



Entry & Capability Barriers

Low digital financial capability

This barrier refers to the limited skills, confidence, and experience that prevent women — particularly those with low incomes or living in rural areas — from fully engaging with digital financial services (DFS). In the DFS context, we specifically consider a customer's ability to use a mobile phone (feature or smartphone) and to navigate through USSD menus or smartphone apps.

Why is this barrier important?

Without digital financial capability (DFC), women are more likely to remain excluded from DFS, miss opportunities to save, access credit, or insure against risks, and face greater exposure to fraud or misuse. Evidence shows that women may distrust or feel intimidated by digital platforms, particularly when interfaces are complex or security concerns go unaddressed — directly undermining their confidence and ability to build financial resilience.

Unlike financial literacy — which concerns knowledge of financial products and concepts — DFC is specifically about a person's ability to operate the digital tools through which those products are now delivered. Low DFC is also self-reinforcing: women who lack confidence using digital platforms avoid them, limiting the practice and exposure that would build capability over time.

Connected Barriers

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Entry & Capability Barriers
High cost of using DFS (incl. transaction costs)
Limited personal exposure to DFS
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Consumer Protection
Fear of making mistakes
Increased exposure to frauds & scams
Difficulty resolving complaints
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Digital & Physical Infrastructure
Poor internet & mobile connectivity
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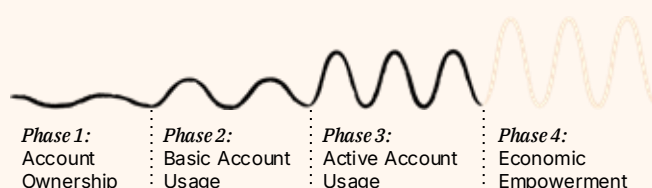
Institutional Norms & Practices
Lack of strategic focus on women customers
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Product & Market Design
Lack of reliable & high-quality in-person services

Most Relevant Segments

- | | | | |
|---------------------------|-----------------------------|--------------------------|------------------------------|
| 1 | 2 | 3 | 4 |
| Excluded,
marginalized | Excluded,
high potential | Included,
underserved | Included,
Not underserved |

Customer Journey Relevance





Key evidence relevant to this barrier

The gender gap in digital financial capability reflects structural inequalities in access to devices, literacy, and relevant education that disproportionately affect women, and are compounded by social norms that limit their exposure to and practice with technology.

- Sending money to the wrong recipient, often due to errors in entering phone numbers or proxy IDs, is relatively uncommon in Latin America and the Caribbean and in South Asia, while in Sub-Saharan Africa, 9% of adults (equivalent to nearly one-quarter of mobile money account owners) reported making such errors. ([Global Findex, 2025](#))
- Low-income customers and those from rural areas, particularly women, tend to have lower levels of digital literacy, fewer financial skills, a more limited understanding of products, less awareness of their rights, and general distrust in complaints mechanisms and technology, amplifying their exposure to DFS risks. ([Women's World Banking, 2024](#))
- Women are 8% less likely than men to own a mobile phone and 20% less likely to use the internet on a mobile device. This disparity limits women's avenues to learn digital financial skills, thereby contributing to their low digital financial capability. ([Dimova and Arnold, 2021](#))
- Traditional financial literacy approaches have been found ineffective in building digital financial capability, particularly for women who start from lower educational levels. Social norms make peer and role model learning critical in building digital capability; women need to build confidence and trust with digital financial services before fully engaging. ([Dimova and Arnold, 2021](#))
- A study across South Asia and Sub-Saharan Africa found that digital literacy is a stronger driver of positive financial behavior than financial literacy — with marginal effects for digital literacy exceeding those for financial literacy across every financial behavior studied, including saving and borrowing. For example, a one-unit increase in digital literacy increased the likelihood of formal saving by 7.8%, compared to 6.9% for financial literacy. The

authors conclude that digital literacy may offer a more efficient and less costly tool for building financial resilience, particularly in markets where DFS is expanding rapidly. ([ADB, 2020](#))

- A 2025 survey of financial services providers (FSPs) found that only 11% of institutions viewed the challenge of low digital financial capability as an easy barrier to resolve. (Women's World Banking, 2025)

In South and Southeast Asia, the convergence of low literacy rates, restrictive social norms, and unfamiliar technology creates particularly acute digital capability barriers for women — making the first DFS interaction feel high-stakes and difficult to navigate without in-person support.

- In South Asia, women are less likely than men to use the internet, as they are less likely to be able to read text messages written in the Latin alphabet, which can hinder their ability to use digital financial services. ([Global Findex, 2025](#))
- Women's World Banking found that female garment factory workers in Bangladesh received their salaries digitally through Rocket mobile money accounts but primarily used them only to cash out once a month. To address this limited usage, Women's World Banking partnered with Dutch-Bangla Bank Ltd. (DBBL) to enhance customer engagement and build digital financial capabilities. The initiative promoted active account usage through a learning-by-doing approach, teaching women how to perform self-initiated transactions such as person-to-person (P2P) transfers. This use case strongly resonated with the workers, demonstrating how targeted, hands-on training can shift behavior from passive to active use of digital accounts. ([Women's World Banking, 2021](#))



Key evidence relevant to this barrier

- Women customers at one microfinance institution (MFI) in Pakistan feel intimidated using banking apps due to concerns around security and the complexity of financial transactions. To address this, the MFI simplified its digital user interfaces and conducted user testing with women across different age groups and socioeconomic backgrounds to better understand their preferences and usability needs. ([Women's World Banking, 2025](#))

Addressing low digital financial capability requires action on two fronts: FSPs must design products and interfaces that meet women where they are, and programs must invest in sustained, contextually appropriate capability-building that goes beyond one-off financial literacy training.

Recommended actions span product design, trust-building, and learning approaches — all grounded in how women actually learn and engage with digital tools.

- **Simplify user experiences and interfaces** by conducting regular user testing with women customers across age groups and socioeconomic backgrounds to design products that are intuitive and accessible. Reduce complexity in app navigation and transaction processes, and incorporate local languages, voice prompts, and visual cues to support women with lower literacy levels.
- **Invest in long-term capability building by creating continuous learning pathways that evolve with women's financial journeys,** from first account opening to accessing credit, insurance, and investment products. Use gender-disaggregated data to track progress and adjust interventions as women's capabilities grow.
- **Build trust and normalize women's use of digital financial services** by running awareness campaigns that highlight relatable female role models and normalize women's engagement with DFS. Establish transparent, user-friendly complaints and redress systems that are easily accessible, especially for women with low literacy or limited mobility.
- **Focus interventions on the ways women learn.** Practical steps include learning-by-doing, such as accompanying women through their first digital transactions, offering simple simulations, and reinforcing behaviors with just-in-time reminders (e.g., SMS prompts to save or pay bills). Guidance delivered at "teachable moments" and the use of nudges or default options, such as automatic savings, can further build confidence and encourage consistent use. Together, these approaches help women overcome initial barriers, reduce errors, and build lasting digital financial habits.
- **Build digital tools that meet customers where they are, not where providers expect them to be.** For FSPs, this means simplifying application navigation, using clear and accessible language, and embedding guidance that helps users with lower digital fluency feel confident and supported.