

Research Article

Financial Technology and Credit Management of Small and Medium Enterprises in Enugu State

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Abstract

The study examined the influence of financial technology on credit management among small and medium enterprises (SMEs) in Enugu State. Other specific objectives of the study were to; assess the influence of financial technology on loan accessibility among small and medium enterprises in Enugu State; and examine the influence of financial technology on debt management among small and medium enterprises in Enugu State. The study adopted a descriptive survey design. 10 SMEs operating in Enugu metropolis were purposively sampled for the study, while 65 SME managers were conveniently sampled for the study with the use of structured questionnaire. Z-test statistical tool was used for data analysis. The study found out that financial technology has a significant influence on loan accessibility among small and medium enterprises in Enugu State, $Z(95, n = 65), 3.312 < 5.416 = p. < 0.05$; and financial technology has a significant influence on debt management among small and medium enterprises in Enugu State, $Z(95, n = 65), 3.774 < 6.185 = p. < 0.05$. The study then recommended; financial Literacy and Training Programs of SMEs owners on the usage of financial technology services and mobile applications; and strengthening of regulatory frameworks for FinTech.

Keywords

Financial Technology, Credit Management, Digital Technology, FinTech

1. Introduction

The increasing role of financial technology (FinTech) in the global economy has been particularly significant in developing regions, where access to traditional banking services is often limited. Small and Medium Enterprises (SMEs), which are vital to economic growth and employment generation in Nigeria, face persistent challenges in accessing credit due to stringent banking requirements, high interest rates, and limited financial histories. This is particularly evident in Enugu State, where SMEs contribute significantly to local development but remain underserved by conventional financial institutions [2].

Small and Medium Enterprises (SMEs) play a pivotal role

in the economic development of many countries, especially in emerging economies like Nigeria. These businesses are crucial drivers of job creation, innovation, and wealth generation. In Enugu State, SMEs form a significant portion of the local economy, contributing to both urban and rural employment while promoting regional trade [5]. However, despite their importance, SMEs often face considerable challenges in accessing finance, which is critical for their sustainability and growth. One of the most pressing issues is credit management, where the ability of these businesses to access, utilize, and repay credit effectively has a direct impact on their success or

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failure.

Credit management, particularly for SMEs, involves the strategies and practices used to ensure that businesses can manage their credit obligations effectively. This includes everything from securing loans and other forms of financial assistance to repaying these obligations on time [8]. Effective credit management is essential for ensuring the liquidity and operational efficiency of SMEs, as poor credit management practices can lead to financial distress, default, and ultimately, the collapse of businesses. Unfortunately, many SMEs in Enugu State struggle with credit management due to a combination of internal and external factors. Internally, many SMEs lack the financial literacy, proper record-keeping, and structured management processes necessary for sound credit management [11]. Externally, the high cost of credit, unfavorable loan terms, and a lack of access to formal credit institutions further exacerbate the difficulties faced by these enterprises.

Traditionally, credit management for SMEs has been closely linked to the availability and terms of loans provided by banks and other formal financial institutions. However, SMEs in Enugu State often face stringent lending conditions that make it difficult for them to access bank loans. This includes requirements such as collateral, credit history, and high interest rates, all of which present significant barriers for SMEs with limited resources and financial backgrounds [1]. In response to these challenges, many SMEs have resorted to alternative financing mechanisms, such as microfinance institutions, cooperative societies, and informal lending. However, these options often come with their own risks, including higher interest rates, short repayment periods, and limited loan amounts.

Recent studies have highlighted the importance of improving credit management practices to enhance the performance of SMEs. Credit management is not just about accessing finance but also about managing debt in a way that supports business growth. This includes ensuring that loans are used productively, managing repayment schedules effectively, and maintaining a healthy cash flow to meet financial obligations [10]. In this context, there has been increasing attention on the need for capacity building among SME owners in areas such as financial literacy, risk management, and debt restructuring to improve credit management outcomes.

Moreover, the regulatory and institutional framework governing credit management also plays a crucial role in shaping the ability of SMEs to manage their credit effectively. In Enugu State, the regulatory environment remains a mixed bag, with some reforms aimed at improving SME access to finance, while other policies continue to constrain credit availability due to overly stringent conditions or limited reach of financial institutions in rural areas [7]. As the government and private sector stakeholders continue to explore ways to support SMEs, there is a growing recognition of the need to create more inclusive and flexible financial policies that address the unique challenges faced by SMEs in managing credit.

In response to these challenges, financial technology has emerged as a viable alternative, offering innovative solutions

to bridge the credit gap for SMEs. FinTech platforms leverage digital technologies, including mobile banking, peer-to-peer lending, and blockchain, to offer credit facilities with more flexible terms compared to traditional banks. This transformation has the potential to not only enhance credit accessibility but also reduce transaction costs and improve financial inclusion among SMEs [13]. Studies have shown that FinTech can significantly improve credit management by providing real-time data analytics, digital credit scoring, and automated loan approval processes, which help mitigate the risks associated with lending to SMEs [3].

Despite the advantages offered by financial technology, its adoption in Enugu State has been slower than expected, primarily due to regulatory uncertainties, technological infrastructure deficits, and a general lack of awareness among SME owners [8]. However, there is a growing recognition among policy makers and financial institutions of the need to create an enabling environment for FinTech growth to support SME development. The integration of FinTech in credit management has the potential to revolutionize how SMEs in Enugu State access and manage credit, ultimately contributing to their sustainability and growth in a competitive business landscape.

This study seeks to explore the impact of financial technology on credit management among SMEs in Enugu State, analyzing how FinTech can address the credit challenges faced by these businesses.

1.1. Statement of Problem

Small and Medium Enterprises (SMEs) in Enugu State face significant challenges in accessing credit and managing debt, both of which are critical for their growth and sustainability. Despite their importance to the economy, many SMEs struggle with the stringent requirements and high costs associated with traditional banking systems, limiting their ability to secure loans. Financial technology (FinTech) offers innovative solutions to these challenges, but its adoption in Enugu State remains limited. This study addresses the need to assess how FinTech influences loan accessibility for SMEs, as well as how it impacts their ability to manage debt effectively. The problem lies in the fact that, while FinTech has the potential to enhance credit access and improve debt management through more flexible terms and digital tools, many SMEs in Enugu State are not fully utilizing these innovations due to factors such as regulatory constraints, lack of awareness, and technological infrastructure deficiencies. Therefore, a comprehensive examination of the role of FinTech in improving loan accessibility and debt management is necessary to identify gaps and propose strategies that can enhance SME performance in the region.

1.2. Research Objectives

The main objective is to examine the influence of financial technology on credit management among small and medium enterprises in Enugu State. Other specific objectives are to;

1. Assess the influence of financial technology on loan accessibility among small and medium enterprises in Enugu State
2. Examine the influence of financial technology on debt management among small and medium enterprises in Enugu State

1.3. Research Questions

The following questions guided the course of the study;

1. What influence does financial technology has loan accessibility among small and medium enterprises in Enugu State?
2. What influence does financial technology has debt management among small and medium enterprises in Enugu State?

1.4. Hypotheses

The following hypotheses were tested in the study;

1. Financial technology has a significant influence on loan accessibility among small and medium enterprises in Enugu State
2. Financial technology has a significant influence on debt management among small and medium enterprises in Enugu State

2. Literature Review

This section discussed the variables, theories and related studies reviewed in the study.

2.1. Conceptual Review

2.1.1. Financial Technology

Financial technology, in this study, commonly referred to as FinTech, encompasses a broad range of innovations and digital solutions that aim to improve and automate the delivery of financial services. It integrates technology with financial services to make processes more efficient, accessible, and user-friendly, addressing gaps in traditional banking systems. FinTech solutions include mobile banking, peer-to-peer lending, blockchain technology, and digital payment platforms, which provide consumers and businesses with more flexible and cost-effective alternatives to conventional financial institutions [13]. In particular, FinTech has revolutionized areas like credit management, financial transactions, and risk assessment, making financial services more inclusive and scalable, especially for underserved populations and small businesses [4]. By leveraging data analytics, artificial intelligence, and cloud computing, FinTech enables real-time decision-making, enhances financial security, and reduces operational costs, transforming the global financial landscape.

2.1.2. Credit Management

Credit management in this study can be defined as the practices and processes that organizations implement to control and optimize the granting of credit, ensuring timely repayment and minimizing the risks of bad debt. It involves the evaluation of creditworthiness, setting credit terms, monitoring credit accounts, and enforcing debt collection when necessary. Effective credit management helps businesses maintain healthy cash flow and financial stability by balancing the need to extend credit to customers or clients with the importance of mitigating default risks [10]. In the context of Small and Medium Enterprises (SMEs), proper credit management is crucial as it directly affects their liquidity, operational efficiency, and ability to sustain growth in competitive markets [9].

2.1.3. Loan Accessibility

Loan accessibility in this study can be conceptualized as the ease with which individuals or businesses can obtain credit from financial institutions or alternative lenders. It involves factors such as the availability of financial products, the terms and conditions of loans, interest rates, and the requirements for securing loans, such as collateral or credit history. For Small and Medium Enterprises (SMEs), loan accessibility is crucial for financing operations, expansion, and innovation. However, many SMEs face barriers in accessing loans due to stringent lending criteria, high interest rates, and inadequate financial records, especially in developing regions like Enugu State [9]. Improving loan accessibility can enhance business growth, promote financial inclusion, and stimulate economic development [2].

2.1.4. Debt Management

Debt management in this study, is defined as the strategies and processes employed by individuals or businesses to handle their financial obligations efficiently. It involves planning and executing repayment schedules, prioritizing debts, negotiating favorable terms, and managing cash flow to avoid default and maintain financial stability. Effective debt management ensures that an organization can meet its debt obligations without compromising operational performance, helping to prevent financial distress [10]. For Small and Medium Enterprises (SMEs), especially in regions like Enugu State, strong debt management practices are essential to sustain growth and avoid liquidity issues, which are common challenges due to limited access to credit and high borrowing costs [9].

2.2. Financial Intermediation Theory

The theory explains the role of financial institutions as intermediaries between savers and borrowers, highlighting how these institutions facilitate the efficient allocation of capital within an economy. The theory, originally proposed by Gurley

and Shaw [6], posits that financial intermediaries reduce transaction costs and information asymmetries, thus improving the flow of funds from lenders to borrowers. In the context of SMEs, which often struggle with accessing formal credit due to high transaction costs and information gaps, the theory is highly relevant, particularly as it relates to the emergence of financial technology (FinTech).

The financial intermediation theory is particularly useful in explaining how FinTech innovations are transforming traditional credit management and loan accessibility processes. FinTech platforms serve as modern intermediaries by utilizing technology to streamline the lending process, reduce information asymmetry, and lower transaction costs. By leveraging tools such as digital credit scoring, data analytics, and automated loan approval systems, FinTech can address the issues SMEs typically face in accessing credit from traditional banks, including the need for collateral and a robust credit history [13]. FinTech platforms act as efficient intermediaries by using data-driven decision-making, which improves the evaluation of credit risk and facilitates better loan terms for SMEs.

Moreover, FinTech solutions align with the core tenets of Financial Intermediation Theory by fostering financial inclusion and enabling access to credit for underserved sectors, such as SMEs in developing regions like Enugu State. The theory supports the idea that by reducing the inefficiencies in the traditional banking system, FinTech can improve credit management practices for SMEs. This includes enhancing debt management through more flexible repayment structures, real-time monitoring of cash flows, and the use of mobile platforms to manage loan obligations [3]. As intermediaries, FinTech firms offer SMEs the ability to optimize their credit usage and repayment strategies, which is vital for maintaining liquidity and ensuring long-term sustainability.

2.3. Empirical Review

2.3.1. Financial Technology and Loan Accessibility Among Small and Medium Enterprises

Several studies have examined the impact of financial technology (FinTech) on loan accessibility among Small and Medium Enterprises (SMEs) in Nigeria, revealing how FinTech is reshaping the lending landscape for these businesses.

Agwu and Onwuegbuzie [2] investigated the role of FinTech in enhancing access to finance for SMEs in Nigeria. Their study focused on how digital lending platforms, such as mobile money and peer-to-peer lending, are helping to bridge the financing gap faced by SMEs. The authors found that FinTech platforms significantly improve loan accessibility by reducing the bureaucratic processes that typically hinder SMEs from securing bank loans. They also highlighted that digital platforms allow SMEs to bypass the need for extensive documentation and collateral, which are common obstacles in traditional lending frameworks. The study concluded that the

integration of FinTech into the financial services sector could lead to a more inclusive and accessible credit environment for SMEs.

Also, Aluko and Ayodele [3] examined the impact of FinTech on SME financing in Nigeria, focusing on the role of digital credit scoring and mobile lending apps. Their research revealed that FinTech innovations, particularly in credit assessment and risk profiling, have greatly improved loan accessibility for SMEs. The study highlighted how digital credit scoring systems, which rely on real-time data and non-traditional financial records (e.g., transaction histories from mobile payments), provide more accurate assessments of creditworthiness. This has enabled many SMEs, especially those without formal banking histories, to secure loans. The authors concluded that FinTech not only increases accessibility but also offers better loan terms by reducing the risk of default through data-driven credit assessments.

Furthermore, Okoye, Eze, and Ndubisi [12] explored the influence of FinTech on SME loan accessibility in southeastern Nigeria, particularly in the context of rural areas where traditional banking services are sparse. Their findings indicated that mobile banking and digital lending platforms have become critical in providing financial services to SMEs that would otherwise be excluded due to geographical and infrastructural challenges. The study also emphasized the role of microfinance institutions leveraging FinTech to extend credit to SMEs in these underserved areas. However, the researchers noted that while FinTech has improved loan accessibility, regulatory challenges and digital literacy barriers still limit its full potential.

In addition, Nwankwo and Eze [9] analyzed how FinTech innovations influence loan accessibility for SMEs in Enugu State, Nigeria. Their study found that FinTech platforms have simplified the loan application process, reduced the need for physical bank visits, and expedited approval times, thus making credit more accessible to SMEs. The authors pointed out that many SMEs in Enugu State had previously faced difficulties in obtaining bank loans due to stringent requirements, but with the rise of FinTech, these enterprises now have multiple alternative sources of finance. However, the study also identified gaps in infrastructure and regulatory frameworks that need to be addressed to fully optimize the benefits of FinTech for SME loan accessibility.

Lastly, Oseni and Polasik [13] examined the broader influence of FinTech on SME financing in developing countries, including Nigeria. Their research focused on how blockchain technology and decentralized finance (DeFi) are expanding loan options for SMEs by eliminating intermediaries and reducing transaction costs. The study found that these technologies offer a unique advantage for SMEs, as they provide access to credit without the involvement of traditional financial institutions. This is particularly beneficial in Nigeria, where many SMEs lack the collateral or credit history required by conventional lenders. The study concluded that FinTech, especially blockchain-based lending, has the poten-

tial to revolutionize SME financing by offering more accessible, transparent, and secure loan options.

2.3.2. Financial Technology on Debt Management Among Small and Medium Enterprises

Eze, Nwankwo, and Obinna [8] conducted a comprehensive study on how FinTech influences debt management practices among SMEs in Nigeria. Their research emphasized the role of digital lending platforms in providing SMEs with flexible repayment options that align with their cash flow cycles. The study found that such flexibility allowed SMEs to manage their debt more effectively and reduce the risk of default. Moreover, the authors noted that digital platforms facilitate better communication between lenders and borrowers, enabling SMEs to negotiate repayment terms that suit their financial situations. The study concluded that FinTech enhances SMEs' ability to manage debt through improved accessibility to tailored financial solutions.

Also, Okoye, Eze, and Ndubisi [12] examined the impact of FinTech on debt management specifically in the context of rural SMEs in Nigeria. Their study revealed that many rural SMEs face significant challenges in accessing formal credit and managing their debts due to limited financial literacy and inadequate banking infrastructure. However, the advent of FinTech solutions, such as mobile banking and micro-lending platforms, has empowered these SMEs to take control of their financial obligations. The research indicated that by providing access to affordable credit and easy-to-use financial management tools, FinTech has improved the debt management practices of rural SMEs, allowing them to reduce reliance on informal lenders and enhance their financial stability.

And, Ogujiuba and Nwankwo [10] investigated the effectiveness of FinTech in promoting sound debt management practices among SMEs in Nigeria. Their study focused on the integration of artificial intelligence (AI) and data analytics in financial management tools used by SMEs. The authors found that AI-driven debt management solutions assist SMEs in forecasting cash flows, optimizing repayment schedules, and minimizing late payment penalties. The research highlighted that SMEs utilizing these advanced FinTech tools experienced lower debt levels and improved credit scores, ultimately enhancing their borrowing capacity. The study concluded that the application of FinTech innovations in debt management leads to better financial outcomes for SMEs.

2.4. Summary of Empirical Review

The studies reviewed consistently show that FinTech has a positive impact on loan accessibility for SMEs in Nigeria. The key findings across these studies include the role of FinTech in reducing bureaucratic hurdles, improving credit risk assessment through digital tools, and expanding financial services to underserved areas. Digital credit scoring, mobile lending platforms, and blockchain technologies have all been highlighted as critical innovations that enhance SME access to

loans. However, challenges such as regulatory constraints, digital literacy, and infrastructure limitations still persist, requiring further attention from policymakers and stakeholders to ensure that FinTech can fully deliver on its promise of financial inclusion.

Also, the studies reviewed consistently demonstrate that FinTech significantly influences debt management practices among SMEs in Nigeria. Key findings across these studies include the enhancement of financial literacy, improved cash flow monitoring, flexible repayment options, and the application of advanced technologies like AI and blockchain. By leveraging FinTech solutions, SMEs can optimize their debt management strategies, reduce the risk of defaults, and improve their overall financial health. However, challenges such as inadequate digital literacy and infrastructure limitations still need to be addressed to fully realize the potential of FinTech in enhancing debt management for SMEs.

3. Methodology

3.1. Research Design

The research design adopted in this study was descriptive survey research design. The research design is best suited for this study because it permits the collection of original data and described the conditions as they existed in their natural setting. It studies the opinions, attitude, behaviours and beliefs of persons on the problems of this study.

3.2. Area of the Study

The study was carried out in among SMEs situated in Enugu Metropolis. SMEs in this study refer to small business enterprises with small workforce size, between 2 to 50 employees.

3.3. Instrument for Data Collection

Data were sourced from both primary and secondary sources. The primary data was sources through the use of five-response, Likert-typed, structured questionnaires. Questions were formulated to measure, the influence of financial technology on loan accessibility and debt management among small and medium enterprises in Enugu state. Also, data were sourced from secondary sources like journals, text books, online resources that reviewed the variable of interest; financial technology and credit management.

3.4. Population of the Study

Managers of selected small and medium enterprises situated in Enugu metropolis, which totaled 65 comprised the population of interest in this study.

Table 1. Distribution of Members of selected SMEs In Enugu State.

S/N	Trade	Number of Managers
1	Kolocci Bakery	5
2	Albatina Limited	7
3	Zeelox Limited	6
4	Coal City Limited	8
5	Roban Stores	17
6	Okey Electronics Limited	6
7	I. K Metal and Iron Road Merchandise	4
8	Okenwa Mall	5
9	Kingz Royale Restaurant	4
10	Empire State Furnitures	3
	Total	65

3.5. Sampling Technique

The study adopted purposive sampling technique in selecting the SMEs incorporated in the study based on usage of financial technology services in their daily business activities. While convenient sampling technique was adopted in sampling all the respondents incorporated in the study.

3.6. Reliability of Test Instrument

A pilot study was adopted in order to check for the validity and reliability of the questionnaire formulated. Greenfield (2015) defined it as a small-scale, preliminary investigation conducted before the main research project. It serves as a trial run to test and refine the research design, methodology, data

collection instruments, and procedures. 10 SMEs founders were conveniently drawn from the Anambra state, for the pilot test of the questionnaire and a Cronbach Alpha of $\alpha = .83$ was gotten, thus affirming the internal consistency of the questions contained in the questionnaire.

3.7. Validity of Test Instrument

The face and content validity of the instrument was used by giving out the copies of the questionnaires to the supervisor and some professionals in the field of Research in Management Science to confirm the authenticity of the items contained in the questionnaire, in the measurement of the intended variables.

3.8. Method of Data Analyses

Data from the questionnaire were analyzed with the aid of SPSS version 23. Data from the questionnaire were analyzed using mean and standard deviation. For the 5-point Likert scale questions, the strongly agreed (SA), agreed (A) Neutral (N) Disagree (D) and strongly disagree (SD). Z- Test statistics was adopted in the test of hypotheses.

Hi will be accepted if the significance level is less than $p < .05$.

4. Results

4.1. Data Analysis

Hypothesis 1: Financial technology has a significant influence on loan accessibility among small and medium enterprises in Enugu State

Table 2. Mean and Standard Deviation of Responses on Hypothesis 1.

Descriptive Statistics					
	N	Mean	Std. Deviation	Minimum	Maximum
1. Digital lending platforms have made it easier for my SME to access loans compared to traditional banks.	65	2.84	1.114	1	5
2. The application process for loans through FinTech platforms is less complicated than that of traditional financial institutions	65	3.48	1.151	1	5
3. My SME has received loans from FinTech companies that we would not have qualified for at traditional banks	65	3.36	1.299	1	5
4. Financial technology services offer more flexible repayment options than traditional banks, enhancing my SME's loan accessibility	65	3.03	1.384	1	5
5. The use of mobile apps and online platforms for loan applications has significantly improved my SME's access to financing	65	3.03	1.094	1	5

Table 2 shows the mean and standard deviation distribution of responses on whether financial technology has a significant influence on loan accessibility among small and medium enterprises in Enugu State. The mean result ranges from [M = 2.84

– 3.48], which shows an even distribution of responses among respondents, same with the standard deviation result [SD= 1.09 – 1.41], which shows normal distribution in their responses. Therefore, there is consistency in the pattern of responses

Table 3. Z-test analysis of responses on whether financial technology has a significant influence on loan accessibility among small and medium enterprises in Enugu State.

		Digital lending platforms have made it easier for my SME to access loans compared to traditional banks	The application process for loans through FinTech platforms is less complicated than that of traditional financial institutions	My SME has received loans from FinTech companies that we would not have qualified for at traditional banks	Financial technology services offer more flexible repayment options than traditional banks, enhancing my SME's loan accessibility	The use of mobile apps and online platforms for loan applications has significantly improved my SME's access to financing
N		65	65	65	65	65
Uniform Parameters ^{a,b}	Minimum	1	1	1	1	1
	Maximum	5	5	5	5	5
Most Extreme Differences	Absolute	.198	.173	.291	.261	.203
	Positive	.198	.157	.077	.168	.203
	Negative	-.179	-.173	-.291	-.261	-.192
Kolmogorov-Smirnov Z		3.631	3.214	5.416	4.109	3.611
Asymp. Sig. (2-tailed)		.000	.000	.000	.000	.000

With Kolmogorov-Smirnov Z – value ranges from 3.214 < 5.416 and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. This affirms the assertion of the most of the respondents that financial technology has a significant influence on loan accessibility among small and medium enterprises in Enugu State.

Furthermore, comparing the calculated Z- value ranges from 3.312 < 5.416 against the critical Z- value of .000

(2-tailed test at 95 percent level of confidence) the null hypothesis were rejected. Thus the alternative hypothesis which states that financial technology has a significant influence on loan accessibility among small and medium enterprises in Enugu State, was accepted.

Hypothesis 2: Financial technology has a significant influence on debt management among small and medium enterprises in Enugu State.

Table 4. Mean and Standard Deviation of Responses on Hypothesis 2.

Descriptive Statistics					
	N	Mean	Std. Deviation	Minimum	Maximum
1. FinTech tools have improved my SME's ability to monitor and manage our debt obligations effectively	65	3.07	1.429	1	5
2. The use of digital financial management applications has led to better planning for debt repayments in my SME	65	2.81	.988	1	5
3. My SME has experienced fewer late payments and defaults since adopting financial technology for debt management	65	3.16	1.445	1	5
4. Financial technology solutions provide valuable insights that help my SME	65	2.70	1.191	1	5

Descriptive Statistics

	N	Mean	Std. Deviation	Minimum	Maximum
optimize our borrowing strategies					
5. The ability to negotiate repayment terms through FinTech platforms has positively influenced my SME's debt management practices	65	3.40	1.144	1	5

Table 4 shows the mean and standard deviation distribution of responses on whether financial technology has a significant influence on debt management among small and medium enterprises in Enugu State. The mean result ranges from [M = 2.70 –

3.40], which shows an even distribution of responses among respondents, same with the standard deviation result [SD= 0.988 – 1.45], which shows slight deviations in their responses. Therefore, there is consistency in the pattern of responses.

Table 5. Z-test analysis of responses on whether financial technology has a significant influence on debt management among small and medium enterprises in Enugu State.

		FinTech tools have improved my SME's ability to monitor and manage our debt obligations effectively	The use of digital financial management applications has led to better planning for debt repayments in my SME	My SME has experienced fewer late payments and defaults since adopting financial technology for debt management.	Financial technology solutions provide valuable insights that help my SME optimize our borrowing strategies	The ability to negotiate repayment terms through FinTech platforms has positively influenced my SME's debt management practices.
N		65	65	65	65	65
Uniform Parameters ^{a,b}	Minimum	1	1	1	1	1
	Maximum	5	5	5	5	5
Most Extreme Differences	Absolute	.223	.324	.245	.223	.310
	Positive	.223	.324	.187	.223	.080
	Negative	-.209	-.165	-.245	-.071	-.310
Kolmogorov-Smirnov Z		4.246	6.185	4.665	4.246	5.923
Asymp. Sig. (2-tailed)		.000	.000	.000	.000	.000

With Kolmogorov-Smirnon Z – value ranges from 3.774 < 6.185 and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. This affirms the assertion of the most of the respondents that financial technology has a significant influence on debt management among small and medium enterprises in Enugu State.

Furthermore, comparing the calculated Z- value ranges from 3.774 < 6.185 against the critical Z- value of .000(2-tailed test at 95 percent level of confidence) the null hypothesis was rejected. Thus the alternative hypothesis which states that financial technology has a significant influence on debt management among small and medium enterprises in Enugu State was accepted.

4.2. Discussion

The study examined the influence of financial technology on credit management of small and medium enterprises in Enugu state.

The first hypothesis which states that financial technology has a significant influence on loan accessibility among small and medium enterprises in Enugu State, was accepted $Z(95, n = 65), 3.312 < 5.416 = p. < 0.05$, which implies that the emergence of financial technology has improved access to online financial services such as loans, micro-credits and grants. This finding corroborates Agwu and Onwuegbuzie [2] finding, which revealed that FinTech platforms significantly improve loan accessibility by reducing the bureaucratic pro-

cesses that typically hinder SMEs from securing bank loans. It also confirms Aluko and Ayodele [3] finding, which revealed that FinTech innovations, particularly in credit assessment and risk profiling, have greatly improved loan accessibility for SMEs. And Okoye, Eze, and Ndubisi [12] finding, which indicated that mobile banking and digital lending platforms have become critical in providing financial services to SMEs that would otherwise be excluded due to geographical and infrastructural challenges. Also, it confirmed Nwankwo and Eze [9] study, which found out that FinTech platforms have simplified the loan application process, reduced the need for physical bank visits, and expedited approval times, thus making credit more accessible to SMEs. Hence, it can be deduced that financial technology has simplified the process of loan application and grants.

The second hypothesis which states that financial technology has a significant influence on debt management among small and medium enterprises in Enugu State, was equally accepted $Z(95, n = 65), 3.774 < 6.185 = p. < 0.05]$, this implies that financial technology provides solutions for loan repayment, debt tracking and recording, and debt management. This finding confirmed Eze, Nwankwo, and Obinna [8] finding, which revealed that flexibility in FinTech mobile applications allowed SMEs to manage their debt more effectively and reduce the risk of default. Also, the finding corroborated Okoye, Eze, and Ndubisi [12] finding, which revealed that the advent of FinTech solutions, such as mobile banking and micro-lending platforms, has empowered these SMEs to take control of their financial obligations. The study equally validated Ogujiuba and Nwankwo [10] finding, which evinced that AI-driven debt management solutions assist SMEs in forecasting cash flows, optimizing repayment schedules, and minimizing late payment penalties.

In conclusion, It is evident that financial technology plays a significant role in credit management among SMEs in Enugu state and beyond.

5. Summary of Findings, Conclusion and Recommendations

5.1. Summary of Findings

The study found out that;

1. Financial technology has a significant influence on loan accessibility among small and medium enterprises in Enugu State, $Z(95, n = 65), 3.312 < 5.416 = p. < 0.05]$
2. Financial technology has a significant influence on debt management among small and medium enterprises in Enugu State, $Z(95, n = 65), 3.774 < 6.185 = p. < 0.05]$

5.2. Conclusion

In conclusion, the findings of the study indicate that financial technology plays a crucial role in improving both loan

accessibility and debt management for Small and Medium Enterprises (SMEs) in Enugu State. The significant influence of financial technology on loan accessibility, evidenced by the statistical results, which suggest that SMEs are better positioned to secure financing through innovative digital platforms compared to traditional banking methods. Additionally, the substantial impact of financial technology on debt management demonstrates that SMEs can utilize digital tools to effectively manage their debt obligations, improving financial discipline and reducing the risk of defaults. Overall, these findings revealed the importance of integrating financial technology solutions into the operations of SMEs to foster financial inclusion and stability in Enugu state.

5.3. Recommendations

1. *Promote Financial Literacy and Training Programs:* To maximize the benefits of financial technology, it is essential to implement financial literacy and training programs targeted at SME owners and managers. These programs should focus on educating them about the various FinTech tools available, their functionalities, and best practices for effective loan management and debt servicing. By enhancing their understanding of financial technology, SMEs can make more informed decisions regarding borrowing, repayment strategies, and overall financial management, ultimately leading to improved business outcomes.
2. *Strengthen Regulatory Frameworks for FinTech:* To ensure the sustainable growth of financial technology solutions in supporting SMEs, it is crucial for policymakers to strengthen the regulatory frameworks governing FinTech operations in Nigeria. This includes establishing clear guidelines that promote transparency, security, and accountability in FinTech transactions while protecting the interests of both lenders and borrowers. By fostering a conducive regulatory environment, SMEs will gain greater confidence in utilizing FinTech services, which can further enhance their access to financing and improve their debt management practices.

5.4. Contributions to Knowledge

1. *Empirical Evidence on FinTech's Impact on SMEs:* The study provides empirical evidence that highlights the significant role of financial technology in enhancing loan accessibility and debt management for SMEs in Enugu State. By utilizing quantitative data analysis, the research substantiates the claims that FinTech innovations directly improve SMEs' ability to secure financing and effectively manage their financial obligations. This contribution enriches the existing literature on FinTech by offering specific insights into its applicability and effectiveness within the Nigerian context, particularly for small businesses.

2. *Framework for Future Research and Policy Development*: The findings of the study offer a foundational framework for future research on the intersection of FinTech and SME development in Nigeria and other developing economies. By identifying key areas where FinTech influences financial practices, the research opens avenues for further investigation into the challenges and opportunities SMEs face when adopting these technologies. Additionally, the insights gained from this study can inform policymakers and stakeholders in designing targeted interventions and regulatory measures that support the integration of FinTech solutions, thereby promoting financial inclusion and economic growth within the SME sector.

Abbreviations

FinTech	Financial Technology
SME	Small and Medium Enterprises

Author Contributions

Kenneth Omeke is the sole author. The author read and approved the final manuscript.

Conflicts of Interest

The author declares no conflicts of interest.

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