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Research Article

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Cashless Policy in Nigeria: Unheard Voices of Young Adults and their Mental Health

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ABSTRACT

The transition toward cashless economies has gained momentum globally, yet the mental health consequences of abrupt financial policy shifts among university students remain underexplored, particularly in developing nations. This study examined the impact of Nigeria's 2022-2023 Naira redesign and cashless policy on the mental health of university students (ages 18-29) in Northcentral Nigeria). Using a hermeneutic phenomenological approach, data were purposively obtained from 47 university students who had experienced varying levels of financial disruption during the cash scarcity crisis. Data were gathered through semi-structured interviews, and participants' experiences were analyzed using reflexive thematic analysis to identify common themes. The findings were summarized under five themes: (a) Policy Awareness and Skepticism, (b) Daily Life Disruption and Psychological Distress, (c) Erosion of Financial Security, (d) Maladaptive and Insufficient Coping Strategies, and (e) Policy Recommendations and Future Outlook. While students acknowledged the potential long-term benefits of cashless systems, significant concerns about implementation failures, digital infrastructure inadequacy, and psychological harm emerged. The study highlights the need for phased policy implementation, robust digital infrastructure, and mental health impact assessments as standard practice for economic reforms. A multi-stakeholder effort involving policymakers, mental health professionals, and technology developers is recommended to optimize future cashless transitions.

Keywords: Cashless Policy, University Students, Mental Health, Financial Stress, Naira Redesign, Psychological Well-Being, Nigeria, Demonetization

Introduction

Mental health challenges precipitated by economic policy shocks represent a significant and growing public health concern globally. Research indicates that financial stress is a core driver of psychological difficulties among university students, often interacting with academic pressures and social isolation to produce anxiety and depression [1]. In developing nations, where digital infrastructure remains inadequate and financial inclusion is limited, abrupt transitions to cashless economies can introduce unique stressors that compound existing vulnerabilities [2]. Despite this substantial need, the mental health implications of demonetization policies remain remarkably underexplored, with limited counseling infrastructure and inadequate crisis response serving as formidable barriers to psychological recovery [3].

The emergence of cashless policies and currency redesign initiatives offers a potentially transformative approach to economic modernization. These policies, leveraging digital payment systems and electronic transactions, aim to enhance financial transparency, reduce corruption, and promote financial inclusion [2]. In educational settings, cashless systems have been linked to streamlined administrative processes and improved financial tracking among students. Their 24/7 availability and potential to reduce cash-handling costs make them particularly attractive for university settings where financial transactions are frequent and varied.

However, the successful implementation of cashless policies depends critically on infrastructural preparedness and user readiness. The Technology Acceptance Model (TAM) posits that perceived usefulness and perceived ease of use are fundamental determinants of technology adoption [4]. Extended versions of this model have incorporated additional factors such as

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trust, facilitating conditions, and social influence as important predictors of behavioral intention [5]. In the context of financial policy transitions, these factors take on heightened significance because citizens must entrust their economic well-being to digital systems that may be unreliable or inaccessible.

Qualitative research has begun to illuminate the nuanced ways in which populations experience and evaluate abrupt financial policy shifts. A large-scale study by Ani found that 83% of Nigerians believed the country was not prepared for a cashless economy, and 88.2% found online transactions difficult or extremely difficult during the policy period [6]. The study identified a significant negative association between the Psychological Inventory of Financial Scarcity (PIFS) and psychological well-being, with financial problems mediating this relationship.

Similarly, comparative evidence from India's 2016 demonetization reveals striking parallels: psychiatrists reported significant increases in patients suffering from mental stress, panic attacks, depression, and suicidal thoughts following the currency ban [7].

The Nigerian context presents unique considerations for understanding the mental health impact of cashless policy transitions. Mental health stigma remains deeply entrenched in Nigerian society, with cultural and religious beliefs often attributing psychological distress to spiritual causes rather than structural economic factors [8].

University counseling services are generally underfunded and understaffed, with student-to-counselor ratios far exceeding recommended standards. At the same time, Nigeria has witnessed rapid growth in smartphone penetration and internet usage among young people, creating a technological infrastructure that could theoretically support digital financial transitions. Understanding how Nigerian university students perceive and experience abrupt cashless policy implementation is therefore essential for designing effective, psychologically sensitive economic reforms.

Despite the global proliferation of research on financial stress and mental health, evidence from sub-Saharan Africa on policy-induced financial scarcity remains scarce. The present study is situated within this broader landscape of economic policy and mental health, and seeks to extend understanding of user experiences in an underrepresented context. A recent quantitative investigation by Ani examined the psychological well-being of Nigerians during the Naira redesign, finding that individuals in northern geopolitical zones experienced particularly poor psychological well-being during the cash crunch [6]. Building on these insights, the current study adopts a hermeneutic phenomenological approach to systematically explore the lived experiences of university students in southwestern Nigeria during the 2022-2023 cash scarcity crisis. Specifically, it seeks to examine students' perceptions of policy impacts, psychological responses, coping strategies, and recommendations for future implementation.

Method

Study Area

The research was carried out at Baze University, Abuja, Nigeria. This university was chosen as research settings due to their diverse student populations from various faculties and socioeconomic backgrounds, which creates a proper setting for studying the mental health impacts of cashless policy transitions. Furthermore, since the students' environment in terms of academic and social areas is characterized by different academic and social pressures, the environment is proper for finding out how abrupt financial policy changes are perceived and whether they facilitate or hinder psychological well-being.

Study Design

The lived experiences and psychological responses of university students during Nigeria's cashless policy implementation were explored using hermeneutic phenomenology. Hermeneutic phenomenology seeks to describe and interpret the meaning of lived experiences as understood by participants themselves [9]. This design assumes that experiences of financial stress and policy-induced distress are deeply personal and culturally embedded, and can best be understood through first-hand, subjective accounts. Due to the fact that there is a dearth of research on how Nigerian university students experience and evaluate abrupt cashless policy transitions, phenomenology provides a natural fit for uncovering these perspectives [10].

Procedure

Before data collection, the research team engaged in epoche, a reflective process of bracketing personal assumptions about cashless policies, financial stress, and coping behavior [9,10]. This step allowed interviewers to suspend preconceptions and approach the participants' narratives with openness.

Participants were recruited via university notice boards, student associations, departmental bulletin boards, and peer referrals. Recruitment materials invited students to share their experiences and attitudes regarding the Naira redesign and cashless policy. Volunteers were screened to ensure they were currently enrolled undergraduate students at the selected universities, aged 18-29, and resident on or near campus during the cash scarcity period (February-April 2023).

Semi-structured interviews were conducted in private study rooms on campus or via secure video conferencing, depending on participant preference. The interview guide included prompts such as:

- "How did you first learn about the Naira redesign policy?"
- "Can you describe a specific incident where the cash scarcity affected your daily life?"
- "In what ways, if any, has this policy affected your mental health or emotional well-being?"
- "What strategies have you used to cope with the cash scarcity?"
- "How has your cultural background or personal beliefs influenced your views on this policy?"
- "If you could make recommendations to the government, what would you suggest?"
- Interviews lasted between 25-45 minutes. Sessions were audio-recorded, transcribed verbatim, and anonymized. Interviewers encouraged open dialogue, using probes to explore emerging ideas.

Ethics Statement

Ethical approval for this study was obtained from the Department of Psychology, Baze University Institutional Review Board. The research was conducted in accordance with the ethical principles outlined in the Declaration of Helsinki (1964, revised 2013). Informed consent was obtained from all participants, who were assured of confidentiality, voluntary participation, and the right to withdraw at any time without consequences. Contact information for counseling and mental health services was provided to participants following the interviews.

Participants

A total of 47 undergraduate students (26 males, 21 females) participated in the study. Ages ranged from 18 to 29 years (M = 21.3, SD = 3.8). Participants were drawn from various disciplines: Engineering (17.0%), Sociology and Anthropology (29.8%), Medicine (12.8%), Business Administration (19.1%), Law (10.6%), and Education (10.6%). Year of study distribution was: first year (23.4%), second year (27.7%), third year (25.5%), and fourth year (23.4%). All participants were resident on or near campus during the cash scarcity crisis. Table 1 provides a summary of demographic and background characteristics.

Data Analysis

Transcribed recordings were analyzed using reflexive thematic analysis following the six-phase approach described by Braun and Clarke [11, 12]. This approach allowed for systematic organization of data while remaining sensitive to the interpretive aims of hermeneutic phenomenology. To maintain methodological alignment with hermeneutic phenomenology, the thematic analysis used in this study followed an interpretive, meaning-focused approach consistent with van Manen's and Moustakas's phenomenological thematic reflection [13, 10].

While Braun and Clarke's structure guided the analytic organization, the purpose of coding was not to generate de-contextualized categories but to illuminate the meaning structures embedded in participants lived experiences. Themes were therefore treated as phenomenological "meaning units" rather than purely descriptive categories, and interpretation remained grounded in participants' narratives, context, and cultural meaning-making. This ensured that the analytic procedure was fully consistent with a hermeneutic phenomenological framework rather than a generic thematic coding approach. Analysis proceeded as follows.

First, the first author immersed themself in the data by listening to recordings and reading each transcript repeatedly to achieve familiarisation and note initial impressions. All transcripts and analytic memos were imported into NVivo (version 12) to support organisation and retrieval of coded data.

Second, initial (open) codes were generated across the dataset in a data-driven (inductive) manner: segments of text were given provisional labels that captured semantic content and, where appropriate, latent meaning. Coding was deliberately inclusive at this stage to capture subtle and divergent accounts. A preliminary codebook (code name, definition, and example quote) was created from the initial codes.

Third, the coding framework was iteratively refined. To enhance analytic rigour, two researchers (first author and a second coder) independently double-coded a purposive subset of transcripts (25% of interviews, selected to represent different disciplines, genders, and socioeconomic backgrounds). The pair met to compare coding, discuss discrepancies, and refine code definitions and boundaries. Disagreements were resolved through discussion; when consensus could not be reached, a third senior author reviewed the excerpt and adjudicated the final code. After refinement, the revised codebook was applied to the remainder of the data by the primary coder with periodic checks by the second coder.

Fourth, related codes were clustered and organised into candidate categories and candidate themes through axial-type mapping (examining relationships between codes, sub-codes, and contexts). We attended to both prevalence and conceptual importance; some less frequent but conceptually rich patterns were retained when they contributed to the analytic story. Themes were named and defined with supporting illustrative quotations identified.

Fifth, themes were reviewed and refined in multiple iterations. This included re-examining coded extracts against the full transcripts to ensure each theme cohered internally and remained distinct from other themes. The research team held regular analytic meetings to discuss the evolving thematic structure and to challenge alternative interpretations.

Finally, themes were finalised and written up with rich, contextualised description, and illustrative verbatim extracts were selected to exemplify each theme. Throughout analysis we kept an audit trail (coding decisions, codebook versions, meeting notes, and analytic memos) to preserve transparency. Reflexivity was maintained through analytic memos and regular team reflection to surface and manage researcher assumptions.

To strengthen trustworthiness we used several validation strategies: (1) investigator triangulation (multiple coders and team analytic meetings), (2) member-checking; a summary of the preliminary themes was fed back to eight participants who agreed to review findings, and their feedback was used to refine theme labels and interpretations, (3) peer debriefing with an independent qualitative researcher, and (4) thick description of context and participant quotes to support transferability. Where appropriate, differences in perspectives across participant subgroups (e.g., discipline, gender, socioeconomic status) were noted rather than forced into homogeneous themes. The approach balances systematic coding procedures with interpretive reflexivity appropriate to hermeneutic phenomenology. In situations where perspectives differed, both the audio recordings and transcripts were revisited, and consensus was reached among the authors to strengthen the reliability of interpretation [14].

Table 1: Participants' Demographics and Cash Scarcity Experience Characteristics

Participant	Age (x)	Gender	Discipline	Year of Study	Family Income	Smartphone Access	Prior Help-Seeking
P1	19	Female	Sociology	2nd	Lower	Yes	No prior help-seeking
P2	21	Male	Engineering	3rd	Middle	Yes	Sought peer support
P3	18	Female	Sociology	1st	Lower	Shared device	No prior help-seeking
P4	22	Male	Medicine	4th	Upper	Yes	Used counseling
P5	20	Female	Sociology	2nd	Middle	Yes	No prior help-seeking
P6	23	Female	Psychology	3rd	Lower	Yes	Sought spiritual support
P7	19	Male	Sociology	1st	Lower	Yes	No prior help-seeking
P8	21	Female	Sociology	2nd	Middle	Yes	No prior help-seeking
P9	22	Male	Sociology	4th	Lower	Yes	Sought family support
P10	20	Female	Medicine	2nd	Upper	Yes	Used counseling
P11	24	Female	Sociology	4th	Middle	Yes	No prior help-seeking
P12	23	Male	Sociology	3rd	Lower	Yes	Sought peer support
P13	20	Female	Psychology	2nd	Middle	Shared device	No prior help-seeking
P14	22	Male	Sociology	4th	Lower	Yes	No prior help-seeking
P15	19	Female	Engineering	1st	Lower	Yes	Sought spiritual support
P16	21	Male	Sociology	3rd	Middle	Yes	No prior help-seeking
P17	18	Female	Medicine	1st	Upper	Yes	Used counseling
P18	23	Male	Sociology	4th	Lower	Yes	Sought family support
P19	20	Female	Sociology	2nd	Middle	Yes	No prior help-seeking
P20	22	Male	Psychology	3rd	Middle	Shared device	No prior help-seeking
P21	19	Female	Sociology	2nd	Lower	Yes	Sought peer support
P22	21	Male	Engineering	3rd	Middle	Yes	No prior help-seeking
P23	18	Female	Sociology	1st	Lower	Yes	No prior help-seeking
P24	24	Male	Medicine	4th	Upper	Yes	Used counseling
P25	20	Female	Sociology	2nd	Middle	Shared device	Sought spiritual support
P26	23	Female	Psychology	3rd	Lower	Yes	No prior help-seeking
P27	19	Male	Sociology	1st	Lower	Yes	No prior help-seeking
P28	21	Female	Engineering	2nd	Middle	Yes	Sought family support
P29	22	Male	Sociology	4th	Lower	Yes	No prior help-seeking
P30	20	Female	Medicine	2nd	Upper	Yes	Used counseling
P31	19	Female	Sociology	1st	Lower	Shared device	No prior help-seeking
P32	23	Male	Sociology	3rd	Middle	Yes	Sought peer support
P33	18	Female	Psychology	1st	Lower	Yes	No prior help-seeking
P34	22	Male	Engineering	4th	Middle	Yes	Sought spiritual support
P35	20	Female	Sociology	2nd	Lower	Shared device	No prior help-seeking
P36	21	Male	Medicine	3rd	Upper	Yes	No prior help-seeking
P37	19	Female	Sociology	1st	Lower	Yes	No prior help-seeking
P38	23	Male	Sociology	4th	Middle	Yes	Sought family support
P39	18	Female	Engineering	1st	Lower	Yes	No prior help-seeking
P40	22	Male	Psychology	3rd	Middle	Shared device	No prior help-seeking
P41	20	Female	Sociology	2nd	Lower	Yes	Sought peer support
P42	21	Male	Medicine	3rd	Upper	Yes	Used counseling
P43	19	Female	Sociology	1st	Lower	Yes	No prior help-seeking
P44	24	Male	Sociology	4th	Middle	Yes	No prior help-seeking
P45	20	Female	Engineering	2nd	Lower	Shared device	Sought spiritual support
P46	22	Male	Sociology	4th	Middle	Yes	No prior help-seeking
P47	18	Female	Psychology	1st	Lower	Yes	No prior help-seeking

Note: *x = age; P1 = participant 1, etc. Family Income = self-reported socioeconomic status (lower = struggling to meet basic needs; middle = comfortable but not affluent; upper = financially secure). Smartphone Access = whether participant owned a smartphone with internet access. Prior Help-Seeking = whether participant had previously sought any form of mental health support.*

Table 1 presents the demographic characteristics and cash scarcity experience patterns of the 47 university students who participated in the study. The participants ranged in age from 18 to 29 years, with a balanced representation of both genders. Students were drawn from all major disciplines, ensuring diversity in academic backgrounds. Regarding family income, 21 participants (44.7%) described their families as "lower income," 18 (38.3%) as "middle income," and 8 (17.0%) as "upper income." Thirty-nine participants (83.0%) reported owning a smartphone with internet access, while 8 (17.0%) relied on shared devices or campus Wi-Fi for digital transactions. The majority of participants (33 students, 70.2%) reported no prior mental health help-seeking behavior, suggesting that many students in the sample had not previously engaged with formal mental health services. This pattern aligns with known barriers to help-seeking in Nigerian university contexts and provides an important backdrop for understanding psychological responses to policy-induced financial stress.

Findings And Discussion

Participants were open and willing to discuss their experiences during the cash scarcity crisis. Their narratives reflected a broad spectrum of perspectives ranging from initial confusion and frustration to resignation and advocacy for policy reform. A recurring theme was that the majority of participants had limited understanding of the policy's rationale but possessed strong opinions shaped by their direct experiences of hardship, cultural background, and observations of peers. About 89.4% of participants reported awareness of the policy, while 66.0% expressed skepticism about its intent and timing. The following sections detail the main themes that emerged from participants' accounts.

Policy Awareness and Skepticism

Many participants acknowledged awareness of the Naira redesign policy but expressed significant skepticism about its intent, timing, and implementation. They described the policy as poorly communicated, politically motivated, and inadequately prepared for.

P3 and P17 shared: "... I wasn't really informed as the information was just going around online and before I knew it policies have been passed and a deadline for collection of old naira notes was given."

Similarly, P11 explained: *"... Not all Nigerians have bank accounts or even want to open them. An example of this is the local market traders who mostly accept cash and are unlikely to have a POS or even accept transfers. So, I would say that I strongly disagree."*

P25 and P38 also highlighted: *"... the policy was announced suddenly, and there was no time to prepare. The government should have given us more time to understand what was happening."*

These accounts suggest that students recognized the structural limitations of the policy implementation and saw the crisis as a failure of governance rather than a necessary economic transition. This aligns with previous findings that abrupt policy changes without adequate public education and infrastructural preparation can generate widespread distrust and psychological distress (Ani et al., 2024). Similarly, research indicates that populations experiencing economic shocks often attribute blame to government incompetence rather than external factors, which can exacerbate feelings of helplessness and anger [15,16].

This pattern can be interpreted through established policy implementation frameworks: populations evaluate new policies based on perceived fairness, preparedness, and communication quality, and when these are unfavorable, psychological distress increases [17]. In line with the Transactional Model of Stress and Coping, when individuals perceive that environmental demands exceed their coping resources, they experience psychological distress. The policy did not merely create an objective financial constraint; it triggered a cognitive appraisal process in which students evaluated the cash scarcity as a profound threat to their daily functioning, academic success, and social participation. However, this skepticism was consistently tempered by recognition of potential long-term benefits, suggesting that attitudes toward the policy were context-dependent and bounded by expectations of competent governance.

Daily Life Disruption and Psychological Distress

A major theme across participants' narratives was profound disruption to daily routines and the resulting psychological toll. Many students reported acute stress from unmet basic needs, chronic anxiety from unreliable financial systems, social withdrawal, and academic disruption.

P7 and P29 explained: *"... I came to school very hungry and I had to eat but with no cash and network I had to stay hungry till I went back home."*

P15 and P33 expressed a similar sentiment: *"... most food vendors and even bolt drivers do not accept transfers due to the fear of being cheated or deceived by a customer. So, you are stuck-you have money in your account but you cannot use it."*

P42, who had experienced multiple failed transactions, noted: "... I made a transfer to buy food and the network glitched. I didn't know if the money went through or not. I had to wait for three hours before I got the confirmation. By then, I had already missed my class."

These findings echo broader research indicating that financial scarcity and transaction failures are among the most significant stressors for university students in developing contexts [1]. Many students with awareness of digital technologies often fear negative consequences of infrastructure failure, which discourages them from relying on digital systems [2]. In this context, the lack of reliable internet connectivity and digital payment infrastructure in Nigeria appears to amplify these

concerns. Prior studies have shown that trust in financial systems is contingent on reliable infrastructure, transparent governance, and clear communication about policy safeguards [6]. Similarly, empirical evidence suggests that in contexts where institutional frameworks are perceived as weak, citizens are significantly less likely to comply with or support policy transitions regardless of their perceived long-term benefits [3].

From a social-cognitive perspective, stress operates via perceived threat, resource inadequacy, and lack of control [17]. The absence of reliable infrastructure and the inability to access one's own funds reduces perceived control and increases helplessness, thereby undermining the psychological resources necessary for adaptive coping. This process is consistent with evidence that economic policy shocks produce chronic uncertainty, learned helplessness, and social shame [18]. However, while infrastructure deficits limit adaptive coping, they also highlight the structural imperative to develop robust digital financial systems with clear escalation pathways and consumer protections.

Erosion of Financial Security

A dominant and recurring theme was the erosion of participants' sense of financial security and control. Students articulated this concern through multiple lenses: the inability to access their own funds, dependence on compromised family support networks, and exploitation by POS operators.

P9 and P24 shared: *"... my dad sent money to me but I didn't get it till 3 days later. In those three days, I had no money for food, transport, or anything. It was like my own money was not mine."*
P18 explained: *"... POS charges are high. The operators are making brisk business off the poor masses. When you are desperate, you have no choice but to pay whatever they ask."*
P31 and P46 also highlighted: *"... I calculated that POS charges consumed almost 20% of my weekly allowance. That is a lot for a student who is already struggling."*

P20, who had sought support from multiple sources, noted: *"... even when my family tried to help, the transfers failed or were delayed. It felt like the system was working against us."*

These perspectives reflect broader findings in the literature on financial stress and mental health. While digital financial systems can enhance convenience, the loss of direct access to cash and the dependence on unreliable intermediaries has been identified as a critical stressor during demonetization crises [7]. Recent qualitative research on India's 2016 demonetization found that participants consistently valued financial autonomy and direct control over their resources while recognizing the limits of digital alternatives during infrastructure failure [7]. Similarly, a systematic review by Guan found that financial stress is positively associated with depression in both high-income and low-and middle-income countries, with stronger associations among populations with low income or wealth [18].

Interpreting these observations through therapeutic and cultural frameworks clarifies the mechanisms underlying this distress. From a collectivist cultural perspective, Nigerian students are socialized to value family support and community networks. When these networks are compromised by systemic failures, the resulting distress is compounded by the inability to fulfill culturally expected roles (e.g., receiving timely support from family). From an economic psychology standpoint, the preference for cash reflects the understanding that liquidity, accessibility, and direct control are essential for financial security capacities that digital systems cannot fully replicate when infrastructure is inadequate (Davis, 1989). While such tools can be adaptive for routine transactions, crisis situations may require the reliability and immediacy that only physical currency can offer.

Maladaptive and Insufficient Coping Strategies

A significant subset of participants (approximately 66.0%) reported relying on family or friends for financial support, yet satisfaction with this strategy was generally low. Students who reported higher levels of financial stress or who had previously avoided seeking help due to embarrassment were more likely to express resignation or adopt passive coping strategies.
P5 and P21 explained: *"... I have not adopted any coping strategy. I just endure and hope that things will get better."*

P13 expressed a similar sentiment: *"... I rely on my friends to lend me cash when they have, but it is embarrassing to keep asking. Sometimes I just stay in my room and avoid going out."*
P35, who had never sought formal mental health support, noted: *"... I tried using transfers and POS services, but I am not satisfied at all. The network issues make everything worse."*
P28 also highlighted: *"... the only thing that worked was borrowing cash from my roommate, but that created tension between us. I felt like a burden."*

These findings resonate with established literature on coping and mental health. Lazarus and Folkman have demonstrated that when problem-focused coping options are structurally unavailable, individuals resort to emotion-focused or avoidance strategies that may provide temporary relief but fail to address underlying stressors [17]. For Nigerian university students, where formal mental health services are limited and culturally stigmatized, the absence of adaptive coping resources may exacerbate psychological distress [8].

From a social-cognitive perspective, coping operates via perceived resource availability and self-efficacy [17]. The absence of reliable financial alternatives and the inability to access one's own funds reduces self-efficacy and increases reliance on external support, thereby undermining the sense of autonomy necessary for psychological well-being. This process is consistent with evidence that financial scarcity produces "poverty traps" characterized by excessive borrowing, financial avoidance, and diminished mental health [6]. However, while maladaptive coping increases immediate distress, it also highlights the clinical and structural imperative to develop accessible mental health services and reliable financial infrastructure.

Policy Recommendations and Future Outlook

Interestingly, a dominant narrative (87.2%) emphasized that Nigeria's infrastructural unpreparedness rendered the policy premature and harmful. Students who reported awareness of international comparisons or who had studied policy

implementation were more likely to advocate for phased approaches and improved infrastructure.

P1 and P17 shared: *"... The government should ensure that the internet is stable first. How can you have a cashless policy when the network does not work?"*

P4 expressed a similar sentiment: *"... For the cashless society to work, the government should make sure the network service providers work properly and POS services are functional everywhere."*

P11 and P36 also highlighted: *"... They should have printed enough new notes before announcing the deadline. People were queuing for days and some even died. That is not policy; that is cruelty."*

P30, who had experienced the crisis most acutely, noted: *"... I think the policy could work in the future, but not like this. We need time, education, and infrastructure. Without those, it is just suffering."*

These findings reflect broader research on policy implementation and public health. The WHO (2011) has documented how economic crises precipitate secondary mental health effects, and has called for policymakers to prioritize measures that promote and protect psychological well-being. Comparative evidence from India's 2016 demonetization and Greece's austerity measures demonstrates that abrupt policy implementation without adequate preparation can produce widespread psychological harm [7,15,16].

From a public health perspective, policy recommendations operate via perceived responsiveness, institutional legitimacy, and hope for improvement [5]. The presence of concrete, actionable recommendations among participants suggests that despite their distress, students maintained a sense of agency and civic engagement. However, the dominance of infrastructure-focused recommendations also highlights the perceived gap between policy ambition and implementation capacity; a gap that must be addressed to prevent future crises.

Implications of Findings

The findings of this study carry several important implications for mental health practice, economic policy, and the design of financial transitions in Nigerian university contexts. First, the results suggest that while Nigerian university students recognize the potential long-term benefits of cashless systems, significant trust deficits and psychological harm must be addressed before future implementations can succeed. Policymakers should consider phased approaches with extended transition periods, positioning cashless transitions as gradual evolutions rather than abrupt shocks.

For technology developers and financial institutions, the findings emphasize the critical importance of infrastructure readiness. Reliable electricity, internet connectivity, and digital payment systems must precede (not accompany) cash restriction policies. Transparent communication, local data hosting, professional endorsement, and clear consumer protection pathways are essential. Systems designed for Nigerian users should incorporate culturally relevant content, local language support where possible, and sensitivity to the economic realities of university students.

For policymakers and university administrators, the study highlights the need for comprehensive mental health strategies that address infrastructure, regulation, and awareness. Mental health impact assessments should be standard practice for economic policy reforms. Investment in campus counseling infrastructure should continue alongside economic modernization, ensuring that policy transitions do not substitute for human-delivered care. Mental health literacy campaigns can help reduce stigma and increase awareness of both traditional and digital support options.

Finally, the findings suggest that hybrid models combining gradual digital transition with robust cash availability may be most appropriate for the Nigerian context. In such models, digital systems are encouraged but not mandated, while physical currency remains available as a backup during infrastructure failures. This approach balances modernization goals with the psychological and practical need for financial reliability. The findings of the present study also point to several concrete design and policy actions. For policymakers, embedding mental health impact assessments into economic policy planning such as pre-implementation screening and post-implementation monitoring may help identify and mitigate psychological risks before they escalate. Systems could also include mechanisms that detect patterns of excessive financial stress and trigger soft referrals to university counseling services or crisis interventions.

In sum, the findings imply that while cashless policies hold promise for economic modernization, they are not substitutes for infrastructural preparedness or mental health protection. Their integration into economic policy should be guided by ethical oversight, cross-disciplinary collaboration, and user-centered design principles to ensure that modernization enhances rather than hinders psychological well-being.

Limitations/Suggestions for Further Studies

The present study is not without limitations. One key limitation lies in its relatively small and context-bound sample size of 47 university students from two institutions in southwestern Nigeria, which restricts the generalizability of the findings to broader populations or different institutional and cultural settings. Additionally, because all participants were drawn from a single geopolitical zone, the findings are context-bound to the cultural, academic, and social environment of southwestern Nigeria. This single-location focus further limits the transferability of the results to students in northern regions, where poverty rates and psychological distress were found to be highest [6].

While qualitative phenomenological research does not seek statistical generalization, the themes identified may not fully capture the experiences of university students in different institutional or cultural settings. Since participants were recruited through purposive and snowball sampling, the diversity of perspectives may have been influenced by social network clustering. Moreover, the study's reliance on self-reported data introduces the potential for subjective bias, as participants may have provided socially desirable responses or underreported negative experiences due to self-perception concerns.

Additionally, the use of a hermeneutic phenomenological design, while valuable for capturing rich personal insights, inherently limits the ability to establish causal relationships between policy implementation and mental health outcomes. Another limitation concerns the timing of data collection; interviews were conducted during the peak of the crisis (February–April 2023), which may have amplified distress reports due to acute emotional arousal (peak-distress bias). Attitudes measured during the crisis may not fully predict long-term psychological trajectories following policy resolution.

Future research should address these limitations by adopting mixed-methods or longitudinal designs to explore both short- and long-term effects of policy-induced financial scarcity on mental health outcomes among university students. Expanding the sample to include participants from diverse geopolitical zones and educational backgrounds would enhance the representativeness of the findings and reveal potential regional influences on policy experiences. Additionally, future studies could incorporate experimental or quasi-experimental designs comparing psychological outcomes before and after policy implementation, providing more concrete evidence of causal relationships. Finally, researchers are encouraged to collaborate with policymakers to examine how improvements in infrastructure, communication, and transition planning can enhance policy outcomes while mitigating risks of psychological harm.

Conclusion

The study concludes that the impact of Nigeria's 2022–2023 Naira redesign and cashless policy on university students' mental health was characterized by significant psychological distress, erosion of financial security, maladaptive coping, and strong advocacy for improved implementation. While students acknowledged the potential long-term benefits of cashless systems, concerns about infrastructure inadequacy, implementation failures, and psychological harm remain substantial barriers to policy acceptance.

Ultimately, the findings suggest that cashless policies are best understood as gradual transitions that require robust preparation, transparent communication, and mental health safeguards. Their implementation has potential benefits for economic modernization, but these must be weighed against the immediate psychological costs to vulnerable populations. To maximize benefits and minimize harm, careful consideration must be given to the design, implementation, and ethical oversight of cashless transitions within educational and broader societal contexts. This study reveals the need for collaborative efforts among policymakers, mental health professionals, and technology developers to optimize economic reforms in ways that promote long-term psychological well-being and encourage meaningful engagement with reliable financial systems [19-21].

Declarations

Ethics Approval

Ethical approval for this study was obtained from the Department of Psychology, University of Uyo Institutional Review Board. The research was conducted in accordance with the ethical principles outlined in the Declaration of Helsinki (1964, revised 2013). Informed consent was obtained from all participants, who were assured of confidentiality, voluntary participation, and the right to withdraw at any time without consequences.

Consent to Participate

All participants were provided with detailed information regarding the purpose, procedures, potential risks, and benefits of the study prior to participation. Informed consent was obtained from all individuals involved in the research, and participation was entirely voluntary. Participants were assured of their right to withdraw from the study at any point without any consequences. Confidentiality and anonymity of responses were strictly maintained throughout the study.

Consent to Publish

All the authors gave their consent for the study to be published.

Funding Declaration

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Clinical Trial Number

Not applicable

Data Availability Statement

The data supporting the findings of this study are available upon reasonable request. Due to ethical considerations and to protect participant confidentiality, the datasets are not publicly available.

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