TECHNOLOGICAL TRANSFORMATION IN FINANCE: FINTECH

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Introduction: Over the past decades, technology has been introduced across every strategic sector, including education, government, medicine, and even the financial sector. These inclusions made workflows easier across all sectors, especially in financial services, since everyone uses money, including banks. The main innovation was in payment systems worldwide, which made capital movements faster and cheaper. This kind of initiative theory is known as Financial Technologies, commonly referred to as *FinTech* (Kou & Lu, 2025).

Traditional Banking

As we know, a couple of centuries ago, traditional banks were established to collect, preserve, and create money. This was the first major movement in human history to address money management for everyone. Later, it became even easier for everyone to use such services as lending, depositing, and more. They held crucial roles in many countries' economies, and historically, banks were often the first institutions affected in financial crises.

Even now, they remain one of the world's strategic institutions, and their services are widely used. However, there were changes in operational behaviour, especially with the advent of *digital banking*. This modern mechanism improved financial communication, enabling transactions to be conducted more efficiently, faster, and more easily through mobile banking, web databases, and digital services (Kumar et al., 2024).

The Use of Technology in Payment Systems

Technology was not just used for communication but also for moving money. A major game-changer was the payment system that makes money move through networks in seconds. Every second, billions of dollars are moved through online payment systems and accepted at points of sale worldwide. Major traditional players like Visa and Mastercard continue to play dominant roles in peer-to-peer money transactions, while platforms such as Google Pay, Apple Pay, and PayPal provide alternative digital financial management tools (Harsono & Suprapti, 2024).

The Impact of FinTech

The impact of FinTech is much greater than many people imagine. FinTech is not only a good way to manage money but also to control capital flows more precisely. For example, in traditional cash systems, we might not know exactly how money was spent. However, digitalisation enabled governments to monitor capital flows, and even small expenditures can be traced for statistical and regulatory purposes — reducing underground economic activity and improving transparency.

Another influence affects many businesses. Since billions of people have adopted bank cards and digital payments, many prefer *mobile banking* rather than carrying large amounts of cash. Therefore, even small merchants now need card readers and payment systems that integrate with bank accounts to accept multiple digital payment methods — a direct result of FinTech's influence on commerce and daily transactions (Nkatekho, 2024).

According to comprehensive research, FinTech improves operational efficiencies such as transaction speed, cost savings, and customer convenience, but also causes competitive challenges within banking ecosystems. Traditional banks now face pressure to adopt these innovations themselves or risk losing market standing without cooperative strategies (Sekolah Tinggi Ilmu Ekonomi Enam Enam Kendari, 2026).

Conclusion

The impact of FinTech can be seen everywhere where money serves as a medium of exchange and a store of value. It has played a vital role in government systems by preventing capital leakage, underground economies, and tax evasion by improving traceability and transparency. On the consumer side, FinTech has given convenience, savings, and efficiency to billions of users who now manage their finances digitally — sometimes without ever visiting a physical bank.

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