

## The Hindrances Associated with Internet Banking Services in Nigeria: The Lagos State Perspective

**Authors :** Patience Oluchi Silas, Yemi Adeshina

**Abstract :** Financial transactions involving the use of the internet has become an important practice among commercial banks in Nigeria with the introduction of internet banking and this has improved banking efficiency in rendering services to customers. However, customers in Lagos State are enslaved in the fear of insecurity, technical failure, inadequate operational facilities, including improper telecommunications and poor power supply. It is in line with this that this paper explores the obstacles faced by Lagosians, tourists, small scale business owners, companies, customers and the government's attitude in addressing the challenges associated with online banking system in Nigeria through relevant legislations. Internet banking has the potential to transform economic activity and achieve developmental goals. If the associated Challenges are addressed quickly, then it will have the desired impact on the Nigerian economy. In this study, Respondents, mostly bank employees and customers were issued well designed and structured questionnaires to effectively examine the new developments brought about by the introduction of Internet banking and the challenges inhibiting its adoption. Hypotheses were formulated to test assumptions and claims generated from the study. The results were statistically analyzed to address the issues of errors and chances, and at the end, the result of the statistical analysis shows that all especially insecurity, inadequate operational facilities and poor power supply are the significant factors affecting the adoption of internet banking services in Nigeria. The study recommends that for internet banking to assume a developmental dimension in Nigeria and for the country to be fully integrated and respected in global financial environment, the prevalent level of frauds in Lagos State and among Nigerians must first be addressed and the relevant local laws should be put in place and in consonance with international laws and conventions; get the citizens well educated on the intricacies of Internet usage and frauds.

**Keywords :** internet-banking, adoption, challenges, insecurity, legislation, fraud, Lagos state, statistics

**Conference Title :** ICLS 2016 : International Conference on Law and Society

**Conference Location :** Montreal, Canada

**Conference Dates :** May 16-17, 2016