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The Impact of Financial Technology on Customers Decisions in Bank Selection: An Analytical and Applied Study in Private Banks in Karbala Governorate

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Abstract. This research investigates the effect of Financial Technology (FinTech) on consumers' choice of banks, focusing on the three key aspects of FinTech: financial innovation, digital transformation, and new banking products and services. The importance of the study lies in the fact that FinTech has become an important enabler for banks to become more competitive, to provide better services to their customers and boost customer confidence, and thus to be a key element in financial inclusion. The study population is the customers of local banks in Karbala Governorate and a random sample of 80 individuals was taken and obtained through a structured questionnaire. The instrument used a 5-point Likert Scale to assess variables. Validity and reliability of the instrument were determined by applying the Cronbach's alpha and appropriate statistical techniques were used to test the research hypotheses, including the mean scores and simple, multiple linear regression. The data collection period of the study was about three months. The findings revealed that the influence of the FinTech dimensions on customers' banking decisions is statistically significant, highlighting that financial innovation, digital transformation and new products play important roles to attract customers and improve their loyalty. The study calls for local banks in Karbala to implement innovative digital strategies, digital financial services, increase bank's transparency and quality, and continuously invest in digital infrastructure and modern financial technologies to meet the rapid changes in banking business environment.

Keywords: Digital Financial Inclusion, Strategic Flexibility, Private Banks, Karbala.

1. Introduction

The world has seen a revolution in the banking sector and financial services in the last couple of decades in terms of Financial Technology (FinTech) development. This technology has changed the way services are provided, and brought about a paradigm shift in digital innovation and the development of intelligent systems such as applications, online platforms and secure digital infrastructures. It's not just a technical change—it changes the very way that financial institutions interact with their clients. In the era of technology, the FinTech has become a crucial tool for increasing efficiency, decreasing cost and expanding the reach of financial inclusion.

As the landscape of banking becomes more competitive, customers are becoming more sophisticated and adept at using digital channels, which has an impact on their financial and banking service selection decisions. While the notion of trust and reputation is still relevant, customer choices now rely on digital elements as well, including user-friendliness and speed of transaction, cyber security and the variety of digital services offered. Therefore, the effect of Financial Technology (FinTech) on customer decision making should be discussed especially in the context of local financial markets

where the digital infrastructure is being significantly expanded.
The objective of this research is to examine and measure the effect of Financial Technology (FinTech) on customer decision (CD) in the banking context based on the various aspects of FinTech. It is a topic that covers one of the biggest and most current challenges that pertains to financial innovation and consumer behavior. This study contributes to the understanding of the causal relationship; in this context, the effect of using financial technology on the decision-making process of users, which enables banks to develop better strategies in order to obtain a sustainable competitive advantage for their institutions.

Chapter One: Research Methodology

First: Significance of the Study

The significance of this study comes from the need to understand the relationship between Financial Technology (FinTech) and customers' decision making when choosing banks, and digital evolution in the banking sector is becoming an important element in the customers behaviour and satisfaction. Moreover, the expected results will help banks to enhance their digital services and create meaningful products, gain customer loyalty. Moreover, the study will help to advance the knowledge base on the effects of FinTech on customer behaviour and offer practical insights for making the banking sector more competitive.

Second: Research Objectives

The study aims to:
1. Measure the level of banks' adoption of FinTech from the customers' perspective.
2. Analyze the impact of FinTech on customers' decisions in selecting banks.
For each of the following variables, determine the dimensions that are most important:
Financial Technology (FinTech): Financial innovation, digitisation, new products and services.
An analysis of customers' selection criteria for banks: service quality, technology/digital services, reputation and trust.
4. Make some practical suggestions about what banks can do to make their services better and have more satisfied customers.

Third: Scope of the Study

The area of the study is restricted to the bank customers in the holy governorate of Karbala.

Temporal Scope: Three months of data collection will be carried out.

Methodological Scope: The study uses a questionnaire as a main instrument in collecting data; hence the results only represent the opinion of the respondents.

Third: Scope of the Study

The study is limited to the bank customers of the Holy Governorate of Karbala.

Time Scope: This will be a month period.
Methodological Scope: The study is limited to the use of the questionnaire as the main instrument for data collection making the results only represent the views of the respondents.

Fourth: Study Instrument

A questionnaire was designed, consisting of two main sections:
Financial Technology (FinTech) Section
Financial Innovation
Digital Transformation
New Products & Services
Participation of Customers in Decision Making of Bank Selection Section
Service Quality
Technology & Digital Services
Reputation & Trust
Measurement Method: A 5-point Likert scale was used (1 = Strongly Agree, 5 = Strongly Disagree). The student is able to identify statistical methods used.

Fifth: Statistical Methods Used

A questionnaire was designed, consisting of two main sections:
Financial Technology (FinTech) Section
Financial Innovation
Digital Transformation
New Products & Services
Customer Decision-Making in Bank Selection Section
Service Quality
Technology & Digital Services
Reputation & Trust
Measurement Method: A 5-point Likert scale was used (1 = Strongly Agree, 5 = Strongly Disagree).
For Descriptive Statistics, the frequency distribution, the mean and the standard deviation of the variables were measured.
Validity and Reliability Testing: Cronbach's Alpha coefficient is utilized to check the reliability of the questionnaire.

Regression Analysis (Simple and Multiple): Regression analysis was used to explore the effect of financial technology (FinTech) on financial decision making by customers.
Pearson correlation: This is used to determine the magnitude of the relationship between the variables and their associated dimensions.

Sixth: Study Hypotheses

Main Hypothesis:

There is a statistically significant impact of financial technology on customer decisions regarding the selection of banks.

Sub-hypotheses:
There is a statistically significant impact of financial innovation on customer decisions.
There is a statistically significant impact of digital transformation on customer decisions.
There is a statistically significant impact of new products and services on customer decisions.

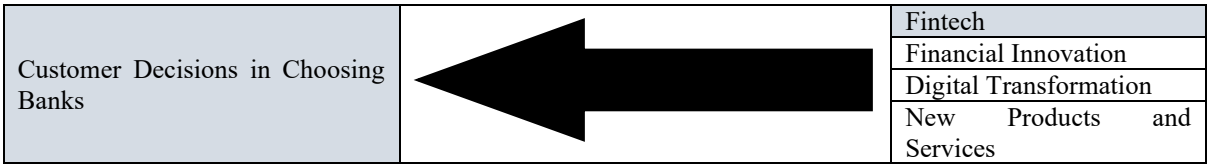


Figure (1) *Hypothetical Diagram*
Source: *Prepared by the researcher*

Chapter Two: Theoretical Aspect

First: Financial Technology (FinTech):

1. Concept:

Table 1: The Concept of Financial Technology (FinTech)

Concept	Researcher / Year	Ordering
FinTech is "technology-enabled financial innovation that leads to new business models, applications, processes, or products with a material impact on financial markets."	Schueffel, 2016	**1**
FinTech is "technology applied to the financial services sector, driving a radical transformation of the industry in the wake of the financial crisis."	Arner, Barberis & Buckley, 2015	**2**
FinTech represents "an ecosystem that brings together financial technology, innovation, market regulation, customers, and technology companies."	Lee & Shin, 2018	**3**
FinTech is defined as "new technologies that improve, alter, or replace traditional financial services."	Gomber et al., 2017	**4**
FinTech is "modern technology that brings about structural changes in financial services through digitalization and innovation."	Puschmann, 2017	**5**
FinTech represents "an opportunity to redesign the financial industry through innovation, technology, and cost reduction."	Philippon, 2016	**6**
FinTech is understood as "a group of companies that provide digital financial services via platforms based on data and real-time connectivity."	Milian, Spinola & Carvalho, 2019	**7**
FinTech is "an umbrella term referring to startups that offer innovative financial services using modern technology."	Zavolokina, Dolata & Schwabe, 2016	**8**
FinTech is "a set of technology-based financial solutions that reshape the relationship between banks and their customers."	Thakor, 2020	**9**
FinTech signifies "the integration of technology and finance to deliver more efficient and innovative services to customers."	Nicoletti, 2017	**10**

Source: *Prepared by the researcher, based on the cited literature.*

The Importance of Financial Technology (FinTech):

Financial Technology (FinTech) today is a crucial force that is changing the face of the world's financial and banking sector. It is important for its ability to streamline various banking and financial tasks, including payment processing, account management, and financial analytics, reducing costs and improving efficiency for financial institutions and banks (Philippon, 2016; Schueffel, 2016).

Moreover, FinTech has proven to be a key enabler of financial inclusion through the provision of financial products, such as digital wallets, digital loans and crowdfunding platforms, that opened new economic opportunities and reduced financial gaps between people (Arner, Barberis & Buckley, 2015; Milian, Spinola & Carvalho, 2019).

In addition, FinTech is driving innovation in the financial services industry by creating and launching new financial products and solutions, such as automated investment advisory (robo-advisors) and AI-powered electronic trading, that enhance the quality of the customer experience and increase satisfaction (Gomber et al., 2017; Thakor, 2020).

Besides the customer, the significance of FinTech does not stop at banks and financial institutions, as it helps boost their competitiveness. The effective use of digital technologies makes banks competitive in the context of new start-ups and new disruptive technologies (Puschmann, 2017; Nicoletti, 2017). Further, FinTech plays a role in the enhancement of financial risk management by analysing big data in real-time, detecting fraudulent activities or strengthening cyber security which, in turn, enhances customer protection and boosts trust in the financial system (Zavolokina, Dolata & Schwabe, 2016; Lee & Shin, 2018).
Dimensions of Financial Technology (FinTech):

Table 2: Dimensions of Financial Technology

FinTech Measurement Dimensions	Researcher / Year	Ordering
Financial Innovation, Digital Transformation, New Products and Services	Schueffel, 2016	**1**
Digital Banking Transformation, Financial Inclusion, Innovation in Financial Services	Arner, Barberis & Buckley, 2015	**2**
Digital Ecosystem, Business Models, Integration of Technology and Customers	Lee & Shin, 2018	**3**
Operational Efficiency, Digital Transformation, Technological Innovation, Restructuring of Financial Services	Gomber et al., 2017	**4**
Structural Innovation, Digitization, Enhancement of Banking Services	Puschmann, 2017	**5**
Cost Reduction, Increased Competitiveness, Technology Investment Strategies	Philippon, 2016	**6**
Financial Inclusion, Digital Platforms, Access for the Unbanked	Milian, Spinola & Carvalho, 2019	**7**
Cybersecurity, Data Protection, Trust in Digital Transactions	Zavolokina, Dolata & Schwabe, 2016	**8**
Customer Experience, Digital Interaction, Customer Satisfaction, Banking Transformation	Thakor, 2020	**9**
Technical Innovation in Products and Services, Big Data Analytics, Artificial Intelligence, Development of Digital Tools	Nicoletti, 2017	**10**

Source: *Prepared by the researcher, based on the cited literature.*

For this study, the following sources suggested by Schueffel (2016) will be used:
a. Financial Innovation
Evaluates banks' or financial institutions' ability to launch new financial products and financial services or improve their business model using technology.
b. Digital Transformation
Assesses the level of banks' use of digital technologies in their business and to customers, including electronic payments and banking apps.
c. New Products & Services
Assesses the diversity and quality of the financial institution's new digital products and services provided to their customers, indicating both innovation and competitiveness.

Second: Customer Decisions in Selecting Banks:

1.The Concept of Customer Decisions in Selecting Banks:

Table 3: The Concept of Customer Decisions in Selecting Banks

Concept	Researcher / Year	Ordering
A customer's decision to choose a bank is influenced by factors such as service quality, reputation, cost, and trust in the institution.	Lee & Lee, 2009	**1**
Customer satisfaction, derived from the quality of banking services, directly impacts the decision-making process when selecting a bank.	Chen, 2011	**2**
Service quality and customer satisfaction act as mediators between banking services and customer loyalty, thereby influencing the choice of a bank.	Caruana, 2002	**3**
The adoption of banking technology and electronic services is a key factor in how customers choose their banks.	Kolodinsky et al., 2004	**4**
Cultural and religious factors directly influence customers' decisions to choose Islamic banks.	Amin, 2016	**5**
The perception of service quality plays a pivotal role in shaping customer satisfaction and informing the decision to select a bank.	Ryu, 2009	**6**
Electronic trust is a fundamental factor influencing the choice of digital banks.	Yousafzai et al., 2003	**7**

Service quality and customer satisfaction affect customer loyalty, which in turn influences banking-related decisions.	Lassar et al., 2005	**8**
How customers evaluate online or mobile banking services impacts their decision in choosing a bank.	Laukkanen, 2007	**9**
Customer loyalty—stemming from satisfaction with services—influences the likelihood of choosing the same bank repeatedly, thereby shaping customer decisions.	Ndubisi, 2006	**10**
A customer's decision to choose a bank is influenced by service quality, the bank's reputation, cost, accessibility, and personal factors.	Gizaw, 2024	**11**
Customer satisfaction and a bank's reputation are the most significant factors influencing the decision to choose a bank.	Akhundov, 2024	**12**
Banking-related factors—such as reputation, service quality, financial returns, convenience, social influence, and the availability of information—affect customer choices.	Shah & Kattel, 2020	**13**
Security, service quality, technology, and convenience are key factors influencing the use of banking applications, which in turn affects the choice of a bank.	Mohamad Jalani & Easwaramoorthy, 2024	**14**
Dimensions of relationship quality—such as satisfaction, trust, and commitment—influence customers' decisions to choose electronic banks.	Alawneh, 2013	**15**

Source: *Prepared by the researcher, based on the cited literature.*

2. The Importance of Customer Decisions in Selecting Banks:

One of the most important aspects of banking success and sustainability is the choice of bank by its customers. These choices have a direct impact on whether a bank can satisfy its customer's needs, deliver quality service and establish trust. Knowing the determinants of a customer's choice of bank will enable financial institutions to better tailor their services and offerings to customers, build customer loyalty and improve competitiveness in the marketplace (Lee & Lee, 2009; Chen, 2011).

First, service quality is a great determinant in customer decision making. Research shows that consumers select banks with precision, speed, and reliability, both in their physical and virtual locations (Ryu, 2009; Lassar et al., 2005). In addition to being able to complete the transaction, providing good service also involves communicating with customers and handling complaints professionally, thereby enhancing customer satisfaction and positively impacting customers' choice of bank (Caruana, 2002).

Second, Reputation and trust plays a key role in the banking decision making process. Customers are likely to opt for banks that have a good reputation for financial stability and a proven track record; trust is a key factor in financial transactions, particularly in competitive markets (Yousafzai, Pallister & Foxall, 2003). Banks with a great reputation and those that are clear about their operations are likely to have a more positive impact on their customers' decisions.

Third, tech adoption and digital services empower the decision-making process for customers, especially due to online banking and mobile apps proliferation (Kolodinsky, Hogarth & Hilgert, 2004; Laukkanen, 2007). Convenience and speed are the benefits they provide, which means that they are more likely to be selected by customers who prefer banks that are technologically innovative.

Fourthly, the personal/cultural factors are important, because it is the personal habits, values, or preferences that influence the choice of a proper bank (Amin, 2016; Ndubisi, 2006). Some consumers might look for banks that have products that meet Islamic Sharia, for example, or the return on their investment or the quality of their service.

Fifth, convenience and service accessibility is a major consideration in making decisions. Banks that are strategically placed, both in terms of branches and automated teller machines (ATMs), tend to be more popular among customers because they can easily and efficiently access financial services (Shah & Kattel, 2020; Gizaw, 2024).

Overall, customers' selection of a bank is a good indicator of the effectiveness of banking strategies and the quality of banking services offered. The knowledge of these decisions can help banks to improve the overall experience for their customers, increase their loyalty, and gain a competitive edge that can lead to better financial performance and profitability for the institution (Akhundov, 2024; Mohamad Jalani & Easwaramoorthy, 2024).

3. Dimensions of Customer Banking Decisions:

According to Gurung (2023) study the dimensions that are measured in customer banking decisions are:
1. Service Quality: The first is service quality, which is a bank's capacity to offer its customers accurate, quick and reliable banking services to satisfy their expectations. This encompasses staff interaction, transactional speed and effective problem or complaint handling.
One of the key factors that can affect customers' banking decisions is service quality, which includes a banking experience that is seamless and free of errors. Gurung (2023) has mentioned that customers prefer banks which actually provide them with satisfaction in terms of the service they provide and this also boosts bank loyalty and decreases chances of them switching to a different bank.
2. Technology & Digital Services:
This dimension indicates a bank's capacity to provide innovative banking products and services by using modern technologies like banking apps, online banking, digital wallets and electronic payment services. Incorporating technology simplifies the access of the customers for services anytime and anywhere, as explained by Gurung (2023). Anywhere, which increases customer convenience and ease of transactions. In the era of digital transformation and the rise of online banking, this aspect has emerged as a key consideration, particularly for customers who appreciate the swiftness and agility of banking services.
3. Reputation and Trust: Reputation and trust indicate the credibility and reputation of the bank in the market and the security of the customers regarding the bank. This includes transparency in transactions, bank's financial history, and compliance with banking laws and standards. Trust and reputation are psychological elements of bank selection, according to Gurung (2023). When choosing a bank, customers are more inclined to select a financial institution with a solid history and reputation as it eliminates risk factors and generates trust when making financial decisions.

Chapter Three: The Practical Aspect

First: Coding and Structural Tests for the Study Scale:

Table 4: Coding of Variables and Dimensions

Symbol	Sub-dimension	Variable
FI	Financial innovation	Financial Technology (FT)
DT	Digital transformation	
DP	Digital payments	
TR	Trust	Customer Decisions (CD)
SQ	Service quality	
RP	Reputation	
CF	Cost/Fees	

Source: *Prepared by the researchers*

1.Face Validity of the Measurement Instrument:
A preliminary version of the study instrument (questionnaire) was created to determine face validity, which is the ability of the study instrument to measure study variables. The questionnaire was given to a panel of expert reviewers who were experts in the field of business administration. Their advice and opinion were requested for their review of the items in the questionnaire, to ensure that they are valid and correspond with the hypotheses and objectives of the study and to determine their ability to assess the variables of the study. This process helped to ensure that the items were clear, comprehensive, and scientifically accurate. Some items and some phrases were changed in response to the comments of the reviewers. Finally, the questionnaire was accepted by most of the reviewers, who accepted the items as valid and sufficient in regard to the goals of the study.
2. Content Validity of the Measurement Instrument:
The reviewers' expertise and knowledge was used to determine the content validity of the measurement instrument by assessing the adequacy of the dimensions of the study variables and the sufficiency of the items in each dimension. After incorporating all the changes suggested by the reviewers, the adequacy of all the variable dimensions and their corresponding items was confirmed. Hence, the final questionnaire is content valid and this is a prerequisite for the distribution of the questionnaire.
3. Reliability Testing of the Measurement Instrument:

The researcher used Cronbach's alpha test for the validity and reliability of the questionnaire. Nunnally (1978) and Hair et al. (2010) suggest that Cronbach's alpha coefficient values of > 0.7 are acceptable, > 0.8 are good, and > 0.9 are excellent. The study instrument is therefore considered appropriate to be used in the final application since it has acceptable level of accuracy and reliability. The reliability co-efficient of the measurement instrument in this study is presented in Table (1).

Table 5 Cronbach's Alpha Reliability Test

Status	Cronbach Alpha	Number of questions	Dimension	Variable
Acceptable	0.78	4	Financial innovation	Financial Technology (FinTech)
Very good	0.81	4	Digital transformation	
Acceptable	0.75	4	New products and services	
Very good	0.80	4	Trust	Customer Decisions (CD)
Acceptable	0.77	6	Service quality	
Acceptable	0.79	5	Reputation	
Acceptable	0.72	4	Cost/Fees	

Source: *Prepared by the researcher, based on outputs from the SPSS 26 software.*

1. Normal Distribution:
The Kolmogorov-Smirnov test was used to assess the distribution of data and skewness and kurtosis was assessed. If skewness is in the range of ±1, and kurtosis is in the range of ±2, then the data are normally distributed, according to Tavakol and Dennick (2011).

Table 6: Normal Distribution

Decision	Kurtosis	Skewness	Variable
Natural	1.12	-0.41	Financial Technology (FinTech)
Natural	1.20	-0.44	Customer decisions in selecting banks

Source: *Prepared by the researcher, based on outputs from the SPSS 26 software.*

Second: Descriptive Statistics:

To interpret the mean values, the researcher relied on methodological studies—such as the work of Sekaran and Bougie (2016)—which indicate that mean scores on a five-point Likert scale can be classified into five categories. This classification is derived by dividing the total range (4 units) by the number of categories (5), resulting in an interval width of 0.80. Accordingly, the categories are presented in the following table:

Table 7: Descriptive Statistics

Commentary	Top-responding paragraph	Arithmetic Mean	Variable and Its Dimensions
			Financial Technology (FinTech)
From the customers' perspective, this represents the most influential factor in financial technology.	S3	4.31	Financial Innovation
Customers perceive digital transformation as a significant contributor to the ease of banking services.	S14	4.05	Digital Transformation
The availability of new products and services enhances customer satisfaction, though to a lesser extent than financial innovation does.	S11	3.98	New Products and Services
			Customer Decisions (CD)
Trust is the primary factor influencing customers' choice of a bank.	C7	4.25	Trust
Service quality is of great importance to customer satisfaction and retention.	C2	4.12	Service Quality

A bank's strong reputation positively influences a customer's decision to join or remain with the institution.	C13	4.08	Reputation
Fees and costs have less impact than other factors, yet they remain significant in the final decision-making process.	C20	3.85	Cost/Fees

Source: *Prepared by the researcher based on outputs from the (SPSS, v. 26) software.*

As seen in the above table, the study sample had a positive perception of the financial technology state and its influence in customers' bank selection decision in all dimensions as they scored above the mean (3.5).

Third: Impact Analysis (Simple Linear Regression):

Regression analysis is a powerful tool for understanding the relationship between the independent variable—financial technology—and the dependent variable—customers' decisions in choosing banks (encompassing resource flexibility, expansion flexibility, and information flexibility). Here, we will detail the steps and findings in accordance with the regression analysis methodology.

First: Testing the Main Hypothesis:

Main Hypothesis:
Financial technology has a statistically significant impact on customers' decisions when choosing banks.

Simple Linear Regression Results:

Table 8: Results of the Main Hypothesis Test

Statistical significance	F-value	Coefficient of determination (R^2)	Significance level (Sig.)	t-value	Regression coefficient (B)	Independent Variable
Significant at (0.01)	45.32	0.372	0.000	6.732	0.485	Financial Technology (FinTech)

Source: *Prepared by the researcher based on outputs from the (SPSS, v. 26) software.*

Interpretation:
The (B) value is positive (0.485), which means that the higher the level of financial technology, the greater the customer decision making. • The (t = 6.732) value is significant at the 0.01 level. The value of ($r^2 = 0.372$) means that 37.2% of the variance in the customer's decisions is explained by financial technology and 62.8% is unexplained by financial technology. The (F = 45.32) value is statistically significant at 0.01 level. The value of the Sig. (0.000) is smaller than 0.05 and we agree with the main hypothesis that financial technology plays a significant role in customers' choices of banks (Pallant, J. (2020)).
Second: Testing the Sub-hypotheses:

First Sub-hypothesis:
There is a statistically significant effect of financial innovation on customer decisions.

Table 9: Results of the test for the first sub-hypothesis

Significance	F	R^2	Sig.	t	B	Independent variable
Significant at (0.01)	35.81	0.316	0.000	5.983	0.421	Financial innovation

Source: *Prepared by the researcher based on outputs from the (SPSS, v. 26) software.*

Conclusion: Financial innovation has a significant and direct impact on customer decisions.

Second Sub-hypothesis:
There is a statistically significant impact of digital transformation on customer decisions.

Table 10: Results of testing the second sub-hypothesis

Significance	F	R^2	Sig.	t	B	Independent Variable
Significant at (0.01)	32.15	0.298	0.000	5.441	0.398	Digital Transformation

Source: *Prepared by the researcher based on outputs from the (SPSS, v. 26) software.*

Conclusion: Digital transformation has a significant impact on customer decisions.

Third sub-hypothesis:
There is a statistically significant impact of new products and services on customer decisions.
Table 11: Results of the test for sub-hypothesis 3

Significance	F	R^2	Sig.	t	B	Independent variable
Significant at (0.01)	28.67	0.274	0.000	4.912	0.367	New products and services

Source: *Prepared by the researcher based on outputs from the (SPSS, v. 26) software.*

Conclusion: New products and services have a significant impact on customer decisions.

Chapter Four

Conclusions and Recommendations

First: Conclusions:
1. Theoretical Aspect:
The literature review shows that Financial Technology (FinTech) is one of the most important innovations of the banking sector in modern times, that it provides different kinds of digital innovations like financial innovation, digital transformation, digital payments etc., which greatly improve the operational efficiency and cost reduction in the banking sector.
Previous studies provide insight into how various dimensions such as trust, service quality, reputation, and costs/fees affect customer decisions. These dimensions provide the underlying framework or pillars that influence customer attitudes and behaviors toward the uptake of digital financial services.
The theoretical framework indicates that Financial Technology (FinTech) does not only have a technical connection with the decision of customers, but also a strategic one that strengthens the competitiveness of private banks in the Holy Governorate of Karbala.

2. Practical Aspect:
Based on the results from the statistical analysis, it is concluded that the dimension of Financial Technology (FinTech) namely financial innovation, digital transformation, and digital payments has significant influence on customer decisions which consists of several dimensions namely trust, service quality, reputation, and costs/fees.
Digital payments proved to be the biggest driver of customer choices, and customers clearly were drawn to the fast and secure digital financial services.
It has also been demonstrated that trust and service quality are the major factors influencing the customer's decision to use digital banking services, which requires banks to build their digital capabilities and have transparency.

Second: Recommendations:
1. Theoretical Aspect:
The necessity to encourage future studies on the link between Financial Technology (FinTech) and the customer decision-making in different banking settings, for comparison and to further scientific knowledge.
An emphasis on building theoretical models to combine aspects of Financial Technology and customer decision-making, with the objective of creating a more holistic model that can help shape digital banking policies for sustainability.
2. Practical Aspect:
Private banks should invest in financial innovation and digital transformation in the Holy Governorate of Karbala, in order to serve the needs of the society and their customers, in a more extensive way.
The digital payment system should be designed and made more reliable because it is the most important aspect for customers' decision making.
Long-term strategies to build trust should be developed by bringing transparency in the transactions, reducing errors, creating better services, and building reputation of the institution.
The costs and fees of digital financial services should be reviewed and synchronised with customers' financial capacity to ensure the continued adoption of digital financial services.

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