

**THE CHALLENGES OF E-BANKING
AMONG CUSTOMERS IN SELECTED
BANKS IN ADO-EKITI, EKITI STATE,
NIGERIA**

BY

AYEBUSIWA AYODEJI DANIEL

2016

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SOC/11/0225

**A PROJECT SUBMITTED TO THE DEPARTMENT OF
SOCIOLOGY, IN PARTIAL FULFILMENT OF THE AWARD OF
BACHELOR OF SCIENCE DEGREE (B.SC. HONOURS) IN
SOCIOLOGY OF THE FEDERAL UNIVERSITY OYE EKITI,
EKITI STATE, NIGERIA.**

2016

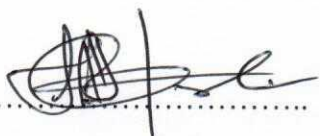
CERTIFICATION

We the undersigned certify that we approve the research work carried out by **AYEBUSIWA, DANIEL** is adequate in scope and content in partial fulfilment of the requirement for the award of Bachelor of Science (B.Sc.) Degree in Sociology at Federal University Oye-Ekiti, Ekiti State, Nigeria.



Dr. Foloranti, O. O.

(Project Supervisor)



Dr. Omotosho B. J.

(Head of Department)

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Date

25/7/16
.....
Date

DEDICATION

This project is absolutely dedicated to Almighty God, the God of gods and the King of kings, the source of all lives and the Creator of all creatures who spare my life till this very moment in spite of war that raged. Also, to my late dad and caring, and virtuous mother and all my Uncles and Aunties and siblings that played one role or the other to ensure that I am still very much alive.

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Abstract

This study investigates the challenges of E-Banking among customers in selected banks in Ado-Ekiti with the aim of evaluating the prospects of e-banking in selected banks in Ado-Ekiti; assessing the effects of electronic banking on the performance and profitability of the selected banks in Ado-Ekiti; examining the effect of electronic banking on customers' satisfaction in selected banks in Ado-Ekiti; seeking to examine the challenges facing the implementation of e-banking in selected banks in Ado-Ekiti and investigating what the management is doing to overcome the challenges of e-banking in selected banks in Ado-Ekiti.

The exploratory study used both sources of data collection. All residents of Ado-Ekiti that are not less than 18 years and use one form of e-banking or the other are the population for the study.

The study used the accidental sampling technique to select 150 respondents to represent those that have account with bank in Ado-Ekiti. A semi-structure questionnaire was used to elicit information on the subject matter. The quantitative data was analysed using SPSS version 20.

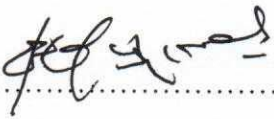
Findings revealed that 57.7% of the respondents strongly agree that e-banking has totally override traditional banking system the same percentage of respondents strongly agree that Internet banking makes bank service and operation easy, 52.1% agree that bank staff give me prompt service, 45.1% agree that they intend to continue banking with their bank for life while 53.5% of the respondents agree that the prospects of e-banking cannot be over-emphasized. Furthermore, 45.1% of the respondents agree that e-banking improve bank staff efficiency, 42.3% agree that operations and services takes short time in the banks, 31.7% agree that customers spends little in the banking hall irrespective of what brought them, 45.1% also agree that bank staff do large volume of works within short time while 45.8% of the respondents agree that my bank make huge and increase profit each year. About 50.7% strongly agree that they

were happy with the implementation of e-banking in their banks, 44.4% agree that they rarely come to banking hall for any form of banking transaction, 47.2% feel safe transacting with their bank, 41.5% agree that bank's staff are courteous with me and always willing to assist me without wasting time at all. On the problem of e-banking, the results showed that 44.4% strongly agree that network downturn is a major problem of e-banking, 35.9% strongly agree that most banks in Ado-Ekiti do not have enough ICT facilities for e-banking, 43.7% agree that most customers do not have the knowledge for e-banking, 36.6% agree that insecurity affects me using e-banking in Ado-Ekiti while 43.0% of the respondents agree that proximity of ICT facilities for e-banking creates a lot of problems for customers. In respect to the solution of e-banking challenges, , 48.6% agree that the solution to e-banking challenges lies with management of selected banks, 47.2% agree that government of the day also have a role to play in solving the problem of e-banking while 50.7% of the respondents agree that customers of each bank too have their part of the solution.

The study concluded that e-banking usage among the people of Ado-Ekiti is still new. The people need to be enlightened by bank management on how to use e-banking so that the cashless economy policy can really have its ground in Nigeria at large.

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CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Although a lot of research works has been done on the prospects and challenges of Information and Communication Technology (ICT) in the banking industry, these research works are broad based and only few are actually focused on Electronic Banking (E-banking). Modern banks now realise that only those that overhaul their payment service delivery and operations are likely to survive and prosper in the 21st century (Opara et al, 2010). This is due to pressure of globalisation, consolidation, privatisation, deregulation and rapidly changing technology (Connel and Saleh 2004). In order to properly place themselves in favourable positions for competitions and be one of those corporations to be reckoned with in the new century, banks globally are making use of Internet to execute mobile banking, this developed from bringing PCs together to form Local Area Networks (LAN) and Wide Area Networks (WAN) through client/server technology.

Many banks have installed modern computer inter-connectivity backbone that would enable them achieve communications of data and multimedia over Internets, Intranets and Extranets. They also realise that they have to achieve not only management/staff wide computer literacy but what could be called information literacy i.e. knowing how to locate, analyse, store and use information. All staff and managers in a modern bank need to be able to search and gather data from several types of sources analyse them, select relevant ones and organise them in such a manner to allow them make decisions based on the organised data.

Banks of the future realises that the banking of tomorrow requires more of electronic manipulations and shuffling of bits-based money and other banking transactions, instead of paper. In other words, paper based transactions are now being replaced by electronic-based

transactions e.g. the Internet. Whether a bank would be successful or not depend on the extent to which it is investing in IT and using it in an innovative manner. This area has been tip to be a major competitive ground for banks that are operating in the post-consolidation era. What are the major issues needed to be mastered by Nigeria banks in order to compete with the rest of the world? What are the major developments and challenges in the Nigerian operating environment that are affecting the growth of electronic banking in the industry? These are some of the questions that would be addressed in the course of this study.

1.2 Statement of the Problem

Electronic banking is a driving force that is changing the landscape of the banking industry fundamentally, in particular, towards a more competitive industry. Electronic banking has blurred the boundaries between different financial institutions, enabled new financial products and services, and made existing financial services available in different packages (Agbada, 2008). But the influences of electronic banking go far beyond this. The developments in electronic banking, together with other financial innovations, are constantly bringing new challenges to finance theory and changing people's understanding of the financial system.

It is not surprising that in the application of electronic banking in Nigeria, the financial institutions have to face its problems. Communications over the Internet are insecure and often congested. The financial institutions would also have to contend with other Internet challenges including security, quality of service and some aberrations in electronic finance (Guardian Newspaper 2001).

Besides, the existing business environment also poses some challenges to the smooth operations of electronic banking in Nigeria. Some of these operational challenges include epileptic power supply, dominance of cash transaction in the economy, low level of

awareness among Nigerians etc (Agbada, 2008). The thrust of this research work shall be to examine the trend of electronic banking in Nigeria and a critically examination of the challenges noted above.

1.3 Objectives of the Study

The main objective of this study is to investigate on the challenges of e-banking among the people of Ado-Ekiti. The specific objectives which this research work aims to achieve are to:

- (i) evaluate the prospects of e-banking in selected banks in Ado-Ekiti;
- (ii) assess the effects of electronic banking on the performance and profitability of the selected banks in Ado-Ekiti;
- (iii) examine the effect of electronic banking on customers' satisfaction in selected banks in Ado-Ekiti;
- (iv) seek to examine the challenges facing the implementation of e-banking in selected banks in Ado-Ekiti;
- (v) investigate what the management is doing to overcome the challenges of e-banking in selected banks in Ado-Ekiti.

1.4 Research Questions

The study would provide answers to the following research questions:

- (i) What are the prospects of e-banking in selected banks in Ado-Ekiti?
- (ii) What is the effects of electronic banking on the performance and profitability of the selected banks in Ado-Ekiti?
- (iii) Does customers in Ado-Ekiti enjoy any satisfaction of e-banking?
- (iv) What are the challenges/problems facing the implementation of e-banking in selected banks in Ado-Ekiti?

(v) What is the position of management of the selected banks in combating the challenges of e-banking in selected banks in Ado-Ekiti?

1.5 Study Hypotheses

The following hypotheses are formulated from the research questions above.

- i. There is a very strong relationship between e-banking and bank performance and profitability.
- ii. There is a very strong relationship between e-banking and customers' satisfaction in the selected banks in Ado-Ekiti.
- iii. There is a very strong relationship between e-banking and challenges/problems facing some selected banks in Ado-Ekiti.

1.6 Significance of the Study

This study is significance because it would help to enlighten operators in the banking sector and other concerned individuals and organisation on the adoption of Electronic banking. The research shall basically identify the technical and operational challenges facing Electronic banking in Nigerian business environment and suggests ways by which they could be tackled.

1.7 Scope of the Study

In pursuance of the objective of the study, attention shall be focused on E-banking among other electronic commerce implementation. In order to conduct an empirical investigation into the challenges that branded e-banking among the customers of selected banks in Ado-Ekiti, this study will examine the problems of e-banking after the adoption and use of e-banking in some selected banks in the city of Ado-Ekiti.

1.8 Definition of Related Terms

- i. **E-Banking:** is an umbrella term for the process by which a customer may perform transactions electronically without visiting a brick and mortar institution. It

could be in form of personal computer banking, internet banking, home and phone banking, etc.

- ii. **Automated Teller Machine (ATM):** An ATM device allows a bank customer to withdraw cash from his account via a cash dispenser [machine] and the account is debited immediately.
- iii. **ATM Cards:** An ATM card is a chip device consisting of circuit element on a single silicon chip. It is used by customers to perform balance enquiry, mini statement, cash withdrawal as well as transfers via the ATM. It can also be used for internet/online and POS transactions.
- iv. **Internet Banking:** this is a product that enables the bank leverage on the Internet Banking System module in built on the new Banking applications implemented by the Bank to serve the Internet Banking needs of the Bank's customers.
- v. **Mobile Banking:** this is a product that offers customers of a Bank access services as they go. Customers can make their transactions anywhere such as account balance, transaction enquires, stop checks, and other customers service instructions, balance inquiry, account verification, bill payment, Electronic fund transfer, account balance updates and history, customer service via mobile etc.
- vi. **Point of Sales:** A point of sale machine is the payment device that allows credit or debit cardholders make payments at sales or purchase outlets. It allows customers to perform the following services: Retail payments, cashless payments, cash back balance enquiry, airtime vending, loyalty redemption, printing mini statement etc.
- vii. **Transaction Alert:** Customers carry out debit or credit transactions on their account and they need to keep track of these transactions. This prompted the advent of the alert system by the bank to notify customers of those transactions. The

alert system also serves as notification system to reach out to customers when necessary information needs to be communicated.

viii. E-Commerce: refers to any activity (commercial) that takes place between a business, its partners or its customers through a combination of computing and communication technology which makes products announcement easier and faster to deliver. It is any business activity that takes place via digital processes over a network.

ix. Internet: A group of interconnected computers connected to a global network. An international computer network connecting other networks and computers.

xi. Information and Communication Technology (ICT): The use of technologies from computing, electronics and telecommunications to process and distribute information in digital and other forms.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction:

This chapter is basically on the review on relevant past works/or studies to the sub-themes for this study. Several related issues both empirical and critical will be looked into in this chapter.

2.1 The History of Banking in Nigeria

The history of Nigerian Banking system dates back to 1892 when the African Banking Corporation (ABC) was established. The operations of ABC were later acquired by British Bank for West Africa (BBWA) in 1894. The Anglo-African Bank was established in 1902. In 1916, it was joined by the colonial bank which became Barclay Bank DCO in 1925. The Anglo-African Bank was changed to Bank of Nigeria in 1902. Later, BBWA became Standard Bank and eventually First Bank. Another expatriate bank, the British and French Bank, now United Bank for Africa (UBA) arrived in 1949.

The belief that the expatriate banks were discriminating against Nigerians led to the establishment of National Bank of Nigeria in 1933. Agbonmagbe Bank was set up in 1945, Africa Continental Bank in 1947 and the Merchant Bank in 1952. The United African Company (UAC), a trading company was also prominent during these periods in offering trade credits to customers. Other non-bank financial intermediaries in existence at that time include: the Post Office Savings Bank, Lagos Building Society (which later became the Federal Mortgage Bank of Nigeria), Federal and Regional Loans Boards, Co-operative Societies and other thrift institutions. The period between 1892 and 1952 was the free banking period. It was characterized by wildcat banking, rapid establishment of indigenous banks and the quick collapse due to gross undercapitalization, bad management, persistent stealing, illiquidity,

imprudent tendency and absence of any kind of banking legislation to guide operations and orderly development (Nwankwo 1990; Ovuakporie 1994). These inadequacies were pointed out by the Paton Commission which recommended the need for minimum capital requirement and bank ordinance for banks.

In the period of 1952-1958, the Banking Ordinance of 1952 was in operation. This was the first attempt at bank regulation in Nigeria. The Ordinance provided for licensing requirements, procedures, standards for banking business, prudential guidelines and supervision etc. By 1955 when the Ordinance became operational, all the mushroom banks had collapsed except Agbonmagbe Bank, ACB and Merchant Bank because they were financially sponsored and supported by the Western and Eastern Regional Governments; and the National Bank of Nigeria. Only these banks survived the banking boom of the late 1940s and early 1950s.

The Ordinance while preventing undercapitalized banks from operating was unable to check the malpractices in banking and also unable to develop the banking system. It did not provide a reserve force and lender of last resort or where to fall back during liquidity crisis for indigenous banks. These inadequacies culminated in the enactment of the Central Bank of Nigeria (CBN) Act in 1958.

The CBN was charged with the functions of promotion and development of the financial market, bankers' bank, currency issue and distribution, promotion of special schemes and funds for industrial development, supervision of finance houses etc. The CBN commenced business on 1st July, 1959. The CBN Act No. 24 of 1991 replaced and superseded the 1958 Act.

The period from 1960 to 1986 was marked with enactment of various Acts, emergence of the securities markets and instruments, and several development policies of the

financial and non-financial sector. In April 1960, the CBN issued the first Nigerian Treasury Bill to provide avenue for short-term liquid funds in Nigeria. Udegbumam (2003) argued that prior to August 1987 the Nigerian financial sector was characterized by a complex system of regulation and controls. According to him, the purpose was to provide a safe and congenial environment for an economy laden with poorly developed financial market.

The Lagos Stock Exchange was established on September 15, 1960 by the Lagos Stock

Exchange Act of 1960, following the recommendation of the Barback Committee of 1957. It opened for business on June 5, 1961, with 19 listed securities comprising of 3 equities, 6 Federal

Government bonds and 10 industrial loans. The Lagos Stock Exchange was changed to the Nigerian Stock Exchange in 1977 by the Indigenization Decree of 1977 following the recommendation of the Industrial Enterprises Panel (Adeosun Panel) of 1975. The Capital Issues Committee (CIC) Decree was promulgated in 1975. But in April, 1978, the Securities and Exchange Commission (SEC) Decree replaced the CIC and made SEC the apex monitoring institution of the Nigerian capital market. This was based on the recommendation of the Okigbo Committee (or the Financial System Review Committee).

In 1968, the Companies Decree was enacted. This was followed by the Banking Act of 1969. The Banking Act, apart from further adjusting the capital requirements for the banks, provided for capital deposit ratio and increased the capital-loan ratio. It also put the CBN supervisory function under the Federal Ministry of Finance, which also had power to issue licence to banks (Nwankwo 1990; Udegbumam 2003).

The Nigerian banking industry which is regulated by the Central Bank of Nigeria, is made up of; deposit money banks referred to as commercial banks, development finance institutions and other financial institutions which include; micro-finance banks, finance

companies, bureau de changes, discount houses and primary mortgage institutions. Essentially the industry consists are 24 commercial banks, 5 discount houses, 5 development finance institutions, 50 class A bureau de change, 598 bureau de change, 98 Primary Mortgage Institutions, 84 finance companies and 914 Micro-finance institutions.

Before we arrived here however, there is a history which must be preserved for the sake of posterity. That is the cardinal reason for releasing this report - to preserve information. This report can arguably pass for the only remaining public knowledge of the history of banking in Nigeria. The report traces the history of banking in Nigeria from 1892 to 2010 presenting 118 years of complete banking history. Right from the establishment of the foundation banks in Nigeria, the African Banking Corporation and the Bank of British West Africa to the first attempt at an indigenous bank in Nigeria in 1929 up until the establishment of the Central Bank of Nigeria in 1959. Moving also to the Structural Adjustment Programme (SAP) and the liberalization of the financial services sector in 1986 up till the 2005 consolidation and the most recent establishment of the Asset Management Company. The report is introduced with a 118 year chronology of banking in Nigeria followed by well laid pieces on developments in the industry over the period in review, (International Corporate Research, 2012).

2.2 Government Policy on Banking (Capitalization)

The period of deregulation and liberalization of the financial sector witnessed another significant era in the banking industry. In fact, Iyoha (2003) remarked that financial deregulation was greeted with innovations, deregulated interest rates, fierce competitions and expansion in size and number of banking and nonbanking institutions. The increased competition led to greater risk-taking by banks which consequently resulted in the insolvency, failure and distress of many banks in the 1990s. There were 8 reported distressed banks in 1991, 16 in 1992, 38 in 1993, 55 in 1994, 60 in 1996 and 43 in 1997. The Nigerian

Deposit Insurance Corporation (NDIC) Act No. 22 of 1988 established the NDIC as an additional regulatory agency to help in ensuring safety, soundness and confidence in the deregulated banking sector. The NDIC was to sanitize the banking sector by stemming the tide of bank distresses.

The CBN issued a set of prudential guidelines in 1990. This specifically mandated bank to make adequate provisions for loan losses arising from bad and doubtful debts. The Banks and Other Financial Institutions Act (BOFIA) No 25 of 1991 vests the CBN with the sole authority of licensing banks, determining their maximum capital requirements and sanction any bank which fail to comply with the provisions of the Act. Following the realization that the ordinary courts were unable to cope with the numerous criminal and debt recovery cases arising from the failure of many banks in the 1990s. The Failed Bank Decree No 22 of 1994 was promulgated to recover debts owed to failed banks as well as to punish erring bank officials to serve as deterrent to others.

The Nigerian Investment Promotion Decree of 1995 further deregulated investments in the capital market and permitted foreigners to invest in almost all sectors of the Nigerian economy. The Odife Panel of 1996 in the review of the Nigerian capital market brought about major reforms through its many recommendations notable among which was the enactment of the Investment and Securities Act of 1999 (Osaze 2000). Al Faki (2006), other recent developments in the Nigerian stock market include:

- (i) The Automated Trading System (ATS), introduced in 1997, gives all brokers equal access to information available for the purchase and sale of securities.
- (ii) The Central Securities Clearing System (CSCS) commenced full operation on 14th April, 1999. The ATS and CSCS have facilitated T+3 settlement cycle in the Nigerian capital market. The CBN is considering reducing settlement cycle to T+2.

- (iii) Remote Trading was introduced in late 2004.
- (iv) On-line Trading where Abuja, Kano, Port Harcourt branches are linked on-line to Lagos.
- (v) Trade Alert to help protect the securities market and stop unauthorized trade before they take place.
- (vi) A code of corporate governance for public companies was introduced in 2003, The bank consolidation which has brought great transformation to the banking industry in Nigeria was introduced by the Central Bank of Nigeria (CBN) on 6 July 2004.

2.2.1 Growth of the Nigerian Banks and their Capital Base:

In 1952 the Bank Ordinance fixed the minimum capital requirement for commercial banks as: indigenous banks at N25,000 and expatriate banks at N200,000. These were increased to cater for the increasing banking activities and capital adequacy of banks in 1958 as indigenous banks (N500,000) and expatriate banks (N400,000). The new capital levels were meant to develop the system and forestall the bank collapse which was prominent in the late 1940s and early 1950s. It was also to prevent bank undercapitalization.

In 1962, the minimum capital base for the indigenous banks was further increased by CBN to N600, 000 while that for expatriate banks was still N400, 000. It must be recalled that after the establishment of the Central Bank of Nigeria in 1958 and Nigeria Independence in 1960, the environment was being cleared up for the full operations of Nigerian banks.

However,

following the Banking Acts of 1969, a new capital base for expatriate bank was raised to N1, 500, 000 from the previous N400, 000 fixed in 1962.

From the late 1970s the minimum capital base for banks began to hover in millions. For instance, it was N10million from 1977 to 1988 but increased to N20 million in 1989 and N50 million in 1992. At the same time, the capital base for merchant banks was N2 million in 1979. This was increased to N6 million in 1985 and N12million in 1989. By 1997, a uniform

N500million minimum capital base was introduced to allow for a level playing field for both types of banks.

The 1990s is very significant in the Nigerian banking industry. The Nigerian banking industry expanded due to the financial deregulation and liberalization of the industry. But the 1990s were also marked with many distresses in the sector because of the abuses and sharp practices in the system. In 2000, the minimum capital was moved to N1billion for new banks while the existing banks were expected to meet this level by December 2002. N2billion minimum paid up capital was introduced for new banks in 2001. By June 2004, the CBN introduced N25billion as capital base for banks in Nigeria because the previous N2billion bank capital requirement became grossly inadequate to meet the emerging domestic and global realities in the new financial system.

Nigerian banks were mandated to meet the capital benchmark by 31 December, 2005, or be considered as unfit to operate as a banking institution in Nigeria after that date.

2.2.2 Consolidation of the Banking Industry and the Impacts on the Capital Market

The consolidation of the banking industry in Nigeria started in 2004 when the CBN mandated all commercial banks to meet the N25 billion minimum paid-up capitals by 31st December, 2005. Basically, banks used various mechanisms to comply e.g. mergers and acquisition, initial public offerings (IPOs), foreign equity participation, group consolidation etc. (Orji, 2005).

Almost all the banks went to the capital market to raise funds in order to meet the new capital base. Soludo (2006) reports that about \$650 million were invested in the banking sector in 2005. Al Faki (2006) puts the figure that was raised from the capital market by the banks to meet the minimum capital requirement of N25billion as over N406.4 billion. Out of the 198.19 billion worth of securities raised in 2004, N128.58 billion was for the banking

sector. In 2005, banks' new issues were worth N517.6 billion. This amount represented about 75% of the total new issues value of N692.86 billion.

The banking sector continues to dominate the Nigerian Stock Exchange accounting for over 97% of turnover, having 10 out of the top most capitalized stock and also contributing 6 out of the 10 most capitalized companies (Salako 2006). In the meantime, shares of the banking sub-sector account for about 80% of the volume of shares traded on the NSE almost on daily basis (This Day 2007).

The market capitalization of the Nigerian Stock Exchange was about N1, 359 billion by 2003 and N2, 113 billion in 2004; N2, 900 billion in 2005 and N5, 120 billion in 2006 (NSE 2006). It increased significantly during the period of the banking consolidation, recording about 142% increase between 2004 and 2006. The All-share index is a numerical value used to measure changes in prices of shares in the NSE. All-share index of the Nigerian Stock Exchange was 33,189.3 in 2006 as against 23,844.5 in 2004, about 39% rise within the period. There was about 91% rise in shares traded from 19.2 billion shares in 2004 to 36.7 billion shares in 2006. Similarly, the value of shares traded rose by 108.2% in the same period. However, the Nigerian capital market has been seriously affected by the global financial crisis. For instance, there was about 28% fall in the market capitalization from N 13.3 trillion in 2007 to N9.56 trillion in 2008. Similarly, all-share index declined from 57,990 in 2007 to 31,451 in 2008 and total new issues fell from N 2.4 trillion to N 2.2 trillion within the same period.

2.2.3 Benefits of the Banking Consolidation:

Some of the benefits of the consolidation of the banking industry include availability of funds for the small and medium scale enterprises, opportunity for Nigerian banks to explore other regional and international markets, reduction in capital flight, massive and

continuous innovations in the banking sector, externally-focused competition and restoration of confidence

in the Nigerian banking sector etc. Izedonmi (2005) has argued that the consolidation of Nigerian banks was to make them Basel Accord II compliant by 2007. Basel II emphasized the need for banks to have a higher level of capital base which is proportional to their risk exposure. Since the consolidation, many banks have gone to the capital market to raise additional capital for various purposes such as expansion, enhancement of operational efficiency through investment in ICT.

Okoro (2006) remarked that “never in the country’s history has anything near the inflow of off-shore investment of over \$500 million through the banking sector been registered in one year”. Equally, the bond and repurchase market are expected to kick off due to the growth in the banking sector (Teriba, 2004).

Ifeacho (2005) argued that the Nigerian capital market had suddenly become the preferred source of raising funds by banks in the wake of the consolidation policy, thereby boosting the market capitalization in tremendous leaps. Again, while consolidation increased attention in the primary market, activities in the secondary market became lull initially because of new issues offered by banks (Atufe, 2005). Because of the immense contribution of the capital market in the bank recapitalization, the activities of Nigerian capital market has created more awareness of the opportunities to the investing public and listed companies.

2.3 The Recent Monetary Policy (Cashless Policy)

Cashless Nigeria project, a monetary management initiative of the Central Bank of Nigeria (CBN) under Governor Sanusi Lamido Sanusi projected the entire Nigeria banking system as the platform for the implementation of the policy, in scheduled phases in different parts of the country Skeletal and uncoordinated publicity programmes were organized in selected cities and urban areas of Nigeria were carried out by the Central Bank and its

agencies which did not afford majority of the citizenry, required information and worthy enlightenment of such a crucial policy.

The main focus of the cashless Nigeria project is to reduce the use of cash to the barest minimum in the entire payment and settlement systems critical to the intermediation function of the financial system to facilitate efficient economic growth and development, replacing same with other non-cash payment and settlement methods for both local and international commercial activities, electronics mode of payment through computer networks and internet system with local and shared interbank service networks through coordinated linkages, that helps to reduce investment in infrastructural facilities and human capital investment needs, were to be the anticipated structural and foundation benefits of the new policy concept.

2.3.1 Basic provisions of the cashless Nigeria project

At the inception of the roll out of the provisions of the forceful and punitive policy, the leadership of the Central Bank of Nigeria gave itself pleasure by setting limits, at which Nigerians both individual and corporate bodies will be punished by paying penalties both for paying and demanding for their money deposited into deposit money banks (DMB) beyond the set limits.

A daily limit of a maximum of One Hundred and Fifty Thousand Naira (N150, 000.00) for individuals, and One Million Naira (N1, 000, 000.00), for corporate bodies respectively, were set for both deposits and withdrawals. Penalties were imposed as punishment for demanding payment, or depositing excess cash beyond the set limit; N100 for every extra N1000 were imposed on individuals and N200 for every extra N1000 corporate defaulters respectively. In other words 10% and 20% real value were set as penalty for the total excess sum demanded in

payment or deposit of your own money, not borrowed funds in a country where majority of the banks pay a maximum of 3% on savings of any amount, what a contradictory assault on the intelligence of Nigerians.

Implementation of the policy was proposed, to be in phases and was to commence in identified locations as specified in the implementation agenda. For instance, the first phase of implementation was to commence in Lagos State with the cash limits commencing 1st January, 2012 and the imposition of penalties in Lagos State commencing at the end of March, 2012. Implementation was scheduled to commence in the other parts of the country by 1st June, 2012.

According to the implementation plan, imposition of cash limits kicked off in Lagos from 1st of January, 2012, without penalties until the end of March. All transactions within Lagos, to and from Lagos from other parts of the country were to attract the specified penalties from the end of March, 2012.

2.3.2 Why cashless policy?

In my opinion which is in consonant with, but realistically enlarged the point of view of the Central Bank of Nigeria, the cashless Nigeria policy was initiated for the following reasons among others:-

- i. To drive the development of the financial system and the economy as a whole.
- ii. To initiate and commence a radical modernization of our payment system in line with international best practices worldwide and to facilitate the realization of the dreams of vision 202020 aiming to list Nigeria amongst the top 20 economies in the world by year 2020,
- iii. To develop a robust and an efficient modern payment system positively correlated with economic development and a key requirement for economic growth.
- iv. To reduce to the barest minimum, the cost of banking services, particularly as it relates to cash management and delivery between the CBN and the banking community.

v. To facilitate and drive financial inclusions by providing more efficient transaction options, greater and wider banking services, to reach the Nigeria society.

vi. To enhance the effectiveness of monetary policy in the effective management of macroeconomic indicators particularly inflation, cost of lending while driving economic growth simultaneously. Cashless Nigeria project, (2011). Adewale A. Alawiye-Adams/www.ssrnauthor.1720069 (2012).

2.3.3 Additional motives for the cashless policy

a. To stem the high cost of cash handling involved in the producing and managing cash resources, along the value chain from the CBN to the banks, to corporations, traders and other individuals, a cost that needs to be reduced; it is evident that everyone within the value chain bears the high cost associated with volume cash handling.

b. To reduce the high risk of cash handling:-Cash carrying encourages robberies, fraud, corruptions, theft; pilfering and other cash related crimes. It can also lead to colossal losses in the case of fire outbreak, flooding incidents in cash storage and management centres within the chain.

c. High subsidy in cash management: – A critical analysis of the daily operational activities of banks in Nigeria reveal that only 10 percent of daily banking transactions are above N150,000.00, but the 10% account for majority of the high value transactions. This suggests that the entire 90% volume of lower value banking transactions by the majority, subsidizes the costs that the tiny minority 10% incurs in terms of high costs of cash usage, in other words, it is the poor majority in the economy, that moves the 90% volume of cash in their little transactions in cash movements that bear the burden of subsidizing the high cost of cash management moving the higher value cash transactions and movements by the minority 10% of the individual business and commercial population in transactions in and out of Nigeria.

d. The need to capture and recycle back into the formal banking system, the larger proportion of funds remaining outside the formal banking system:- successive research on the proportion of money in and out of the formal economy, have over time emphasized that only a meager 35% of the money in circulation in Nigeria are resident within the formal banking system, the remaining 65% of the money in circulation remain within the informal system making it continually difficult for the financial system to account accurately for the amount of financial resources within the Nigerian economic system for the purposes of monetary policy regulatory controls and for economic development purposes. Those funds outside the formal system, limits the effectiveness of monetary policy in effectively managing inflation and encouraging economic growth.

e. Curbing inefficiency and corrupt practices:- High cash usage enables corruption to thrive, through multiple systematic leakages, money laundering among other related fraudulent practices.

2.3.4 Implications of the cashless policy on the economic environment

a. Apart from the little savings expected on cash management; significant loss of profit will ensue on the operations of the banking system as a result of the implementation of the cashless policy.

b. Banks will lose a lot of accounts of people who are opposed to the cashless policy as a result of the high handedness and lack of consideration of the CBN, which translates to loss of profitable businesses, for the banking community.

c. The Nigeria business environment particularly the high value commercial traders, never trust the epileptic operations of the Nigeria banking system, so a large proportion of such customers, have lost confidence in the banking system and will prefer to move their funds out

of the formal banking system to some sort of informal system where they can have more control on their funds

without withdrawals or deposit penalties. The consequence of this is the loss of significant value of deposits of such dissenting customers.

d. A significant proportion of bank customers are illiterates and another proportion has a relatively low level of education and therefore lack the knowledge of Information and Communication Technology (ICT) required to access or operate cashless operation technology including access to and knowledge of computer system. This group obviously cannot participate or benefit from the cashless policy until the knowledge and technology inadequacies are removed. The only option they have is to keep their money where they could access it without the technological sophistication required to participate in e-banking operations. Banks will also lose these categories of customers to the informal banking market where there are less punitive rules and regulations.

e. The consequence of a significant proportion of bank customers being illiterates is that, quite a lot of good accounts will fly away from the formal banking system and their volume of money will follow them, to the ever growing informal financial environment.

All the above factors translate to reduced resources for banks to do their businesses resulting to loss of income and profit in the meanwhile.

f. The carefree attitudes and the inefficiencies of some of the operators of the Nigerian financial system and its lack of respect for regulatory policies are potential obstacles to the success of the cashless project.

g. The uncompromising dictatorial approaches to regulatory policies and policy implementation as opposed to persuasive moral suasion by the current leadership of the Central Bank of Nigeria are potential reasons to generate oppositions and lack of support for the cashless policy.

2.3.5 Benefits derivable from the cashless policy

From the Central Bank's point of view, the following benefits are expected to be derived by various stakeholders, from the cash policy- an increased utilization of the e-payment system.

i. For individual consumers and small scale businesses:- Increased:- Convenience, more service option, reduced risk of cash related crimes, cheaper access to efficient (out of branch) banking services and credits.

ii. For Corporation:- Faster access to capital, reduced revenue leakages and reduced cash handling costs.

Increased availability of credits, if banks will change their attitudes and provide finance, for viable real sector endeavors.

iii. For government:- Increased tax collections, greater financial inclusion increased economic development potentials, open opportunity to oppressively invade bank customers privacies and business information.

Government is positioned to exercise all powers and take all the benefits; even when governments are exempted from the cashless policy implementations in all its revenue collections and deposit exercises. They are still desirous of its increased revenue potentials, what a paradox.

In addition, the cash policy aims to curb some of the negative consequences associated with the high usage of physical cash in the economy, including:

i. **High cost of cash:** There is a high cost of cash along the value chain - from the CBN and the banks, to corporations and traders; everyone bears the high costs associated with volume cash handling.

ii. **High risk of using cash:** Cash encourages robberies and other cash-related crimes. It also can lead to financial loss in the case of fire and flooding incidents.

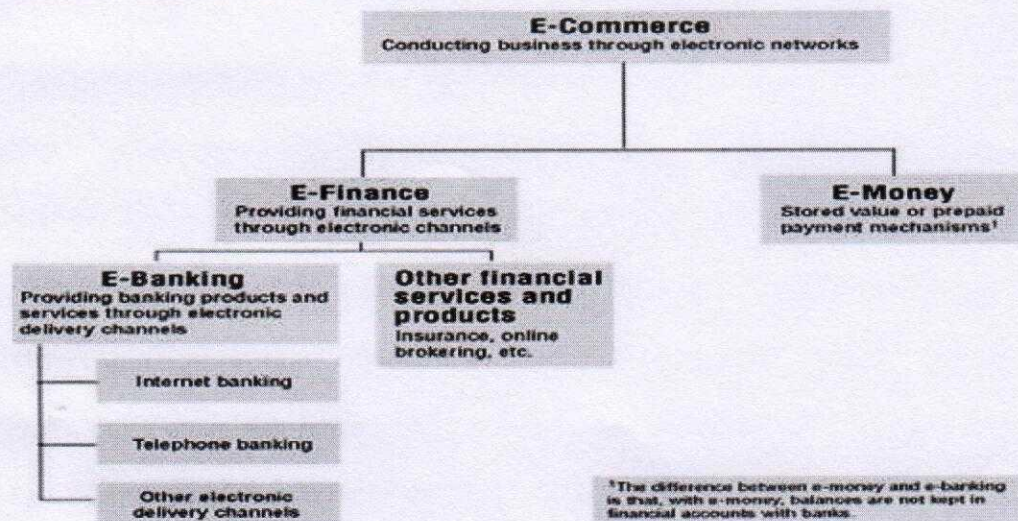
iii. **High subsidy:** CBN analysis showed that only 10 percent of daily banking transactions are above N150,000, but the 10 per cent account for majority of the high value transactions. This suggests that the entire banking population subsidizes the costs that the tiny minority 10 per cent incurs in terms of high cash usage.

iv. **Informal Economy:** High cash usage results in a lot of money outside the formal economy, thus limiting the effectiveness of monetary policy in managing inflation and encouraging economic growth.

v. **Inefficiency and Corruption:** High cash usage enables corruption, leakages and money laundering, amongst other cash-related fraudulent activities.

2.4 Advent of E-Banking

What is electronic banking?



The Structural Adjustment Programme (SAP) initiated in 1986 by the Babangida Administration brought to an end the kind of banking services rendered by the first generation of banks, which have been described as "Arm Chair Banking". The SAP changed not only the structure but also the content of banking business. Just as the number of banks grew tremendously from 40 in 1985 to 125 in 1991, the SAP made possible the licensing of

more banks and which posed more threat to existing ones and the more aggressive the marketing techniques adopted by them (Adewuyi, 2011).

In the process of the intensified competition, adoption of electronic banking was seen as a necessity to maintaining a good competitive position, whereas, e- banking stormed the British Banking scene in the late sixties. Nigeria started the long and tortuous journey in November, 1990 when Societe Generate bank launched their first Automated Teller Machine (Adewuyi, 2011).

The precursors of the modern home online banking services were the distance banking services over electronic media from the early 80s. The term online became popular in the late '80s and referred to the use of a terminal, keyboard and TV (or monitor) to access the banking system using a phone line. Home banking can also refer to the use of a numeric keypad to send tones down a phone line with instructions to the bank. Online services started in New York in 1981 when four of the city's major banks (Citibank, Chase Manhattan, Chemical and Manufacturers Hanover) offered home banking services using the videotex system. Because of the commercial failure of videotex, these banking services never became popular except in France where the use of videotex (Minitel) was subsidised by the telecom provider and the UK, where the Prestel's system was used (Cronin, 1997).

The UK's first home online banking services was set up by the Nottingham Building Society (NBS) in 1983. The system used was based on the UK's Prestel system and used a computer, such as the BBC Micro, or keyboard (Tandata Td1400) connected to the telephone system and television set. The system (known as Homelink) allowed on-line viewing of statements, bank transfers and bill payments. In order to make bank transfers and bill payments, a written instruction giving details of the intended recipient had to be sent to the

NBS who set the details up on the Homelink system. Typical recipients were gas, electricity and telephone companies and accounts with other banks, (Cronin, 1997).

Details of payments to be made were input into the NBS system by the account holder via Prestel. A cheque was then sent by NBS to the payee and an advice giving details of the payment was sent to the account holder. BACS was later used to transfer the payment directly. Stanford Federal Credit Union was the first financial institution to offer online internet banking services to all of its members in October, 1994, (Stanford Federal Credit Union Pioneers Online Financial Services, 2007).

Electronic banking is not one technology, but an attempt to merge several different technologies. Each of these evolved in different ways, but in recent years different groups and industries have recognized the importance of working together. Bankers now see a kind of revolution going on in their business in part because we have taken a quantum leap in the use of technologies in the last several years (David Chaum, 1983).

The first step toward electronic banking was the Automated Teller Machine or ATM. Even though ATMs are thirty years old, it will continue to grow as a vehicle in changing the way individuals bank. With ATMs, banks are no longer restricted to just one location, but multiple services points around the world. ATMs have not caused the death of the local branches. In fact, there are even more branches now than there were at the birth of the first ATM in Ohio. It has meant, however, that there are fewer tellers at each real branch of a bank. Diebold, one of the major manufacturers of ATMs, sees ATMs evolving into virtual branches. With future ATMs, customers will interact with tellers through video-conferencing in virtual settings. These expanded ATMs will include expanded functions to provide a greater range of remote transactions from any location (Chaum, Fiat, and Naor, 1990).

The next serious step toward electronic banking, after the acceptance of ATMs, came with personal finance software. The best known program in this category is Quicken from

Intuit. This gave many who were serious about money an easy way to track what was happening to it. Scott Cook, CEO of Intuit, designed his program initially in 1983 around the way people were used to handling their money and extended it with a wish list of what they hoped that they could do with their finances. Other programs like Meca's Managing Your Money have followed the lead of Quicken (Chaum, et al, 1990). The standard features of these programs include a smart register that reconciles itself, budgeting options, and bill minders that let you know when a debt should be paid. Electronic bill payment is one of the key components of electronic banking and, in my view, it is the holy grail of electronic banking. Most of the credit for the rise of electronic bill payment goes to Check Free Corporation. Check Free's founder, Pete Kight, began the company in 1981 as a way to make payment of health club dues more efficient (Chaum, et al, 1990).

Payments went to one centralized payment center (small at that time) that then turned over the payments to the club in one lump sum with a list of what accounts received. Check Free has grown to cover over one million merchants in the United States and is the largest company of its kind at the moment. Today, most of their customers set up bills through proprietary Check Free software. Check Free sends drafts, in most cases, to the merchant and the customer's local bank account is debited when the draft is presented and cashed by the merchant (David Chaum, 1983).

What is known at the moment as online banking is some combination of the features of a personal finance program combined with electronic bill payment. It operates through a dial-up connection to the bank. While you are online, you send your bill payments and receive your latest cleared transactions from the bank's mainframe system. Users of personal finance programs love the continuity this gives them, because nearly all of the online banks work with one or all of the popular personal finance programs. The program communicates directly with the bank's system. All of the records that an individual has stored for years are

still on their hard drive in one continuous set. This interactivity means that the bank has a licensing arrangement with one, or several, vendors of personal finance software, (David Chaum, (1983).

2.5 Types of E-Banking

Areas of information and communication technology deployment by banks. Agboola (2002) discusses the dimensions in which automation in the banking industry manifests in Nigeria. They include.

Automated Payment Systems: Devices used here are: Automated teller machine: According to Idowu (2005), the introduction of this machine serves as genesis and bedrock of electronic banking. It has been a common feature in the United Kingdom, France and Japan banking system, but Nigeria never had experience until Societe Generale Bank blazed the trail in November 1990 and popularly referred to as "cash point 24" at their Broad Street and Apapa Braches. He contends that ATM is basically a cash dispenser, but this is not ail, it has a unique of 24/7 service facility, that is, the machine unattended to i.e. "stand alone" or "wall mounted" (outside or inside the banking hall) allows you to transact limited business without referring to any bank staff except in case of problem and difficulty round the clock. An ATM allows a customer to withdraw cash from his or bank account by entering a Personal Identification Number (PIN) after the insertion of a card into the machine and having the amount of the withdrawal immediately debit to the account of the customer.

Electronic cards: These are:

i **Credit cards:** These are plastic cards encoded with electromagnetic identification -The card is incorporated with circuit on which value is loaded. Customers can use the card to carry out transactions on the ATMs deployed by the issuing banks at strategic locations as well as point of sale terminals with designated signs of the producer of such card. Among the companies

that are offering this service to banks is Visa International, which is the leading payment solution system with presence in about 120 countries globally, the Master Card Inc. which is also the second largest credit card brand.

ii **Debit card:** This is an electronic card with very advanced feature including the use of microchip, whereby transaction is validated against the chip rather than a magnetic stripe. Among the companies that are offering this service to banks are also Visa international, Master card incorporated and an indigenous company called smart switch Nigeria Ltd. Among banks in Nigeria operating this service are Diamond Bank, United Bank for Africa, Eco bank and Skye Bank (Skye card debit) and GTB cash plus. This card can be used on ATMs deployed by the banks and also various point of sales terminals deployed in strategic locations especially in banks, hotels, eateries, fuel stations etc. Others are Electronic Funds Transfer and Point of sales.

Automated Delivery Channels: These include:

i Home link banking/interactive television banking: This product allows bank customers to transact business right inside their rooms. A pre-requisite for the use of this product is television; the bank on its part will provide a Home Deck Console. The facility provides the customer the opportunity to settle his purchases through an electronic instruction to the bank.

ii On-line banking: This product basically allows a customer to transact business in any branch, irrespective of the branch his/her account is domiciled.

iii Internet banking: It refers to the worldwide connection of networks that enables communication with other entities and individual around the world. It is a super network connecting millions of computers around the world via telephone lines, cables and satellite.

The World Wide Web otherwise called website is a gateway to accessing, organizing and moving through the information on the Internet. Every website has an address is called Uniform Resources Location (URL). To get to any website, the internet address must be

typed in the space for IIRL (<http://...>) entry in the web browser having entered the address, one can then use the "search engine" to locate the required information. Example of website of some banks include:

a. First Bank of Nigeria Plc- <http://www.firstbankingeria-com>

b. Zenith International Bank -Plc <http://www.zenithbank.com>

Telephone banking (tele-banking): This product introduced the debunked standard trust bank limited. This service allows bank's customers to access banking service via dedicated telephone lines from the comfort of homes, offices etc. As at present, account balance could be checked, authorized inter-branch money transfer, transaction alert (withdrawal or savings) and enquiry can be made through telephone.

Image machine/structured query language: The primary objective of Pinnacle Commercial Bank to introduce this product is to facilitate cheque encashment. The machine is a photographic and signatures verification system that permits the bank to automatically stores signatures and photographic of account holders. With the introduction of the machine, bank is able to conclude withdrawal transactions in a jiffy.

Banker Automated Clearing System: (MICR for cheque processing – Magnetic Ink Character Recognition (MICR)). It was introduced first in Lagos in 1991. On the cheques are pre-encodes of standard information like bank code, branch code, account holder number and cheques leaf number. With a special reader sorter machine, it is possible to separate the cheques into different banks and branches.

On the other hand, other e-banking include:

Point Of Sale Terminals: This mode of e-banking handles cheque verification, credit authorization, cash deposit and withdrawal and cash payment. it enhance electronic fund transfer at the point of sales. Thus customers account would be debited immediately with the cost of purchase in an outlet such as a petrol station or supermarket. The implication of this is

that customers can make payment for goods and services without necessarily coming in contact with physical cash as the purchase price would be debited on the buyer's card and credited on the seller's account.

PC Banking: The technology of e-banking has a universe of possible applications. Online banking for example provides the opportunity of paying bills and performing transactions of any kind. The availability of online information has provided banking and customer with a powerful vehicle for research.

GSM/Mobile banking: This mode of e-banking primarily uses mobile phones as the electronic devices. Mobile phone gives customer the opportunity to operate their account with bank as long as their phones and network services provider support the SMS (short messaging service) which would enable the customer check account balance.

ATM: Automated teller machine is a computer controlled device that dispenses and provides other services to customers who identify themselves with a personal identification number (PIN). The physical carriage of cash as well as frequent visit to the banks is being reduced. The principal advantage of ATM is that it dispenses cash at anytime of the day even as it needs not to be located within the banking premises but in stores, shopping malls, fuel stations etc. unlike the traditional method where customers have to queue for a very long period of time to withdraw cash or transfer funds.

Bankers automated clearing services: The automation focus of the instrument is to reduce the number of clearing days and improve on security arrangement in the course of settlement and collection of cheques. it involves the use of magnetic ink character reader (MCR) for cheque processing which makes it capable to encode, read and sort out changes even as request for cheque books can be made via electronic devices.

Smartcard banking: This is the conduct of banking transactions through the use of electronic cards (Value Card, ATM Card, Debit Card, Credit Card etc.). The smart card

system makes it easy for bank customers to have access to cash, carry out transfers and make enquiries about their accounts without visiting the banking hall. Smart card facility is usually mounted at strategic places in the cities such as supermarkets, Hotels, Transport terminals, shopping malls etc. (Abaenewe, Ogbulu, and Ndugbu, 2013).

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter looks at the step-by-step on how this study Was carried out using most appropriate scientific approach to avoid bias.

3.1 Historical Background of Ado-Ekiti

Where Ado-Ekiti is situated is a land that has been continuously inhabited/occupied by human communities from time immemorial. Available research shows that human societies of unknown antiquity occupied this neighbourhood about (11,000) years ago. These ancient inhabitants were probably the same or progenitors/ancestors of Igbon near Ogotun, Erijiyan, Ijero, Ulesun and Asin (near Ikole) who were probably autochthones because available traditions shows that they had lived in and near their abodes from time immemorial. As a matter of fact, no one knows where, if any, they came from and for how long they had lived in those ancient sites. Ulesun appears the most well-known apparently on account of its size, the number of its subordinate communities especially Aso, Ulero, Isinla, Ilamoji, Ukere and Agbaun (near Igbemo), its well-organized traditional religion including its festivals etc and its location at the heartland of Ekitiland. These ancient people were the ancestors of Ekiti, they played hosts in the 7th and 8th centuries, about 1,200 years ago, to waves of immigrants from the basins of the rivers Niger and Benue; these settled among the ancient Ekiti, and were fewer in number and so, the hosts culturally absorbed them. Eventually, the people fused as aboriginal people by and by.

After many generations, a new wave of immigrant groups penetrated this homeland; their leader as Ewi, second succesor of Prince Biritiokun, Son of Oduduwa, on account of his wanderings all the way from the Benin forests, the leader was nicknamed Awamaro. Ulesun

people welcomed them warmly and neighbouring communities came together to assist their settlement (built homesteads for them) at Oke-Ibon in Odo Ijigbo. Eventually, Ewi and his people overthrew the existing political arrangements, conquered Ulesun community, displaced its ruler Elesun and established a new town, Awamaro named Ado, meaning 'here we encamp'. Ewi Awamaro and his successors conquered villages and cottages in the neighbourhood, replaced their rulers with their own loyalists, stalwarts and scions of the royal family. The important citizens of these conquered communities were relocated in Ado. Ewi supplanted Elesun as sovereign ruler of the aboriginal and settler population, many of Elesun's Chiefs were confirmed in their offices but they swore oaths of allegiance to the Ewi. Many of the succeeding Ewi expanded the kingdom by force of arms, annexed territories and gave these territories to scions of the royal families, these assumed titles which became hereditary. The expansion and growth of Ado-Ekiti and the kingdom of Ado lasted over 400 years. In the course of this expansion, Ado became associated with certain traits. Citizens of the kingdom in general and those of the mother town, Ado-Ekiti in particular were reputed for great attention to cleanliness. A popular lyrical description of Ado citizenry depicts:

Ira Ule Ado m'etipise fifin seree (Ado citizens with their usually clean heels)

Ado people were, by local standard, tough and brave warriors. Traditions preserve numerous brave citizens of each Ado community, the best known were Ogbigonihanran of Idolofin quarters, Ogunmonakan of Okelaja, Fasawo, a.k.a Aduloju of Udemo quarters, and Eleyinmi Orogirigbona of Okeyinmi quarters - all of Ado-Ekiti and Ogunbulu, a.k.a Ala l'aju Osoru of Aisegba. The exploits of Ado tough in many parts of Ekiti formed the basis of the popular orature: *Ikara s'eji s'inu agbagba t'emi ukoko* (Of two balls of cake in the frying-pan, he insists his share is one)

Folk, traditions are replete with fond references to Ewi's relationship with some other Ekiti traditional rulers. Ewi's antecedents are depicted as: Elempe Ekiti (mightiest man in Ekiti) On k'emu 'kan o mu meji Oloju k'enu 'kan gba kete re (He is entitled to one, he took two he has a disposition to take everything) Ewi i pe mi udiroko Onitaji i pe mi esunsu..... (Ewi invites me for his udiroko festival Onitaji invites me for his esunsu festival)

Among the most conspicuous of the great changes were the introduction and expansion of Christianity and Islam. Christian missions especially of the CMS, Roman Catholic, Baptist, African Church and Methodist, later the Cherubum and Seraphim and Apostolic Church took root and expanded during the 20th century. Each of these Christian communities established numerous churches such that by 1970, the CMS (Anglican) and the Roman Catholic had grown so fast that they had become dioceses with their headquarters and seats of bishops in Ado-Ekiti. The two missions had three grammar schools, the number increased to five in 1990. The growth of Christian communities was very rapid between 1970 and 2000; new missions and denominations Pentecostal, Charismatic, Evangelical and Episcopal arose, swelling up existing communions. Altogether over one hundred churches were recorded in the city in the year 2000.

The Muslim community did not lag behind, the faith spread. The central mosque was built about 1930 and thereafter, a number of mosques were built in Idemo, Umayo, Isato (Irona), Ogbonado, Okesa, Oke-Ila etc. The Ansar-Ud-Deen emerged in the early 1940s. As a matter of fact, the number of mosques and the number of Muslims who have performed the Hajj can readily come to hand as indices of expansion. The number of mosques increased substantially with the growing number of well-to-do muslim who build mosques as annexes to their private homes; by the year 2000, more than forty mosques could be counted in the city. By 1960,

only Alhaji Akorede had performed the Hajj but the number of Alhajs increased in the 1970s and steadily increased in the 1980s and 1990s.

In contemporary times, western education had been the vogue throughout Ekiti. Ado-Ekiti took the lead with the number of educational institutions. In March 1896, Old Emmanuel School was established at Odo Aremu. In 1917, the Roman Catholic Mission established St. Patrick's Primary School. By the 1950s, the number of primary and secondary modern schools had increased very substantially. By 1974, the CMS alone had 104 primary schools, 8 secondary schools, and a teachers' college.

In the early 1930s, the Rt. Rev. H. Dallimore superintendent of the CMS mission established a pupil Teachers Institution. It was raised by the priest to a Middle School and finally towards the end of the 1940s it became a full fledged Grammar School. In the early 1950s, the Ekiti Progressive Union built a second grammar school at Ido-Ekiti. Soon after the CMS built a Girls' Grammar School (Christ Girls').

Thenceforth, communities took it in their strides to raise funds and establish a number of community grammar schools. Ado-Ekiti established its own in 1960 and another one towards the end of the 1970s. The number of Grammar Schools kept increasing and by the year 2000, there were twelve pupil grammar schools, private grammar schools numbered six, a total of eighteen. The Federal Government established its polytechnic at Ikewo, Ado-Ekiti, the defunct Ondo State University established its University at Ilewu, Ado-Ekiti.

Tremendous development took place in the cultivation of economic crops, cultivation and collection of forest products such as kolanut (*cola acuminata*, *Obi abata* and *cola nitida*, *gbanja*) and oil palm produce, commerce and trade. Much of the impetus of all these came initially from Mr. Isaac Itamuboni (later Babamuboni) and a number of early Christians from

Lagos, Abeokuta and Ibadan. These men introduced the cultivation of cocoa, maize, brown cocoyam etc to Ekiti. Wage earning labourers from parts of Ekiti who went to work in Ondo, Ijebu and Ife boosted the cultivation of these economic trees. In 1958, pipe-borne water facility was provided making Ado-Ekiti the first town in present Ondo and Ekiti States to enjoy the facility. Two years later, ECN (now NEPA) extended electricity to the city. These facilities enhanced/increased commercial activities and brought immense socio-economic benefit and improved standard of life to the people. From the 1950s, commercial banks, at first the National Bank, the Union Bank, and in the 1960s and 1970s Co-operative Bank and United Bank for West Africa, opened their branch offices in Ado-Ekiti.

Ado-Ekiti grew in size and in population. Some fifty years ago, the city began to grow/expand beyond its peripheries and ancient gates and ramparts. In 1963, the city was the largest urban centre in present Ondo and Ekiti States and its population of 158,000 at the census of that year represented it as the most populous urban centre in Eastern Yorubaland. The 1991 population count confirmed the primacy of the city, at least in Ekiti. The creation of Ekiti State in October 1996 and the establishment of state capital at Ado-Ekiti will further enhance the city's physical development.

The phenomenal growth and development mentioned above have been due to many factors. God has used many people as instruments of His will to work out His purpose, many of these are citizens of Ado urban, some are citizens of Ado rural, some are stranger elements, a couple of them are even Europeans and other expatriates. The citizenry warmly welcomed these development. For example, when the main road from the National Bank junction, through Erekesan and Ereguru to Ojumose was tarred in 1952 and the major road from Ajilosun through Ijigbo, Orereowu, Okesa and Obada etc a section of Akure - Ilorin road, was tarred in 1956, the very welcome development was rendered in popular juju songs,

one of which rang: Baba wa te 'ri oda l'ado (Our fathers walked on tarred roads at Ado) Ko o bi ko e e (what a delight, what a delight) e e o (very well so) Ko o bi ko e e (What a delight, what a delight).

3.2 Study Location

This study took place among customers that use e-banking for their financial operations and services in some selected banks in Ado-Ekiti.

3.3 Research Design

This study is an exploratory study. In this study, both primary and secondary data were employed for the study. Primary data was collected from only one level:

3.4 Population of the Study

The population of this study was the entire population of Ado-Ekiti. This comprised men, women, male and female, civil servants and artisans. They must be account(s) owner in any of the existing banks in Nigeria which have their branch in Ado-Ekiti, they must also be using one form of Internet banking or the other in order to be able to elicit information on the subject matter. The criteria for selection are: respondents must be less than 18 years, they must own account in any of the banks in Ado-Ekiti, and the banks must be e-banking compliant and they must engaged in Internet banking and must have cards for Internet transactions.

3.5 Sample Size

Going by the nature of this study, this study made use a total of one hundred and fifty (150) respondents for this study. Rule of the thumb. The reason for selecting this sample size is because not all the residents of Ado-Ekiti have account with the existing banks in Ado-Ekiti. More so, some of the banks' customers do not operate Internet banking. They prefer to always be in the banking hall for whatever they want to do in the bank.

3.6 Sampling Technique

The sampling technique for this study was grab sampling technique or what is called accidental sampling technique. This is because only those who meet the requirements for selection will be allowed to elicit useful information for this study. This was done as the researcher move round all the banks and asks the customers if they use any form of Internet banking facilities or at the Automated Teller Machine point.

3.7 Instrument of Data Collection

This study explored mixed method of data collection. Both quantitative and observational methods were used to collect data. That is, both structured questionnaire and observational methods were conducted. This is because the two methods of data collection complemented each other. The questionnaire was thematically arranged base on the specific objectives of this study in order to easily capture the objective of the study.

3.8 Validity and Reliability of the Instrument

To test the validity and reliability of a study, it is through the instruments. To this end, the structured questionnaire was subjected to the Cronbach's Alpha 0.830 and the Guttman 0.825. Also, a pre-test was done to ensure that the instrument is capable of attaining all the specific objectives set for this study.

3.9 Data Analysis Technique

The quantitative data collected was analyzed using the SPSS computer package. These descriptive statistics was presented using mean, frequency tables, percentages, charts where applicable and cross tabulations tables. The hypotheses were analysed with the aid of the Spearman correlation coefficient to ascertain the statistical relationship in the hypotheses tested at 0.05 level of significance. Secondary data sourced from the selected banks were analysed using content analysis, and categorization of variables.

3.10 Ethical Consideration

The right and emotional state of the respondents/customers will not be infringe in anyway or form. To this end, the consent of the respondents was sorted. A copy of the instrument each was given to the banks selected for the qualitative data.

CHAPTER FOUR

DATA ANALYSIS AND DATA INTERPRETATION

4.0 Introduction

This chapter is on the analysis and interpretation of both quantitative and qualitative data collected for this study. For the quantitative data, one hundred and fifty (150) questionnaires were administered but one hundred and forty-two questionnaires were retrieved which is 94.6% or 95.0% of the entire questionnaires. Hence, the data analysis and interpretation will be based on one hundred forty-two questionnaires.

4.1 Respondents Socio-Demographic Data

Table 1: Age of respondents

Age range	Frequency	Percentage
<15-20 years	38	26.8
21-25 years	45	31.7
26-30 years	31	21.8
31-40 years	18	12.7
41 years above	10	7.0
Total	142	100.0

Table 1 show that most of the respondents 31.7% were within the age range of 21-25 while only 7.0% respondents were above 41 years. This simply shows that e-banking is mostly practice by young people because the world is operating on high level of sophisticated technology.

Table 2: Gender of respondents

Sex	Frequency	Percentage
Male	81	57.0
Female	54	38.1
No Response	07	4.9
Total	142	100.0

Table 2 shows that 57.0% of the respondents were male, 38.1% were female while only 4.9% of the respondents did not respond to this question. This simply means male's attitude and interest in research is better than their female counterparts.

Table 3: Marital status

Marital status	Frequency	Percentage
Married	50	35.2
Single due to never married	61	43.0
Single due to separated	28	19.7
Single due to divorced	01	0.7
Single due to widowed	01	0.7
No response	01	0.7
Total	142	100.0

Table 3 is on the marital status of the respondents. From the above table 43.0% of the respondents were single due to the fact that they were not married, 35.2% were married while only 0.7% of the respondent did not respond to the question. It simply means almost three quarter of the respondents were single of different categories such as those that are separated, divorced and widowed.

Table 4: Respondents educational qualification

Education type	Frequency	Percentage
No formal education	04	2.8
Primary education	02	1.4
Secondary education	36	25.4
NCE/ND	27	19.0
B.Sc/HND	73	51.4
Total	142	100.0

Table 5 on the educational qualification of the respondents, it shows that majority of them 51.4% had B.Sc or HND, 25.4% had secondary school education, 19.0% had NCE or ND while only 2.6% of the respondents did not have formal education. This means almost all the respondents were literate in different ways and level. Also, the fact that someone does not

have formal education does not mean the person do not have knowledge of e-banking since it involve practical exercise.

Table 5: Religion

Religion	Frequency	Percentage
Christianity	116	81.7
Muslim	22	15.5
Traditional religion	02	1.4
Free thinker	02	1.4
Total	142	100.0

Table 5 sows that majority of the respondents 81.7% were Christians, 15.5% were Muslims while 1.4% of the respondents were either traditional religion practitioners or free thinkers. This means apart from the fact that the study took place in a Christians dominated area; some people still practice Yoruba traditional religion while some do not believe in the existence of God at all.

Table 6: Ethnicity of respondents

Ethnic	Frequency	Percentage
Yoruba	114	80.3
Igbo	20	14.1
Hausa	06	4.2
No Response	02	1.4
Total	142	100.0

The ethnicity of the respondents was discussed in table 6. Majority of the respondents that took part in this study were Yoruba speaking people, 14.1% were Igbo speaking people while only 4.2% were Hausa from the Northern part of the country. It indicate that Nigeria is truly one nation since there is no major part of the nation that does not accommodate people from other parts as a result of business or white collar job. There is libralisation of movement or migration in Nigeria.

Table 7: Occupation of Respondents

Type of occupation	Frequency	Percentage
Students	75	52.8
Civil servant	19	13.4
Trader/business	19	13.4
Unemployed	05	3.5
Self-employed/artisan	14	9.9
Others	10	7.0
Total	142	100.0

From Table 7, most of the respondents 52.8% were students, 13.4% respondents were either civil servants or trader/business, 9.9% were self-employed/artisans while only 3.5% were unemployed. This simply means that students use and have good knowledge of e-banking. It should be noted that 7.0% constitute others they range between corps members and those that work in the corporate organization.

4.2 Prospects of E-Banking

Table 8: Respondent's opinion on the prospects of e-banking

Prospects of E-Banking in Ado-Ekiti	SA	A	I	D	SD
E-banking has totally override traditional banking system	82(57.7%)	40(28.2%)	7(4.9%)	9(6.3%)	4(2.8%)
Internet banking makes bank service and operation easy	82(57.7%)	53(37.3%)	2(1.4%)	3(2.1%)	2(1.4%)
Bank staff give me prompt service	37(26.1%)	74(52.1%)	17(12.0%)	10(7.0%)	4(2.8%)
I intend to continue banking with my bank for life	53(37.3%)	64(45.1%)	14(9.9%)	9(6.3%)	2(1.4%)
The prospect of e-banking cannot be over-emphasized	46(32.4%)	76(53.5%)	13(9.2%)	5(3.5%)	2(1.4%)

Table 8 focus on the prospects of e-banking. The table shows that 57.7% of the respondents strongly agree that e-banking has totally override traditional banking system the same percentage of respondents strongly agree that Internet banking makes bank service and operation easy, 52.1% agree that bank staff give me prompt service, 45.1% agree that they

intend to continue banking with their bank for life while 53.5% of the respondents agree that the prospects of e-banking cannot be over-emphasized. The statistics from the table indicate that without missing words, going by the information in the table, e-banking has very good prospects that all stakes will benefit from in terms of workers performance, organisational performance and making of increase profits every year and satisfying customers through banking operations and services.

4.3 The effects of e-banking on Performance and profitability

Table 9: respondents view on effects of e-banking on performance and profit making in the banking sector

Effects of E-Banking in Ado-Ekiti	SA	A	I	D	SD
e-banking improve bank staff efficiency	57(40.1%)	64(45.1%)	7(4.9%)	13(9.2%)	1(0.7%)
Banking operation and services take short time	44(31.0%)	60(42.3%)	12(14.8%)	21(14.8%)	5(3.5%)
Customers spend little time in the banking hall	43(30.3%)	45(31.7%)	14(9.9%)	26(18.3%)	14(9.9%)
Bank staff do large volume of work within short time	48(33.8%)	64(45.1%)	13(9.2%)	8(5.6%)	9(6.3%)
My bank make huge and increase profit each year	40(28.2%)	65(45.8%)	21(14.8%)	10(7.0%)	6(4.2%)

Table look at effect of e-banking on the bank performance and the profit they make every quarterly, half of the year or yearly. The table above is revealing that 45.1% of the respondents agree that e-banking improve bank staff efficiency, 42.3% agree that operations and services takes short time in the banks, 31.7% agree that customers spends little in the banking hall irrespective of what brought them, 45.1% also agree that bank staff do large volume of works within short time while 45.8% of the respondents agree that my bank make huge and increase profit each year. This is basically evidence that e-banking is technological and management strategies that boost work performance of bank staff and the entire bank.

This is because some of the banking operations can be done at the comfort of the customers anywhere with appearing in the banking hall, virtually all the banking services can be harnessed on-line too.

4.4 Effects of e-banking on Customer's satisfaction

Table 10: Respondents view on effects of e-banking on customers satisfaction

Customers' Satisfaction of E-Banking	SA	A	I	D	SD
I am happy with the implementation of e-banking in my bank	72(50.7%)	59(41.5%)	7(4.9%)	4(2.8%)	-
I rarely come to the banking hall for any banking services or operation	45(31.7%)	63(44.4%)	12(8.5%)	5(3.5%)	1(0.7%)
I feel safe in my transactions with the bank	56(39.4%)	67(47.2%)	10(7.0%)	4(2.8%)	4(2.8%)
Bank's staff are courteous with me and always willing to assist me without wasting time at all	42(29.6%)	59(41.5%)	24(16.9%)	14(9.6%)	3(2.1%)
I am committed and loyal to my bank not minding the situation at times	40(28.2%)	78(54.9%)	13(9.2%)	8(5.6%)	3(2.1%)
I have overall satisfaction with my bank operations and services	46(32.4%)	67(47.2%)	14(9.9%)	11(7.7%)	4(2.8%)
Bank show a keen interest in solving my problems	38(26.8%)	70(49.3%)	17(12.0%)	12(8.5%)	5(3.5%)

From table 10, customers satisfaction was measured using six indicators. All the six indicators showed that it is either strongly agree or agree by the respondents. Majority of the respondents 50.7% strongly agree that they were happy with the implementation of e-banking in their banks, 44.4% agree that they rarely come to banking hall for any form of banking transaction, 47.2% feel safe transacting with their bank, 41.5% agree that bank's staff are courteous with me and always willing to assist me without wasting time at all, 54.9% agree that they are committed and loyal to their banks while 47.2% of the respondents agree that I have overall satisfaction with my bank operations and services. It showed that no doubt

customer in Ado-Ekiti are really satisfied with the nature and type of e-banking provided by each bank. This in turn improves the bank's performance and productivity.

4.5.1 Problems of e-banking in ado-Ekiti

Table 11: Challenges of e-banking based on respondents experience

Challenges of E-Banking	SA	A	I	D	SD
e-banking is characterized with some problems	53(37.3%)	69(48.6%)	10(7.0%)	7(4.9%)	3(2.1%)
Network downturn is a major problem of e-banking	63(44.4%)	62(43.7%)	8(5.6%)	5(3.5%)	4(2.8%)
Majority of the banks in Ado do not have enough ICT facilities for e-banking services	51(35.9%)	49(34.5%)	16(11.3%)	19(13.4%)	7(4.9%)
Most customers do not have the knowledge of ICT facilities for e-banking products	57(40.1%)	62(43.7%)	15(10.6%)	5(3.5%)	3(2.1%)
Insecurity affects me of using e-banking in Ado-Ekiti	26(18.3%)	52(36.6%)	18(12.7%)	31(21.8%)	15(10.6%)
Proximity of ICT facilities for e-banking creates a lot of problems for customers	30(21.1%)	61(43.0%)	24(16.9%)	21(14.8%)	6(4.2%)

Table 11 is on the measurement of the challenges customers encounter as they explore e-banking for banking transaction or service in the selected banks in Ado-Ekiti. The table showed that the respondents agree 48.6% that e-banking is characterized with problems, 44.4% strongly agree that network downturn is a major problem of e-banking, 35.9% strongly agree that most banks in Ado-Ekiti do not have enough ICT facilities for e-banking, 43.7% agree that most customers do not have the knowledge for e-banking, 36.6% agree that insecurity affects me using e-banking in Ado-Ekiti while 43.0% of the respondents agree that proximity of ICT facilities for e-banking creates a lot of problems for customers. It simply means that e-banking in Ado-Ekiti is laced with a lot of problems from different areas as

demonstrated above. It means the banking sector must be up and doing in order to proffer solution for this issues before e-banking can be optimally harnessed by the customers in Ado-Ekiti.

4.5.2 Solution to e-banking challenges in Ado-Ekiti

Table 12: the way forward on the solution to e-banking problems in Ado-Ekiti

Solution to E-Banking Challenges in Ado-Ekiti					
Items	SA	A	I	D	SD
There is solution to e-banking challenges	66(46.5%)	70(49.3%)	2(1.4%)	4(2.8%)	-
The solution to e-banking problems lies with management of the banks	56(39.4%)	69(48.6%)	10(7.0%)	5(3.5%)	2(1.4%)
Government also have role to play in the solution to e-banking problems in Ado-Ekiti	60(42.3%)	67(47.2%)	10(7.0%)	4(2.8%)	1(0.7%)
Customers too also can be part of the solution to solving e-banking challenges in Ado-Ekiti	50(35.2%)	72(50.7%)	9(6.3%)	7(4.9%)	4(2.8%)

The solution to e-banking challenges is on Table 12. From the table, 49.3% of the respondents agree that there is solution to problem of e-banking, 48.6% agree that the solution to e-banking challenges lies with management of selected banks, 47.2% agree that government of the day also have a role to play in solving the problem of e-banking while 50.7% of the respondents agree that customers of each bank too have their part of the solution. This indicates that there is problem with e-banking in Ado-Ekiti. But most important thing is the solution to e-banking is what all the stakes will do because it is a shared problem and for the solution to be wholistic, all hands have to be on deck so that the optimal dividend of e-banking can achieved in Ado-Ekiti and entire Nigeria.

HYPOTHESIS ONE

There is a strong relationship between e-banking and bank performance and profitability

E-banking has totally override traditional banking system	My bank's work performance is impressive and make huge and increase profit each year						TOTAL	X ²	df	P
	SA	A	I	D	SD		21.546	16	.158	
	SA	26	42	08	02	04				82
	A	11	16	07	05	01				40
	I	01	02	03	01	-				07
	D	02	04	02	01	-				09
	SA	-	01	01	01	01				04
	Total	40	55	21	10	06				142

Significant at P≤0.05.

Hypothesis 1 is mainly on the two variables in the hypothesis which is a relationship between e-banking in ado-Ekiti and bank performance in the selected banks. From the statistics above, it can be deduced that there is no significant relationship between the two variables because the result shows P-value at .158 which is more than .05. this is simply because the level of ICT facilities for e-banking might not be enough for the customers at Ado-Ekiti or the knowledge of the people in terms of e-banking might be too shallow. To this end, the hypothesis is rejected.

HYPOTHESIS TWO

There is a strong relationship between e-banking and customers' satisfaction in the selected banks in Ado-Ekiti.

E-banking has totally override traditional banking system	I have overall satisfaction with my bank's operation and services						TOTAL	X ²	df	P
	SA	A	I	D	SD		35.896	16	.003	
	SA	31	41	05	02	03				82
	A	13	17	07	02	01				40
	I	-	04	01	02	-				07
	D	02	04	-	03	-				09
	SA	-	01	01	02	-				04
	Total	46	67	14	11	4				142

Significant at P≤0.05.

Hypothesis two, is on the e-banking and customer's satisfaction in Ado-Ekiti. Statistically, the P-value which is .003 indicated that there is a significant relationship between the two measured variables in this hypothesis. This is because no matter the level of ICT facilities

purchased for e-banking, customers who come to the banking hall for one transaction or the other of service will always be answered. Or attended to by the bank employees. It means this hypothesis is caecepted.

HYPOTHESIS THREE

. There is a strong relationship between e-banking and challenges/problems facing some selected banks in Ado-Ekiti.

E-banking has totally override traditional banking system	E-banking is characterized with some problems						TOTAL	χ^2	df	P
		SA	A	I	D	SD		14.006	16	.598
	SA	36	33	07	04	02	82			
	A	12	23	3(0	02	-	40			
	I	03	04	-	-	-	07			
	D	01	06	-	01	01	09			
	SA	01	03	-	-	-	04			
	Total	53	69	10	07	03	142			

Significant at $P \leq 0.05$.

Hypothesis 3 is on the e-banking and problems customers encounter each time they engage in e-banking for transaction or service. The result above shows P-value of .598 which is above significant level of 0.05. this indicate that the hypothesis is rejected, that is, there is no relkationship between e-banking and problems of e-banking in Ado-Ekiti. This is because the customers rarely engage in e-banking. They prefer to go to the banking hall than using e-banking. And this is as a result of poor knowledge of e-banking among the customers.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This is the fifth chapter of this study. Here, this chapter is divided into three parts which include summary, conclusion and recommendations of the entire study.

5.1 Summary

Chapter one of this project was on sub-themes such as background to the study, statement of the problem, significance of the study, research questions, objectives of the study among other things. Chapter two specifically reviews relevant literature on salient issues about e-banking especially in Nigeria. Chapter three is the methodology, it focuses on the research design, study population, sample size, sampling technique, method of data analysis and ethical consideration. Chapter four was on the findings of the study. Findings revealed that 31.7% were within the age range of 21-25, about 57.0% of the respondents were male, 43.0% of the respondents were single due to the fact that they were not married, about 51.4% had B.Sc or HND.

Also, results shows that 57.7% of the respondents strongly agree that e-banking has totally override traditional banking system the same percentage of respondents strongly agree that Internet banking makes bank service and operation easy, 52.1% agree that bank staff give me prompt service, 45.1% agree that they intend to continue banking with their bank for life while 53.5% of the respondents agree that the prospects of e-banking cannot be over-emphasized. Furthermore, 45.1% of the respondents agree that e-banking improve bank staff efficiency, 42.3% agree that operations and services takes short time in the banks, 31.7% agree that customers spends little in the banking hall irrespective of what brought them, 45.1% also agree that bank staff do large volume of works within short time while 45.8% of the respondents agree that my bank make huge and increase profit each year. About 50.7%

strongly agree that they were happy with the implementation of e-banking in their banks, 44.4% agree that they rarely come to banking hall for any form of banking transaction, 47.2% feel safe transacting with their bank, 41.5% agree that bank's staff are courteous with me and always willing to assist me without wasting time at all.

On the problem of e-banking, the results showed that 44.4% strongly agree that network downturn is a major problem of e-banking, 35.9% strongly agree that most banks in Ado-Ekiti do not have enough ICT facilities for e-banking, 43.7% agree that most customers do not have the knowledge for e-banking, 36.6% agree that insecurity affects me using e-banking in Ado-Ekiti while 43.0% of the respondents agree that proximity of ICT facilities for e-banking creates a lot of problems for customers. In respect to the solution of e-banking challenges, , 48.6% agree that the solution to e-banking challenges lies with management of selected banks, 47.2% agree that government of the day also have a role to play in solving the problem of e-banking while 50.7% of the respondents agree that customers of each bank too have their part of the solution.

5.2 Conclusion

This study has used DeLone and McLean (2003) IS Success Model to show that most bank customers will use e-banking systems more often if the system quality, information quality and service quality is improved. ATM debit cards usage ranked the highest while most bank customers do not know how to use Web Merchant service and Mobile Money. The banks should enlighten their customers about the gains of using e-banking systems and how to use them.

5.3 Recommendations

The researcher having critically examined the responses of bank customers who use various forms of e-banking systems as well as having read previous works on e-banking systems and services here by makes the following recommendations:

- 1) All money deposit banks in Nigeria should as a matter of urgency improve the service quality of their e-Banking Systems.
- 2) Bank customers should be encouraged and informed on how to use all forms of e-banking systems for their financial or business transactions, including using ATM debit card for payment purposes not just for withdrawing money.
- 3) Further research work on customers' perspective of the usage of e-banking systems by the CBN on a national base in order to cover the whole Nigerian state. This will guide them properly when formulating e-banking policies and guidelines.
- 4) Further work should be done on Biometric Authentication of ATM, for improving its security account which will enable them practice e-banking.
- 5) Research work on the Design and Construction of a unified (single) smart card based ATM debit card for all financial transactions.

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