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Bridging the usage gap

Women's digital financial inclusion in India

October 2026

About this report

This report presents findings from research conducted to identify barriers and enablers to women's digital financial inclusion, as part of a project implemented by Accion and supported by HSBC India. The project aims to build microfinance institution partners' internal capacity to scale digital tools, encourage women borrowers to repay their loans digitally, and increase the uptake of digitally enabled government support schemes. Furthermore, this report explains why many women remain excluded from digital finance despite widespread access making the case for trust-based, human-led interventions that enable them to confidently use and meaningfully benefit from digital tools.

Authors

This report was written by Arnelit Philip Mani and Aathira Krishnan.

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Gen AI was used to assist with structuring and refining the writing of this report. The research, analysis, synthesis, and findings are original work by the team.

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Executive summary

India has built one of the most sophisticated digital financial systems in the world. Over the past decade, Unified Payments Interface (UPI) transactions have scaled from just 20 million in the 2016-17 fiscal year to over 241 billion in 2025-26, with over 660 million processed daily.[1] Jan Dhan accounts have brought 590 million beneficiaries into the formal banking fold.[2] Direct Benefit Transfers (DBT) channel welfare funds to some of the country's poorest households, totaling roughly US $79 billion during the 2025-26 fiscal year.[3] This infrastructure is robust, the policy intent that governs it is strong, and mobile phone usage, which has become the primary gateway to it all, continues to grow. Yet for the low-income women across India, this system remains largely out of reach.

A total of 95 percent of the 4,340 women we surveyed across six states have some access to a phone. But only 25 percent have made a digital payment in the last six months, and 72 percent have never made a digital transaction of any kind. Barely a third can enter a One-Time Password (OTP) or UPI Personal Identification Number (PIN) without help.

This report examines why that is. The evidence shows that this is not a connectivity, literacy, or aspiration problem. Women across all cohorts and geographies expressed a clear desire to learn and participate, but lack safe support structures.

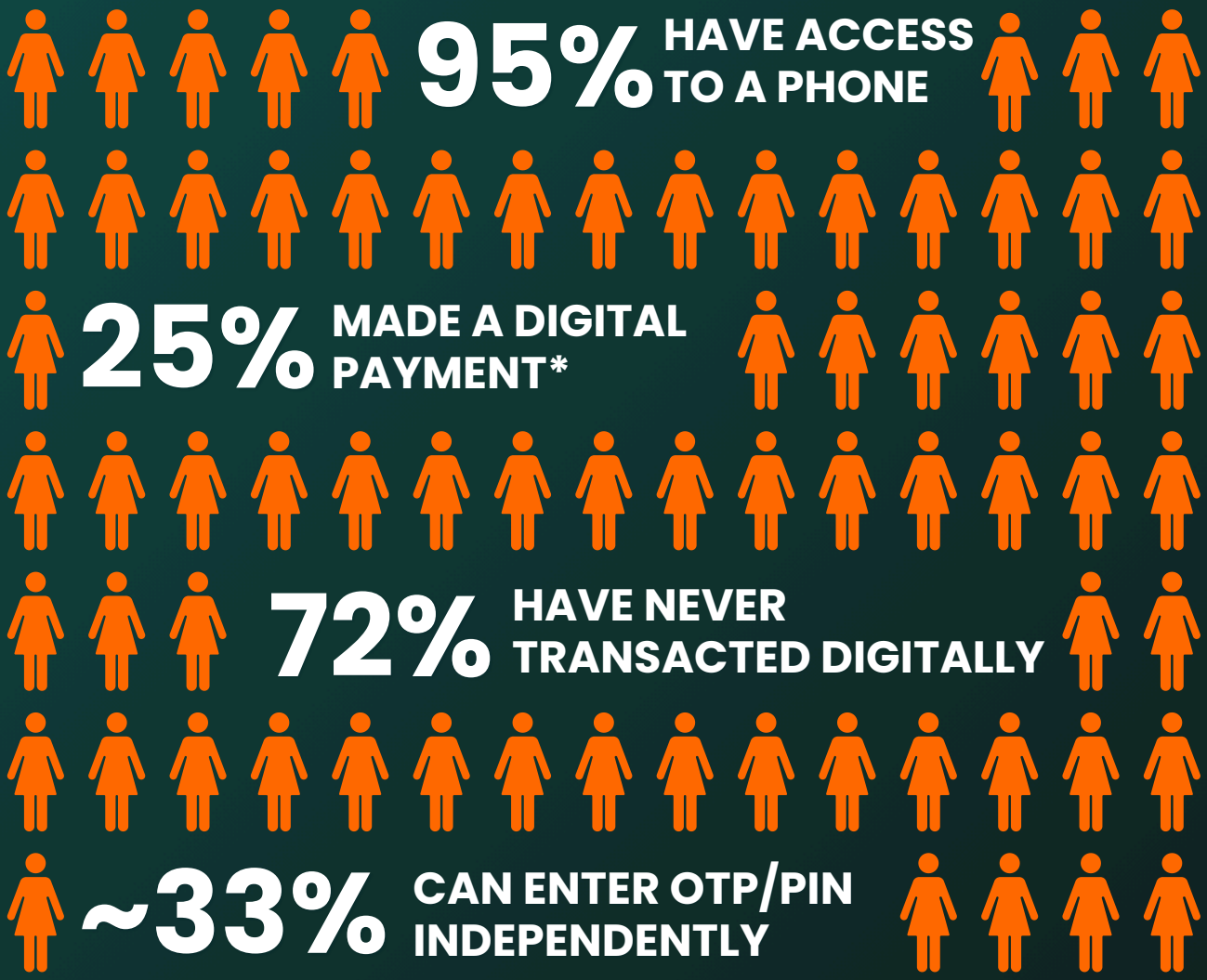
Our research identifies four distinct groups of women along a digital inclusion spectrum:

- **Nascent** users with no personal phone access (five percent of the sample).
- **Experimenters** with limited or shared device access and almost no digital transaction experience (72 percent).
- **Emergers** who own smartphones and transact occasionally but with significant anxiety (11 percent).
- **Enabled** users who use digital finance independently and often support others in their communities (12 percent).

1 Ministry of Finance. (2026, April 30). *UPI completes 10 glorious years, emerges as world's largest real-time payments platform, anchoring India's digital economy*. Press Information Bureau. https://www.pib.gov.in/PressReleasePage.aspx?PRID=2257087&reg=48&lang=2
2 Ministry of Finance. (2026, August 19). *Progress report*. Pradhan Mantri Jan Dhan Yojana. https://pmjdy.gov.in/account.
3 Direct Benefit Transfer, Government of India. (2026, June). Total direct benefit transfer. DBT Bharat. https://dbtbharat.gov.in/

The Experimenter cohort is key. It represents nearly three in four women surveyed and is at the ideal point for intervention. They are aware of and motivated to use digital tools, but hesitate because they have never completed a guided first digital transaction in a safe, supported environment.

Across this report's three core findings, a central theme emerges: the problem is not technology. The problem is trust, and trust is built by people. The women who have adopted digital finance did so because a trusted person — a microfinance institution (MFI) officer, a Self-Help Group (SHG) leader, a Bank Sakhi (trained banking facilitator among SHG members), an Anganwadi worker (community health and social worker), or a neighbor — showed them how. Those who have not adopted digital finance seek that same experience, but the system has not yet provided it at scale.



*In the last six months

The recommendations for industry stakeholders are grounded in a clear insight: bridging the gap between digital finance access and usage requires investing in trust-based, human-led interventions.
The highest priority is to support Experimenters through their first transactions, guiding them toward adoption and sustained usage. Donors and government bodies must play a critical role in strengthening community intermediaries and supporting infrastructure. Meanwhile, Financial Service Providers (FSPs) must place women's needs at the center of digital financial service design and delivery.

Introduction

India's digital moment and the women left behind

Over the last decade, India has invested heavily in the financial infrastructure required to bring its entire population into the formal economy.

The Jan Dhan — Aadhaar — Mobile stack, often referred to as the JAM Trinity, was designed to create universal account access, link accounts to biometric identities, and route welfare and private financial services through mobile phones. Bank account ownership expanded dramatically, and digital payments accelerated.

Low-income rural and peri-urban women were meant to benefit the most from this infrastructure, but they have not benefited as intended.

200 million women

An estimated 200 million Indian women remain disconnected from digital financial platforms that enable them to access and use their accounts, despite near-universal account ownership.

7% gender gap
in account inactivity

About 17 percent (around 82 million) of Jan Dhan accounts are inactive, with women more likely than men to have these dormant accounts. Although the gender gap in account inactivity has decreased, it remains at seven percent.

National Family Health Survey data also shows that more than one in five women with bank accounts do not operate their accounts themselves, raising serious concerns about financial autonomy and control.[4]

4 ACCESS Development Services. (2025). Inclusive Finance India Report 2025. https://globalinclusivefinance.org/inclusive-finance-india-reports/

This research is one component of Accion and HSBC India's ongoing project, implemented through partner microfinance institutions (MFIs), to advance digital financial inclusion among women by strengthening digital repayment capabilities and increasing uptake of government-led welfare initiatives.

Research design

The study combined quantitative and qualitative methods across six states. Bihar, Uttar Pradesh, West Bengal, Maharashtra, Karnataka, and Gujarat were selected to represent regional variation in digital infrastructure, cultural context, and economic conditions. The quantitative survey covered 4,340 urban and rural women aged 18 to 64 with household incomes below Rs.30,000 per month.

We conducted 65 in-depth interviews and focus group discussions with women from each of the four cohort segments, as well as 24 ecosystem Key Informant Interviews (KIIs) with MFI staff, Accredited Social Health Activists (ASHAs) and Anganwadi workers, Bank Sakhis, teachers, and local financial agents. While the survey numbers showed the distribution of barriers, the interviews explained the attitudes, fears, and lived experiences behind them.

Women were classified into four digital personas: Nascent, Experimenter, Emerger, and Enabled. These personas describe where women currently are on a spectrum that they can realistically move through with the right support.

Research snapshot

4,340 women surveyed

Initial target 4,000

6 states

Bihar, UP, West Bengal, Maharashtra, Karnataka, and Gujarat

65 interviews

In-depth interviews and focus group discussions

24 informants

Key Informant Interviews

4 digital personas

Nascent, Experimenter, Emerger, and Enabled

Meet the four women: A digital inclusion spectrum

The four digital personas that structure this report emerged from field observations across six states and were then validated at scale through the quantitative survey.

They cut across age, geography, and income levels. A 48-year-old woman in peri-urban Bihar and a 32-year-old woman in rural Gujarat can occupy the same segment while living very different lives.

What they share is a specific relationship with digital technology — one shaped by access, confidence, experience, and the presence or absence of support.

Understanding who these women are is the precondition for understanding the findings that follow.

Nascent
No personal phone

Experimenter
Shared phone, no independent transactions

Emerger
Own smartphone, limited use

Enabled
Confident, independent user

Nascent

5% of sample

"Smartphones are expensive and can create problems. For a housewife like me, they're not needed."

—Nascent, peri-urban, Bihar

The Nascent woman is largely outside the digital system. She either has no phone or depends entirely on a family member's device, with access conditional on someone else's availability and approval. She knows money has been deposited in her account because the men in her household tell her, not because she has checked herself. Financial decisions rest with her husband or in-laws. She is interested in using phone and digital tools but lacks the confidence and support to do so independently. In interviews, Nascent women consistently expressed a wish to learn. What they described, however, was a combination of physical exclusion from devices and a domestic context in which learning was not viewed as a possibility.

Among Nascent women, 86 percent carry no insurance of any kind. They rely on family networks and money-lenders when financial shocks occur. Their bank accounts, if any, are largely managed by male household members.

Experimenter

72% of sample

"When I get confused about any money matter, first I ask in the group meeting. Other women have also faced similar problems, so they guide me on what to do."

—Experimenter, rural, Karnataka

The Experimenter is the largest and most important group. She has access to a phone, usually shared with her husband or another family member, and she uses it, but not for money. She watches YouTube videos, uses WhatsApp, and makes phone calls. She knows what UPI is. She may have seen her husband complete a transaction. But she has never initiated a financial transaction herself without supervision or fear of making an irreversible mistake.

Only one percent of the women in this cohort have made a digital payment. Yet 59 percent of Experimenters expressed interest in digital finance training. The gap between where she is and where she could be is not a knowledge gap, but a confidence gap, specifically around the OTP and PIN entry steps, which she perceives as the point of no return.

Among this group, 54 percent of shared-phone users rely on their husbands' devices. These are not women who have chosen not to go digital, but those the system has not yet reached.

Emerger

11% of sample

"Everyone uses their phone differently. I mostly watch YouTube or check shopping apps, while my husband uses it more for work and payments."

—Emerger, rural, West Bengal

The Emerger owns a smartphone and uses it with growing confidence. She mostly makes small, repeated digital payments: school fees, electricity bills, and transfers to known parties. Eighty-three percent transact monthly or less, and her anxiety around financial transactions remains. A failed transaction or an unfamiliar screen layout following an app update can set her back significantly. She has not yet fully understood how the system works, only memorized a sequence of steps. When the sequence changes, her confidence collapses.

Emerger women are positively disposed to digital financial services and should be primary targets for onboarding and continued usage programs. Their challenge is less about initial adoption and more about building the resilience to continue using digital tools when something goes wrong.

Enabled

12% of sample

"I feel strong because I always have money on my phone. Wherever I go, I have digital money. That gives courage. If I don't have money, I feel scared. But with the phone, I feel secure."

—Enabled woman, urban, Karnataka

The Enabled woman is digitally independent. She uses multiple apps, transacts confidently across a range of payment types, and often serves as an informal resource for technology and finance support for women around her. Seventy percent of Enabled women make financial decisions independently, compared to forty-five percent of Nascent women. They are the unofficial last-mile support infrastructure that the formal system has not built.

Enabled women are also the most visible proof of what is possible. In Karnataka, where digital training initiatives have been more structured and consistent than elsewhere, the proportion of women in this cohort is higher, and their usage patterns are more diverse. The progression from Experimenter to Enabled is not inevitable, but it is achievable with sustained, context-appropriate support.

Key finding

The Experimenter cohort, at 72 percent of the sample, is large enough to move the needle on financial inclusion and close enough to adoption to be reachable.

A single guided transaction, completed with a trusted person, is the highest-impact intervention available.

Findings

She has a device, but is access translating to usage, and usage to trust?

If 95 percent of women in this study have some access to a phone, why have 72 percent never completed a digital transaction?

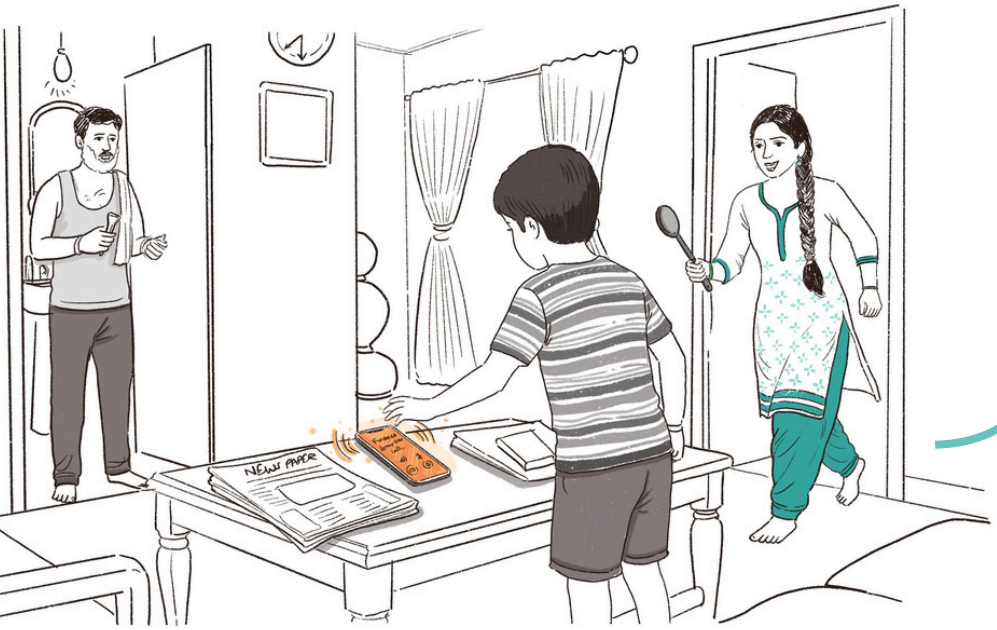
The access gap

Of the 95 percent of women in this study with some access to a phone, 49 percent own a smartphone, 22 percent own a feature phone, and 24 percent use a shared device. Five percent have no phone at all. Among shared-phone users, 54 percent are using their husband's phone.

Smartphone ownership remains uneven across geographies, limiting equitable access to digital services. As most digital services are designed with a mobile-first approach, limited smartphone access continues to exclude many women from fully participating in the digital ecosystem.

Outreach design must account for shared-device realities and community-based access points, not assume a personal smartphone.

The relationship between women and their phones is more complex than ownership data captures. In traditional households, women's phone usage is supervised or conditional. Some women in the study described needing to ask permission before picking up a shared device, or finding that their husband had changed the PIN without telling them. The phone sits in the home as shared infrastructure, but the terms of access are not always equal.

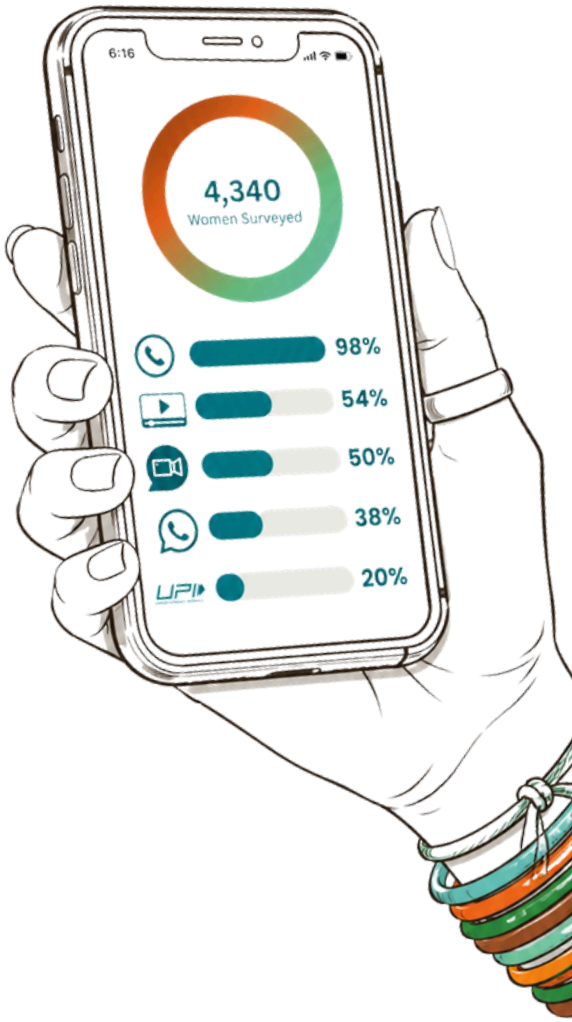


"I use a small keypad phone, only for calling. My husband has a smartphone. We use his phone for video calls."

—Experimenter, peri-urban, West Bengal

The engagement gap

Among the 4,340 women surveyed, 98 percent made phone calls, 54 percent watched YouTube or video content, 50 percent made video calls, and 38 percent used WhatsApp. Twenty percent used UPI apps. Women engage with their phones for communication and entertainment, but most have not yet made the leap to financial transactions.



The five most cited reasons for not transacting digitally were:

1. Not knowing how to use apps or UPI (40 percent);
2. Fear of making mistakes or losing money (37 percent);
3. Fear of fraud or scams (37 percent);
4. Having no one to teach or help them (24 percent); and
5. Poor network or no internet (17 percent).

Except for poor network connectivity, these barriers are not about access to technology. They are mainly driven by a lack of confidence, trust, and support.

It is worth separating the second and third reasons because they have different implications. Fear of making mistakes is a confidence problem, addressed through guided practice and the experience of completing a transaction safely. Fear of fraud is a trust problem, addressed through fraud awareness, visible accountability mechanisms, and clear resolution pathways. In this study, fraud fear is real. Women in multiple states described specific incidents in which they or people they knew had money taken from accounts after receiving phone calls from people claiming to be bank officials. These stories spread rapidly and discourage adoption.

"We get scared when we shop online. Once, our payment failed, but the money was still deducted. That's why we stopped paying online."

—**Experimenter, urban, Bihar**

The confidence gap

OTP anxiety as the decisive barrier

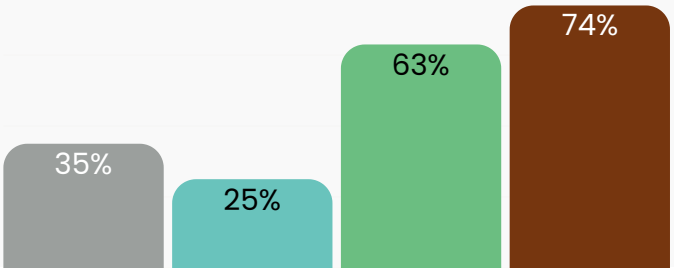
Across cohorts and geographies, OTP and PIN entry emerged as the decisive barrier to continuing a digital transaction. Among all women surveyed, 35 percent reported feeling comfortable entering an OTP, 32 percent were comfortable entering a UPI or bank PIN, and 29 percent were comfortable making a payment via app. The spread between these three figures is small; they tend to move together. Among Experimenters specifically, the numbers fall to 25, 19, and 16 percent, respectively.

Our research found that women mostly navigated digital apps by memory rather than by understanding. When the interface changes with every app update, the memorized sequence fails and confidence collapses with it.

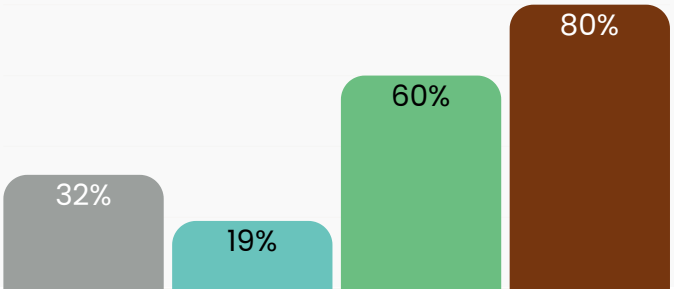
Most digital literacy programs expect people to have basic digital knowledge, but many people are still not confident.

Anxiety peaks at OTP and PIN entry because the moment feels irreversible. A single failed transaction, money leaving an account and not arriving, or a transaction that appears to go through but is never confirmed, can lead to permanent disengagement. Several women in the qualitative sample described having one bad experience and then permanently retreated to cash. The cost of that retreat is difficult to quantify, but it is significant for both the women and for broader financial inclusion.

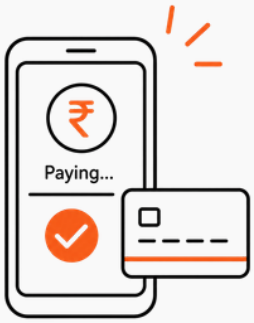
Comfortable entering OTP

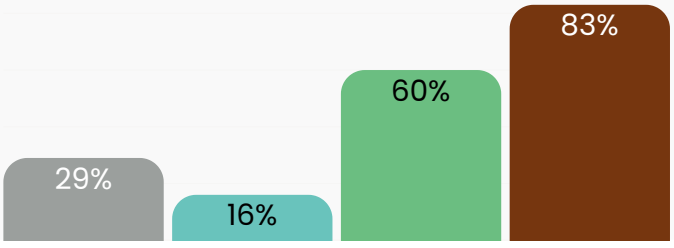


Comfortable entering UPI/Bank PIN



Comfortable paying via app





Overall Experimenter Emerger Enabled

Key finding

Confidence is outcome-dependent, not knowledge-dependent. It is built by completing a successful first transaction, in the presence of a trusted person, with no bad outcome. Training programs that stop at demonstration, without allowing hands-on practice, fail to cross this threshold.

She has an account, but is it enough for financial empowerment?

Ninety-seven percent of women in this study own a bank account, but it is often empty and unused. Merely owning an account is not a meaningful financial inclusion metric. Control and utility must also be considered.

Accounts in name, finance in practice

In most households in this study, husbands or other male family members operate the bank account held in a woman's name. They open it to meet government scheme requirements, and use it mainly to receive welfare transfers, which are then immediately withdrawn as cash at the nearest point. The account is, in effect, a pass-through mechanism for DBT credits. Women know money has arrived when they receive an SMS, but they ask someone else to withdraw it.

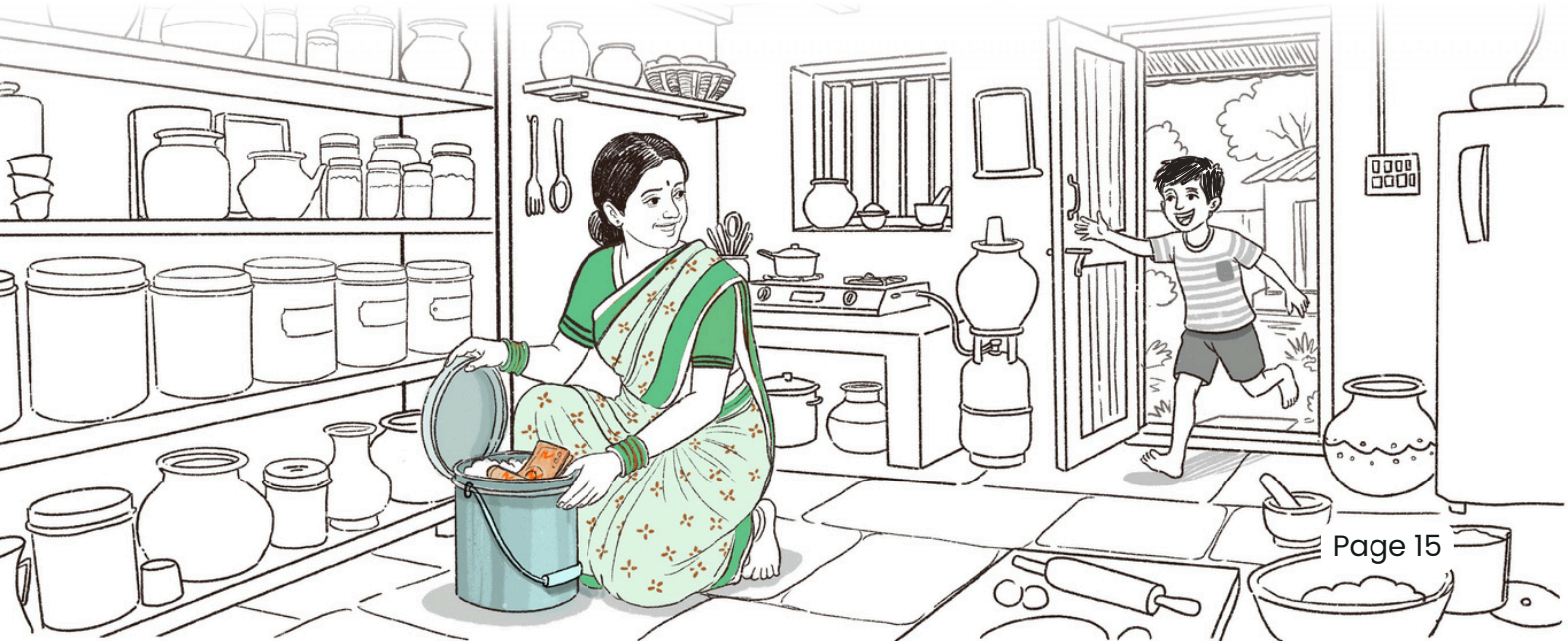
This pattern holds across cohorts, though it weakens as digital confidence increases. Nascent women describe formal finance as intimidating and avoid it entirely. Experimenters understand the bank account is primarily a government requirement; they find bank staff unapproachable, and branch visits an ordeal.

Emergers use the account for specific purposes but still rely on others for documentation and navigating unfamiliar processes. Only among Enabled women does independent account management become the norm.

Savings reinforce this. Seventy-five percent of women saved money in the three months preceding the survey, which is significant given the low household incomes involved. But 70 percent of those savings are kept at home, in cash, in containers hidden from other family members. In qualitative interviews, women described these "secret funds" with pride and practicality, using them as a financial resilience strategy because formal savings mechanisms feel inaccessible or untrustworthy.

"My husband decides on big things like repairing the house or taking a big loan, but every month I decide how to manage school fees, rent, and ration from whatever comes in."

—Emerger, West Bengal, peri-urban



DBT: Entry point, not endpoint

The Direct Benefit Transfer system has unquestionably expanded account ownership and brought welfare funds to women who previously had no formal banking relationship.

Schemes accessed by women

Among the schemes that women in this study reported accessing

76%

PDS Ration

Government food subsidy

44%

PM Ujjwala

Liquefied petroleum gas connection scheme

22%

PM Kisan

Income support for farmers

19%

Jan Dhan

Financial inclusion and bank account scheme

13%

PM Matru Vandana

Maternity benefit

Barriers in access

15% of women reported difficulty accessing schemes, with document or Aadhaar issues being the most common barrier, followed by bank linkage failures and, increasingly, OTP and phone-related problems.

The behavioral pattern the DBT system has created is critical. DBT activates dormant accounts but does not build digital engagement or financial capability. Women know money has arrived because of an SMS. They then go to the nearest point and withdraw cash, curtailing the digital pathway.

Several additional patterns from the qualitative research are worth noting. Technical failures cause silent exclusion: an application appears to process, but no error message or money appears, and no one knows why.

Women described resubmitting applications without knowing whether their earlier attempts were registered.

They trust enrollment only when money is actually credited, not paperwork confirmation. Meanwhile, accessing schemes now requires steps such as OTP entry, Aadhaar linking, and biometric verification, which assume a digital baseline that many women lack, making digital welfare systems harder to access and use and creating a new form of exclusion.

> *Going to the bank takes the whole day. I leave all my household work behind, only to return and without getting my work done if the staff isn't there or the network is down.*
>
> —Emerger, rural, West Bengal

Insurance: The invisible safety net

Only 30 percent of women in this study hold any insurance. Among Nascent women, the figure falls to 14 percent. Women do not understand, trust, or see insurance as relevant to daily financial life. In interviews, many expressed either unfamiliarity or skepticism, rooted in past experiences of agents explaining products in inaccessible terms and of claims processes that seemed designed to frustrate rather than to pay.

This matters because of the safety nets women turn to in financial emergencies, which we explore in the next section.

Key finding

An account that receives government transfers and is immediately cashed out only partially contributes to financial inclusion. The DBT system is an entry point, but requires investment in financial capability, not just financial infrastructure.

What exclusion actually costs

This section builds on the structural barriers to access and participation identified in our research, demonstrating how these barriers affect women's ability to cope with everyday financial shocks and unexpected life events.

Financial shocks are common

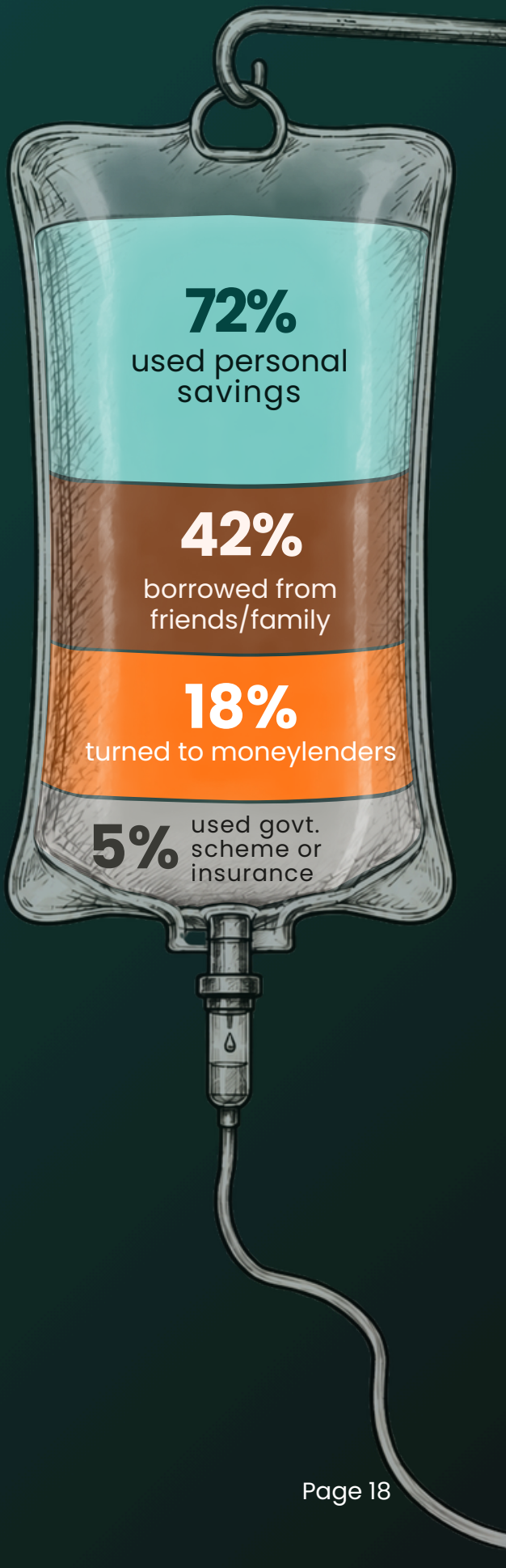
Thirty-six percent of women in this study experienced an unexpected financial shock in the 12 months preceding the survey. The most common was serious illness or injury in the household, affecting 22 percent. Crop or livestock loss accounted for 14 percent. Business loss affected six percent, and natural disaster, five percent.

These are not marginal events. More than one in three women surveyed faced a financial emergency in the past year. For low-income households with limited savings and no insurance, such a shock leads to decisions that reflect their access to formal and informal financial systems.

How women cope

Among the 1,570 women who reported a financial shock, 72 percent used personal savings, usually cash kept at home. Another 42 percent borrowed from friends or family, 18 percent took a loan from a moneylender, 15 percent cut food and other expenses, eight percent borrowed from an MFI or bank, and five percent used a government scheme or insurance.

Only a small minority accessed the formal safety nets for these moments, such as insurance, government emergency schemes, and MFI credit. Many turned to informal networks, but at a cost: moneylender interest rates are not transparent, and borrowing from family strains relationships and can create long-term obligations. The 18 percent who turned to moneylenders are the clearest evidence of what financial exclusion costs in rupees.



She wants to learn, but is the system designed to teach her?

Fifty-nine percent of Experimenters and seventy-nine percent of Emergers expressed interest in digital finance training. The desire to learn is not the limiting factor for these women, but the lack of a teaching infrastructure at the scale or quality required.

People are the infrastructure

The most consistent finding across all six states is that women do not turn to apps, helplines, or instruction manuals when they need help with a digital or financial task. They turn to a person they trust. That person might be an SHG (Self-Help Group) leader, a Bank Sakhi, an Anganwadi or ASHA (Accredited Social Health Activist) worker, a teacher, an LIC (Life Insurance Corporation of India) or MFI (Microfinance Institution) agent, or a neighbor who happens to be more digitally confident. In many households, it is a child.

SHG leader | Bank Sakhi | Anganwadi | ASHA worker | Teacher

The five types of Key Informants (KIs) identified in this research are not simply convenient intermediaries. They are, in practice, the last-mile financial infrastructure that the formal system has relied upon but not adequately supported. SHG leaders provide financial guidance, loan access, collective savings structures, and emotional anchoring. ASHA and Anganwadi workers handle welfare enrollment, community mobilization, and first contact. Bank Sakhis navigate account setup, OTP assistance, and grievance escalation. Teachers provide form-filling and document support. LIC and MFI agents do door-to-door product explanation and insurance onboarding.

These KIs are overstretched and undertrained, and have no clear escalation pathway when things go wrong.

"Forms and instructions are difficult to understand. Many customers cannot read financial language. They depend entirely on someone trustworthy. If they misinterpret something, they fear losing money or making a wrong decision. Mostly fear and lack of confidence. If they have a reliable reference person, they feel safe. Otherwise, they hesitate."

—**Bank Sakhi,** rural, West Bengal

The evidence of what these relationships can achieve when they work well is clear. In Maharashtra, an SHG leader running 45 groups described moving nearly 1,000 women from cash-only to near-complete digital payment for MFI loan repayments. Her method was simple: she required it, demonstrated it, was available for troubleshooting, and created WhatsApp groups where screenshots of transactions served as accountability. Out of 1,000 women, only 10, with keypad phones and no family support for digital access, remained unable to participate.

> *We've been working in this area for a while, and many people need support to learn how to use these services. When someone helps them get started, they're more likely to continue. Without that initial guidance, some tend to lose interest.*
>
> **—SHG leader, rural, Bihar**

The problem is that this leader's approach is the exception. Most KIs work without structured toolkits or escalation pathways when things go wrong at the bank level, and the time to provide the repeated, one-on-one support that less confident women require.

Training that actually works

Our research asked women directly about training preferences and drew on KI accounts of what has and has not been effective. The pattern is consistent across states.

In-person group training is preferred by 78 percent of women overall, rising to 94 percent among Nascent women. One-on-one help at home is preferred by 82 percent. Familiar facilitators, SHG leaders, and ASHA workers, reduce fear and increase attendance. A live demonstration combined with hands-on practice in the same session is the most effective learning format. Repeated, scheduled sessions are essential for retention. A single demonstration is rarely enough to retain all the steps, which makes reinforcement and practice critical.

78% preferred in-person group training by women overall

94% in-person group training is rising to 94% among Nascent women

82% preferred one-on-one help at home

SHG leader

ASHA worker

Familiar facilitators, SHG leaders, and ASHA workers reduce fear and increase attendance

A live demonstration combined with hands-on practice in the same session is the most effective learning format

Repeated, scheduled sessions are essential for retention

Short videos on the phone are useful for Emerger and Enabled cohorts, preferred by 40 to 46 percent of those groups, and 73 to 77 percent of Emerger and Enabled women are comfortable with video-based financial training.

One-time demonstrations with no follow-up, English-language interfaces and materials, unknown trainers without community credibility, and voice-only training as a standalone channel for financial content clearly do not work.

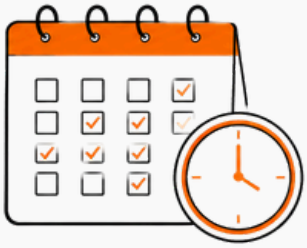
Works for all cohorts

In-person group

One-on-one

Familiar facilitators

Live demo with practice



Repeated sessions

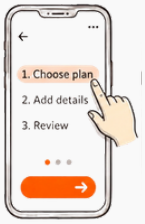
Better retention through repetition

Works for Emerger and Enabled

Short videos on phone

In-app walkthroughs

Demo mode



Try demo

Does not work

One-time demos

English-only materials

Unknown trainers

Voice-only for financial content

Voice-based tools: Helpful in context, not sufficient alone

Only 16 percent of women in the study had used a voice-based service. Comfort with automated audio was reported by 39 percent overall, rising to 67 percent among Emergers and 66 percent among Enabled women. The qualitative evidence clarifies what the numbers obscure.

In rural contexts, voice assistance compensates for text and screen barriers. It feels like spoken guidance, which is familiar. In peri-urban contexts, it plays a supplementary role, useful when users are confused about a step, but users rely more heavily on visual cues. The critical constraint is trust: a mechanical voice is not trusted for financial tasks. High fraud awareness, particularly in peri-urban areas, means that an unfamiliar voice channel triggers suspicion rather than confidence.

Voice works best in the local language, delivered in a calm and patient tone, in a step-by-step format. The moment it sounds like an automated system rather than a person, it loses its value. Voice assistance can reduce cognitive load, but it cannot replace the trust that a known human presence provides.

"A system voice feels like technology. A human-like voice feels like help."

—Experimenter, rural, Maharashtra

Key finding

Our research finds that a trusted, guided first digital transaction completed in a group setting with support from an MFI officer, SHG leader or Bank Sakhi is the most impactful intervention for advancing digital adoption among Experimenters.

Recommendations

Where to invest, and in whom

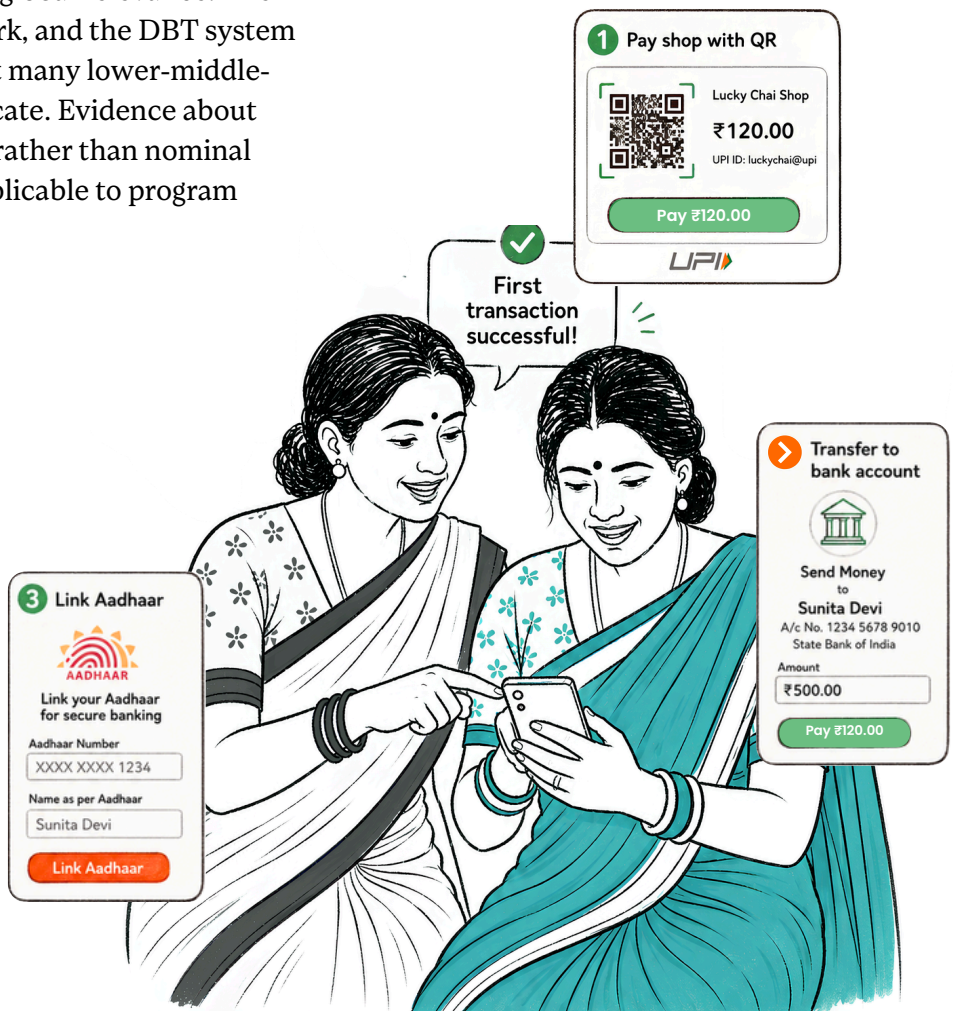
These recommendations are drawn directly from our research evidence, highlighting the highest-impact options based on the data on impact and feasibility.

For funders and donors

The clearest priority emerging from this research is the Experimenter cohort, which comprises 72 percent of the sample. These women are aware of digital tools, motivated to learn, and one guided transaction away from crossing the threshold, representing the most accessible opportunity for financial inclusion. Programs that focus on this group, with the explicit goal of facilitating a first successful transaction in a trusted group setting, would have the greatest return.

This requires sustained investment in human infrastructure, specifically in the network of SHG leaders, Bank Sakhis, ASHA workers, and community educators who are, in practice, the delivery mechanism for digital and financial capability. These people are currently overstretched and under-resourced. Funding their training, time, and escalation support is essential to financial inclusion programming.

Investment in India specifically has global relevance. The JAM infrastructure, the SHG network, and the DBT system represent a policy environment that many lower-middle-income countries are trying to replicate. Evidence about what works in driving actual usage, rather than nominal access, in this context is directly applicable to program design elsewhere.



For financial service providers

(MFIs, banks, fintechs)

Simplify OTP & PIN entry and build confidence

The OTP and PIN entry moment is where adoption fails. FSPs should treat this as a design problem. Confirmation prompts, easy dispute filing mechanisms, and clear recovery pathways when transactions appear to fail would reduce the consequences of the errors that inexperienced users inevitably make.

Sandbox or practice modes, where users can rehearse transactions without real money involved, would help build confidence before transacting for real.

Make interfaces vernacular-first

Vernacular-first interfaces are not optional. English-language screens and error messages are not barriers for Enabled women, but they are significant barriers for Experimenters, who constitute most of the potential user base.

App design that assumes an English-literate user excludes most of the women in this study before they press a single button.

Leverage group meetings for first transactions

FSPs that work through MFI group lending channels have a structural advantage. The group meeting provides a natural setting for facilitated first transactions.

Loan repayment digitization, where a woman is guided through her first UPI payment during an existing group meeting, is the most direct application of our research findings to commercial operations.

Communicate clearly to reduce fraud anxiety

Clear communication about what the institution will and will not ask for, through vernacular messaging, in formats that circulate in community WhatsApp groups, would materially reduce the fraud anxiety that is currently suppressing adoption.

Women need better information about the specific patterns that constitute fraud and what to do when they experience it.

For government

DBT is a powerful entry point to digital services, but requires policy and infrastructure improvements to build women's financial capability. By delivering government-run financial literacy initiatives through Anganwadi and ASHA workers who already have community relationships and household access, the government can reach women when their connection to formal finance is most active, when they have just received a welfare transfer.

The grievance architecture for digital welfare access needs significant attention. Women in this study described applications that disappeared without explanation, systems that went down during submission windows and provided no recovery guidance, and informal charges at Jan Seva centers. A grievance tracking system with assigned reference numbers, time-bound resolution commitments, and stage-wise SMS updates, accessible by missed call or Interactive Voice Response (IVR), would materially reduce the silent exclusion that our research documents.

Aadhaar-mobile-bank linkage remains a persistent bottleneck. Camps organized through SHGs and run by bank personnel, with on-the-spot verification, have been shown to resolve a large proportion of these linkage issues in a single session. This approach works and should be scaled.

For all stakeholders

The highest-priority intervention is a guided first digital transaction for Experimenter women in a group setting with a trusted facilitator. OTP and PIN confidence-building is the specific skill that unlocks the rest. Repeated sessions are required; a one-time demonstration does not create lasting capability. Familiar facilitators, ideally SHG leaders or Bank Sakhis, already known to the group, reduce fear and increase the probability that women will try again on their own.

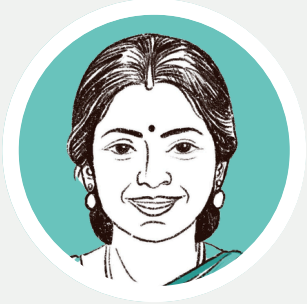
Nascent cohort

Device access programs

Basic digital literacy via ASHA & SHG

Simplified KYC

Do-it-for-her support



Experimenter cohort

Guided first transaction in group setting

OTP confidence building

Fraud awareness

SHG-facilitated in-person sessions

Emerger cohort

Consistent practice opportunities

New use-case expansion

Grievance tracking ID

Bank Sakhi troubleshooting support

Enabled cohort

Advanced financial products

Peer educator activation

Insurance onboarding

Reliable digital infrastructure

Conclusion

The women are ready

Eighty-eight percent of the women in this study who have used a digital tool say it improved their confidence. Seventy percent of Enabled women make financial decisions independently, compared to forty-five percent of Nascent women. This progress is real and measurable, and our research documents multiple cases where it has happened at scale through structured, community-based interventions.

The remaining challenge is not technological. India's digital financial infrastructure is more than adequate. The challenge is reaching the Experimenters, the 72 percent of women who have the access, motivation, and capacity to use it, but who have not yet had the experience of doing so successfully.

These women are actively managing households, navigating financial pressures, and seeking every available mechanism to make their situations more secure. What they are consistently asking for across states, cohorts, and interview formats is someone who will show them how, slowly, in their language, more than once, on their own phone.

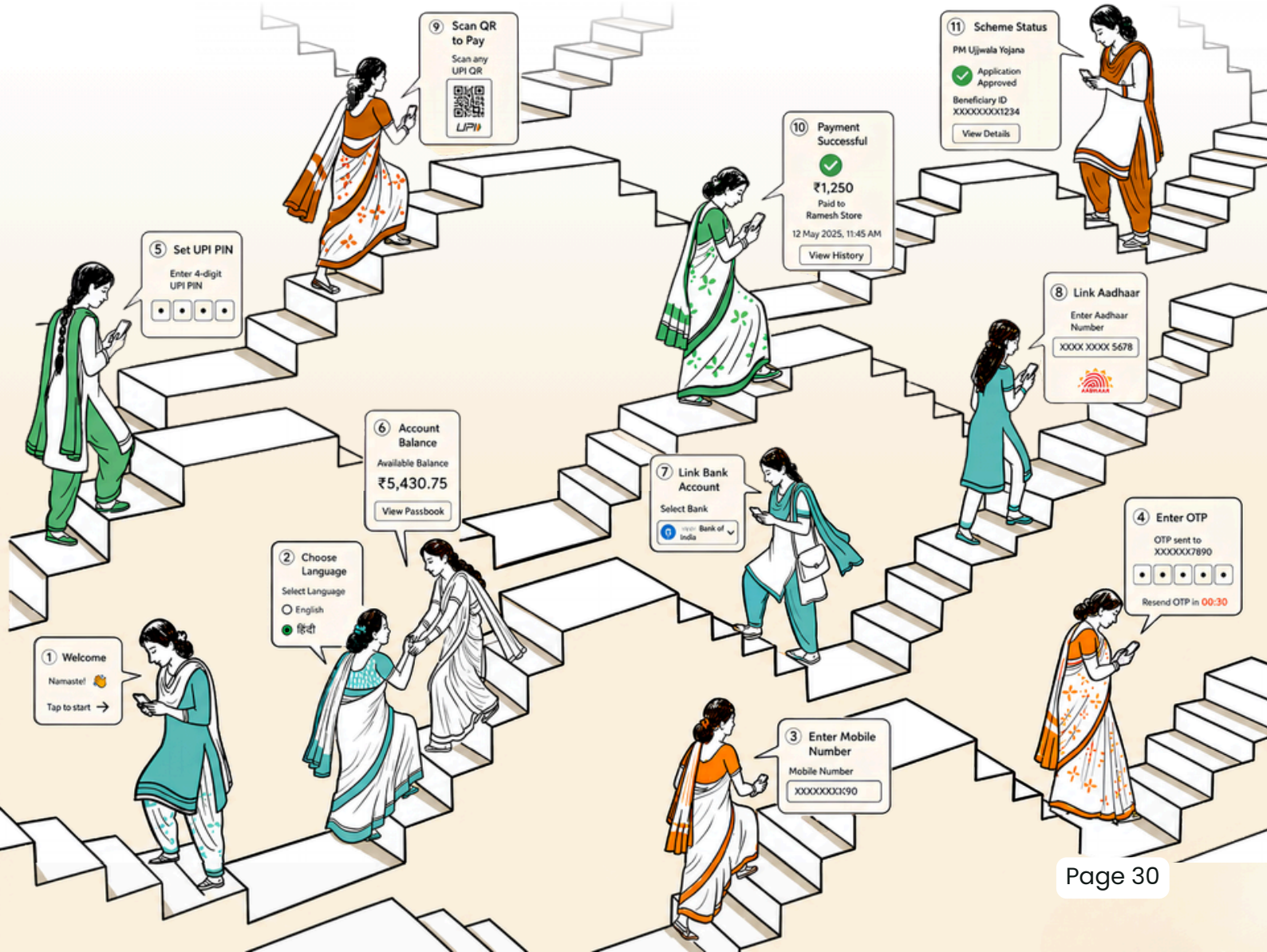
The system that exists to do this, SHG networks, Bank Sakhis, MFI group meetings, Anganwadi infrastructure, is already partially functional and has demonstrated the capacity to deliver results when it is properly resourced and supported. The investment required is not in building new infrastructure, but in taking the existing human infrastructure as seriously as the delivery mechanism.

For global stakeholders beyond India, the lessons are directly applicable. The gap between nominal access and real usage is not unique to India, nor is the evidence that trust is built through people who are known and present in women's communities. Programs that invest beyond account opening and in the experience of actually using an account, safely, with support, and in a setting that allows mistakes without catastrophic consequences, are what can make a difference.

The case for sustained investment

Seventy-two percent of all women in this study are one guided transaction away from digital adoption. No Experimenters with smartphones transacted digitally without support. Eighty-eight percent of digital tool users say it improved their confidence. The opportunity for impact is clear.

"If someone teaches slowly and shows step by step, then it will help us more. There should be regular sessions, not just one time, and we should be allowed to practice on our own phones."



Methodology note

Research design and sample

The study was conducted in two phases. A quantitative survey of 4,340 women was administered across six Indian states: Bihar, Uttar Pradesh, West Bengal, Maharashtra, Karnataka, and Gujarat. Respondents were aged 18 to 64 with household incomes below Rs.30,000 per month. The sample was drawn from both urban and rural settings within each state.

The quantitative survey captured the scale and distribution of barriers to digital financial inclusion across the four cohort segments. Qualitative fieldwork consisting of 65 in-depth interviews and focus group discussions with women across all four cohorts, as well as 24 ecosystem key informant interviews, was conducted in parallel. The qualitative work was conducted in peri-urban and rural settings across the same six states.

The four digital persona segments were first identified in an earlier Accion research conducted in 2023 and were carried forward as the analytical framework for this study, allowing comparison over time and across geographies.

Cohort definitions

Nascent users are women with feature phones or no personal phone access and little to no exposure to digital tools. Experimenter users are women with shared smartphone access who have initiated some digital interactions but remain inconsistent users. Emerger users are smartphone owners with growing confidence who use digital tools for select activities but face barriers in trust or advanced use. Enabled users are digitally active women who use smartphones and multiple digital services and often influence peers in their communities.

Data from the quantitative survey is cited throughout this report with the prefix n= followed by the relevant sample size. Qualitative interview excerpts are attributed by cohort, geography type, and state, without individual identification.

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Since 1961, Accion has helped build 299 financial service providers serving low-income clients in 77 countries, reaching over 500 million people.

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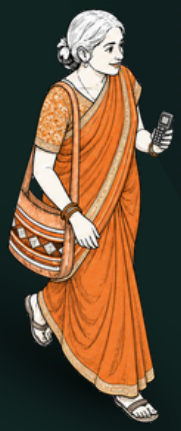

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