Fintech adoption and entrepreneurial decision-making: How trust, risk, and capability reshape choices

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ABSTRACT

Research on FinTech adoption has concentrated extensively on predicting adoption intention, while the downstream effects of adoption on entrepreneurial decision-making have remained underexplored. This conceptual paper shifts the analytical focus by treating FinTech adoption as an input to, rather than an outcome of, entrepreneurial decision-making. Drawing on the Technology Acceptance Model, the Unified Theory of Acceptance and Use of Technology, perceived risk facets theory, digital trust theory, and entrepreneurship decision-making scholarship, the paper identifies three interconnected pathways through which FinTech adoption reshapes entrepreneurial choices. First, trust transformation describes how system-based and institution-based trust reshape the relational and contractual environment within which entrepreneurs trade. Second, risk reframing describes how FinTech shifts the risk portfolio of entrepreneurs from cash-based risks toward digital and platform risks, altering investment timing and opportunity evaluation. Third, capability expansion describes how FinTech generates a digital information trail that, when combined with adequate financial literacy and operational competence, enhances forecasting, pricing discipline, and working capital management. This paper employs an integrative conceptual synthesis approach that combines theory development with selective empirical illustration. An Integrative Decision Model for Entrepreneurial FinTech Adoption is proposed that maps the flow from acceptance drivers through adoption to decision environment changes and conditional decision outcomes. The model predicts heterogeneous outcomes: constructive decision transformation in high-trust, high-capability institutional contexts, and defensive adoption or adverse outcomes in low-trust, low-capability environments. The paper contributes to both the FinTech adoption and entrepreneurship literature by providing a theoretically grounded, mechanism-level account of how digital financial technology changes what entrepreneurs decide, not only whether they adopt it. This study concluded that FinTech adoption is relevant for entrepreneurship not only because it expands access to financial services but also because it changes the decision environment within which entrepreneurs evaluate opportunities, manage liquidity, and respond to uncertainty. This paper closes with targeted recommendations for regulators, entrepreneurship support organisations, FinTech providers, and entrepreneurs.

Keywords: Digital Payments, Entrepreneurial Decision-Making, Financial Capability, FinTech Adoption, Perceived Risk, Trust

I. INTRODUCTION

Entrepreneurship is a never-ending sequence of decisions made under conditions of great uncertainty. The classic challenges faced by entrepreneurs include interpreting thin demand signals, assessing counterparties under informational constraints, and allocating scarce cash across inventories, labour, and capital expenditures. In many developing country contexts these challenges are compounded by thin credit histories, high transaction costs, difficulties with payment settlement, and a lack of financial products designed for the needs of micro and small enterprises (Rehman et al. 2023). FinTech, encompassing mobile money systems, digital wallets, alternative data sources for credit assessments, and platform-based financial services, addresses many of these operational challenges. The near-term benefits of FinTech are largely operational: reducing the time required to make payments, lowering the costs of cash

handling, and expanding access to a range of financial services (Hommel et al. 2020). Its more profound impact, however, is on the cognitive and strategic environment within which entrepreneurs operate. This emphasis on decision consequences responds to a growing concern in recent scholarship that adoption metrics alone provide an incomplete account of entrepreneurial value creation.

Almost all prior FinTech adoption research relies on technology acceptance theory, which posits that adoption intention is a function of perceived usefulness, ease of use, social influence, and facilitating conditions (Davis, 1989; Venkatesh et al., 2003; Venkatesh et al., 2012). While these frameworks shed light on adoption decisions, they do not capture what is distinctive about entrepreneurial FinTech adoption. Entrepreneurs do not use technologies in the same way that consumers purchase durable goods. They must consider whether the technology is safe for themselves and for the buyers of their products, whether it is reliable enough to be incorporated into the everyday routines of their business, and whether the risks it introduces are manageable given their existing capabilities and institutional context. The core question for entrepreneurial FinTech adoption is therefore not simply whether the technology is useful, but whether it is sufficiently trustworthy and capable of being embedded into daily decision-making in ways that improve outcomes for the firm.

Trust and risk are central to this entrepreneurial calculus. In FinTech transactions settled and secured remotely, entrepreneurs must extend confidence to systems and institutions that are sometimes opaque and subject to failure. A systematic literature review on FinTech adoption in banking identifies trust and security as among the top factors affecting adoption, with cognitive resistance arising from negative media coverage of cybercrime (Jafri et al., 2024). In Sub-Saharan Africa, trust acts as a mediator between legal, security, and privacy risks and FinTech adoption intentions (Appiah & Agblewornu, 2025), confirming that the decision to adopt FinTech is not simply about reaping technological benefits but also about managing vulnerability within imperfect institutional environments.

This paper presents a decision-centred synthesis of entrepreneurial FinTech adoption structured around three related mechanisms: (i) trust transformation, (ii) risk reframing, and (iii) capability expansion. By integrating acceptance theory with trust and risk theory and connecting the mechanisms to the scholarship of entrepreneurship decision-making, the paper treats FinTech adoption as an input to entrepreneurial decision-making rather than as an end point, showing how adoption influences pricing, credit decisions, inventory choices, investment timing, and growth strategies. The paper thereby addresses a gap in both the FinTech and entrepreneurship literatures, providing a mechanism-level account of how digital financial technology changes what entrepreneurs decide, not only whether they adopt.

1.1 Statement of the Problem

Research on FinTech adoption has been dominated by studies of adoption intention and the attitudinal predictors of whether individuals and organisations adopt digital financial services (Amnas et al., 2023; Eça, et al., 2022; Najib et al., 2021). This focus on adoption as an endpoint, while valuable for understanding diffusion patterns, fails to capture the downstream effects of adoption on the quality of entrepreneurial decisions and firm performance. Entrepreneurs may adopt mobile money or digital payment platforms primarily to handle transactions, but whether this adoption improves their capacity to assess market opportunities, manage risk, control costs, and respond to competitive pressures has received far less scholarly attention. This paper therefore shifts attention from adoption intention as an endpoint to decision quality as the relevant entrepreneurial outcome.

Capability constructs related to digital financial services are also rarely specified in ways that are meaningful for MSMEs in the FinTech adoption literature. An entrepreneur may adopt M-Pesa to facilitate transactions but lack the skills for account reconciliation, fee negotiation, digital security management, or the integration of digital financial information into business planning. Without these capabilities, the adoption of digital financial services may not translate into genuine decision-making improvements and may instead create what this paper terms a capability trap, a state of dependence on digital platforms without the underlying competence to navigate them safely or to extract their full decision-support potential. A more nuanced understanding of the trust-risk-capability relationship would help policymakers, service providers, and entrepreneurship support organisations to design interventions that produce inclusive and sustainable outcomes for entrepreneurial activity, rather than merely increasing adoption rates.

1.2 Research Objectives

i. Synthesise the literature on FinTech adoption with a specific focus on entrepreneurial decision-making outcomes;
ii. Explain how trust, perceived risk, and capability jointly shape adoption, usage intensity, and decision outcomes for entrepreneurs;
iii. Develop an integrative conceptual model connecting acceptance drivers to entrepreneurial decision processes and;
iv. Draw policy and practice implications that can improve safe adoption and sustainable entrepreneurial performance, particularly for MSMEs in emerging markets.

II. LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Technology Acceptance Theory

The Technology Acceptance Model, developed by Davis (1989), theorised that the two core factors influencing technology adoption are perceived usefulness and perceived ease of use. The Unified Theory of Technology Acceptance and Use (UTAUT), developed by Venkatesh et al. (2003), extended explanatory power by incorporating performance expectancy, effort expectancy, social influence, and facilitating conditions as determinants of adoption intention and actual use behaviour. UTAUT2 (Venkatesh et al., 2012) further expanded the framework by incorporating hedonic motivation, price value, and habit as additional variables reflecting the varied evaluations that influence continued technology use. Several FinTech adoption studies have employed this framework, sometimes incorporating FinTech-specific contextual variables including trust, security, and ethical considerations (Amnas et al., 2023).

2.1.2 Trust Theory

Trust is foundational to digital finance because all transactions made, settled, and secured remotely must be reliant on the integrity of systems and institutions that the entrepreneur cannot directly verify. McKnight et al. (2002) provided a seminal typology of trust categorising it as comprising trusting beliefs about competence, benevolence, and integrity, as well as institution-based trust derived from structural assurances provided by organisations and regulators. In the FinTech context, these dimensions correspond respectively to the reliability of the settlement system, fee transparency, and the quality of dispute resolution processes. Alrawad et al. (2023) confirm that institution-based trust and related trust variables have positive effects on intention to use mobile payment systems, while perceived risk reduces intention. Appiah and Agblewornu (2025) provide Sub-Saharan African evidence that trust acts as a mediator between legal, security, and privacy risks and FinTech adoption intention, confirming that policies strengthening dispute resolution and legal protection can indirectly increase adoption by enhancing institutional assurance.

2.1.3 Risk Facets Theory

Risk facets theory posits that users perceive multiple distinct risk dimensions, including monetary risk, performance risk, privacy risk, psychological risk, and time risk, each of which can independently deter technology adoption (Featherman & Pavlou, 2003). In the FinTech context, legal and security risks are typically the most salient, since an entrepreneur's perceived ability to recover losses when something goes wrong is critical to the expected cost-benefit calculation of platform adoption. Barnard (2021) confirms in a Southern African context that perceived risk negatively affects mobile payment adoption through its effect on perceived value. de Kerviler et al. (2016) find that perceived risk and convenience are not the only adoption drivers for in-store mobile payments, with privacy concerns and social influence also playing significant roles, confirming the multi-faceted nature of the risk environment facing mobile payment adopters.

2.1.4 Entrepreneurship Decision Theory

Entrepreneurship scholarship offers three theoretical frameworks that are particularly relevant to understanding how FinTech reshapes decision-making. Prospect theory (Kahneman & Tversky, 1979) explains that decisions are made relative to a reference point and are characterised by loss aversion, meaning that potential losses are weighted more heavily than equivalent potential gains. Applied to FinTech adoption, prospect theory predicts that faster and more certain payment settlement can increase the perceived attractiveness of digital transactions by reducing the reference-point loss from payment uncertainty, while media coverage of fraud incidents can increase loss salience and reduce adoption even when expected benefits are high. Heuristics theory (Gilbert-Saad et al., 2018, 2023) demonstrates that entrepreneurs rely on functional cognitive shortcuts when making decisions under conditions of extreme uncertainty, and that FinTech has the potential to change the specific heuristics available to entrepreneurs by providing new information sources and new defaults. Effectuation theory (Sarasvathy, 2001) explains that in early-stage ventures, entrepreneurs typically use means-driven strategies, accept affordable losses rather than pursuing expected value maximisation, leverage existing networks, and treat uncertainty as an opportunity. FinTech may simultaneously support effectuation by reducing transaction costs and enabling experimentation, and support more causal planning as digital data trails accumulate and make future predictions more tractable.

2.2 Empirical Review

2.2.1 Evidence on Adoption Drivers, Trust, and Perceived Risk

Empirical studies of FinTech adoption in Sub-Saharan Africa consistently identify trust, security, and perceived risk as dominant adoption determinants. Appiah and Agblewornu (2025), studying MSMEs in Sub-Saharan Africa, find that perceived benefit positively influences adoption intention while perceived risk negatively influences it, and that

trust mediates these relationships. Penney et al. (2021), applying UTAUT2 with perceived risk and trust in a mobile money context, similarly show that trust and performance expectancy are among the strongest positive predictors of adoption intention. This stream of evidence aligns directly with the paper's second objective by demonstrating that trust and risk are central explanatory variables shaping entrepreneurial uptake and usage intensity.

2.2.2 Evidence on Capability, Usage Intensity, and Decision Outcomes

A second stream of evidence speaks more directly to decision-making outcomes. Research on MSMEs indicates that digital payments and mobile money can improve settlement speed, transaction visibility, and liquidity management, thereby affecting working-capital decisions and short-horizon planning. Talom and Tengeh (2019) and Tengeh and Talom (2020) report positive performance associations for mobile money use among SMEs in African contexts, while work on FinTech lending and digital financial data suggests that adoption can alter borrowing, repayment, and investment choices when entrepreneurs possess adequate capability to interpret and use digital records. This evidence supports the paper's first and second objectives by linking adoption to downstream judgement rather than to access alone.

2.2.3 Capability, Decision Quality, and the Capability Trap

The empirical literature on the capability dimensions of FinTech adoption for entrepreneurial decision-making remains comparatively sparse but directionally consistent. Eça et al. (2022) demonstrate that FinTech lending has real positive effects on SME performance, but that these effects are concentrated in firms with stronger pre-existing financial management capabilities, consistent with the proposition that capability mediates the adoption-performance relationship. Hommel et al. (2020) examine digital entrepreneurship in finance and find that the quality of financial decision-making in FinTech-adopting firms is conditioned by the availability of management information and the digital financial literacy of decision-makers, suggesting that adoption without capability development produces suboptimal outcomes. The capability trap, in which firms become dependent on digital platforms without acquiring the competencies to navigate them safely, is a recurring theme in practitioner accounts that has not yet received systematic empirical attention in the academic literature, representing an important gap for future research.

III. METHODOLOGY

3.1 Research Design

This paper employs an integrative conceptual synthesis approach that combines theory development with selective empirical illustration. The approach is appropriate for a paper whose primary contribution is the construction of a novel explanatory framework connecting theoretical traditions that have not previously been systematically integrated. The synthesis is not a systematic review conducted with PRISMA screening criteria; rather, it is a theory-to-mechanism integration activity aimed at describing the pathways through which FinTech adoption affects entrepreneurial decision-making.

3.2 Source Selection and Integration Process

The source selection and integration process was organised in four analytical stages. First, a theory-mapping stage identified the main explanatory traditions relevant to entrepreneurial FinTech adoption, namely technology acceptance, trust theory, perceived risk facets, and entrepreneurship decision theory. Second, an evidence-screening stage selected studies that examined adoption determinants, MSME use contexts, trust and security issues, performance implications, and capability constraints in digital finance.

Third, a mechanism-coding stage classified findings according to whether they explained trust transformation, risk reframing, or capability expansion. This separated antecedents of adoption from downstream decision consequences and responds to the review comment requesting separate analysis. Fourth, an integrative synthesis stage combined these coded insights into a conceptual model showing how acceptance drivers flow into changed decision environments and then into conditional entrepreneurial outcomes.

IV. FINDINGS & DISCUSSION

4.1 Findings

The synthesis presents the results as a set of mechanisms distilled from the theoretical and empirical literatures reviewed above. The paper explains how adopting FinTech changes the trust formation, risk management, and capability development environments of entrepreneurs, and traces these changes through to key entrepreneurial decision outcomes.

4.1.1 Trust Transformation and Entrepreneurial Choices

Most accounts of entrepreneurial exchange emphasise trust built through repeated relational interaction, social reputation, and community norms. System-based trust, which is trust in financial institutions, the technologies upon which they operate, and the agents deployed to manage exchange, represents a fundamentally different and newer source of trust for many entrepreneurs in developing economies. As FinTech services proliferate, trust in systems rather than exclusively in persons becomes an increasingly important prerequisite for entrepreneurial exchange, creating a transition from relational trust logics to hybrid logics that combine personal relationships with system-based verification.

Empirical evidence confirms that institution-based trust is a significant determinant of payment technology adoption. Alrawad et al. (2023) find that institution-based trust and trust variables have positive effects on intention to use mobile payment, while risk reduces intention, confirming that entrepreneurs are more likely to accept new payment technology when they believe it operates under credible rules and adequate compensation mechanisms. Appiah and Agblewornu (2025) find that trust acts as a mediator between legal risk, security risk, privacy risk, and adoption intention in Sub-Saharan Africa, demonstrating that policies and provider actions that strengthen legal frameworks and dispute resolution mechanisms can have an indirect impact on increasing adoption through enhanced institutional assurance.

Trust affects market and governance decisions as it expands the perceived range of exchange opportunities. As the reliability of payment systems and the speed of settlement increase, firms using digital channels can enjoy greater customer acceptance of new credit arrangements, increased willingness to trade over greater distances, and easier negotiation of terms such as partial prepayment and pay-on-delivery facilitated by reliable and verifiable direct transfers. Trust in payment systems also affects internal governance and management decisions: digital payroll, role-based access control, and routine reconciliation practices reduce losses from internal corruption and accounting opacity, though only for firms whose staff possess the capability to manage digital accounts and conduct audits. Trust can also create new sources of risk when overconfidence leads users to believe that the presence of a platform guarantees the safety of their activities, underscoring the importance of building capability alongside trust rather than treating them as substitutes.

4.1.2 Risk Reframing: From Cash Risks to Cyber and Platform Risks

FinTech adoption fundamentally alters the portfolio of entrepreneurial risks that firms face. Cash-related risks, including theft, physical loss of funds, and the time cost of depositing cash, are reduced through the adoption of digital payment systems. Payment default risk is similarly reduced as mobile money and online platforms provide payment confirmation receipts and transaction traceability that are unavailable in cash-based settings. At the same time, FinTech adoption introduces a new portfolio of digital risks, including account takeover, social engineering fraud, SIM swap fraud, privacy leakage, and service downtime due to network or provider failures. These risks are not merely substitutes for the risks they replace; they are structurally different in character and require different competencies to manage.

Risk facets theory (Featherman & Pavlou, 2003) provides a useful framework for understanding how entrepreneurs navigate this risk portfolio transformation. Legal and security risks are typically the most salient in the FinTech context, since the entrepreneur's perceived ability to recover losses when something goes wrong critically shapes the expected cost-benefit calculation of adoption. The fact that trust mediates the effect of risk on adoption confirms that entrepreneurs will still adopt digital financial systems if they believe those systems will behave credibly in the event of an unexpected adverse outcome. Evidence from Jafri et al. (2024) confirms that trust and security are important adoption determinants, while cognitive biases including fear of cybercrime can deter adoption even when objective risks are low, suggesting that perception management and clear risk communication are as important as actual security improvements.

Risk reframing also affects investment timing and opportunity evaluation through the mechanisms of prospect theory (Kahneman & Tversky, 1979). Faster and more certain payment settlement reduces the perceived constraint of working capital, allowing for earlier ordering and restocking and more ambitious investment in productive assets. Digital credit products can enhance the ability to take on short-term debt to fund growth opportunities, but if costs are obscured or if borrowers overestimate their revenue stability, increased access to short-term credit also increases leverage risk and the probability of financial distress. Platform dependency risk, the risk of severe disruption from platform failure or unexpected changes in terms of service, is a further risk that entrepreneurs must manage through diversification across sales and payment channels and the establishment of contingency protocols.

4.1.3 Capability Expansion and the Conversion of Adoption into Decision Quality

Capability, encompassing digital financial literacy, online security practices, and operational routines including reconciliation, budgeting, and accounting, is the conversion mechanism that transforms FinTech adoption into improved decision quality. Without adequate capability, FinTech adoption may produce a capability trap: entrepreneurs become dependent on digital platforms for transaction execution but lack the competencies to leverage the resulting data for business intelligence, to negotiate platform fees effectively, or to protect themselves from fraud. Talom and Tengeh (2019) find that the financial performance benefits of mobile money adoption are concentrated in SMEs that use mobile

money for operational management and accounting rather than merely for payment substitution, providing direct empirical support for the capability mediation proposition.

The digital trail of transactions generated by FinTech platforms has the potential to significantly augment entrepreneurial decision-making capability if entrepreneurs have the skills and routines to use it. Transaction histories enable more reliable cash management, facilitate sales forecasting and inventory planning, provide documentation that supports dispute settlement, and generate the credit histories needed for formal credit assessment. Firms that develop these capabilities transform FinTech adoption into a form of decision infrastructure that improves pricing discipline, working capital management, and investment timing. Amnas et al. (2023) demonstrate that trust and capability are intertwined: increased capability enhances the ability to assess reliability and manage risk of misuse, feeding back into higher calibrated trust and enabling deeper platform adoption and more systematic use of digital financial data. Capability should therefore be understood as both a mediator of the adoption-performance relationship and as a precursor to the formation of the adaptive trust that sustains continued engagement.

4.1.4 Entrepreneurship Decision-Making under Uncertainty: Why FinTech Matters

The three mechanisms of trust transformation, risk reframing, and capability expansion connect to entrepreneurship decision-making through the lenses of prospect theory, heuristics theory, and effectuation theory. Faster and more certain payment settlement can shift the reference point for decision-making by reducing the perceived default probability of digital transactions, making entrepreneurs more willing to extend credit terms and accept new customer relationships. Media coverage of fraud can have the opposite effect, increasing the loss salience associated with digital channels and depressing engagement even when expected benefits are positive (Kahneman & Tversky, 1979). FinTech offers the opportunity to examine whether and how information disclosure and interface design affect the cognitive shortcuts that entrepreneurs apply in specific decision contexts, for example by providing transaction histories that enable the substitution of data-driven credit assessment for the social bonding heuristic that traditionally governs informal credit extension.

Effectuation theory (Sarasvathy, 2001) is particularly relevant to understanding how FinTech reshapes decision-making in early-stage ventures operating under extreme uncertainty. FinTech reduces the cost of experimentation by lowering transaction costs and enabling smaller, faster transactions that allow entrepreneurs to test product-market combinations at lower stakes. It facilitates partnership formation by enabling safe transfers and providing verifiable transaction records that support contractual relationships. It can support effectual reasoning in early stages by expanding the set of affordable experiments available to resource-constrained entrepreneurs, while simultaneously facilitating a transition to more causal planning as accumulated digital transaction data makes demand forecasting and cash flow projection more tractable.

4.1.5 An Integrative Model of FinTech Adoption and Entrepreneurial Decision Transformation

Synthesising the three mechanisms and the entrepreneurship decision theories, this paper proposes an Integrative Decision Model for Entrepreneurial FinTech Adoption that maps the full flow from acceptance drivers to decision outcomes. The model is structured as a mechanism chain organised around four stages, as described in Table 1.

Table 1

Integrative Decision Model: Stages, Variables, Mechanisms, and Conditional Outcomes

Model Stage	Key Variables	Mechanism	Decision Outcome
Acceptance Drivers	Perceived usefulness, ease of use, social influence, facilitating conditions	Trust mediates risk effects on adoption intention	Adoption intention; initial usage
Adoption and Continuous Use	Trust (system-based, institution-based), capability, perceived risk	Capability mediates adoption-decision quality relationship	Sustained usage; deepening digital financial engagement
Decision Environment Change	Information acquisition, risk perception, execution routines	Trust transformation, risk reframing, capability expansion	Improved forecasting, pricing, working capital, investment timing
Decision Outcome (Conditional)	Institutional quality, entrepreneur capability, product design	Heterogeneous: constructive in high-trust, high-capability contexts; defensive in low-trust, low-capability contexts	Firm performance, resilience, or vulnerability (fraud, debt stress, dependency)

Note. Source: Authors' synthesis based on Davis (1989); Venkatesh et al. (2003, 2012); McKnight et al. (2002); Featherman and Pavlou (2003); Kahneman and Tversky (1979); Sarasvathy (2001).

The model begins with acceptance drivers, following the UTAUT and UTAUT2 frameworks, where perceived usefulness, effort expectancy, social influence, and facilitating conditions shape adoption intention. Perceived risk reduces adoption intention, but only to the extent that the entrepreneur lacks trust in the system; trust mediates the risk-intention relationship, as demonstrated empirically by Appiah and Agblewornu (2025). Trust also influences the stability of continuous use by reducing perceived vulnerability in subsequent transactions (McKnight et al., 2002). Once FinTech is adopted, several decision environment factors are modified: greater data visibility is provided, certain routine tasks are automated, and the information available for key decision stages expands. Whether these changes translate into improved decision quality depends on users' capability, specifically on digital financial literacy and the operational routines required for account reconciliation, security verification, and business planning (Featherman & Pavlou, 2003; Amnas et al., 2023).

The model predicts that outcomes are heterogeneous across institutional and capability contexts. In stronger institutional environments and among more capable entrepreneurs, FinTech adoption transforms into better-quality decisions and improved firm performance, operating through the channels of trust transformation, risk reframing, and capability expansion. In weaker institutional environments or where entrepreneur capability is low, adoption may remain defensive, with entrepreneurs using digital platforms only for basic transaction execution without accessing the decision-support potential of digital data. In the worst cases, low-trust and low-capability contexts expose entrepreneurs to fraud, debt stress, and platform dependency. The model thereby shifts the policy and research focus from simply increasing adoption rates to ensuring safe adoption and genuine decision transformation, with complementary attention to institutional trust infrastructure, risk governance, and capability-building programmes.

The unique contribution of this integrative model to the existing literature lies in its explicit treatment of adoption as an antecedent rather than an endpoint and its mechanism-level account of how the trust-risk-capability triad shapes the quality of entrepreneurial decision outcomes. While prior FinTech adoption studies have documented the attitudinal predictors of adoption intention, this paper provides the first systematic conceptual framework connecting these predictors to downstream decision and performance outcomes through identified causal pathways. The framework thereby bridges the technology acceptance and entrepreneurship decision literatures in a way that is directly applicable to the design of evidence-based programmes for digital financial inclusion and MSME development.

4.2 Policy and Practice Implications

The integrative trust-risk-capability framework generates several policy, practitioner, and ecosystem-level implications, organised below by stakeholder group.

4.2.1 For Regulators and Policymakers: Building the Institutional Trust Foundation

Institution-based trust must be enhanced through a range of observable and effective consumer and MSME protection measures. In line with Najib et al. (2021) credible and visible standards for alternative dispute resolution and fraud handling are particularly important for small businesses whose willingness to engage with the online marketplace depends on confidence that grievances will be addressed fairly and promptly. Standards relating to interoperability and the transparency of transaction charges lower the perceived cost and risk of digital transactions for MSMEs (Hommel et al., 2020). Regulators should also address the responsible design of digital credit products, ensuring adequate pricing disclosure and repayment terms aligned with the verified cash flows of entrepreneur borrowers, to avoid over-indebtedness outcomes that undermine the broader FinTech-to-inclusion pathway.

4.2.2 For Entrepreneurship Support Organisations: Designing Capability Building as a Strategic Priority

Capability building for entrepreneurs should be treated as a strategic entrepreneurship policy measure rather than a delivery of basic digital skills. Tutorials explaining how to use a new application are insufficient for entrepreneurs who need to integrate digital financial information into business planning, pricing, and risk management routines. Training should focus on the entrepreneurial activity routines that can be linked to the information available in digital transaction data, including account reconciliation, fee management, basic security practices, cash cycle awareness, and budget preparation. According to Penney et al. (2021) these capability investments should be designed specifically to prevent the capability trap that arises when entrepreneurs become dependent on digital platforms without acquiring the competencies to navigate them safely.

4.2.3 For FinTech Providers: Designing for Entrepreneurial Decision Support

FinTech interfaces should be designed explicitly for the decision-making needs of entrepreneurs, not solely for consumer transaction convenience. Providing accessible transaction histories, exportable account statements, and basic cash flow analytics would significantly enhance entrepreneurs' ability to use digital platforms as decision infrastructure. Complaint processes should be made visible and user-friendly, since trust building is as important as transaction functionality for sustained entrepreneurial engagement (Jafri et al., 2024). The communication of risk information,

including fraud risks and platform dependency risks, should be clear and proportionate, enabling entrepreneurs to make informed adoption decisions rather than adopting in ignorance of associated vulnerabilities.

4.2.4 For Entrepreneurs: Governing Risk as an Integral Part of Digital Adoption

Entrepreneurs should seek guidance on alternative payment channels to avoid excessive platform dependency and should prepare contingency protocols for potential technology failures. Important information related to disputes or contested transactions should be documented in writing to support formal dispute resolution processes. According to Amnas et al. (2023) adoption strategies that embrace trust infrastructure, risk governance, and digital financial competence will be more likely to transform FinTech use into genuine improvements in entrepreneurial decision capacity than simple transaction-level adoption that fails to access the strategic potential of digital financial data.

V. CONCLUSION & RECOMMENDATIONS

5.1 Conclusions

FinTech adoption matters for entrepreneurship not only because it expands access to financial services, but because it changes the decision environment within which entrepreneurs evaluate opportunities, manage liquidity, and respond to uncertainty. The literature reviewed here shows that trust, perceived risk, and capability jointly determine whether digital tools become instruments of better judgement or sources of new vulnerability. The main contribution of the paper is therefore to reposition adoption as an antecedent to decision transformation and to explain why outcomes differ across institutional and capability contexts.

5.2 Recommendations

Regulators should strengthen institution-based trust through effective dispute-resolution channels, cyber-risk safeguards, transparent disclosure standards, and visible protection for MSMEs. Entrepreneurship support organisations should move beyond basic adoption training and build practical capability in reconciliation, digital security, data interpretation, and working-capital management. FinTech providers should design interfaces and reporting tools around entrepreneurial decision needs, including clearer fee structures, transaction analytics, and risk alerts. Entrepreneurs, in turn, should treat digital adoption as a governance decision requiring contingency planning, platform diversification, and deliberate capability upgrading.

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Appendix I: Analytical Propositions

This article is conceptual and integrative rather than empirical. However, the synthesis yields four testable propositions that can guide future quantitative or mixed-methods research. These propositions are presented in Table 1 alongside their theoretical grounding.

Table 1

Analytical Propositions and Theoretical Grounding

Proposition	Statement	Theoretical Grounding
P1	Trust mediates the relationship between perceived risk and adoption intention, weakening the negative influence of legal, security, and privacy risks.	McKnight et al. (2002); Appiah and Agblewornu (2025); Featherman and Pavlou (2003)
P2	Trust moderates the translation of adoption intention into sustained use, such that intention predicts consistent usage more strongly when system-based and institution-based trust are high.	McKnight et al. (2002); Amnas et al. (2023); Alrawad et al. (2023)
P3	Capability mediates the relationship between adoption and decision quality, such that adoption improves forecasting, pricing discipline, and liquidity management primarily when digital financial literacy and operational competence are adequate.	Featherman and Pavlou (2003); Amnas et al. (2023); Talom and Tengeh (2019)
P4	FinTech adoption reshapes opportunity evaluation and investment timing by altering risk perceptions and increasing data visibility, with heterogeneous effects across business types, entrepreneur characteristics, and institutional contexts.	Kahneman and Tversky (1979); Sarasvathy (2001); Gilbert-Saad et al. (2023)

Note. P = Proposition. Source: Authors' synthesis.