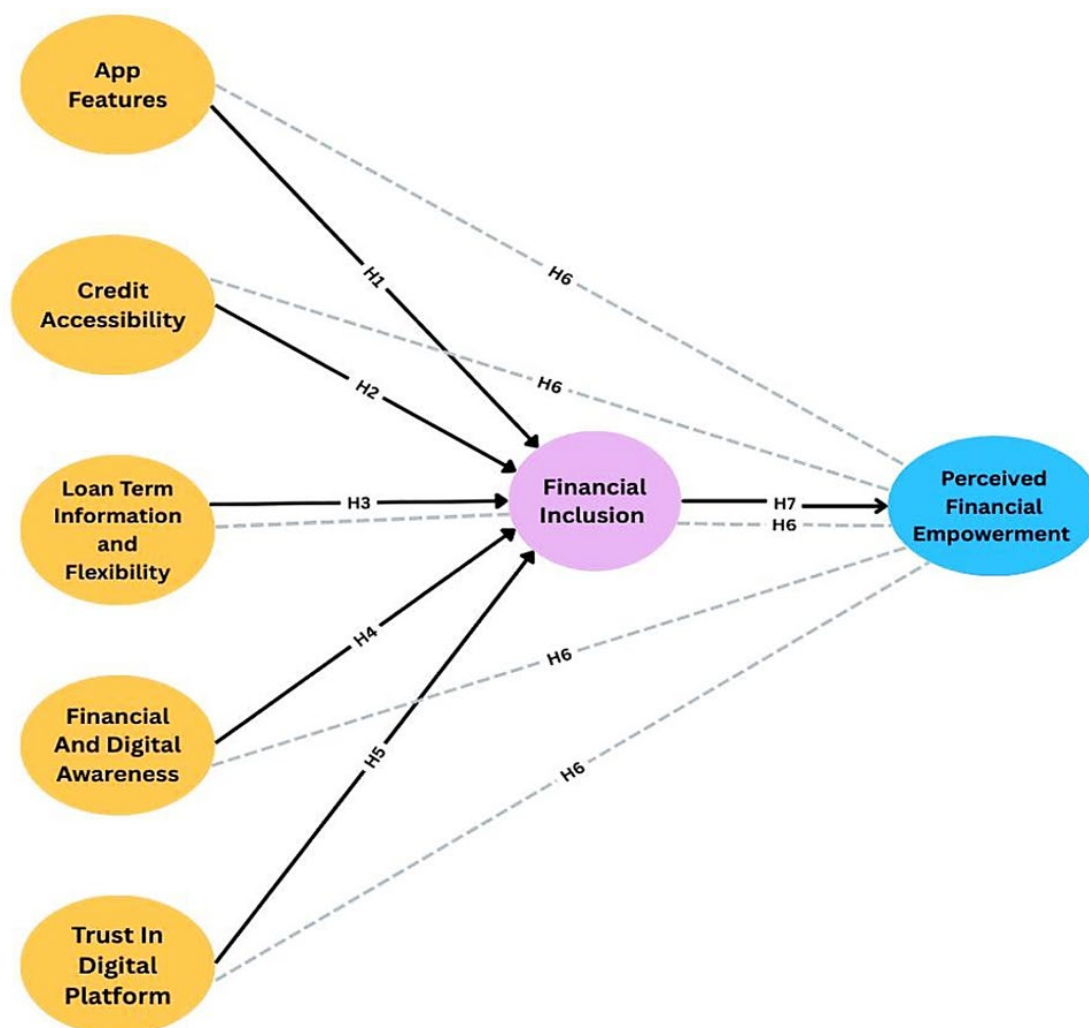


Fig 1: Conceptual Model

3. Methodology

Study Design: This study utilised a descriptive and empirical research approach to investigate the impact of digital lending application features, financial literacy, and trust on financial inclusion and perceived financial empowerment among students (Nigatu *et al.*, 2024)^[5]. A quantitative methodology was employed, as it is extensively utilised in financial technology research for examining hypothesised linkages and validating structural models (Basnayake *et al.*, 2024)^[2]. The research employed Partial Least Squares Structural Equation Modelling (PLS-SEM), appropriate for examining reflective constructs, direct and indirect impacts, and predictive relevance (Nigatu *et al.*, 2024)^[5].

Target Population and Area of Study: The study focused on urban student populations in India, which constitute one of

the rapidly expanding demographics utilising digital lending tools due to heightened smartphone usage and internet connectivity (Kajol *et al.*, 2022)^[4]. Students were chosen due to their borrowing behaviours, digital proficiency, and financial literacy, which are essential determinants affecting the utilisation of credit-based lending platforms (Tay *et al.*, 2022)^[8]. India was selected as the context due to its swift expansion in digital financial services and persistent governmental efforts to foster technology-driven financial inclusion (Sreenu & Verma, 2024)^[7].

Sampling Method and Sample Size: A convenience sample strategy was utilised to gather data from students using online and offline surveys, a prevalent approach in financial inclusion research (Basnayake *et al.*, 2024)^[2]. A total of 411 valid responses were collected, surpassing the minimal

sample size required for SEM-based analysis and guaranteeing statistical precision (Nigatu *et al.*, 2024) [5]. The sample size was deemed sufficient to examine many dimensions, including application features, credit accessibility, financial literacy, trust, and perceived empowerment (Basnayake *et al.*, 2024) [2].

Data Collection Instrument: The study utilised a standardised questionnaire assessed on a five-point Likert scale from 1 = Strongly Disagree to 5 = Strongly Agree, aligning with validated standards in financial inclusion research (Nigatu *et al.*, 2024) [5]. The items were modified from existing literature to guarantee validity and dependability. The application features were derived from usability and mobile financial studies (Basnayake *et al.*, 2024) [5]. Credit accessibility and loan flexibility were derived from studies on inclusive finance (Nigatu *et al.*, 2024) [5]. Trust in digital platforms was assessed utilising metrics from FinTech adoption frameworks. Financial literacy and awareness were derived from studies on financial well-being (Kajol *et al.*, 2022) [4]. Financial inclusion was derived from studies on digitalisation in the Asia-Pacific region (Tay *et al.*, 2022) [8]. Financial empowerment was assessed through studies centred on digital inclusion (Sreenu & Verma, 2024) [7].

Research Approach and Tools: The study employed a quantitative methodology, utilising SmartPLS software for data analysis, renowned for its efficacy in managing reflective constructs, small to medium sample sizes, and mediation assessments (Nigatu *et al.*, 2024) [5]. SmartPLS was selected due to its proficiency in evaluating both structural correlations and predictive relevance efficiently (Tay *et al.*, 2022) [8].

Data Analysis Technique: The study was conducted in several phases to guarantee a thorough assessment of the research model (Nigatu *et al.*, 2024) [5]. The measurement model was assessed for reliability, convergent validity, and discriminant validity by Cronbach's Alpha, Composite Reliability, Average Variance Extracted (AVE), and outer loadings (Tay *et al.*, 2022) [5]. The structural model was evaluated by path coefficients, the coefficient of determination (R^2), and model fit indices such as SRMR, NFI, and Chi-square (Basnayake *et al.*, 2024) [5]. The hypothesis testing investigated the direct links among exogenous dimensions, including app features, credit accessibility, financial literacy, loan flexibility, and trust, in relation to financial inclusion, as well as the impact of financial inclusion on perceived empowerment (Vuong *et al.*, 2025) [9]. The mediation research examined the indirect impacts of exogenous variables on perceived empowerment via financial inclusion (Tay *et al.*, 2022) [8]. The Q^2 predictive relevance study was conducted to assess the model's predictive accuracy, confirming that the constructs possess out-of-sample predictive ability in addition to explanatory capacity (Tay *et al.*, 2022) [8]. An importance-performance map analysis (IPMA) was conducted to ascertain the most pivotal constructs for financial inclusion and empowerment, providing practical and policy-oriented insights (Nigatu *et al.*, 2024) [5].

4. Results

4.1. To identify the key features of student-focused digital lending applications that influence financial inclusion

This study intends to assess the reliability and validity of constructs describing app features and associated factors for subsequent analysis. This guarantees that the latent constructs are statistically sound and appropriate for structural modelling.

i). Reliability and Validity Statistics

Table 1: Reliability and Validity Statistics

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
AF	0.891	0.896	0.933	0.822
CA	0.909	0.913	0.943	0.846
FADA	0.895	0.897	0.935	0.827
FI	0.904	0.904	0.933	0.776
LTIF	0.901	0.908	0.931	0.77
PFE	0.868	0.87	0.901	0.602
TIDP	0.882	0.884	0.919	0.74

The findings in Table 1: Reliability and Validity Statistics indicate that Cronbach's alpha values varied from 0.868 to 0.909, and Composite Reliability (CR) values ranged from 0.901 to 0.943, both beyond the 0.70 threshold. The Average Variance Extracted (AVE) values ranged from 0.602 to 0.846, all over the 0.50 threshold, thereby affirming convergent validity (Tay *et al.*, 2022) [8].

ii). Discriminant Validity Assessment Using HTMT Criterion

Table 2: Discriminant Validity (HTMT)

	AF	CA	FADA	FI	LTIF	PFE	TIDP
AF							
CA	0.612						
FADA	0.561	0.474					
FI	0.608	0.52	0.638				
LTIF	0.728	0.51	0.574	0.57			
PFE	0.548	0.449	0.552	0.572	0.503		
TIDP	0.652	0.612	0.649	0.876	0.624	0.567	

The results in Table 2 indicate that the Discriminant Validity Assessment utilising the HTMT Criterion was below 0.90, with the highest value being 0.876 (FI and TIDP).

iii). Discriminant Validity Using the Fornell-Larcker Criterion

Table 3: Discriminant Validity (Fornell-Larcker Criterion)

	AF	CA	FADA	FI	LTIF	PFE	TIDP
AF	0.906						
CA	0.55	0.92					
FADA	0.5	0.427	0.909				
FI	0.547	0.472	0.574	0.881			
LTIF	0.659	0.466	0.52	0.519	0.878		
PFE	0.487	0.403	0.488	0.51	0.452	0.776	
TIDP	0.579	0.548	0.576	0.782	0.563	0.5	0.86

The Fornell-Larcker criterion validated that the square root of the AVE values (AF = 0.906, FI = 0.881, PFE = 0.776) surpassed the respective inter-construct correlations. Threshold requirements stipulate that Cronbach's alpha and CR values should exceed 0.70, AVE values should surpass 0.50, and HTMT ratios should remain below 0.90 to confirm validity and dependability.

4.2. To analyze the role of app features, digital literacy, financial awareness, and information transparency in shaping students' adoption and use of digital loan platforms

This study intends to analyse the impact of application features, knowledge, and literacy on financial inclusion, examining how students adopt and utilise digital lending platforms.

i). Path Coefficient and Regression

Table 4: Path Coefficient and Regression

	Original Sample (O)	T statistics	P values	Significant or Insignificant
AF-> FI	0.088	1.684	0.092	Significant
CA-> FI	0.002	0.046	0.963	Insignificant
FADA-> FI	0.154	3.968	0	Significant
FI-> PFE	0.51	10.005	0	Significant
LTIF-> FI	0.028	0.527	0.598	Insignificant
TIDP-> FI	0.626	14.393	0	Significant

	Original Sample (O)	T Statistics
AF -> FI -> PFE	0.045	1.586
CA -> FI -> PFE	0.001	0.046

Table 4 indicates that Trust in Digital Platforms ($\beta = 0.626$, $p < 0.001$) and Financial & Digital Awareness ($\beta = 0.154$, $p < 0.001$) considerably enhance financial inclusion. In contrast, App Features ($\beta = 0.088$, $p = 0.092$), Credit Awareness ($\beta = 0.002$, $p = 0.963$), and Loan Flexibility ($\beta = 0.028$, $p = 0.598$) were identified as statistically insignificant predictors. The model demonstrates considerable explanatory power, evidenced by a R^2 value of 0.642 for Financial Inclusion, indicating that 64.2% of the variance in financial inclusion is accounted for by the predictors. The R^2 value of 0.260 for Perceived Financial Empowerment signifies a moderate degree of explanatory capacity. In PLS-SEM, path coefficients are deemed significant when p-values are less than 0.05, while R^2 values exceeding 0.50 signify considerable explanatory power (Tay *et al.*, 2022)^[8].

4.3. To examine how trust in digital lending platforms and perceived loan flexibility affect students' borrowing behaviour and financial inclusion

This study intends to assess the direct and indirect impacts of trust and loan flexibility on financial inclusion and borrowing behaviour.

i). Direct Effects and Indirect Effects

Table 5: Direct Effects and Indirect Effects

	Original Sample (O)	T statistics	P values
AF-> FI	0.088	1.684	0.092
CA-> FI	0.002	0.046	0.963
FADA->FI	0.154	3.968	0
FI-> PFE	0.51	10.005	0
LTIF->FI	0.028	0.527	0.598
TIDP->FI	0.626	14.393	0

	Original Sample (O)	T Statistics	P Values
AF -> FI -> PFE	0.045	1.586	0.113
CA -> FI -> PFE	0.001	0.046	0.964
FADA -> FI -> PFE	0.078	3.632	0
LTIF -> FI -> PFE	0.014	0.527	0.598
TIDP -> FI -> PFE	0.319	7.942	0

Table 5 indicates (Mediation Analysis) that Trust in Digital Platforms exerts the most substantial direct influence on Financial Inclusion ($\beta = 0.626$, $p < 0.001$). Financial and Digital Awareness demonstrates a substantial impact ($\beta = 0.154$, $p < 0.001$). Loan Flexibility ($\beta = 0.028$, $p = 0.598$), App Features ($\beta = 0.088$, $p = 0.092$), and Credit Awareness ($\beta = 0.002$, $p = 0.963$) were not statistically significant. Financial Inclusion serves as a significant mediator in the association between Trust and Empowerment ($\beta = 0.319$, $p < 0.001$) as well as between Awareness and Empowerment ($\beta = 0.078$, $p < 0.001$). The indirect benefits of App Features, Loan Flexibility, and Credit Awareness were negligible. Indirect effects are deemed significant when p-values are below 0.05, so affirming the mediating function of financial inclusion in the relationship among trust, awareness, and empowerment (Tay *et al.*, 2022)^[8].

4.4. To assess the relationship between financial inclusion and perceived financial empowerment among students using digital lending platforms

This study intends to assess if financial inclusion enhances perceived financial empowerment among students.

i). Model Fit and Q2 Predict

Table 5: Model Fit and Q2 predict

	Saturated Model	Estimated Model
SRMR	0.05	0.078
d_ULS	0.937	2.308
d_G	0.407	0.438
Chi-square	1074.556	1127.592
NFI	0.878	0.872

	Q ² Predict	RMSE	MAE
FI	0.632	0.612	0.457
PFE	0.279	0.857	0.663

The structural model exhibits a satisfactory fit with the data (SRMR = 0.078, NFI = 0.872), validating that the model effectively encapsulates the relationships among app features, awareness, transparency, and digital adoption. Despite NFI being somewhat below the 0.90 threshold, the aggregate indices substantiate the model's validity for additional investigation. Predictive significance is established, as Q^2 values for both Financial Inclusion (0.632) and Empowerment (0.279) above zero. In PLS-SEM, Q^2 values exceeding zero indicate predictive importance, whereas substantial path coefficients affirm explanatory strength (Tay *et al.*, 2022)^[8].

ii). Importance Performance Map Analysis

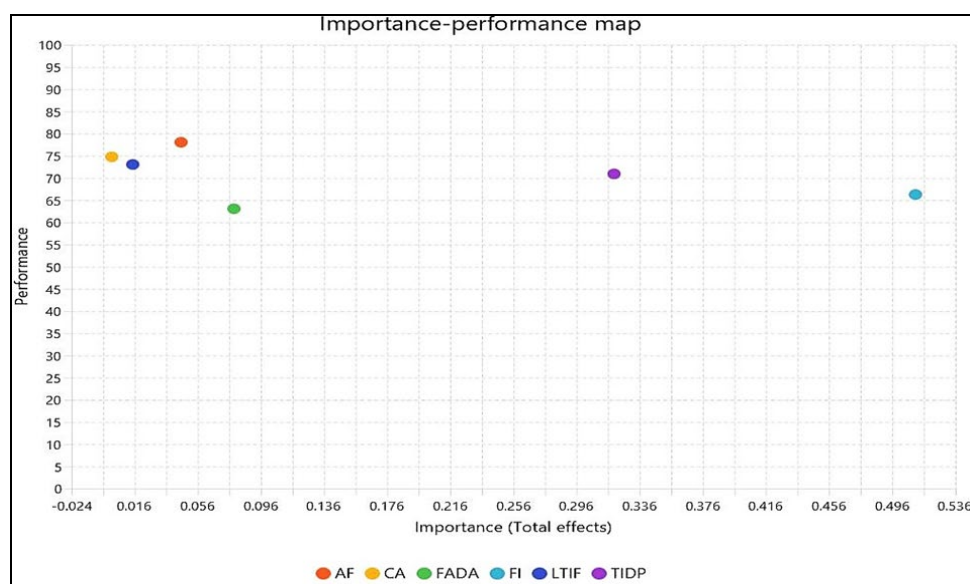


Fig 2: IPM Analysis

The IPMA data indicate that Trust and Awareness were the most significant factors for empowerment, whereas app features and loan flexibility had a lesser impact (Tay *et al.*, 2022) [11].

5. Findings

This study investigated the impact of app features, awareness, trust, and associated factors on financial inclusion and empowerment among students in India. The findings indicate that trust in digital platforms is the primary catalyst for inclusion ($\beta = 0.626$, $p < 0.001$), corroborating previous studies that emphasise transparency, security, and fairness as essential to FinTech adoption.

When platforms are regarded as trustworthy, students are more inclined to utilise them, consistent with evidence that trust eliminates significant obstacles to entry in digital banking.

Simultaneously, app features, credit accessibility, and loan flexibility were statistically negligible indicators, indicating that functional design and adaptable payback conditions alone do not ensure participation. This differs from previous studies that highlighted usability and accessibility as the main factors influencing adoption. In the educational setting, these findings suggest that technology convenience should be accompanied by structural facilitators such as literacy and institutional trust. Financial and digital awareness substantially influenced inclusion ($\beta = 0.154$, $p < 0.001$), with mediation analysis verifying that awareness indirectly promotes empowerment via inclusion. This substantiates claims that literacy serves as both a safeguard against predatory lending and a catalyst for responsible engagement.

The results indicate that financial inclusion is a significant predictor of perceived financial empowerment ($\beta = 0.510$, $p < 0.001$), aligning with research that access to credit bolsters confidence, autonomy, and decision-making ability. This underscores the transformative potential of digital lending platforms for student demographics, especially when integrated with awareness and trust-building strategies. This study builds on previous research by demonstrating that trust and awareness are more influential than functional aspects in determining student borrowing behaviour, thereby merging

technological and behavioural elements into a cohesive framework. The findings indicate that governments and FinTech developers should prioritise trust-building, transparency, and literacy initiatives over mere technical enhancements, ensuring that digital credit benefits students instead of introducing new vulnerabilities.

6. Conclusion

The study sought to investigate the impact of digital lending application features, digital awareness, and platform trust on financial inclusion and perceived empowerment among students in India. Employing Structural Equation Modelling via Smart PLS, the findings indicated that trust in digital platforms and financial knowledge were the paramount predictors of inclusion, whereas app features, credit accessibility and repayment flexibility exerted weaker or indirect influences. Financial inclusion was demonstrated to augment empowerment, affirming its developmental potential for student demographics.

Practical Implications

The results yield multiple implementable insights. The significant impact of trust underscores the necessity for digital lending platforms to implement transparency procedures, enhance grievance redressal systems, and fortify data security measures to promote adoption. Secondly, the critical importance of financial and digital literacy indicates that universities and policymakers ought to integrate structured literacy programs into higher education curricula to prepare students for responsible credit usage. Third, developers must provide student-centric applications that streamline loan procedures, elucidate payback conditions, and offer adaptable repayment alternatives backed by clear information. Collectively, these pragmatic measures can enhance trust, promote adoption, and optimize the empowering advantages of digital lending.

Future Scope

This work has numerous opportunities for future investigation. Subsequently, more research might investigate rural and semi-urban student demographics to evaluate inclusion outcomes across various geographical and socio-

economic categories. Secondly, qualitative methods such as interviews or focus groups may yield more profound insights into students' impressions of trust, transparency, and empowerment, beyond the limitations of quantitative assessment. Third, forthcoming models may incorporate psychological factors such as risk perception, behavioural biases, or cultural attitudes to enhance comprehension of borrowing behaviour in digital finance. Ultimately, longitudinal studies might monitor the effects of financial inclusion on empowerment over time, yielding more robust causal evidence.

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