

# Barriers, Trust, and Digital Access: Examining Financial Inclusion Challenges in Haryana's Financial Sector

Rishabh Monga<sup>1\*</sup>, Vipin Sharma<sup>2</sup>

<sup>1,2</sup>Chandigarh University, Punjab, India

Email: <sup>1</sup>\*[rishabhmonga100ecoexpert@gmail.com](mailto:rishabhmonga100ecoexpert@gmail.com). <sup>2</sup>[vipin.e15974@cumail.in](mailto:vipin.e15974@cumail.in)

ORCID: <sup>1</sup>\*<https://orcid.org/0009-0008-4218-9573>; <sup>2</sup><https://orcid.org/0000-0002-4215-9808>

## ABSTRACT

Financial Inclusion has not only been a major goal of policy in developing countries, but it has also become one of the central issues among them. In some instances, however, the simply provision of financial services to previously unserved areas has not led to the promised and lasting benefits for the local population. For this reason, the present paper focuses on the issue of financial inclusion in Haryana, India, and the impact of structural barriers, trust in institutions, and digital access upon it. The paper is based on primary data collected from both city and village dwellers. The study was based on empirical analysis and quantitative methods. Reliabilities analysis and exploratory factor analysis were implemented to illustrate the multifaceted nature of financial inclusion barriers, afterwards regression testing was done to validate their impact on the same.

The findings indicate that the factors like intricate processes, heavy documentation, difficult access, and costly transactions have a severe impact on people's engagement with the formal financial sector. Trust in institutions, however, becomes a major factor that encourages a practice by people to participate in the financial system and the main reasons for the frequent participation are the openness and the effective grievance redressal. Although digital access is usually beneficial to the improvement of financial inclusion, its impact varies by region because of the differences in infrastructure, digital literacy, and security problems. The paper thus indicates the large difference between rural and urban areas and proves that financial exclusion is still a consequence of the combination of structural, institutional, and technological barriers. The study results deliver a strong message regarding the need for an integrated, trust-building and digitally inclusive policy strategies that can help to achieve effective financial inclusion.

**Keywords:** Financial Inclusion Barriers; Institutional Trust; Digital Financial Access; Financial Exclusion.

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## INTRODUCTION

Financial inclusion has become the priority in the government development programs of emerging economies. This is due to its potential to promote economic participation, alleviate poverty, and support the stable operation of the financial system. In a nutshell, at one time, financial inclusion was thought of as merely an access issue, but now it is being recognized as a multidimensional problem that entails participation, affordability, trust in the institution, and technological capability (Chibba, 2009). The expansion of banking infrastructure and ownership of accounts has certainly taken place to a large extent; however, it is still the case that vast numbers of people continue to be only partially included or remain excluded altogether from the formal financial system.

In India, the focus of financial inclusion programs has been primarily on physical bank presence and the usage of digital financial services. These measures have significantly contributed to the rise of bank deposits and transactions throughout the country. On the other hand, statistics show that giving customers access to the banking system does not necessarily lead to the frequent and substantial interaction of customers with financial institutions (Gupte,

Venkataramani, & Gupta, 2012). Among the rural and poor, structural problems such as lengthy processes, lack of the required documents, bank branches being far away, and high transaction fees are still the main reasons for low participation (Vighneswara Swamy & Vijayalakshmi, 2010; Karuppan, 2013). Such barriers frequently push people toward informal finance solutions that, in turn, make them even more financially vulnerable.

Besides the issues of access, the matter of whether or not one can trust financial institutions has come up as a very important factor that influences the results of financial inclusion effort. The trust that people give to the financial institutions is the result of their experiences of transparency, fairness, reliability of these institutions, and whether they have efficient grievance redressal mechanisms. People being less likely to use or continue using formal financial services when they view the financial systems as intransparent or unresponsive (Chaudhry, 2017). Furthermore, research shows that when there is a lack of protective measures for consumers and complaint-resolution is ineffective, it is the economically vulnerable groups who suffer the most which means that their full integration in the financial system is hindered over a long period (Ministry of Finance, 2019; Hooda, 2019).

\*Author for Correspondence: Natsir R

The fast digitization of financial services has opened up new possibilities for inclusion by lowering transaction costs and breaking down geographical barriers. Tools like mobile banking and electronic payments have been promoted worldwide as means to serve the unbanked or underbanked segments of society (Klapper, El-Zoghbi, & Hess, 2016). Nevertheless, the advantages of digital finance have not been distributed fairly among the different sections of the society. Poor digital infrastructure, lack of digital skills, and concerns over fraud and data security have been the major factors that maintained the digital divide, particularly between urban and rural areas (Rana, Luthra, & Rao, 2020). User's perceived risk and ability are major factors that affect the acceptance of technology according to Johnson and Wichern (2000); hence, simply being able to access digital facilities might not be enough for the users to get involved in the financial activities actively.

Haryana represents very well the rest of India from the social point of view in terms of digital finance, financial inclusion, and such like issues. The state's economy grew spectacularly, and it appeared to have a good banking infrastructure, nevertheless, there are great differences between the rural and urban areas in terms of financial access, digital adoption, and trust in institutions. Regional banking performance reports indicate that while the urban areas are surrounded by modern financial services, the rural areas are still suffering from the problems of inadequate infrastructure and poor services (Haryana Sarva Gramin Bank, 2018). These gaps between the rural and urban populations are in need of deep empirical investigations at the micro-regional level that surpass national assessments. In light of this, the authors examine the barriers of financial inclusion in Haryana via a concentrated study of the interconnected three-dimensional components of structural barriers, institutional trust, and digital access. The research uses primary survey data and empirical statistical techniques as tools to detect the main factors of financial inclusion and to determine the degree of their respective significance. By encompassing three facets – i.e., access-related, institutional, and technological – into one integrated analytical framework, the paper sheds light on financial inclusion from a more diversified perspective and paves the way for the policy and institutional change by offering data-supported guidance.

## LITERATURE REVIEW

Financial inclusion initially was limited to accessing banking services and has now become a multidimensional concept that takes into account factors such as usability, affordability, trustworthiness of the institution, and technological capability. Even though there has been a noteworthy advancement in terms of financial outreach, researchers keep on maintaining that mere access is not enough to have real inclusion, especially in the case of the most disadvantaged groups (Chibba, 2009). There are still obstacles in the financial systems that hinder the access of people to these systems on an equal footing and thus, they are in a way supported to remain financially excluded.

### *Structural and Socio-Economic Barriers to Financial Inclusion*

A large number of research works have pointed out that structural and socio, economic factors are the main causes that prevent people from accessing financial services. Lack of access to formal financial services in rural and semi, urban areas is majorly caused by geographic isolation, deficient banking infrastructure, and limited transport facilities (Vighneswara Swamy & Vijayalakshmi, 2010). Karuppan (2013) goes on to say that the exclusion of rural populations is a circle that keeps on turning as they have to deal with low income stability, limited education and occupational informality which altogether lessen their engagement with formal financial institutions.

Moreover, the matter of affordability and the complexity of procedures contribute to the issue of exclusion. High transaction costs, minimum balance requirements, and long documentation procedures are some of the reasons why low, income households are reluctant to maintain active relationships with banks (Gupte, Venkataramani, & Gupta, 2012). These obstacles are the main reasons that individuals are driven to use informal financial channels thereby increasing their susceptibility to exploitative practices and financial instability.

### *Institutional Trust and Financial Exclusion*

Institutional trust has been identified as one of the main factors that influence the results of financial inclusion. Trust is what makes people i.e. they may decide to formally adopt, use and continue their engagement with financial services. Chaudhry (2017) maintains that the feeling of transparency, fairness, and good risk management is what ultimately makes people trust financial institutions. A view of the institutions as complicated, unresponsive, or biased leads to the emergence of trust deficits which are discouraging the involvement of individuals.

On the other hand, empirical evidence points to the fact that weak mechanisms for grievance redressal and poor consumer protection frameworks cause a loss of trust particularly among economically vulnerable groups (Ministry of Finance, 2019). Hooda (2019) states that even though there have been changes in the regulatory system, quality and accountability issues have been there all along and have been the main reasons for the short, term engagement of people with the formal financial system. Therefore, lack of trust has been the main reason why people who have had only very limited access to the financial system through superficial participation have been unable to experience long, term financial integration.

### *Digital Access and the Emerging Digital Divide*

The digitization of financial services has changed the way financial inclusion is achieved through the reduction of transaction costs and geographical limitations. Digitally enabled services such as mobile banking, online payments, and biometric identification have been identified as main instruments towards reaching the unbanked populations (Klapper, El, Zoghbi, & Hess, 2016). Nevertheless, the

acknowledgment of digital inclusion as a source of exclusion in the literature is rising.

The limitation of digital infrastructure, unstable internet connection, and low level of digital literacy challenge the take, up of digital services and thus, rural areas are the most affected (Rana, Luthra, & Rao, 2020). Johnson and Wichern (2000) argue that technological adoption depends on the ability of the user and the risk he perceives, hence the fear of fraud and misuse of data greatly affects the level of digital engagement. As a result, the digital divide is often a reflection of the socio, economic inequalities that exist and thus it is still the same groups that are left out.

### ***Regulatory and Institutional Environment***

The regulatory environment and institutions have a major influence on the results of financial inclusion. Kodan and Chhikara (2013) maintain that complicated regulations and the inconsistent implementation of policies may, as a result, financial institutions unintentionally be induced not to serve low, income and high, risk populations. Moreover, insufficient regulatory oversight lowers consumer protection thus, the trust in financial systems gets to be further weakened.

The report of Haryana Sarva Gramin Bank (2018) points out the differences in the level of institutional outreach and service delivery across the regions of Haryana. It mentions that urban districts are enjoying the benefits of advanced banking infrastructure while rural areas are still facing limited access and low service quality. These results reinforce the significance of regulatory and institutional measures that are tailored to each region.

### **Research Gaps**

Financial inclusion research is on the rise in terms of concern but the majority of findings still link it only with mere accessibility to banks and overlook whether the access facilitates customers' loyal and long-term participation (Chibba, 2009; Gupte, Venkataramani, & Gupta, 2012). The authors recognize the existence of structural obstacles in the form of cumbersome procedures, documentation requirements, and lack of physical access but they tend to treat these issues separately which leads to misunderstanding of the synergetic effect among these barriers, especially in rural and semi-urban settings (Vighneswara Swamy & Vijayalakshmi, 2010; Karuppan, 2013). Research claims that the lack of institutional trust is an important factor influencing access but still it hardly gets the attention it requires in this type of studies (Chaudhry, 2017; Ministry of Finance, 2019; Hooda, 2019). The researchers working on digital financial inclusion mostly point out technology-related issues as the main obstacles but overlook the problems caused by lack of digital literacy, poor infrastructure, and insecurity (Klapper, El-Zoghbi, & Hess, 2016; Rana, Luthra, & Rao, 2020). Moreover, the use of national data might conceal geographic disparities and thus areas like Haryana may not get enough research attention (Haryana Sarva Gramin Bank, 2018).

### **Conceptual Framework and Hypotheses**

In this study, the concept of financial inclusion is viewed as a complex result influenced by the presence or absence of structural barriers, trust in institutions, and access to technology. Structural barriers are factors that prevent individuals from using financial systems, whether by making it difficult for them to get to the point of use or by making the procedures too intricate for them to follow. On the contrary, trust in institutions and access to technology are the factors that shape the person's willingness and capability to make use of the formal financial system.

Based on the obtained conclusions the following hypotheses are suggested:

\* H1: Structural barriers are negatively correlated with financial inclusion.

\* H2: Institutional trust is positively correlated with financial inclusion.

\* H3: Digital access is positively correlated with financial inclusion.

## **RESEARCH METHODOLOGY**

### ***Research Design***

The research has a descriptive and analytical research design as a characteristic in order to scrutinize the elements that influence financial inclusion in Haryana. The survey-based method is used to grasp the opinions of respondents on access barriers, trust in institutions and digital means, and their relation to financial inclusion results. This design is aimed at identifying trends, proving concepts, and assessing the interrelationships of the variables with the help of the survey data.

### ***Study Area***

The study was done in India's Haryana state, which presents quite a fascinating financial scene that consists of a combination of fairly developed urban areas and problematic rural areas in terms of infrastructure and institutions. The contrast of very high economic growth and remaining rural-urban differences has turned Haryana into an ideal place where the challenges of financial inclusion can be explored in just one location.

### ***Data Source and Sampling***

The research is grounded on primary data that was gathered through the administration of a structured questionnaire to inhabitants of urban and rural areas of Haryana. A multi-stage sampling technique was applied to guarantee sufficient representation over districts and socio-economic classes. The questionnaire was designed to collect data on aspects such as financial services accessibility, trust in financial institutions, digital usage, and inclusion experiences.

### ***Variables of the Study***

The research includes the following significant variables:

- Structural Barriers: Accessibility, intricacy of the process, the volume of documentation sought, and transactions costs.

- Institutional Trust: The extent to which a person considers the financial institution to be open, trustworthy, and fair in its interactions, as well as having an efficient complaints mechanism.
- Digital Access: Presence of digital infrastructure, digital learning, use of digital financial services, and fears of security.
- Financial Inclusion: The use of formal financial services, the frequency of one's transactions, and one's willingness to communicate with financial institutions.

The data was coded and analyzed statistically using software. Descriptive statistics allowed a summary of the respondent characteristics and the identification of the main barriers to financial inclusion. For reliability analysis, Cronbach's alpha was used to assess the internal consistency of the measurement scales. Exploratory factor analysis (EFA) was applied to confirm the underlying structure of the constructs, followed by regression analysis to scientifically determine the effect of structural barriers, institutional trust, and digital access on financial inclusion.

**Data Analysis Techniques**

**Results and Findings**

**Reliability Analysis**

Construct	Number of Items	Cronbach's Alpha
Structural Barriers	5	0.78
Institutional Trust	4	0.82
Digital Access	4	0.76
Financial Inclusion	3	0.74

The internal consistency of the measurement scales was assessed using Cronbach's alpha. The outcomes indicate that the reliability was acceptable to good for all the constructs in the study. The Structural Barriers scale had the lowest reliability with a Cronbach's alpha of 0.78, while Institutional Trust had a high value of 0.82 indicating very strong internal consistency. The Digital Access construct was rated at 0.76 for reliability, and the Financial Inclusion scale reported an alpha value of 0.74. All these figures are above the minimum threshold of 0.70, which means that the items of each construct are capturing the same dimension and the instrument is suitable for further analysis.

**Demographic Profile of Respondents**

Demographic Variable	Category	Respondents (%)
<b>Gender</b>	Male	58
	Female	42
<b>Age Group</b>	Below 30 years	26
	31–40 years	34
	41–50 years	24
	Above 50 years	16
<b>Educational Qualification</b>	Up to Secondary	29
	Higher Secondary	31
	Graduate and Above	40
<b>Area of Residence</b>	Urban	52
	Rural	48
<b>Income Level</b>	Low Income	33
	Middle Income	47

	High Income	20
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The demographic characteristics of the participants indicate that there was a balanced distribution regarding gender, age, education, and residence. The survey showed a very slight predominance of men among the participants, while the women’s input was significant nonetheless. The largest group among the respondents was people aged 31–40 years, followed by those younger than 30 years, which is a strong indication that the sample was quite active in using financial services. With respect to the educational attainment, most of the respondents were university graduates which implies that they had a fair amount of knowledge and exposure to formal financial systems, however, the less educated people were also quite well represented. The sample consisted of almost the same number of people living in urban and rural areas, which made it possible to identify the differences in financial inclusion problems in different parts of the country. It was observed that the majority of the respondents belonged to the middle-income group, with a small but significant number from low-income groups which is very important for the study of barriers to financial inclusions.

**Structural Barriers to Financial Inclusion**

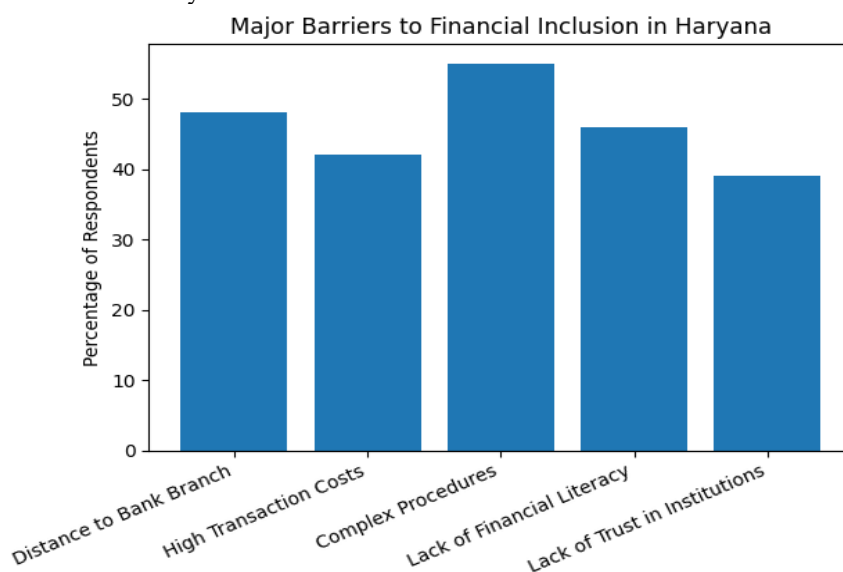
Consumers were questioned on the difficulties that blocked them from using formal financial services. Based on the findings, structural and procedural barriers continue to be the main hurdles towards financial inclusion.

Barrier Identified	Respondents (%)
Complex banking procedures	55
Distance to bank branches	48
Lack of financial literacy	46
High transaction costs	42
Lack of trust in financial institutions	39

The most common barrier that was reported several times was the procedural complexity, which mainly referred to the difficulties that people faced due to documentation, formal requirements, and operational transparency. The distance to bank branches was the main factor that limited the people living in rural and semi, urban areas and made them more vulnerable to geographic exclusion.

**Major Barriers to Financial Inclusion**

Figure 1 demonstrates the percentage of the most significant barriers that the respondents face when accessing formal financial services. Procedural complexity and physical distance are the two most major factors overshadowing the rest, which include limited financial literacy and trust deficits.



**Figure 1 Major Barriers to Financial Inclusion in Haryana**

**Institutional Trust and Service Delivery Challenges**

Trust in institutions is a major factor that keeps people using financial services over the long term. The findings of the survey show that people have a moderate degree of trust in financial institutions but they are particularly worried about the issues of complaint handling and transparency.

Trust Dimension	Agree (%)
Financial institutions are reliable	61
Grievance redressal mechanisms are effective	44
Procedures are transparent	48
Institutions act in consumers’ interest	52

Although most of the respondents view financial institutions as generally trustworthy, the lesser trust in complaint handling mechanisms and transparency of the process suggests that there are still trust gaps which prevent from deepening of the engagement with formal financial services.

**Digital Access and the Digital Divide**

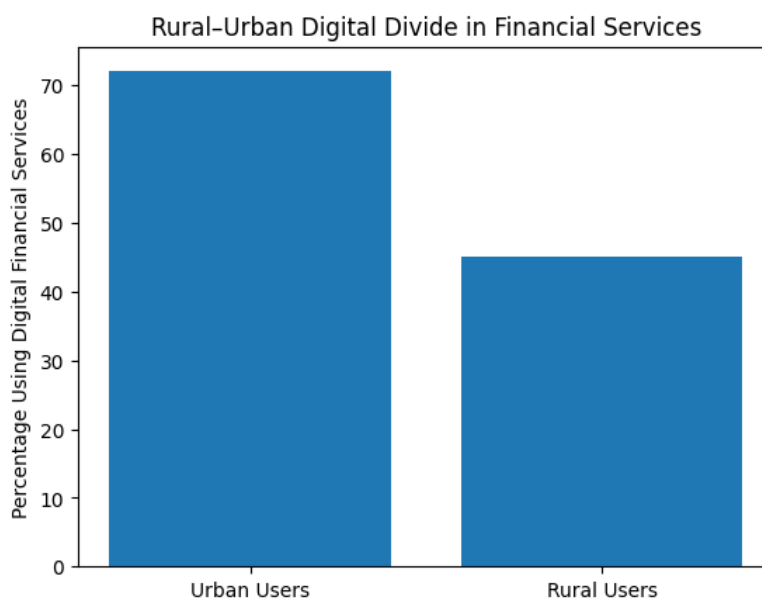
Digital financial services have grown substantially in the last few years; nevertheless, access and adoption are still different geographically. The difference in usage of digital financial services between rural and urban areas was very apparent.

Category	Users (%)
Urban respondents	72
Rural respondents	45

People living in urban areas mentioned the use of mobile banking, digital payments, and online financial services much more than those living in rural areas. On the other hand, people in rural areas pointed out that poor internet connectivity, lack of digital skills, and the risk of being cheated were the reasons for their avoidance of digital financial services.

**Rural–Urban Digital Divide in Financial Services**

Figure 2 emphasizes the difference in the use of digital financial services by the urban and rural respondents. The large gap reveals that there are still limitations in terms of infrastructure and literacy which are the main reasons for the low level of digital inclusion.



**Figure 2 Rural–Urban Digital Divide in Financial Services**

**Combined Impact of Barriers on Financial Inclusion**

Structural barriers, lack of trust, and limited digital access have a combined effect that most of the time they hinder people to use formal financial systems. People who say they have to deal with these constraints at once are turning to informal financial channels for their monetary transactions or in the best case, they conduct basic transactions with formal institutions only.

Impact Indicator	Agree (%)
Barriers discourage regular use of financial services	68
Trust issues reduce willingness to adopt new services	63
Digital challenges limit service accessibility	66

**KMO and Bartlett's Test of Sphericity**

Test	Value
Kaiser–Meyer–Olkin (KMO) Measure of Sampling Adequacy	0.79
Bartlett's Test of Sphericity – Approx. Chi-Square	842.36
Degrees of Freedom	66
Significance (p-value)	0

The Kaiser-Meyer-Olkin (KMO) measure produced a score of 0.79, which suggested that the sampling was adequate for factor analysis. Furthermore, Bartlett's Test of Sphericity showed a statistically significant result ( $p < 0.001$ ), thereby confirming the correlation matrix as not being an identity matrix. So, these results represent good reasons for carrying out exploratory factor analysis in order to reveal the underlying dimensions of financial inclusion barriers.

**Exploratory Factor Analysis Results**

Variable	Structural Barriers	Institutional Trust	Digital Access
Complexity of banking procedures	0.78	—	—
Documentation requirements	0.74	—	—
Distance to bank branches	0.71	—	—
High transaction costs	0.69	—	—
Transparency of procedures	—	0.81	—
Reliability of financial institutions	—	0.79	—
Effectiveness of grievance redressal	—	0.76	—
Fair treatment of customers	—	0.73	—
Availability of digital infrastructure	—	—	0.77

Digital literacy	—	—	0.75
Usage of digital financial services	—	—	0.72
Security concerns in digital transactions	—	—	0.7

**Extraction Method:** Principal Component Analysis

**Rotation Method:** Varimax with Kaiser Normalization

**Eigenvalues (>1):** 3.21, 2.48, 1.96

**Cumulative Variance Explained:** 68.4%

The exploratory factor analysis identified three separate factors with eigenvalues above one, and these factors together accounted for 68.4% of the total variance. The first factor, termed as Structural Barriers, was made up of the items dealing with procedural complexity, documentation, physical accessibility, and transaction costs. All these items suggest that access-related limitations are the main point of financial exclusion and hence they are treated as the one dimension by the researchers.

The second factor, Institutional Trust, contained the variables related to the aspects of the trust, such as transparency, reliability of the institution, fairness, and the grievance mechanisms in the institutions. The high factor loadings point to trust-related perceptions being very much interconnected and having a vast influence on the engagement of people with formal financial institutions.

The third factor, Digital Access, consisted of the items measuring digital infrastructure availability, digital literacy, digital financial services usage, and concerns over security. So this factor emphasizes the role of technological readiness and trust in technology in negotiation the use of digital financial services.

The factor structure supports the idea that the financial inclusion problems in Haryana are multidimensional and also provides the empirical support for the theoretical framework used in the study.

**Hypothesis Testing**

To empirically test the hypotheses proposed a composite indices for Structural Barriers Institutional Trust Digital Access and Financial Inclusion were created using factor scores that were obtained from the exploratory factor analysis . The indices thus created were applied to the multivariate regression analysis in order to evaluate the nature of the relationships among the study variables in terms of direction strength and significance .

*Model Specification*

The following empirical model was estimated:

$$FI = \beta_0 + \beta_1 SB + \beta_2 IT + \beta_3 DA + \epsilon$$

Where:

**FI** = Financial Inclusion Index

**SB** = Structural Barriers Index

**IT** = Institutional Trust Index

**DA** = Digital Access Index

$\epsilon$  = error term

**Determinants of Financial Inclusion**

**Regression Analysis**

Independent Variable	Standardized Coefficient (β)	t-value	Significance
Structural Barriers	-0.41	-6.28	p < 0.01
Institutional Trust	0.38	5.74	p < 0.01
Digital Access	0.29	4.19	p < 0.01
Constant	—	—	—
<b>R<sup>2</sup></b>	<b>0.62</b>		

The empirical findings reveal that Structural Barriers have a major negative impact on financial inclusion (β = -0.41, p < 0.01), therefore validating the fact that complexity of procedures, large documentation, long distances, and fees all together significantly freeze customers with the formal financial sectors. This is a strong evidence in support of Hypothesis H1.

Institutional Trust, on the other hand, is found to be positively correlated and significantly linked with financial inclusion (β = 0.38, p < 0.01), meaning that in parallel to higher levels of transparency, reliability, fairness, and effective grievance redressal, there will be more usage and engagement in formal financial services. Thus, this finding not only confirms Hypothesis H2 but also brings to the fore trust as an important factor driving the process of inclusion. In the same way, Digital Access is also found to have a positive and statistically significant impact on financial inclusion (β = 0.29, p < 0.01). Besides the mere presence of digital infrastructure, digital literacy includes a lot of factors such as the trust in online transactions and the customers’ total involvement in the financial sector which in turn lead to the need for more empirical support of Hypothesis H3. The model accounts for nearly 62% of the differences in the financial inclusion outcomes, thus having good explanatory power and also, supporting the main point about the need for structural, institutional, and digital dimensions in inclusion dynamics.

Hypothesis	Statement	Empirical Outcome

H1	Structural barriers negatively affect financial inclusion	Supported
H2	Institutional trust positively affects financial inclusion	Supported
H3	Digital access positively affects financial inclusion	Supported

## DISCUSSION

The results corroborate that the financial inclusion of Haryana is influenced by a mix of factors comprising structure, institutions, and digital technology rather than merely accessibility alone. Complex procedures, documentation requirements, physical distance, and transaction costs are some of the structural barriers that have restricted the participation of the unbanked population in the formal financial sector especially in the rural and semi-urban areas. It reinforces the previous literature which pointed out access-related constraints as continuous hindrances to the process of financial inclusion (Vighneswara Swamy & Vijayalakshmi, 2010; Karuppan, 2013; Gupte, Venkataramani, & Gupta, 2012).

The trust in institutions was the main factor of financial inclusion, which brings to light the need for the transparency of, and fairness in, the operations and dispute resolution procedures that are very effective. Supporting previous studies, the lower trust in the complaint-handling systems limits the financial institutions' engagement with customers to be partially or temporarily inclusive only (Chaudhry, 2017; Ministry of Finance, 2019; Hooda, 2019). Digital access has a positive impact on financial inclusion, more so in the urban areas, which is a confirmation of the fact that technology has the potential to enhance both the outreach and the convenience of the services that are provided (Klapper, El-Zoghbi, & Hess, 2016). On the other hand, the digital divide between rural and urban areas indicates that the digital literacy, infrastructure, and security issues, as discovered by Rana, Luthra, and Rao (2020), are still present. To put it differently, the findings indicate that catering to the financial inclusion of the less privileged people is to simultaneously implement the united strategies covering the structural constraints, the institutional trust, and the digital competence.

## CONCLUSION

The key factors impacting financial inclusion in Haryana were studied, and the focus was on structural barriers, trust in institutions, and digital access. It was found that even though there has been a huge improvement in banking infrastructures and there are more and more digital financial services, still, the effective financial inclusion is very limited. The rural areas and the low-income people are especially discouraged from using formal financial institutions regularly because of the complexity of procedures, the need for documentation, the distance to bank branches, and high transaction costs. Moreover, the trust in institutions is at a moderate level regarding mainly

grievance redressal and transparency which puts a limit on sustained financial participation.

By the research, digital access is a factor through which financial inclusion comes about, and it has a varying effect depending on the region. In cities, users experience the perks of superior digital infrastructure and more digital literacy, whereas the people in the countryside still face issues in connecting, and lack of knowledge, and are also doubtful about the security. Therefore, the authors' final remark is that financial inclusion is a multifaceted issue where structural, and institutional, as well as digital aspects, come into play. Hence, the fight against financial exclusion requires a combination of methods that are carefully crafted for each region and that not just give access but also build areas of trust and digital capacity to be robust.

## Policy Implications

The insights from the study point towards the need of helping the underprivileged adapt to the digital mode of doing things as it is predominantly the reason for exclusion. They also highlight the necessity of the modernization of fin-tech to be more customer-centric by delivery and occlusion of transacting via institutions. The establishment of trust must come through agencies that are very accountable, having in place strong and good complaint handling systems, and offering very effective consumer protection rights that are actually enforced. Furthermore, the diminishing of the digital gap between the cities and the countryside and the consequent equal access to digital financial services will come from the digging-up of digital reduction paths and enrolment of people in digital literacy programs.

## Future Research Directions

Future research could build on the present study by comparing different states or regions in a manner that would allow for the variations in financial inclusion dynamics to be duly considered. The same longitudinal studies could be used to clarify the relationship between the uptake of digital technology and the distrust of institutions as far as financial inclusion is concerned over a period of time. Additionally, more research using qualitative methods could help to reveal the nuances of the concepts of trust, service quality, and digital risk. Moreover, the future research might focus on the intersectional aspects of financial exclusion regarding gender, income, and occupation, thus paving the way for more inclusive policy interventions.

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