ISSN–2277- 8721

EIIRJ Electronic International Interdisciplinary Research Journal

Volume–XV, Special Issue –I March – April 2026

OPEN ACCESS Original Research Article

A STUDY ON CONSUMER AWARENESS OF SECURITY RISKS IN DIGITAL PAYMENT SYSTEMS

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Abstract:

This study examines consumer awareness of security risks in digital payment systems. Nowadays, many people are using digital payment methods like UPI and mobile payments. Because of this, security has become an important issue. This study gave emphasis on understanding how much people know about digital payment frauds and whether they follow safe practices while making payments.

The data was collected using a questionnaire and analyzed in a simple way. The results show that most people know about common frauds, but not everyone follows proper safety steps. Some people still take risks while doing digital transactions.

The study concludes that digital payments are widely used, but people need better awareness and should be more careful while making transactions to avoid fraud.

Introduction:

The use of smartphones, internet services, and online platforms like UPI, mobile wallets, and online banking has increased a lot. Because of this, people are slowly moving from cash payments to digital methods. Digital payments have made transactions quicker, easier, and more convenient and it has become a common part of our daily life.

Still, every upside carries its share of trouble. Scams on the internet - fake messages, break-ins, stolen codes, leaked info - pop up more often now. A lot of folks simply do not see how exposed they are. Because so few understand what to watch for, money sometimes disappears, confidence in electronic payments begins to fade.

People often tap phones or swipe cards without thinking twice. Awareness around those actions sits at the center of this look into habits. One thing leads to another when routines meet risk. Spotting what users know comes first. Then come the blanks in understanding. Safety moves differ from person to person. Some lock devices tight. Others skip checks altogether. Gaps show up where least expected. Knowledge trails behind tech speed. Habits form quietly over time. What gets missed matters just as much. Watching patterns reveals more than answers alone.

Objectives of the Study:

1. To analyse the usage of digital payment systems among consumers.

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2. To examine the level of consumer awareness regarding digital payment security.
3. To analyse the safety measures adopted by consumers while making digital transactions.
4. To evaluate the relationship between awareness and usage of digital payment systems.

Hypothesis of the Study:

Hypothesis 1

H_0 : There is no significant relationship between consumer awareness and the usage of digital payment systems.

H_1 : There is a significant relationship between consumer awareness and the usage of digital payment systems.

Hypothesis 2

H_0: Consumers are not aware of security risks in digital payment systems.

H_1: Consumers are aware of security risks in digital payment systems.

Hypothesis 3

H_0: There is no significant difference in awareness of security risks among different age groups.

H_1: There is a significant difference in awareness of security risks among different age groups.

Review of Previous Studies:

1. **Sharma Ritu (2019)**

Sharma found that trust plays a major role in digital payment adoption. Users who trust banks and apps are more likely to use digital payments regularly.

Interpretation: Trust is an important factor affecting consumer confidence.

2. Patel Mehul (2020)

Patel's study showed that awareness campaigns by banks and governments can reduce digital fraud cases. However, many users still ignore safety guidelines.

Interpretation: Awareness programs are useful but need to be more effective.

3. Singh Rahul (2021)

Singh found that younger users are more comfortable with digital payments, while older users are less confident due to security concerns.

Interpretation: Age and experience influence awareness and confidence levels.

Research Methodology:

Primary data was collected through a google form. This study has collected data from different age groups. The structured questionnaire method is used for collecting the data of 123 respondents.

Tools and Techniques used for research analysis

The Chi- square test is used for statistical analysis

Limitations of the study:

1. Study restricted only to Mumbai city.
2. Time resource Constraint.

Data Analysis:

This study is based on **primary data** collected through a structured questionnaire. A total of **123 respondents** participated in the survey.

The data has been analyzed using the **simple comparison method**, where responses are compared using percentages to understand patterns and trends related to digital payment usage and security awareness.

1. Usage of Digital Payment Methods

The analysis shows that most of the respondents are using digital payment methods. About 86% of people said they use digital payments, while only a small number of people do not use them.

Interpretation:

This clearly shows that digital payments are very popular and widely accepted by consumers. The main reasons for this could be convenience, faster transactions, and the availability of different options like UPI, mobile wallets, and online banking.

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2. **Awareness of Digital Payment Frauds**

Most of the respondents said that they are aware of common digital payment frauds like OTP scams, phishing links, and fake calls.

Interpretation:

This shows that people have a good level of awareness about these risks(**87%**) However, just knowing about frauds is not enough to stay safe. Many users may still become victims if they are not careful or if fraud methods become more advanced.

3. **Hypothesis 1**

Awareness Level	Use Digital Payment	Do Not Use	Total
Aware	80	8	88
Not Aware	6	29	35
Total	**86**	**37**	**123**

χ^2 Calculated = **52.10** Table Value (df = 1, 5%) = **3.84**

52.10 > 3.84 - This means the null hypothesis (H_0) is rejected and the alternative hypothesis (H_1) is accepted.

There is a **significant relationship between awareness and usage of digital payment systems**.

4. **Hypothesis 2**

Response	No. Of Respondents
Aware	88
Not Aware	35
Total	**123**

Simple Analysis

Majority = **88 out of 123 (more than 70%)**

The null hypothesis (H_0) is rejected and the alternative hypothesis (H_1) is accepted.

This shows that consumers are aware of digital payment security risks.

5. **Table: Age vs Awareness Score**

Age Group	Aware	Not aware	Total
Below 20	55	20	75
20-30	20	13	33
31-40	9	1	10
Above 40	4	1	5
Total	**88**	**35**	**123**

Result:

χ^2 Calculated = 2.8 Table Value (df = 3, 5%) = 7.815 ***2.87 < 7.815***

The null hypothesis (H_0) is accepted and the alternative hypothesis (H_1) is rejected.

There is **no significant difference in awareness among different age groups**.

6. **Experience of Digital Payment Fraud**

The data shows that some people have faced digital payment fraud, while others have not.

Interpretation:

This means that even though many users know about the risks, fraud still happens. It shows that there is a gap between what people know and how carefully they actually behave while using digital payments.

7. **Perception of Safety in Digital Payments**

The responses about safety are mixed. Many people feel that digital payment systems are safe, but some are not sure or do not fully agree.

Interpretation: This shows that people trust digital payment systems to some extent, but they still have some doubts and concerns about security. Trust is there, but it is not complete.

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Overall Analysis:

The study's overall findings show that a lot of people use digital payments. A lot of people use these methods all the time. People are also pretty aware of security risks, but not perfectly so. Even though a lot of people know about fraud, some of them have still had to deal with it.

The study also shows that people do trust and believe in digital payments to some extent, but not very strongly. A lot of people still aren't sure if it's safe. There is a big difference between what people know and how safely they really act when they make transactions.

Conclusion of Analysis:

Based on the analysis above, we can say that many people use and accept digital payment systems. But there is still a need to raise awareness and promote safer habits. Users should not only know about risks, but they should also take the right safety steps to protect themselves from fraud.

Findings of the Study:

Based on the analysis, the following findings were observed:

1. **High Usage of Digital Payments**
   A lot of people use digital payment methods all the time. This shows that people use digital payments every day.
2. **Good Level of Awareness**
   A lot of people know about common scams like fake links and OTP scams.
3. **Existence of Fraud Cases**
   Some people have still been scammed even after they knew about it. This shows that just being aware is not enough.
4. **Mixed Perception of Safety**
   Some people are sure that digital payments are safe, while others aren't so sure and still have questions..
5. **Moderate Confidence Level**
   When users make transactions, they are usually confident. People who know more and have more experience are more sure of themselves.
6. **Basic Security Practices Followed**
   Most people follow simple safety steps like not sharing OTP and checking details before payment.
7. **Risky Behavior Still Exists**
   Some users still take risks like using public Wi-Fi or saving card details, which can be unsafe.
8. **Gap Between Awareness and Action**
   The main finding is that people know about risks but do not always follow safe practices properly.

Suggestions:

Based on the findings, the following suggestions are given:

1. **Increase Awareness Programs:**
   Banks and companies that handle payments should do more to raise awareness about how to avoid fraud.
2. **User Education:**
   People should learn about safe things to do, like not using public Wi-Fi and not clicking on links they don't know.
3. **Stronger Security Systems:**
   Payment apps need to make security features better, such as alerts and two-factor authentication.
4. **Regular Updates and Notifications:**
   Apps should remind people to update their apps and security settings on a regular basis.
5. **Quick Fraud Reporting System:**
   There should be a quick and easy way to report fraud and get help right away.
6. **Government Initiatives:**
   The government should run campaigns to raise awareness about how to stay safe online.
7. **Avoid Saving Sensitive Data:**
   Users should avoid saving card details on apps and websites.

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8. **Practical Training**
   Workshops or training sessions can help people to understand real fraud situations better.

Conclusion:

The study shows that digital payments are widely used and have become an important part of daily life. People are generally aware of security risks, but they do not always follow safe practices.

Though many users trust digital payment systems, some still have concerns about safety. The presence of fraud cases shows that users need to be more careful.

Overall, improving awareness, better security systems, and careful user behavior are necessary to make digital payments safer and more reliable.

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Cite This Article:

Ms. Jadhav P.N. (2026). *A Study on Consumer Awareness of Security Risks in Digital Payment Systems.* **In Electronic International Interdisciplinary Research Journal: Vol. XV** (Number II, pp. 379-383).