

Policy Implications of Cashless Banking on Nigeria's Economy

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Abstract : This study analysed the Policy and general issues that have arisen over time in Nigeria's Cashless banking environment as a result of the lack of a Legal framework on Electronic banking in Nigeria. It undertook an in-depth study of the cashless banking system. It discussed the evolution, growth and development of cashless banking in Nigeria; It revealed the expected benefits of the cashless banking system; It appraised regulatory issues and other prevalent problems on cashless banking in Nigeria; and made appropriate recommendations where necessary. The study relied on primary and secondary sources of information. The primary sources included the Constitution of the Federal Republic of Nigeria, Statutes, Conventions and Judicial decisions, while the secondary sources included Books, Journals Articles, Newspapers and Internet Materials. The study revealed that cashless banking has been adopted in Nigeria but still at the developing stage. It revealed that there is no law for the regulation of cashless banking in Nigeria, what Nigeria relies on for regulation is the Central Bank of Nigeria's Cashless Policy, 2014. The Banks and Other Financial Institutions Act Chapter B3, LFN, 2004 of Nigeria lack provision to accommodate issues on Internet banking. However, under the general principles of legality in criminal law, and by the provisions of the Nigerian Constitution, a person can only be punished for conducts that have been defined to be criminal by written laws with the penalties specifically stated in the law. Although Nigeria has potent laws for the regulation of paper banking, these laws cannot be substituted for paperless transactions. This is because the issues involved in both transactions vary. The study also revealed that the absence of law in the cashless banking environment in Nigeria will subject consumers to endless risks. This study revealed that the creation of banking markets via the Internet relies on both available technologies and appropriate laws and regulations. It revealed however that Law of some of the countries considered on cashless banking has taken care of most of the legal issues and other problems prevalent in the cashless banking environment. The study also revealed some other problems prevalent in the Nigerian cashless banking environment. The study concluded that for Nigeria to find solutions to the legal issues raised in its cashless banking environment and other problems of cashless banking, it should have a viable legal Frame work for internet banking. The study concluded that the Central Bank of Nigeria's Policy on Cashless banking is not potent enough to tackle the challenges posed to cashless banking in Nigeria because policies only have a persuasive effect and not a binding effect. There is, therefore, a need for appropriate Laws for the regulation of cashless Banking in Nigeria. The study also concluded that there is a need to create more awareness of the system among Nigerians and solve infrastructural problems like prevalent power outage which often have been creating internet network problem.

Keywords : cashless-banking, Nigeria, policies, laws

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