Coronavirus Disease 2019 Pandemic and Cashless Transactions in Nigeria

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ABSTRACT

COVID-19 pandemic is a global humanitarian blight which culminated in social distancing, self-isolation, lockdowns and reduced workforce across all economic sectors. The crisis is also changing the way people live, consume and pay their bills. While consumer spending is down around the world, there has been a surge towards cashless transactions and away from cash which the World Health Organization flagged as a possible conduit for the spread of the virus. This study therefore explored the effect of COVID-19 pandemic on cashless transactions in Nigeria. Random Sampling Technique was used to select Two Hundred and Fifty (250) respondents from five Deposit Money Banks in Lagos State, Nigeria. Data were elicited from the respondents with the aid of well-structured questionnaires. Descriptive Statistics and Chi-square test were employed for data analysis. Findings revealed that majority of the respondents favour cashless transactions because they believe that handling cash presents a higher risk of infection. Also, results affirmed that during COVID-19 pandemic, almost all the respondents frequently utilize Automated Teller machines (ATMs), Point of Sales (POS) and Electronic Fund Transfer. Furthermore, results from Chi-square analysis indicated that COVID-19 pandemic have a significant effect on usage of cashless transactions in Nigeria. The study concluded that COVID-19 Pandemic have accelerated the use of cashless transactions in Nigeria as increasing numbers of bank customers are now accustomed to cashless options. Thus, it is recommended that cashless transactions should be encouraged in Nigeria in order to curtail the transmission of COVID-19 Pandemic.

Key words: *COVID-19, Automated Teller machine (ATM), Cashless policy, Technology Acceptance Model (TAM)*

JEL Classification: L63, E58, G21, and G2

1. Introduction

Corona Virus Disease 2019 (COVID-19) originated as a black swan event that suppressed the economy globally. It has culminated in social isolation within countries, closed borders, loss of business, loss of employment, industry-wide shutdowns, and many more adverse economic effects. The COVID-19 pandemic has had far-reaching effects on the global economy (Ozili and Arun, 2020). It affected the global travel business, national health care systems, the food industry, events industry, education and global trade. Recent papers further showed that physical distancing policy as a result of COVID-19 pandemic has significant effect on socio-economics (Fernandes, 2020; Nicola *et al.*, 2020), finance (Goodell, 2020), and supply-chain (Ivanov, 2020; Turner and Akinremi, 2020). Previous research established the pandemic effect on business in general (Swift, 2009). However, researches appraising the effect of COVID-19 pandemic on the way consumers make a payment are few.

COVID-19 is easily transmittable if the droplets land on inanimate objects nearby an infected individual and consequentially touched by other individuals (Ather *et. al*., 2020). As the COVID-19 pandemic quickly spreads through touch, it limits physical cash transactions because this can be the medium for the virus when it is touched by an infected person. Therefore, the World Health Organization (WHO) recommended usage of digital money (Brown, 2020). Physical distancing policy that is suggested by the WHO has triggered consumers to do contactless activities, which includes payment transaction. Government authorities in many countries are encouraging their citizens to take advantage of contactless payments as the pandemic heightens.

International Journal of Innovative Research in Accounting and Sustainability
ISSN 2736-1381 (Print) ISSN 2736-1500 (Online)
Vol. 6, No 2, 2021

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Before the outbreak, the Central Bank of Nigeria (CBN) introduced cashless economy policy in April 2011 with the aim of advancing usage of electronic payment channels instead of cash. Ejiofor and Rasaki (2012) noted that the CBN commenced the pilot scheme in Lagos State allegedly depending on its commercial stamina as Nigeria's business hub. Amazingly, as civilized as the residents of the metropolis are, their perception about the policy is still very low. Adeoti and Osotimehin (2012) also affirmed that despite the implementation of the policy, majority of the customers were not satisfied with the speed of transaction, security measures and the level of service provision.

Furthermore, cashless transaction also has numerous shortcomings (Bagla & Sancheti, 2018; Leong *et. al*., 2020) as it might be associated with several criminal activities which includes theft, account take over, fraudulent transactions, and data breaches (Marria, 2018). In the same vein, banking and online payment through an application, consumers also perceived certain possible risks that might hold them to act (Lu *et al*., 2005; Marafon *et. al*., 2018). Forsythe and Shi (2003) further asserted that numerous risks like product performance risks, financial risks, time/convenience risks, and psychological risks are associated with cashless transactions.

However, findings would probably be different if the risk is associated with the deadly pandemic outbreak, COVID-19 as suggested by the WHO that there is high-risk likelihood of contracting the dreadful disease in physical money. The CBN therefore urged citizens to forgo cash transactions and adopt alternative payment methods like electronic transfers, internet banking, USSD transfers, use of mobile banking apps that came with benefits and well-developed features. This is not only because of the psychological perception of people that cash is "unclean" and serves as a good environment for viruses to survive but due to the fact that cashless behavior is emerging as a response to the measure of self-quarantine and social distancing.

In-store purchases and in-person banking continue to fall under lockdown, which have directed people to rely more on electronic payments and online banking services. Nevertheless, Nigerians have varying opinions toward the significance of cashless transactions during COVID-19 pandemic. For instance, some Nigerians still prefer traditional means of payment despite the fact that cashless policy is strongly encouraged during the pandemic.

Therefore, it becomes imperative to examine the perception of Nigerians towards usage of cashless transactions, frequency of usage before andduring COVID-19 Pandemic period. To give more fruitful insight, this study contributes to the literature by appraising the effect of COVID-19 Pandemic on cashless transactions in Nigeria.

Statement of the Problem

Studies examining the spread of pathogens through the use of cash date back to the 1970s (see, for instance, Abrams, 1972). In absence of disinfection, various types of microbes could adhere to the surface of currency, leading to the transmission of communicable diseases. A study of Vriesekoop*et al.* (2016) exploring bacterial survival concluded that microbial persistence is greater on paper banknotes than on polymer bills and coins. (Caswell *et al*., 2020) also found that the virus maintained its stability on banknotes for one hour.

Discovery of durability of SARS-CoV-2 on surfaces (Chin *et al*., 2020; Van Doremalen*et al*., 2020) posed a question as to whether the virus could be transmitted via cash. Notwithstanding these reservations, WHO has recommended that people wash their hands after coming in contact with notes and coins (Pal and Bhadada, 2020). The question arises as to whether the dangers posed by cash can be circumvented by switching to cashless payments. Therefore, this study seeks to determine the effect of COVID-19 pandemic on cashless transactions in Nigeria.Moreover, recent literature has emerged that examined the effect of COVID-19 on economic activities (Fernandes, 2020; Atkeson, 2020; McKibbin and Fernando, 2020; Altig*et. al,* 2020; Ozili and Arun, 2020. Yet, very little literature examined the effect on COVID-19 on usage of cashless transactions in Nigeria. The impact of COVID-19 on cashless transactions in the Nigerian economy has not been explored in the recent literature. This study fills this gap in the literature.

1. Objectives of the Study

The general objective of the study is to examine the effect of COVID-19 pandemic on the usage of cashless transactions in Nigeria. The specific objectives are to:

1. Determine the perception of respondents towards usage of cashless transaction during COVID-19 Pandemic
2. Examine the frequency of cashless banking instruments' usage before and during COVID-19 Outbreak

2. Literature Review and hypothesis development
2.1 COVID-19 Pandemic in Nigeria

The arrival of the COVID-19pandemic in Nigeria on 27 February 2020 triggered an avalanche of challenges to the nation's economy generally. The banking industry, with high interpersonal interactions was largely impacted as movement of people was restricted, as a result, some banks reduced their working hours while others closed a number of offices with some still closed up to mid-September 2020. Entrance into banking halls are still reduced to permit social distancing required to limiting transmission of the virus. Some bank staff whose services were considered non-essentials was suspended while others were disengaged.

In Nigeria, the pandemic impacted negatively on the people as several lives were lost and many experienced losses of jobs, salary reductions, retrenchments from work as lockdowns, curfews, border closures, and shutdowns persists. Table I shows COVID-19 cases in the thirty- six states and Federal Capital Territory of Nigeria. As of 14th February, 2021, there are still 24,556 active cases across the nation with 1667 deaths recorded (NCDC, 2021).

COVID-19 pandemic resulted, among other things in big shifts in financial market, halt in production chains, empowerment of online retail and people altering their behavior toward handling cash. It also impacted on people's way of life, how they work, their consumption pattern and payment of their bills as more people are tending towards digital channels, products, and services across the nation.
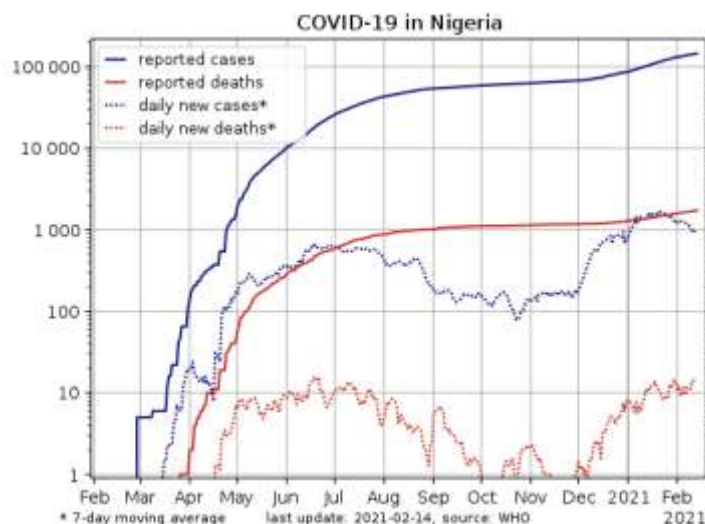

Fig 1: Reported cases of COVID-19 Pandemic in Nigeria

Source: "NCDC Covid-19 Page". *Nigeria Centre for Disease Control*. COVID-19 Situation Report covid19.ncdc.gov.ng. Retrieved 14 February, 2021

International Journal of Innovative Research in Accounting and Sustainability
ISSN 2736-1381 (Print) ISSN 2736-1500 (Online)
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2.2 Cashless Economy Policy in Nigeria
2.2.1 Cashless Policy

Cashless policy was developed by the apex bank to shift Nigeria's economy from cash-based economy to a cashless one through electronic payment system. This is done to allow Nigeria's monetary system to conform with international best practices, to prevent physical movement of cash and at the same time boost the efficiency of Nigeria's payment system (Adewoye, 2013).The aim of Cashless Policy is not to eradicate cash completely from the economy as money remains the medium through which goods and services are exchanged. The significance is to reduce the use of physical cash virtually, and at the same time, provide other options for making payments. Ajayi (2014) described a cashless economy as an economic setting where goods and services are mostly bought and paid for through electronic media.

Babalola (2008) identified different electronic payment channels in Nigeria to include Automated Teller Machines (ATM), points of sales terminals, mobile voice, web, inter-bank branch and so on. Some observers (Klee, 2004; Garcia-Swart *et. al.*, 2006) are of the opinion that increased use of cashless payment system has led to prediction of a cashless society.

2.1.2. Cashless Banking Instruments

According to Adurayemi (2016), the cashless policy of the Central Bank of Nigeria is tailored towards provision of mobile payment services, financial inclusion of Nigerians, cost reduction and provision of convenient financial services for all and sundry.The majorcashless banking instruments as used in the Nigerian context are as follows:

Automated Teller Machine (ATM)
This is a computer-controlled device that can be instructed to dispense cash and equally provide other services to customers who are recognised with a Personal Identification Number (PIN). This service has greatly reduced the physical carriage of cash and regular visits to the banks. Ogbuji *et. al.*, (2012) noted that ATM allows a bank customer to conduct his/her banking transactions from almost every other ATM machine in the world. ATM is known to have replaced the option of human-to-human servicing with human to machine servicing, which allows individuals to carry out their transaction without entering a banking hall. ATM reduces the amount of physical cash accessible as a result of the imposition of cash withdrawal limit.

Internet Banking Transactions
This is one of the major tools of cashless transactions which involves the use of internet and telecommunication networks to deliver diverse value-added products and services to bank customers (Uchenna, 2015) in the comfort of their offices, homes or over the internet. Agbonifo, Adeola and Oluwadare, (2012) emphasized that internet banking provides traditional banking services over the Internet". It assists to initiate transaction over the internet without having to physically carry cash to make transaction.In Nigeria, payment of commercial bills, procurement of air tickets and hotel booking are frequent banking transactions executed on the internet (Olanipekun, Brimah & Akanni, 2013)

Mobile Banking
Mobile banking (m-banking) refers to provision of banking services through the use of mobile phones for settlement of financial transactions. It uses card infrastructure for movement of payment instructions as well as secure SMS messaging for confirmation of receipts to the beneficiary. This product offers customers of banks access to services as they go becausecustomers can make transactions anywhere and at any time. The scope of services offered may include facilities to conduct bank and stock market transactions, administer accounts and to access customized information (Kennedy and Jacky, 2013)

Point-of-Sale (POS) Machine
A Point-of-Sale machine is the payment device that allows credit/debit cardholders make payments at sales/purchase outlets. It allows customers to perform the following services: retail payments, cashless payments, bank balance enquiry, airtime and vending etc. Fundamentally,

the POS enrich electronic monetary fund transmissions at the point of sales and support the operatives to supervise outflows by a client in an unassuming manner (Olanipekun, Brimah and Akanni, 2013)

Cheque
This is a type of bill of exchange developed to make payment without the need to carry physical cash. However, its usage is gradually declining worldwide. According to the Bank for International Settlements (BIS), as sited in the NIBSS Report (2016), the number of cheques written by 18 countries who still utilize cheques dropped by 10.7% to 22.4 billion in 2014 compared to 2010. Unfortunately, its usage in Nigeria arose by 22% during the same period. However, this placement did not last long, since from 2014 to 2015 in Nigeria, there was a sharp decline in the usage of cheques by 13%. At the rate of this diminution, it is proposed that cheque books may likely be swept into oblivion by the year 2050.

2.1.3   Cashless Transactions Volume during COVID-19 Pandemic in Nigeria

The payments industry in Nigeria is progressing unabatingly as indicated in Fig 2. Current data from the Nigeria Inter-Bank Settlement System (NIBSS) showed solid growth across the various e-payments mechanisms in the first 5 months of 2020 (January – May 2020). The value of electronic payment transactions through the Point of Sale (PoS) terminals, Nigeria Interbank Settlement System Instant Payment (NIP) and Electronic Fund Transfer (NEFT) increased significantly by 82 per cent to N11.676 trillion in May 2020, compared with the N6.421 trillion recorded in April 2020(NIBSS, 2020).

The spike in e-banking activities in the month was necessitated by the lockdown in the country then, as part of efforts by both the Federal and some State Governments to contain the spread of COVID-19. According to the report, the value of PoS transactions in May was N358 billion, which was a 31.63 per cent increase from the N245 billion recorded in April; while NIP transactions increased by N10.405 trillion, up by 48.44 per cent when compared with the previous month. Similarly, NEFT transactions stood at N912.29 billion in May, which was an 11 per cent increase, compared with the N811.76 billion recorded in April (NIBSS, 2020).

Between July and September 2020, the value of NIP transactions hit N44.2 trillion (Fig 3). In October, NIP transactions crossed the 200 million mark (205 million), and Fig 4 revealed that POS hit 68 million transactions. In December, interbank transactions hit 264 million and POS hit 77 million transactions.

Sum of E-payment transactions via POS, Mobile & NIP (Jan 2017 – May 2020)

Source: NIBBS, CSL Research *Dip in Apr 2020 was due to lockdown which impacted NIP transactions from banks.
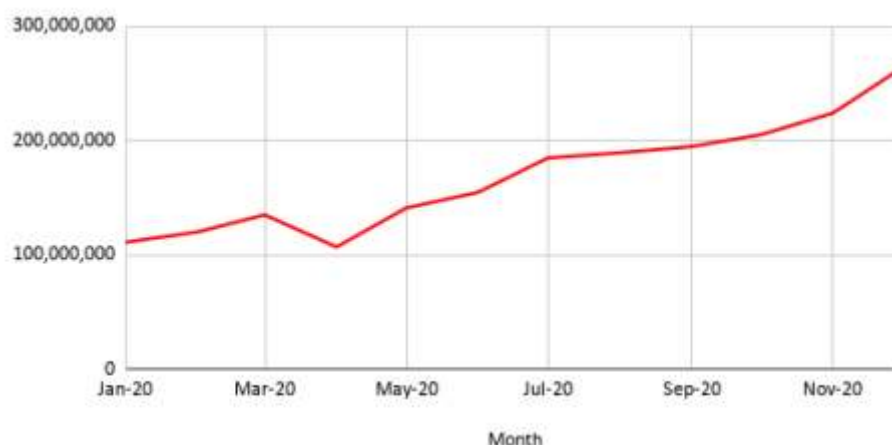
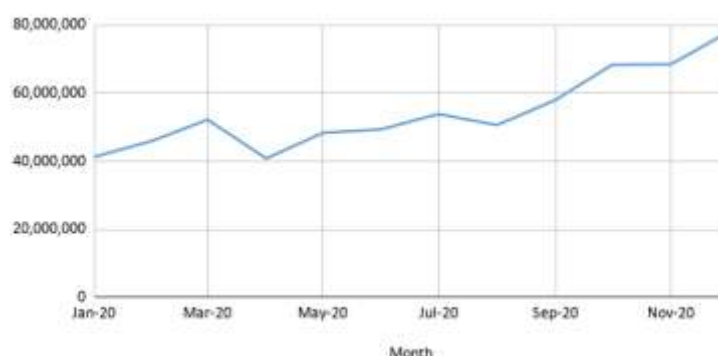**Fig 3: Volume of Interbank transactions in 2020**
Source: NIBBS, CSL Research 2020

Fig 4: Volume of POS transactions in 2020
Source: NIBBS, CSL Research 2020

2.3 Theoretical Review
2.3.1 Theory of Payment System Efficiency

The theory advocates for the strengthening of the Central Bank's mandate of currency management, regulation and control of the volume of physical cash in circulation to guarantee price stability, check inflation and manage interest rate in the economy. The proponents of this theory, Claudia and Grauwe (2001) and Marco and Bandiera (2004) opined that the Central Banks as regulators of monetary policy management are gradually losing their monopolistic position in the provision of liquidity and management of interest rate in the economy. Therefore, the gaps which the cash based system creates reinforces the need for a paradigm shift in monetary policy and payment system management in the Nigerian economy.

2.3.2 Technological Acceptance Model (TAM)

The model was formulated by Fred Davis in 1993. It is presently a prominent theory used in modeling technology acceptance and adoption in information systems research. It emphasizes that a number of factors come into play when users are introduced to new technology. Some of these are perceived usefulness (PU) and perceived ease-of-use (PEOU).One's actual use of a technology system is influenced directly or indirectly by the user's behavioral intentions,

International Journal of Innovative Research in Accounting and Sustainability
ISSN 2736-1381 (Print) ISSN 2736-1500 (Online)
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attitude, perceived usefulness of the system, and perceived ease of the system. In relation to this research, TAM explains how users come to terms with cashless policy and employ technology that will enhance the performance of Deposit Money Banks in Nigeria.This research is hinged on Technological Acceptance Model because it shows how users accept and adopt usage of cashless banking instruments before and during COVID-19 Pandemic.

2.4   Empirical Review

Owing to the lockdown and social distancing policies imposed by the government to reduce the spread of COVID-19, the resultant effect on cashless transactions has been examined by some researchers. For instance, the shift towards online shopping in China is underscored by Craven *et al.*, (2020), they opined that "Customers' changing preferences are not likely to go back to pre-outbreak norms". Following this likely change in the customer's buying preference, the business model of banks will be strongly influenced, and the channels of distribution being one of the most impacted banking dimensions (Pop, 2020).

In Malaysia, Hoe (2020) discovered significant changes in consumer behavior determined by the measures to reduce physical contact and cash use under the pandemic crisis, registration of banking account with digital banks in South-East Asia increased considerably. Equally, the opening of online banking accounts of small and medium-size enterprises increased also, the limit for the contactless payment was increased in the UK. Also, Auer *et al.*, 2020 reported that COVID-19 increases the use of digital payment in Malaysia. Fetzer *et al.*, 2020 further affirmed that there is a significant relationship between COVID-19 and cashless transactions, as the COVID-19 pandemic quickly spread through touch, as a result of this, physical cash transactions is limited. In Nigeria, NIBSS (2020) reported a spike in electronic banking during COVID-19 pandemic which was necessitated by the lockdown in the country as part of efforts by both the federal and some state governments to reduce the spread of COVID-19 considerably. Based on the review of literatures, the hypothesis is stated thus;

H_0: *COVID-19 Pandemic has no significant effect on usage of cashless transactions in Nigeria*

1.   Data and Methods

The research was conducted in Lagos state, Nigeria. The state is currently the second most populous city in Africa, and also presently estimated to be the second fastest growing city in Africa and the seventh fastest in the world (UNDP, 2008). It has a landed area of 999.6 km^2 (385.9 m^2) and a population density of 7,941/km^2 (20,569.9/m^2). All the entire customers of Guaranty Trust Bank (GTB), United Bank of Africa (UBA), First Bank of Nigeria (FBN), Zenith Bank and Polaris Bank in Lagos State, Nigeria constituted the population of the study. Random Sampling Technique was used to select fifty (50) customers from each of the five banks thus making a sample size of two hundred and fifty (250) respondents for the study.The research made use of primary sources to collect data and they were analysed using descriptive statistics such as frequency and percentages, tables, charts and Chi-square analysis. The Five Likert Scale; Strongly Agree (SA), Agree (A), Undecided (UD), Disagree (DA) and Strongly Disagree (SA) was used to analyse the data collected from the respondents. Reliability test was conducted and the result showed in Table I recorded a Cronbach's alpha of .720 which is above the acceptable criterion of 0.70. This shows that all the variables are consistent and the instrument is reliable.

Reliability Test	
Cronbach's Alpha	**Number of** Items
0.72	14

Table I: Reliability test
Source: Authors' computation (2020)

2. Data Analysis and Discussion of findings

Results of the perception of respondents towards cashless transactions during COVID-19 pandemic in Nigeria are presented in Table 2, revealed that 80 percent of the respondents reported that due to the lockdown associated with corona virus outbreak, they are compelled to utilize cashless banking instruments.

About 60 percent of the respondents affirmed that they are concerned about getting infected by SARS-Cov2 that could likely be transmittable through physical money. Also, the respondents expressed worry that there may be droplets of corona virus in physical cash, therefore; they resorted to using cashless banking instruments. These results conform to the findings of Ather *et. al.*, (2020) that SARS-Cov2's droplets might easily land on inanimate object. In this context, perceived risk of COVID-19 had significant effect on respondent's intention to use cashless banking instruments.

Also, more than 70 percent of the respondents asserted that cashless banking instruments are effective, time saving and make payment easier. This report is in line with the assertions of Agbonifo *et. al.*, (2012) and Uchenna (2015) who revealed that cashless transactions save time, brings comfort and makes payment easier for customers. Additionally, almost all the respondents affirmed that the use of cashless transactions during the pandemic is of great necessity because of the effect of nationwide lockdown and restricted entrance into banking halls. Majority of bank staffs are running on shifts and rota systems as a result of the pandemic; therefore, they push their online and mobile channels as primary means of transactions. However, more than 80 percent of the respondents affirmed that the awareness level of people about cashless transactions is still very low. They further stressed that the government and financial institutions does not encourage the citizens because there are inadequate ATM and POS machines and this makes cashless transactions cumbersome.

Table 2: Perception of respondents towards cashless policy during COVID-19 Pandemic

Perception of Respondents	Yes (%)	No (%)
I am afraid of getting infected by corona virus when using physical cash	150 (60.00)	100(40.00)
I am not comfortable making payment using physical cash	175 (70.00)	75 (30.00)
With the lockdown, I have no option but to use cashless banking instruments	200 (80.00)	50(20.00)
I am worried there is a corona virus droplet in physical cash	160 (64.00)	90 (36.00)
Because of lockdown, I can only use cashless banking instruments	185 (74.00)	65(26.00)
During COVID-19 pandemic, using cashless transaction is effective	180 (72.00)	70(28.00)
During COVID-19 pandemic, using cashless transaction makes payment easier	175 (70.00)	75 (30.00)
During COVID-19 pandemic, government encourage use of cashless transactions	125 (50.00)	125 (50.00)
During COVID-19 pandemic, awareness levels about cashless policy is low	220 (88.00)	30 (12.00)
During COVID-19, government provides adequate POS and ATM machines	50 (20.00)	200 (80.00)
Cashless transaction is safe and secure during COVID-19 pandemic	105 (42.00)	145 (58.00)
During COVID-19 pandemic, I prefer using cashless banking instruments	155 (62.00)	95 (38.00)
During COVID-19 pandemic, cashless transaction saves time and effort	175 (70.00)	75(30.00)
After COVID-19, I will still be using cashless transactions	150 (60.00)	100 (40.00)

Source: Field survey, 2021

International Journal of Innovative Research in Accounting and Sustainability
ISSN 2736-1381 (Print) ISSN 2736-1500 (Online)
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Usage of banking instruments before corona virus outbreak is displayed in Figure I, showed that cash transactions were prevalent before COVID-19 pandemic in Nigeria despite the fact that the CBN introduced cashless policy in April 2011. This is in consonance with the findings of Adeoti and Osotimehin (2012) that despite the implementation of cashless policy, majority of the customers preferred cash transactions because they were not satisfied with the speed of transaction, security measures and the level of service provision offered by cashless transactions. Though, some respondents also make use of ATMs and internet banking, cheque was the least patronized. However, before COVID-19 pandemic, majority of the respondents favour cash transactions.
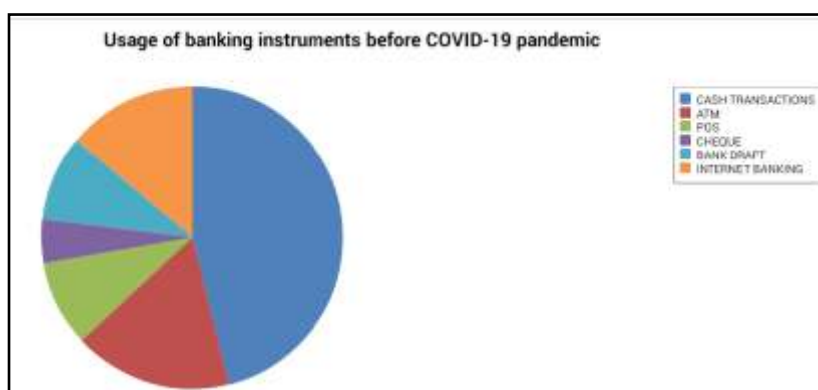

Fig I: Usage of banking instruments before COVID-19 pandemic
Source: Field survey, 2021

Results on the frequency of usage of cashless banking instruments are displayed in Table 3, showed that during corona virus outbreak in Nigeria, more than 70 percent of the respondents frequently use ATMs especially for cash withdrawal, 64 percent of the respondents patronize POS for payment of goods and services, 62 percent of the respondents frequently use mobile banking for bill payments and electronic fund transfer. This may be due to effect of the nationwide lockdown and restricted entrance into banking halls. This result corroborates the submission of NIBSS (2016) that the value of cashless transactions especially during the pandemic is increasing continually.

Furthermore, findings revealed that only few respondents (20%) make use of cash during corona virus outbreak. The reason for low patronage of cash transactions during COVID-19 pandemic may be because some felt there is high-risk likelihood of contracting the dreadful disease in physical money. Moreover, cheques were rarely used during the pandemic. However, during COVID-19 pandemic, majority of the respondents indicated their preferences for cashless transactions like ATMs, mobile banking and POS. This report is in consonance with NIBSS (2016) that the use of cheques in Nigeria is on a sharp decrease.

Table 3: Frequency of usage of cashless banking instruments during COVID-19 Outbreak

Banking Instruments	Always(%)	Seldom (%)	Never(%)
Cash Transactions	50 (20.00)	70 (28.00)	130 (52.00)
Automated Teller Machines (ATM)	185 (74.00)	45(18.00)	20 (8.00)
Point of Sales (POS)	160 (64.00)	50(20.00)	40 (16.00)
Cheques	20 (8.00)	45 (18.00)	185 (74.00)
Bank drafts	65 (26.00)	50 (20.00)	135 (54.00)
Mobile Banking	155 (62.00)	60(24.00)	35(14.00)
Internet Banking	80 (32.00)	100 (40.00)	70 (28.00)

Source: Field survey, 2021

International Journal of Innovative Research in Accounting and Sustainability
ISSN 2736-1381 (Print) ISSN 2736-1500 (Online)
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It can be deduced from Table 4 that X^2 calculated value of 47 is greater than the X^2 value of 13.28 at 0.01level of significance; therefore, we reject Ho, accept Hi and conclude that COVID-19pandemic significantly affects the usage of cashless transactions in Nigeria. This may be as a result of lockdowns and other restrictions to movement which grounded retail banking operations to a halt.Majority of bank staffs are running on shifts and rota systems as a result of the pandemic, therefore, they push their online and mobile channels as primary means of transactions. Aside from this, some of the bank customers are afraid of getting infected with COVID-19 through transmission with physical money

Consequently, customers are compelled to make use of cashless banking instruments during the pandemic. This finding aligns with the reports of NIBSS (2020) that the spike in e-banking activities during COVID-19outbreak was necessitated by the lockdown in the country as part of efforts by both the federal and some state governments to contain the spread of COVID.Also, Hoe (2020) affirmed that there was significant increase in the usage of cashless banking instruments during the pandemic.

Table 4: Chi-square analysis to determine the effect of COVID-19 on cashless transactions in Nigeria

Responses	O	E	O –E	$(O – E)^2$	$(O – E)^2 / E$
Strongly Agree	55	50	5	25	0.5
Agree	80	50	30	900	18
Undecided	15	50	-35	1225	24.5
Disagree	60	50	10	100	2
Strongly Disagree	40	50	-10	100	2
Total	250	250			47

Degree of freedom: 5-1 = 4;Chi square (X^2) tabulated = (0.01, 4) = 13.28; Chi square (X^2) calculated = 47
Source: Field survey, 2021

5.   Conclusion and Recommendations

Physical distancing policy that is encouraged by the World Health Organization (WHO) has inspired bank customers to do contactless activities, including payment transaction. Government authorities in a growing number of countries are taking actions to encourage cashless transactions as the COVID-19 pandemic escalates. People are worried that novel coronavirus (SARS-Cov2) can be transmitted through physical money, thus the spread of COVID-19 has accelerated the adoption of cashless transactions, which are increasingly being recognized as a tool to mitigate the use of cash in a world fighting the highly contagious virus.

This research is aimed at by examining the effect of COVID-19 pandemic on cashless transactions in Nigeria. Findings revealed that majority of the respondents are afraid of getting infected with COVID-19 through transmission with physical money; therefore, they resorted to cashless transactions.They also asserted that the lockdown associated with corona virus outbreak compelled them to utilize cashless banking instruments. Results further showed that before COVID-19 pandemic in Nigeria, cash transactions were mostly preferred by the

respondents, however, during corona virus outbreak, majority of the respondents make use of cashless transactions. ATMs, POS and mobile banking were patronised for bill payments and electronic fund transfer. However, cheques were the least frequently used.

Moreover, the Chi square analysis showed that COVID-19 pandemic significantly affects the usage of cashless banking instruments in Nigeria. This may be as a result of lockdowns and other restrictions to movement which grounded retail banking operations to a halt. Conclusively, this study emphasized that COVID-19 pandemic stimulates customers' intention to use cashless banking instruments in Nigeria.

Based on the findings of the study, it is recommended that cashless transactions should be encouraged in Nigeria in order to curtail the transmission of COVID-19 pandemic. Also, adequate ATM and POS machines should be made available to bank customers so that cashless transactions would be hitch-free.

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ISSN 2736-1381 (Print) ISSN 2736-1500 (Online)
Vol. 6, No 2, 2021

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