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A STUDY ON DIGITAL PAYMENT LITERACY AND ADOPTION OF UPI APPS AMONG SENIOR CITIZENS IN TAMILNADU

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ABSTRACT

The rapid expansion of digital payment systems in India, driven by the introduction of Unified Payments Interface (UPI), has significantly transformed the financial ecosystem. While younger populations have adapted quickly to UPI platforms, the adoption rate among senior citizens remains relatively low. This study explores the level of digital payment literacy among senior citizens, their awareness and perceptions of UPI apps, and the key barriers hindering their adoption. Using primary data collected through structured questionnaires, this research identifies gaps in digital financial literacy, security concerns, and usability challenges. The study also offers strategic recommendations to enhance digital inclusion for senior citizens, promoting their confident participation in India's growing digital economy.

Keywords: UPI Apps, Senior Citizens, Digital Payment Literacy, Financial Inclusion, Digital Adoption, Cashless Economy.

INTRODUCTION

The rapid growth of digital payments in India has revolutionized financial transactions, making them more convenient, secure, and efficient. The Unified Payments Interface (UPI), introduced by the National Payments Corporation of India (NPCI) in 2016, has played a pivotal role in this transformation. UPI enables seamless, real-time money transfers between bank accounts using mobile applications, reducing dependency on cash transactions. The adoption of digital payments has been further accelerated by factors such as government initiatives, increasing smartphone penetration, and the promotion of a cashless economy.

However, while younger generations have quickly embraced digital payment methods, senior citizens remain one of the most underrepresented groups in UPI adoption. Several factors contribute to this digital divide, including limited digital literacy, security concerns, lack of trust in online transactions, and difficulties in navigating mobile applications. Many elderly individuals still rely on cash-based transactions due to familiarity and fear of financial fraud. Additionally, the complexity of digital payment applications, language barriers, and lack of hands-on training further hinder their participation in the digital financial ecosystem. Despite these challenges, there is significant potential to increase UPI adoption among senior citizens. Research suggests that with adequate training, simplified user interfaces, and enhanced security measures, elderly users can be encouraged to transition to digital payments. Understanding their concerns, perceptions, and willingness to learn is crucial for

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designing policies and strategies that promote inclusive financial participation.

This study aims to analyze the level of awareness, barriers, and adoption patterns of UPI apps among senior citizens in India. By identifying key challenges and providing practical solutions, this research seeks to contribute to the larger goal of financial inclusion and digital empowerment for the elderly population.

Statement of the Problem

Despite the rapid adoption of UPI apps in India, senior citizens continue to face significant challenges in embracing digital payments. Limited digital literacy, fear of fraud, and lack of trust in online transactions prevent them from shifting to cashless methods. Many elderly individuals struggle with smartphone navigation, find UPI apps complex, and lack hands-on training to build confidence. Additionally, concerns about financial security, transaction failures, and language barriers further discourage adoption. As digital payments become the norm, it is essential to identify these challenges and implement strategies to enhance digital inclusion for senior citizens. This study aims to address these issues by analyzing their awareness, adoption levels, and the barriers they face while using UPI apps.

Objectives of the Study

1. To assess the level of awareness and literacy regarding UPI apps among senior citizens in India.
2. To identify the barriers faced by senior citizens in adopting UPI apps.
3. To examine the perceived risks and trust factors associated with UPI usage among senior citizens.
4. To suggest strategies for increasing digital payment literacy and adoption among senior citizens.

Research Methodology

Research Design: Descriptive

Data Collection: Primary data collected through structured questionnaires distributed to senior citizens aged 60 and above across urban and semi-urban areas.

Sample Size: 120 respondents.

Data Analysis and Interpretation Table 1: Awareness of UPI Apps

S.NO	AWARENESS LEVEL	PERCENTAGE
1	Fully awareness (know how to use UPI apps)	22
2	Heard of UPI (they have heard the term, but don't know how to use it)	41
3	Not aware (they don't know anything about UPI)	37

Interpretation:

Only 22% seniors fully know how to use UPI. 41% have just heard about UPI, but don't understand it well. 37% don't know anything about UPI at all.

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Table 2: Barriers to UPI Adoption

S.NO	BARRIERS	PERCENTAGE
1	Fear of fraud/scams	68
2	Lack of Smartphone familiarity	57
3	Prefer cash transactions	62
4	Difficulty understanding apps	49
5	Lack of trust in digital payments	54

Interpretation:

The biggest problem is fear of fraud (68% seniors are scared of scams). More than half the seniors also prefer cash, struggle with smartphones, and find apps confusing. Trust issues and lack of confidence in online payments also affect adoption.

Table 3: Willingness to Learn if Proper Training is Provided

S.NO	WILLINGNESS LEVEL	ERCENTAGE
1	Strongly willing	46
2	Moderately willing	34
3	Not willing	20

Interpretation:

80% of seniors are willing to learn (either strongly or moderately) if someone teaches them patiently. Only 20% are totally uninterested in learning UPI.

Findings and Discussion

- A significant knowledge gap exists among senior citizens regarding UPI apps, limiting their confidence to adopt digital payments.
- Security concerns, fueled by news reports of UPI-related frauds, further discourage adoption.
- Many seniors struggle with navigating smartphones and complex app interfaces, highlighting the need for senior-friendly design.
- Family members, especially younger relatives, often play a key role in assisting seniors with digital transactions.

Suggestions and Recommendations

- Targeted Awareness Campaigns: Government and financial institutions should run senior citizen-specific campaigns to improve UPI awareness and literacy.
- Hands-on Training Programs: Organize community workshops where seniors can practice real-time transactions under guidance.
- Simplified App Interfaces: UPI apps should offer a senior mode with larger text, voice- assisted navigation, and fewer steps.
- Enhanced Security Features: Introduce transaction alerts and fraud prevention pop-ups specifically designed to protect seniors.
- Involving Family Support: Promote family-inclusive digital training where

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younger members train and assist seniors.

- Trust Building Initiatives: Banks and fintech firms should highlight success stories of seniors using UPI confidently, encouraging peer learning.

CONCLUSION

India's transition to a cashless economy is accelerating, but the exclusion of senior citizens from digital payment systems remains a challenge. This study highlights that while a significant portion of the elderly population is aware of UPI apps, only 22% are fully confident in using them, and fear of fraud, technological unfamiliarity, and a preference for cash remain key barriers. However, an encouraging 80% of seniors are willing to learn if provided with the right training and support, indicating a strong potential for increased adoption.

To bridge this gap, targeted initiatives such as senior-friendly digital literacy programs, simplified UPI app interfaces, enhanced security features, and family-assisted learning must be prioritized. Financial institutions, fintech companies, and policymakers must collaborate to create a safer, more accessible digital payment ecosystem for senior citizens. By addressing their concerns and building trust, India can ensure greater financial inclusion and empower senior citizens to confidently participate in the growing digital economy.

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