

# Assessing the Impact of Neo-Banking on Financial Empowerment

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**Abstract:** The advent of digital technology has reshaped the banking landscape, giving rise to neo-banking—digital-only banking platforms that operate without physical branches. These platforms offer seamless, convenient, and cost-effective financial services, fundamentally altering the way individuals access, manage, and perceive financial resources. This study investigates the impact of neo-banking on financial empowerment, with a focus on users' access to financial services, control over personal finances, financial decision-making, literacy, and behavioral outcomes. Financial empowerment, in this context, refers not only to inclusion in formal financial systems but also to the ability to make informed financial choices, adopt disciplined financial practices, and improve overall financial well-being.

The research adopted a quantitative survey approach, targeting 200 neo-banking users across urban areas. Data were collected using a structured questionnaire comprising Likert-scale items covering dimensions of financial empowerment, literacy, and behavior. Statistical tools such as descriptive statistics, reliability analysis (Cronbach's Alpha), correlation analysis, and multiple regression were employed using SPSS software to assess the relationships between neo-banking usage and financial empowerment outcomes.

The findings reveal a high level of financial empowerment among neo-banking users. Additionally, neo-banking was found to improve financial literacy and responsible financial behavior, including budgeting, saving, and informed spending. Regression analysis confirmed that features such as digital tools, cost transparency, and access convenience are significant predictors of financial empowerment, explaining over 50% of the variance.

Despite these positive outcomes, challenges related to data security, trust, and regulatory compliance were identified, highlighting the need for robust policies and safeguards. Overall, the study concludes that neo-banking is a transformative force in modern finance, promoting financial literacy, inclusion, and behavioral discipline, thereby empowering users to achieve greater financial autonomy. The findings offer valuable insights for policymakers, financial institutions, and digital banking innovators to enhance user-centric, secure, and inclusive digital financial services..

**Keywords:** Neo-Banking, Financial Empowerment, Digital Finance, Financial Literacy, Financial Behavior