

# The Role of Fintech Inclusion Investigates How Financial Inclusion by Expanding Access to Essential Financial Services for Underserved Populations: At Deloitte

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## ABSTRACT

Financial technology (fintech) is revolutionising the landscape of financial inclusion by expanding access to essential financial services for underserved populations. This paper explores how fintech innovations—such as digital payments, alternative credit scoring, and mobile banking—are breaking down traditional barriers and enabling financial institutions to reach rural, low-income, and marginalised communities more effectively. Using Deloitte as a case study, the research highlights strategies, impacts, and challenges of fintech-driven financial inclusion, and identifies gaps in the existing literature, particularly in measuring long-term sustainability and addressing systemic barriers such as gender and diversity gaps in fintech leadership.

## 1. INTRODUCTION

Financial inclusion refers to ensuring that individuals and businesses, especially those from underserved or marginalised groups, have access to affordable and appropriate financial products and services—such as banking, credit, insurance, and payments—delivered in a responsible and sustainable way. Historically, billions have lacked access to these services due to barriers like geography, cost, documentation, or limited financial literacy.

Fintech, or financial technology, is transforming this landscape. By leveraging digital platforms, mobile apps, alternative credit scoring, and innovative business models, fintech companies are making financial services more accessible, affordable, and user-friendly for populations previously excluded from the formal financial system. For example, digital wallets, mobile money, peer-to-peer lending, and micro-insurance products have enabled millions—including women, rural populations, and small businesses—to participate in the financial ecosystem.

Traditional banks often face high costs and logistical challenges in reaching remote or low-income customers. Fintech overcomes these hurdles by offering digital solutions that reduce costs, streamline processes (like e-KYC and digital onboarding), and enable tailored products for specific needs. As a result, the rise of fintech has coincided with a significant increase in financial inclusion worldwide, with global account ownership rising from 51% in 2011 to 76% in 2021, largely driven by mobile and digital innovations.

## 2. RESEARCH OBJECTIVES

### This study aims to :

- To analyse how fintech innovations expand access to essential financial services for underserved and marginalised populations.

- To identify and evaluate the key barriers—such as geography, cost, and documentation—that fintech helps to overcome in promoting financial inclusion.
- To assess the impact of fintech solutions (e.g., digital payments, alternative credit scoring, mobile banking) on the usage and quality of financial services among excluded groups.
- To examine the specific strategies adopted by Deloitte in leveraging fintech for financial inclusion, with a focus on profitability and scalability.
- To investigate how fintech-driven financial inclusion contributes to economic growth, poverty reduction, and entrepreneurship in developing regions.
- To explore the role of fintech in empowering women and other vulnerable groups by providing tailored financial products and services.
- To evaluate the effectiveness of fintech in enhancing financial literacy and digital capability among underserved communities.
- To study the risk mitigation strategies, such as leveraging local networks and alternative credit models, used by Deloitte and other institutions in inclusive finance.
- To identify the challenges and limitations in achieving sustainable and long-term financial inclusion through fintech, including issues of trust, usability, and regulatory compliance.
- To highlight gaps in the existing literature, particularly regarding gender and diversity in fintech leadership, and propose areas for future research and policy intervention.

### 3. LITERATURE REVIEW

#### **Fintech and Financial Inclusion**

##### **Fintech is transforming financial inclusion by:**

- Breaking traditional barriers: Leveraging technology (mobile banking, digital wallets, online platforms) to reach people in remote or underserved areas.
- Enabling easy access: Allowing users to open accounts, make transactions, and access credit with minimal paperwork.
- Reducing costs and increasing convenience: Offering user-friendly, affordable services for low-income groups.
- Innovative credit and investment solutions: Using alternative credit scoring, peer-to-peer lending, and microfinance to provide access to loans for those without formal credit histories.
- Boosting financial literacy: Incorporating educational components to help users manage their finances.

#### **Impact of Fintech on Financial Inclusion**

- Global reach: Fintech has driven a dramatic increase in financial account ownership worldwide, especially in developing countries.
- Empowerment: Previously unbanked individuals now have tools to save, borrow, and invest, fostering economic empowerment.
- Catalyst for growth: By bringing more people into the formal financial system, fintech supports broader economic participation and development.

#### **Objectives of Financial Inclusion in the Role of Fintech**

- Expanding access to financial services
- Reducing barriers and costs

- Promoting economic growth and poverty reduction
- Empowering women and vulnerable groups
- Enhancing financial literacy and capability
- Fostering innovation and inclusion
- Supporting Sustainable Development Goals (SDGs)
- Building trust and security in digital financial services

#### 4. METHODOLOGY

This research employs a qualitative case study approach, focusing on Deloitte's strategies and interventions in promoting fintech-driven financial inclusion. Data is drawn from Deloitte's internal reports, industry publications, and academic literature, with an emphasis on synthesising best practices and identifying gaps in current approaches.

#### Deloitte's Strategies for Financial Inclusion

##### Key Strategies and Impact:

- Adoption of fintech solutions such as digital lending, alternative credit scoring, and technology-driven compliance to lower barriers for marginalised groups.
- Partnerships with organisations like USAID and the World Bank to develop market-oriented approaches, particularly targeting women and women-led businesses.
- Utilisation of local networks and community groups for risk mitigation, such as accepting guarantees from rural savings groups as loan collateral.
- Entry into new markets via movable property lending and leveraging technology to reduce operational costs.
- Emphasis on reaching a profitability inflection point for inclusive organisations, ensuring financial viability alongside social impact.

#### How Deloitte Differs from Other Consulting Firms

- Profitability-driven inclusion: Emphasising sustainable, scalable models rather than solely philanthropic or compliance-driven approaches.
- Innovation and local partnerships: Leveraging local networks and accepting unconventional forms of collateral.
- Private sector, market-oriented solutions: Collaborating with organisations like USAID to bring private-sector thinking to financial inclusion.
- Technology and fintech ecosystem: Helping clients tap into fintech innovations for compliance and risk management
- Collaborative and inclusive culture: Fostering partnerships across sectors and geographies.

#### Unique Risk Mitigation Strategies

- Leveraging local networks and community groups for risk sharing and accountability.
- Encouraging alternative credit scoring and movable property lending to expand safe lending to underserved populations.
- Adopting technology-driven compliance and process optimisation to reduce operational and strategic risks.

- Promoting integrated risk transformation and proactive risk sensing using data analytics.
- Focusing on private-sector, market-oriented approaches to risk mitigation.

## Challenges and Literature Gaps

### Despite significant progress, several gaps remain:

- Limited quantitative studies measure the direct impact of fintech on financial inclusion, especially in rural and marginalised populations.
- Few analyses address the long-term sustainability of fintech-driven inclusion and the usability/trust of digital services among underserved groups.
- Gaps remain in understanding how to overcome systemic barriers, such as gender and diversity gaps in fintech leadership.

## Discussion

### Sustainability and Scalability

Deloitte's approach demonstrates that financial inclusion can be both sustainable and profitable. By embedding financial inclusion within core business strategies, financial institutions can achieve scale while maintaining social impact. However, scalability requires ongoing innovation, local adaptation, and robust risk management.

### Addressing Systemic Barriers

Closing gender and diversity gaps in fintech funding and leadership is crucial. Inclusive strategies must ensure that benefits reach all underserved groups, not just a select few. This requires targeted interventions, data-driven insights, and collaboration with local stakeholders.

### Future Directions

- Expanding research on the long-term impact and sustainability of fintech-driven financial inclusion.
- Developing frameworks to measure usability, trust, and adoption of digital financial services among marginalised populations.
- Promoting gender and diversity inclusion in fintech leadership and funding.
- Enhancing partnerships between fintech's, traditional financial institutions, and community organisations.

## 5. CONCLUSION

The rapid evolution of financial technology (fintech) has fundamentally transformed the landscape of financial inclusion, offering unprecedented opportunities to extend essential financial services to underserved and marginalised populations. This thesis has examined the pivotal role that fintech plays in bridging access gaps, reducing costs, and introducing innovative solutions that address the unique needs of excluded groups, with a particular focus on Deloitte's strategies and interventions.

Deloitte's approach demonstrates that financial inclusion can be both impactful and sustainable when driven by profitability, innovation, and collaboration. By leveraging digital lending, alternative credit scoring, and technology-driven compliance, Deloitte has enabled financial institutions to reach women, rural communities, and small businesses that have historically been excluded from the formal financial system. Their emphasis on local partnerships, risk mitigation through

community networks, and adoption of alternative credit models has set them apart from more traditional, top-down consulting approaches.

Fintech's ability to break traditional barriers—such as geography, cost, and documentation—has been instrumental in expanding account ownership and financial service usage globally. The integration of financial products into everyday digital platforms, along with the use of non-traditional data for credit assessment, has empowered individuals and small enterprises to access capital, save, invest, and participate more fully in economic life.

However, the research also highlights persistent challenges and gaps. There remains a need for more robust, quantitative evidence on the long-term impact and sustainability of fintech-driven inclusion, particularly in rural and marginalised settings. Issues of trust, digital literacy, and regulatory compliance must be addressed to ensure that digital financial services are both usable and secure for all users. Furthermore, closing gender and diversity gaps in fintech leadership and funding is essential to ensure that the benefits of financial inclusion are equitably distributed.

In summary, fintech—when harnessed strategically and inclusively—can be a powerful catalyst for economic empowerment, poverty reduction, and community development. Deloitte's experience illustrates that sustainable, market-oriented models of financial inclusion are achievable and can deliver significant social and economic value. Continued innovation, targeted research, and inclusive leadership will be crucial in overcoming remaining barriers and realising the full promise of fintech-enabled financial inclusion for all.

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