

A Cross-Country Evaluation of Sentiment Toward Cryptocurrencies and Digital Payment Systems in Africa

Isabel Agadagba

Executive Summary

Digital payment systems are rapidly transforming financial ecosystems in Nigeria, yet user perspectives on adoption across these diverse payment methods remain understudied. Nigeria has emerged as Africa's largest digital payments market, recording 7.9 billion real-time transactions in 2024 and hosting 28% of the continent's fintech companies. The country presents a unique case study: mobile money adoption is skyrocketing but lags regional peers like Kenya and Ghana; the eNaira CBDC launched in 2021 shows 98% wallet inactivity; yet Nigeria ranks second globally in cryptocurrency adoption. This divergence raises critical questions about what factors drive users toward particular payment methods and away from others.

We investigate factors influencing digital payment adoption in Nigeria through 30 semi-structured interviews with urban users across the city of Lagos. Participants were adults aged 18-55 who had used at least one digital payment method in the past 12 months. Interviews were conducted by a research assistant from the region in pidgin English. We used inductive thematic analysis to synthesize qualitative data, with coding of transcripts and resolving discrepancies through discussion.

Our results reveal that users navigate complex trust paradoxes: while distrust of government programs and resources contributes to low Central Bank Digital Currency (CBDC) adoption, users simultaneously prefer digital payment platforms like mobile money that offer easily accessible recourse mechanisms, reliably fast transactions, and regulatory backing. On the other hand, users fear government control or surveillance, and appreciate digital payment options like cryptocurrency and stable-coins to maintain financial freedom and privacy. This suggests that complete decentralization is not uniformly valued.

We identify five key factors shaping adoption decisions: (1) trust in platforms and supporting institutions, (2) perceived utility for specific use cases, (3) ease of use and accessibility, (4) availability of recourse and security mechanisms, and (5) social influence effects. The majority of users trust fast and reliable platforms recommended to them by their peers and the general public. Availability of recourse mechanisms emerged as a critical factor, with users expressing willingness to reduce privacy in exchange for clear pathways to dispute resolution and security mechanisms (face ID). Incentives and brand recognition highly drive user adoption, appreciating low transaction fees and rewards for using specific services. Adoption decisions are highly

use-case specific: users maintain portfolios of payment methods, selecting among them based on transaction type---mobile money for day-to-day domestic transfers (food, data, bills), cryptocurrency for inflation hedging and investment opportunities, and money transfer platforms for formal transactions. Demographic patterns show significant gender gaps in cryptocurrency adoption and occupation-correlated differences across all payment types, while age effects vary by payment method, with younger users favoring cryptocurrency while older users prefer money transfer platforms and traditional banking.

This study makes three primary contributions: (1) a comparative qualitative study examining user decision-making across mobile money, cryptocurrency, money transfer, and CBDC within the same sample; (2) documentation of trust paradoxes and behavioral patterns that quantitative studies have not captured; and (3) actionable recommendations for policymakers and payment system designers seeking to improve adoption and financial inclusion. Our findings suggest that CBDC adoption requires addressing trust deficits through transparent governance and privacy protections, not merely technical improvements. For payment providers, the importance of recourse mechanisms indicates that customer support infrastructure may be as critical as transaction efficiency. For researchers, our documentation of trust paradoxes suggests that further research is required to extend to capture the complexity of user decision-making in environments with multiple competing payment systems.