

# Digital Financial Literacy Handbook

# DifilIR



Co-funded by the  
Erasmus+ Programme  
of the European Union



GOVERNMENT  
OF MALTA



FONDI.eu

## Table of Contents

|                                                                                              |           |
|----------------------------------------------------------------------------------------------|-----------|
| <b>Intro to DiFiLiR Guide.....</b>                                                           | <b>3</b>  |
| Purpose of the Guide .....                                                                   | 3         |
| Who This Guide Is For .....                                                                  | 4         |
| How to Use This Guide.....                                                                   | 4         |
| <b>Chapter 1 Introduction to Digital Financial Literacy.....</b>                             | <b>7</b>  |
| Module 1/1 Understanding DFL in Today's Digital Economy .....                                | 7         |
| Module 1/2 Opportunities and Risks in Digital Finance .....                                  | 10        |
| Module 1/3 Developing Confidence in Digital Financial Decision-Making.....                   | 12        |
| Module 1/4 Common Patterns that Lead to Financial Mistakes.....                              | 13        |
| Module 1/5 A Simple Approach to Better Financial Decisions .....                             | 15        |
| <b>Chapter 2 Digital Banking and Electronic Transactions.....</b>                            | <b>17</b> |
| Module 2/1 Understanding Digital Banking .....                                               | 17        |
| Module 2/2 Electronic Payment Methods .....                                                  | 18        |
| Module 2/3 Digital Wallets and Mobile Payments .....                                         | 20        |
| Module 2/4 Verification and Authentication in Digital Transactions .....                     | 21        |
| Module 2/5 Managing Digital Transactions Responsibly .....                                   | 22        |
| <b>Chapter 3 Financial Planning, Budgeting, Credit, and Access to Finance .....</b>          | <b>24</b> |
| Module 3/1 Financial Planning in a Digital Environment.....                                  | 24        |
| Module 3/2 Budgeting and Financial Organisation.....                                         | 25        |
| Module 3/3 Loans, Creditworthiness, and Debt Management.....                                 | 27        |
| Module 3/4 Microfinance and Alternative Sources of Capital .....                             | 28        |
| Module 3/5 Emerging Digital Finance and New Financial Technologies .....                     | 30        |
| <b>Chapter 4 Security, Cyber Protection and Fraud Prevention-The Human Side of DFL .....</b> | <b>32</b> |
| Module 4/1 Understanding Digital Fraud and Human Interaction .....                           | 32        |
| Module 4/2 Digital Financial Security as Human Behaviour .....                               | 33        |
| Module 4/3 Biases, Habits and the Click Reflex in Digital Decisions .....                    | 35        |
| Module 4/4 Security Fatigue, Silence and Delayed Response .....                              | 37        |
| Module 4/5 Empowerment and Safer Digital Financial Behaviour .....                           | 38        |
| <b>Supporting material.....</b>                                                              | <b>40</b> |
| Glossary of Key Digital Financial Terms .....                                                | 40        |

## Intro to the DiFiLiR Guide

The Digital Financial Literacy for Inclusion and Economic Resilience project (DiFiLiR), co-funded by the European Union under the Erasmus+ Programme, has been developed to support individuals, learners, entrepreneurs, small organisations in navigating an increasingly digital financial environment with confidence and awareness.

Financial services are rapidly evolving through digital technologies. Online banking, electronic payments, mobile applications, and emerging financial tools are now part of everyday life. These developments create new opportunities for faster, more accessible financial services. At the same time, they require individuals and organisations to understand how digital financial systems operate and how to use them responsibly.

In this context, digital financial literacy has become a fundamental skill. Limited understanding of digital financial tools can expose individuals and small businesses to risks, inefficiencies, and exclusion from economic opportunities. Strengthening these skills supports not only better financial decisions, but also broader participation in the digital economy.

This guide has been developed as a practical response to these needs.

It represents the collaborative effort of:

- Maltacelerate, a Malta-based organisation supporting entrepreneurship, innovation, and digital skills development
- Helix Social Innovation Hub, a Greek organisation dedicated to social inclusion, education, and community empowerment
- Cooperative Bank of Karditsa, a Greek financial institution committed to local economic development and responsible, inclusive financial services

Together, these partners contribute complementary expertise in education, social innovation, and finance.

## Purpose of the Guide

The purpose of this handbook is to strengthen digital financial literacy by providing clear explanations of key financial concepts and practical tools that support everyday financial decision-making.

The guide aims to help readers:

- understand how digital financial systems operate
- use digital banking and electronic payment tools responsibly
- manage income, expenses, and financial planning in digital environments
- understand borrowing and financing options
- recognise risks related to digital financial activity
- develop safer and more confident financial habits

Rather than focusing on technical complexity, the guide emphasises practical understanding, awareness, and responsible behaviour.

### Who This Guide Is For

DiFiLiR Guide is designed for a broad audience, particularly individuals and organisations that actively interact with digital financial tools but may not have formal financial training.

It is especially relevant for:

- vocational learners and students entering the labour market
- freelancers and self-employed professionals
- entrepreneurs and start-ups
- small and medium-sized enterprises (SMEs)
- individuals seeking to strengthen their financial confidence in digital environments

Because digital finance affects many aspects of daily life, the guide uses accessible language and focuses on real-life applications.

### How to Use This Guide

The handbook is organised into thematic chapters, each addressing a key aspect of digital financial literacy.

The guide can be used in different ways:

- as a self-learning resource for individuals
- as a supporting tool in training programmes and workshops
- as a reference for educators, trainers, and facilitators

Each chapter includes:

- clear explanations of concepts
- practical examples
- simple tools and tables
- reflection questions that encourage personal engagement

Chapters can be followed sequentially or explored individually, depending on the reader's needs.

## **Structure of the Guide**

The guide is organised into four main chapters:

### **Chapter 1 - Introduction to Digital Financial Literacy**

Provides the conceptual foundation, explaining what digital financial literacy is, how financial systems have evolved, and why awareness and confidence are essential in digital environments.

### **Chapter 2 - Digital Banking and Electronic Transactions**

Explores how digital banking works, introduces payment methods and digital wallets, and explains how to manage transactions safely and responsibly.

### **Chapter 3 - Financial Planning, Budgeting, Credit, and Access to Finance**

Focuses on managing financial resources, planning and budgeting, responsible borrowing, and understanding different sources of financial support, including microfinance and alternative financing.

### **Chapter 4 - Security, Cyber Protection, and Fraud Prevention**

Addresses digital financial security, explaining how fraud operates, how risks are linked to human behaviour, and how individuals can recognise and respond to threats.

Together, these chapters provide a comprehensive and practical framework for interacting with digital financial systems.

## **A Learning Approach Based on Awareness**

Digital financial literacy is not only about understanding financial products or technologies. It is also about recognising how financial decisions are made in real-life digital environments.

Many financial risks occur not because of a lack of information, but because decisions are made quickly, under pressure, or within complex digital systems.

For this reason, the guide emphasises:

- awareness of financial behaviour
- practical understanding of financial tools
- informed and responsible decision-making

Learning is supported through reflection, helping readers connect concepts with their own financial habits and experiences.

**Money is rarely a neutral subject.** Most financial guidance assumes people act rationally, yet money regularly triggers stress, avoidance, guilt, or silence. This happens because money carries meaning beyond its function as currency. For different people, it can represent safety, freedom, status, belonging, or control and what money represents to a person shapes what they pay attention to, and ultimately how they act. Recognising this pattern, where perception shapes attention, attention shapes motivation, and motivation becomes visible in behaviour, helps explain why two people with the same information can make very different financial decisions.

This is particularly relevant in digital environments, where choices are often made within seconds and with little room for reflection. Consider a simple situation: all essential expenses are covered, and a small amount of money is unexpectedly left over. The decision about what to do with it rarely takes long, and the speed of that response says less about logic than about the meaning money already holds for that person. For this reason, the guide encourages readers to notice not only which financial decisions they make, but how quickly, and under what emotional conditions, those decisions tend to happen.

## Final Note

Digital financial systems will continue to evolve and influence everyday life.

This guide aims to serve as a practical resource and a point of reference, supporting individuals and organisations in:

- understanding financial systems
- making informed decisions
- navigating digital environments with confidence

Strengthening digital financial literacy is not a one-time process. It is an ongoing effort that combines knowledge, awareness, and experience.

# Chapter 1

## Introduction to Digital Financial Literacy

*Foundations of digital financial literacy, evolution of financial services, opportunities and risks, and informed decision-making in digital environments*

### Module 1/1

#### Understanding Digital Financial Literacy in Today's Digital Economy

Financial decisions no longer take place only in bank branches, payment offices, or face-to-face interactions. Today, they are increasingly made through websites, mobile applications, online platforms, and digital payment systems. Whether paying bills, transferring money, shopping online, managing a business account, or applying for financial products, people interact with financial services in ways that were unimaginable only a few decades ago.

This transformation has fundamentally changed not only where financial services are accessed, but also how financial decisions are made.

Digital financial literacy refers to the ability to understand, use, and manage digital financial services with awareness, responsibility, and confidence. It combines financial knowledge with digital competence, enabling individuals and organisations to make informed decisions while navigating an increasingly digital economy.

Unlike traditional financial literacy, which focuses primarily on understanding money and financial products, digital financial literacy also requires users to understand the digital environments in which these products and services are delivered. Being able to complete a transaction is no longer sufficient. Users must also understand its implications, recognise potential risks, and evaluate the information presented before acting.

#### The evolution of financial services

Financial services have undergone a profound transformation over the past two decades. Activities that once required physical presence and direct interaction with bank staff can now be completed remotely, often within seconds.

Today it is common to:

- transfer money using mobile banking applications;
- pay for goods and services online;
- receive salaries and invoices electronically;

- manage savings, investments, or business finances through digital platforms;
- make purchases using digital wallets or contactless payments.

These developments have made financial services significantly more accessible, flexible, and efficient. Individuals and businesses can manage their finances regardless of location or opening hours, while many administrative processes have become simpler and faster.

However, convenience has also changed the role of the user.

Traditional banking often included natural opportunities to ask questions, receive explanations, or reconsider a decision before proceeding. Digital environments have removed many of these moments. Financial decisions are now made more independently, more frequently, and often under greater time pressure. As a result, responsibility has gradually shifted from financial institutions towards the individual user.

### **Combining financial understanding with digital competence**

Digital financial literacy sits at the intersection of two complementary skill sets.

The first is financial understanding, which includes knowing how money is earned, spent, borrowed, invested, and managed over time. It also involves understanding concepts such as budgeting, credit, interest, and financial planning.

The second is digital competence, which includes the ability to navigate digital platforms, interpret online information, understand digital processes, and interact confidently with technology.

Neither of these skills is sufficient on its own.

Someone may be highly confident using a banking application but misunderstand the financial consequences of a loan or recurring subscription. Equally, someone may have strong financial knowledge but feel uncertain when using digital banking services or electronic payment systems.

Digital financial literacy connects these two dimensions by helping users understand not only how to perform a financial action, but also why, when, and whether that action is appropriate.

### **More than knowing how to use technology**

A common misconception is that digital financial literacy is simply the ability to operate digital tools.

In reality, it is primarily about making informed decisions while using those tools.

This includes the ability to:

- understand the purpose and consequences of a financial transaction before confirming it;
- evaluate different financial options rather than accepting the first available choice;
- recognise information that appears incomplete, unusual, or inconsistent;
- understand when personal or financial information should - and should not - be shared;
- identify situations that require additional verification before taking action.

Technology changes continuously. Applications evolve, new services emerge, and financial products become increasingly digital. Digital financial literacy therefore focuses less on mastering individual technologies and more on developing the confidence and judgement needed to adapt to change.

### **Why digital financial literacy matters**

Digital finance offers significant benefits. It saves time, increases accessibility, supports flexible working arrangements, and allows businesses to reach wider markets. It also creates opportunities for innovation and financial inclusion.

At the same time, these advantages introduce new challenges.

The speed and convenience of digital systems can encourage automatic behaviour. Financial actions that once required deliberate thought may now be completed with a single click or tap. Notifications, subscriptions, instant payments, and digital offers can reduce the time available for reflection and increase the likelihood of acting out of habit rather than understanding.

For this reason, digital financial literacy is not simply about avoiding mistakes. It is about maintaining awareness in environments designed for speed.

Developing this awareness helps individuals and organisations:

- make more informed financial decisions;
- understand the consequences of their actions;
- identify potential risks before they become problems;
- use digital financial services confidently and responsibly.

Ultimately, digital financial literacy empowers people to remain in control of their financial choices, even as technologies continue to evolve.

### **Key takeaway**

Digital financial literacy combines financial understanding with digital competence. As financial services continue to move into digital environments, individuals and organisations must develop not only the technical ability to use digital tools but also the awareness and judgement needed to make informed financial decisions. In a world where financial interactions are increasingly fast and automated, remaining aware is just as important as remaining connected.

### **Reflection**

Think about your most recent digital financial interaction.

- Did you focus primarily on completing the task quickly, or on understanding the decision you were making?
- How has digital technology changed the way you manage your personal or business finances?
- What small habit could help you make future digital financial decisions with greater confidence and awareness?

## **Module 1/2**

### **Opportunities and Risks in Digital Finance**

Digital finance expands possibilities while also introducing new forms of responsibility. Understanding both aspects allows for balanced and informed use.

#### **Opportunities in digital finance**

Digital systems have made financial services more accessible and flexible.

They enable individuals and businesses to:

- access services regardless of location
- manage finances more efficiently

- participate in digital markets
- develop new sources of income

For entrepreneurs and small organisations, these tools reduce barriers and create new opportunities for growth.

### **The other side of accessibility**

When systems become more accessible, they are also used more frequently and with less mediation.

This creates conditions where:

- decisions are made independently
- information must be interpreted without guidance
- responsibility shifts to the user

This is not a disadvantage, but it requires a different type of awareness.

### **Recognising risk without fear**

Risk in digital finance does not only come from external threats. It often emerges from:

- incomplete understanding
- assumptions based on familiarity
- actions taken without verification

Recognising these situations does not require suspicion, but attention.

### **Asking better questions**

A useful approach is to replace automatic action with simple questions:

- What do I know about this service?
- What am I assuming without checking?
- What information is missing?

These questions do not slow progress. They improve its quality.

## Key takeaway

Digital finance creates opportunities when combined with awareness. Without awareness, the same systems can lead to avoidable mistakes.

## Reflection

Think of a financial tool or service you use regularly.

- What do you fully understand about it?
- What do you assume without verifying?

## Module 1/3

### Developing Confidence in Digital Financial Decision-Making

Confidence is often seen as a result of knowledge. In digital financial environments, it is more closely related to how decisions are made.

### Understanding as a foundation for confidence

Confidence grows when actions are supported by understanding.

Before using a financial service, it is useful to:

- understand its purpose
- recognise its basic conditions
- identify who provides it

This does not require deep expertise. It requires intentional engagement.

### Experience and pattern recognition

Over time, repeated interaction with financial systems creates familiarity.

Users begin to recognise:

- what normal interactions look like
- what feels consistent or inconsistent
- when something requires closer attention

Confidence develops through this process, not through isolated knowledge.

### **Avoiding false confidence**

Confidence can also be misleading when it is based on routine rather than understanding.

For example:

- repeating the same action without thinking
- trusting familiar processes without checking
- assuming past experience guarantees safety

True confidence includes the ability to pause even in familiar situations.

### **A balanced approach**

Effective behaviour in digital finance avoids two extremes:

- avoidance due to uncertainty
- automatic action without reflection

A balanced approach combines:

- willingness to engage
- readiness to question

### **Key takeaway**

Confidence in digital finance comes from understanding, experience, and the ability to remain aware even in routine situations.

### **Reflection**

- When do you feel most confident in financial decisions?
- Is that confidence based on understanding or habit?

### **Module 1/4**

#### **Common Patterns That Lead to Financial Mistakes**

Many financial mistakes follow predictable patterns. Recognising these patterns helps prevent them without needing complex rules.

### **Patterns to notice**

Common situations that increase risk include:

- acting under time pressure
- responding to something that appears urgent
- trusting familiar-looking environments without verification
- overlooking small details because the task feels routine

These patterns are not signs of carelessness. They are natural responses to how digital systems are designed.

### **Why these patterns matter**

In digital environments:

- actions are easy to complete
- confirmation often requires only one step
- feedback is immediate

This encourages speed, but reduces reflection.

The result is not lack of knowledge, but timing of action.

### **Small adjustments with large impact**

Simple changes in behaviour can significantly reduce risk.

For example:

- checking key details before confirming
- delaying response to unexpected requests
- reviewing actions after completion

These actions create space for awareness.

## Key takeaway

Most mistakes are not caused by lack of knowledge, but by acting before awareness has time to engage.

## Reflection

- Which situations make you act quickly?
- What could help you create a small pause?

## Module 1/5

### A Simple Approach to Better Financial Decisions

Digital financial literacy becomes practical when it can be applied in real situations. This chapter introduces a simple approach that supports better decisions without complexity.

### The role of timing in decisions

Good decisions are not only about information. They are also about when and how action takes place.

Even with correct knowledge, decisions made too quickly may lead to errors.

### A simple structure for action

Before any financial action, three steps can be applied:

1. Pause
2. Allow a short moment before acting. This interrupts automatic behaviour.
3. Understand
4. Clarify what the action does and what it affects.
5. Confirm
6. Proceed only when the action is clear and intentional.

### Why this works

This approach does not require additional knowledge.  
It works because it creates a gap between:

- stimulus and response
- intention and action

This gap allows awareness to return.

### **From knowledge to habit**

The value of this approach comes from repetition. Over time, pausing and checking becomes natural. One simple habit can make a significant difference: “I do not act immediately on financial decisions.”

### **Key takeaway of Chapter 1**

Better financial decisions are not the result of complexity, but of awareness and timing.

### **Reflection**

- In which situations do you tend to act immediately?
- What would help you apply this approach more consistently?

## Chapter 2

### Digital Banking and Electronic Transactions

*E-banking, mobile banking, cards, digital wallets, online payments, POS systems, and secure money transfers.*

#### Module 2/1

##### Understanding Digital Banking

Digital banking has transformed the way individuals and businesses interact with financial services. Activities that once required physical presence, such as transferring money or paying bills, can now be completed remotely through digital platforms.

Digital banking refers to the use of digital technologies, including websites and mobile applications, to perform banking activities without visiting a physical branch. These systems allow users to access accounts, monitor financial activity, and manage transactions at any time.

This transformation has significantly increased accessibility. Financial services are no longer tied to location or opening hours. Instead, they are integrated into everyday life, allowing individuals and businesses to manage finances from home, at work, or while travelling.

At the same time, this shift changes the role of the user. In traditional banking, financial interactions often involved support from bank staff. In digital environments, responsibility shifts to the individual.

Users are now expected to:

- initiate and confirm transactions
- verify financial information
- monitor account activity
- identify irregularities

Digital banking therefore requires not only technical ability, but also awareness and attention.

One of its main advantages is efficiency. Transactions can be completed quickly, often in seconds. However, this speed can reduce the time available for reflection. Actions that were once deliberate may become automatic.

A key risk emerges when convenience replaces attention. Users may confirm transactions without verification or lose awareness of their financial behaviour. Digital financial literacy helps address this by encouraging conscious use rather than routine interaction.

### Key takeaway

Digital banking increases accessibility and efficiency, but requires users to take active responsibility for managing and monitoring their financial activity.

### Reflection

- Which digital banking actions do you perform most frequently, and how consciously do you perform them?
- When was the last time you reviewed your transaction history in detail?
- Do you feel in control of your financial activity or mainly guided by routine?

## Module 2/2

### Electronic Payment Methods

Electronic payments are now central to everyday financial activity. They allow money to be transferred digitally between individuals, businesses, and institutions without the use of cash.

A digital payment is the transfer of value from one account to another using electronic devices such as smartphones, computers, or payment cards ([Forbes](#)). These systems connect banks, service providers, and digital platforms to process transactions quickly and securely.

Their widespread use is driven by convenience. Payments can be made instantly, at any time, and from almost any location. ([ir.com](#))

However, this convenience also influences behaviour. When payments become effortless, they may also become less visible.

### Understanding payment cards

Payment cards are among the most common tools used in digital transactions. Although they may appear similar, they operate differently and shape financial behaviour in distinct ways.

Debit cards are directly linked to a bank account. Payments are deducted immediately, making spending visible and limited to available funds.

Credit cards allow users to spend borrowed money that must be repaid later. This introduces flexibility, but also risk. If not managed carefully, it may lead to accumulated debt and interest costs.

Prepaid cards offer a controlled approach. They are loaded with a fixed amount and do not involve borrowing, making them useful for budgeting or specific purposes.

The choice of payment method is therefore not only technical, but behavioural. It affects how users perceive spending and manage their financial decisions.

### Online payments and transfers

Electronic payments extend beyond physical transactions. They are widely used for online purchases, subscriptions, and direct transfers between individuals.

These systems rely on digital infrastructures that connect financial institutions and process transactions through secure channels/

Peer-to-peer transfers, in particular, allow money to be sent instantly. While this is convenient, it also introduces risk. Once a transaction is completed, reversing it may be difficult or impossible.

Errors in payment details or rushed decisions can therefore have immediate consequences.

### Practical perspective

Electronic payments simplify financial activity, but they also reduce the effort involved in spending.

Maintaining awareness requires small but consistent actions:

- pausing before confirming a payment
- verifying details carefully
- reviewing transaction history regularly

### Key takeaway

Electronic payments increase speed and flexibility, but require attention to avoid errors, overspending, or loss of financial awareness.

### Reflection

- Which payment method do you use most often, and why?
- Have you noticed differences in your spending behaviour depending on the method used?
- Have you ever made a payment too quickly and later reconsidered it?

## Module 2/3

### Digital Wallets and Mobile Payments

Mobile technologies have introduced new ways to store payment information and perform transactions. Digital wallets allow users to make payments through smartphones and other connected devices, integrating financial activity into daily life.

A digital wallet stores payment credentials such as card details or bank connections and enables transactions without physical cards. These systems are widely used for contactless payments, online purchases, and in-app transactions.

Contactless payments, in particular, have become increasingly common. By placing a device near a payment terminal, users can complete transactions within seconds.

This ease of use is one of the main advantages of digital wallets. However, it also introduces an important behavioural shift.

When payments become effortless, they may become less noticeable. Users may lose track of how often they spend or underestimate total expenses.

Digital wallets are also integrated into multiple services, including transportation systems, subscriptions, and online platforms. As a result, financial transactions are often embedded within everyday activities.

The main challenge is therefore not access, but awareness.

A simple and effective practice is to regularly review digital wallet transactions rather than relying only on real-time confirmations.

### Key takeaway

Digital wallets increase convenience but require users to actively monitor their financial activity to maintain awareness and control.

### Reflection

- In which situations do you use mobile payments most automatically?
- Do you regularly review your digital wallet activity?
- How might convenience influence your spending habits?

### Module 2/4

#### Verification and Authentication in Digital Transactions

Digital financial systems operate without physical interaction. For this reason, they rely on verification processes to confirm identity and authorise transactions.

Authentication mechanisms ensure that financial actions are performed by the correct user and protect accounts from unauthorised access.

Common methods include passwords, one-time codes, mobile confirmations, and biometric identification. These are often combined into multi-factor authentication systems to increase security.

While these processes may sometimes seem repetitive, they are essential for protecting financial activity.

However, their effectiveness depends not only on technology, but also on user behaviour.

A common risk is the “automation of trust”. When users become accustomed to verification steps, they may approve them without careful attention. This reduces their protective value.

Examples of risky behaviour include:

- approving transactions without checking details
- ignoring unexpected verification requests
- treating security steps as routine

Verification should not be seen as an obstacle, but as a moment of confirmation.

### Practical perspective

Before confirming any action, it is useful to pause and ask:

“Do I recognise and approve this transaction?”

### Key takeaway

Authentication systems protect digital financial activity, but only when users engage with them attentively and consciously.

### Reflection

- How do you usually respond to verification steps - carefully or automatically?
- Have you ever approved something without fully checking it?
- What would you do if a verification request seemed unfamiliar?

## Module 2/5

### Managing Digital Transactions Responsibly

Digital financial systems allow transactions to occur continuously and at high speed. Managing this environment requires awareness, organisation, and consistent habits.

Financial platforms provide detailed records of transactions. These records are valuable tools for understanding financial behaviour, identifying patterns, and detecting irregularities.

Regular review transforms financial data into useful insight. Without review, even accurate information remains unused.

Verification is another essential element. Before confirming any transaction, users should carefully check the recipient, amount, and purpose. Small mistakes can lead to immediate consequences.

Organisation also plays an important role. Digital systems generate large amounts of financial information. Keeping this information structured helps maintain clarity and supports better decision-making.

Over time, responsible financial management depends less on knowledge and more on habits.

Examples of effective habits include:

- checking account balances regularly
- reviewing transaction notifications

- monitoring subscriptions and recurring payments
- maintaining simple financial records

These habits improve awareness and reduce the risk of unnoticed financial activity.

### **A behavioural perspective**

The main challenge of digital finance is not complexity, but invisibility.

Transactions occur quickly and often without physical interaction. As a result, financial activity can become less tangible and harder to track.

Maintaining awareness is therefore the key to responsible use.

### **Key takeaway**

Responsible management of digital transactions relies on awareness, verification, and consistent habits rather than complex technical knowledge.

### **Reflection**

- How often do you review your financial activity in a structured way?
- What habit could improve your awareness of transactions?
- Would you immediately notice an unexpected transaction?

### **Final takeaway of Chapter 2**

Digital banking and electronic transactions have made financial systems faster, more accessible, and deeply integrated into everyday life.

At the same time, they have shifted responsibility to the user.

Understanding how these systems work is important, but not sufficient. What matters most is how they are used.

Digital financial literacy enables individuals and businesses to combine convenience with awareness, ensuring that speed does not replace understanding.

## Chapter 3

### Financial Planning, Budgeting, Credit, and Access to Finance

*Income and expense management, budgeting tools, financial planning, borrowing, and alternative financing options in digital environments*

#### Module 3/1

#### Financial Planning in a Digital Environment

Financial decisions are rarely isolated. They form part of a continuous process in which individuals and businesses balance resources, needs, and future goals over time.

In digital environments, this process has become both easier and more demanding. Financial information is constantly available through banking applications and digital tools. Users can track transactions, observe patterns, and make decisions quickly. At the same time, this constant access requires greater awareness. The availability of information does not automatically lead to better decisions.

At the centre of financial planning lies a fundamental principle: understanding how money flows.

Every financial situation is shaped by two interconnected elements. Income represents all incoming resources, while expenses represent all outgoing payments and obligations. Although this distinction appears simple, the reality is often more complex. Income may come from multiple sources, including employment, freelance work, business activity, or financial support. Expenses may include fixed obligations, such as housing, but also variable and less visible costs, such as subscriptions or small frequent purchases.

Without a clear overview, financial behaviour becomes difficult to evaluate.

For this reason, consistent tracking of income and expenses is one of the most effective tools for improving financial awareness.

| Date | Description | Income (€) | Expense (€) | Category | Balance |
|------|-------------|------------|-------------|----------|---------|
|------|-------------|------------|-------------|----------|---------|

This structure transforms financial activity into visible information. Over time, it reveals patterns. Some expenses remain stable, while others fluctuate or accumulate gradually. These insights support more informed decisions.

Digital tools can automate parts of this process by categorising transactions and generating summaries. However, tools do not replace understanding. Financial planning requires interpretation. It involves asking questions such as:

- Where does most of my money go?

- Which expenses are essential and which are flexible?
- How do my financial choices today affect future stability?

Financial planning is therefore not only about recording information, but about understanding and responding to it.

### **Key takeaway**

Financial planning begins with awareness of income and expenses and develops through continuous observation and reflection.

### **Reflection**

- Do you have a clear picture of your monthly financial flows?
- Which expenses would you identify as the least visible but most frequent?
- What would change if you tracked your finances consistently for one month?

## **Module 3/2**

### **Budgeting and Financial Organisation**

A budget is often perceived as a limitation, but in practice it is a framework for decision-making. It provides structure to financial activity and helps align spending with priorities.

In digital environments, budgeting has become easier to implement, yet more challenging to maintain. Automatic payments, subscriptions, and instant transactions can reduce the visibility of spending. As a result, financial behaviour may become reactive rather than intentional.

Budgeting addresses this challenge by creating a structured overview of income and expenses over a defined period.

One commonly used approach is the 50-30-20 model. It suggests dividing income into three categories: needs, discretionary expenses, and savings.

This model is widely used because it is simple and intuitive. However, it is important to understand its role correctly.

The 50-30-20 approach is:

- a guideline, not a precise formula

- a simplified framework, not a personalized plan
- a starting point for reflection, not a fixed rule

In real-life situations, financial conditions vary. Cost of living, income levels, and personal responsibilities influence how resources are allocated. In many cases, essential expenses exceed the suggested proportion, while savings capacity may differ.

For this reason, budgeting requires adaptation. The value of the model lies in helping individuals distinguish between essential and non-essential expenses and maintain a balance between present needs and future security.

A practical budgeting structure allows comparison between expectations and actual outcomes.

| Category      | Estimated (€) | Actual (€) | Difference (€) |
|---------------|---------------|------------|----------------|
| Income        |               |            |                |
| Housing       |               |            |                |
| Food          |               |            |                |
| Transport     |               |            |                |
| Communication |               |            |                |
| Subscriptions |               |            |                |
| Savings       |               |            |                |
| Other         |               |            |                |

This comparison highlights differences between planning and reality. It supports gradual adjustment and more realistic financial behaviour.

Budgeting also supports goal setting. Financial goals provide direction and meaning. Without them, budgeting risks becoming a mechanical exercise.

| Financial Goal | Target (€) | Timeframe | Monthly Contribution (€) |
|----------------|------------|-----------|--------------------------|
|----------------|------------|-----------|--------------------------|

In this sense, budgeting is not about restriction, but about clarity. It enables individuals and businesses to understand trade-offs, prioritise effectively, and adapt to changing circumstances.

## Key takeaway

Budgeting is a flexible tool that connects financial behaviour with priorities and future goals.

## Reflection

- Does your current spending reflect your priorities?
- Which expense could you adjust without significantly affecting your daily life?
- What financial goal would benefit from structured planning?

## Module 3/3

### Loans, Creditworthiness, and Debt Management

Loans provide access to financial resources that may not be immediately available. They can support important investments, including education, housing, or business development.

At the same time, borrowing introduces obligations that extend into the future. A loan is not only the amount received. It is a long-term commitment involving repayment, interest, and financial discipline.

Understanding how loans work requires attention to key elements such as the interest rate, repayment structure, and total cost over time. Even small differences in these conditions can significantly affect the overall financial burden.

Creditworthiness plays a central role in accessing loans. Financial institutions assess borrowers based on their financial behaviour, income stability, and existing obligations. This evaluation determines not only whether a loan is granted, but also under what conditions.

Responsible borrowing begins before the loan is taken. It requires a realistic assessment of financial capacity.

A common risk in digital environments is the perception that borrowing is simple and immediate. Online applications and fast approvals may reduce the perceived seriousness of the commitment. However, poorly planned borrowing can lead to:

- financial pressure from high repayments
- accumulation of multiple debts
- reduced financial flexibility over time

Monitoring obligations is therefore essential.

| Loan / Obligation | Total (€) | Monthly Payment (€) | Remaining (€) | Due Date |
|-------------------|-----------|---------------------|---------------|----------|
|-------------------|-----------|---------------------|---------------|----------|

This type of tracking provides visibility and helps prevent missed payments.

Responsible debt management does not mean avoiding borrowing. It means ensuring that borrowing decisions are aligned with long-term financial stability.

### Key takeaway

Loans can support financial development, but require careful evaluation, planning, and monitoring.

### Reflection

- Before taking a loan, do you consider its long-term impact or only immediate needs?
- How would a new financial obligation affect your current budget?
- What indicators would show that a loan is becoming difficult to manage?

## Module 3/4

### Microfinance and Alternative Sources of Capital

Access to finance is not equally distributed. Many individuals and small businesses do not meet the requirements of traditional banking systems, which often include stable income, formal employment, documented financial history, and collateral.

When these conditions are not met, alternative solutions become necessary.

Microfinance is one of the most important tools supporting financial inclusion. It provides financial services to individuals and small enterprises that are excluded from traditional financial systems.

Microcredit, in particular, refers to small-scale loans designed to support productive or essential needs. These may include starting a business, supporting self-employment, or addressing urgent household expenses.

Unlike traditional loans, microcredit is often granted with limited or no collateral. It may rely on personal guarantees, trust-based mechanisms, or simplified assessment processes.

Microfinance is not always limited to lending. It often includes a broader support system, such as:

- financial education

- assistance in business planning
- guidance in managing income and expenses
- ongoing support throughout the financing period

For enterprises, microfinance can support activities such as launching a business, purchasing equipment, or covering initial operational costs. For families, it may support healthcare, education, housing, or employment-related needs.

The objective is not only financial support, but empowerment. Microfinance contributes to income generation, employment, and economic participation.

However, risks must also be recognised.

Even small loans create obligations. Without proper planning, borrowers may face repayment difficulties. In situations of limited access to formal finance, individuals may also turn to informal or exploitative alternatives, which may involve:

- extremely high costs
- lack of transparency
- pressure or coercion

Understanding available options and their conditions is therefore essential.

In addition to microfinance, alternative funding sources include grants, public programmes, and crowdfunding. These provide additional opportunities but often involve specific eligibility criteria or requirements.

For businesses, financial sustainability also depends on managing cash flow.

| Month | Expected Income (€) | Expenses (€) | Obligations (€) | Net Cash Flow (€) |
|-------|---------------------|--------------|-----------------|-------------------|
|-------|---------------------|--------------|-----------------|-------------------|

Cash flow planning allows businesses to anticipate financial needs and avoid disruption.

### Key takeaway

Microfinance and alternative funding expand access to financial resources, but require informed and responsible use.

### Reflection

- What barriers might prevent someone from accessing traditional finance?
- How does microfinance differ from standard loans in purpose and structure?

- What risks should be considered when using alternative financing sources?

## Module 3/5

### Emerging Digital Finance and New Financial Technologies

Digital innovation continues to reshape financial systems. New technologies are changing how financial transactions are conducted, how value is stored, and how financial services are accessed.

One example is cryptocurrency, a digital asset that operates through decentralised systems. Transactions are recorded on distributed networks rather than controlled by central authorities.

These technologies introduce new possibilities, including alternative payment systems and innovative financial models.

However, they also involve significant risks.

Cryptocurrencies are characterised by high volatility, meaning their value can change rapidly within short periods. They also operate within evolving regulatory environments, which may create uncertainty regarding their legal status and protection mechanisms.

In addition, their technical complexity makes them difficult to fully understand without specialised knowledge.

A common risk is the perception that new technologies automatically represent better or more profitable opportunities. In reality, unfamiliar financial tools require greater caution.

Digital financial literacy encourages a balanced approach based on understanding rather than trends.

Key questions include:

- How does this system function?
- What problem does it aim to solve?
- What are the potential risks and limitations?
- Who is responsible for oversight or regulation?

This approach helps individuals make informed decisions and avoid exposure to unnecessary risk.

### Key takeaway

Emerging financial technologies offer opportunities, but require critical evaluation and awareness of risks.

### Reflection

- What attracts you to new financial technologies?
- What information would you need before using them?
- How do you evaluate whether a financial innovation is trustworthy?

### Final takeaway of Chapter 3

Financial management in digital environments requires more than access to tools. It requires understanding, planning, and continuous evaluation.

From budgeting and borrowing to accessing finance and evaluating new technologies, each decision involves both opportunities and risks.

Digital financial literacy provides the framework needed to navigate these decisions with awareness, responsibility, and confidence.

## Chapter 4

# Security, Cyber Protection and Fraud Prevention-The Human Side of Digital Financial Literacy

*Human behaviour, decision-making under pressure, and safer digital financial interaction*

### Module 4/1

#### Understanding Digital Fraud and Human Interaction

Digital financial fraud is often imagined as a technical problem. Systems are hacked, data is stolen, security fails. Yet in most real situations, the system is not what breaks first. The interaction does.

Every day, people navigate digital financial environments with a certain level of trust. You open a message from your bank without hesitation. You respond to a request that appears to come from your workplace. You click on a link because it looks familiar. These actions are not careless. They are necessary. Without this level of trust, digital finance would not function.

Fraud does not destroy this trust. It quietly imitates it.

A fraudulent message rarely feels suspicious at first glance. It feels normal. It uses familiar language, expected formats, and recognisable roles. It speaks in the voice of a bank, a colleague, a service provider. It enters the interaction not as a threat, but as something that belongs.

The moment where things begin to change is not when deception appears. It is when pressure enters.

Imagine receiving a message that says your account will be suspended unless you act immediately. Or a request from someone in a position of authority asking you to complete a transaction urgently. In these moments, the situation feels real, and the need to act feels justified.

What changes is not your intelligence. It is your attention.

Under pressure, people do not stop thinking. They simply shift from careful checking to quick resolution. The priority becomes solving the situation rather than questioning it. This is where fraud becomes effective.

Over time, patterns begin to emerge. A message that creates urgency. A request that feels routine. A situation that discourages delay. These patterns repeat across different types of fraud, even when the details change.

The goal is not to memorise every possible scam. That would be impossible. The goal is to recognise the moment when an interaction starts to feel slightly rushed, slightly urgent, slightly too familiar.

That moment is the signal.

When it appears, the most effective response is not technical. It is behavioural. It is the ability to pause, even briefly, and create space between the request and the response.

A simple delay of a few minutes can restore perspective. It allows the initial pressure to settle and gives room for questions to emerge. Is this request consistent with how things are normally done? Is there another way to confirm it? What happens if nothing is done immediately?

These are not complex actions. They are small interruptions of automatic behaviour. Yet they are often enough to prevent costly mistakes.

### **Key takeaway**

Digital fraud does not rely on technical complexity. It relies on familiar interaction under pressure. Recognising that moment early creates the opportunity to respond differently.

### **Reflection**

Think about a situation where you felt the need to act quickly in a digital environment. What created that urgency? What made it difficult to pause?

## **Module 4/2**

### **Digital Financial Security as Human Behaviour**

Digital financial systems are often described in terms of tools, platforms, and technologies. However, what shapes outcomes in these systems is not only how they are designed, but how people behave when using them.

Every interaction involves a decision. Sometimes that decision is conscious and deliberate. More often, it is quick and almost automatic. A message is opened, a request is approved, a transaction is confirmed. These actions happen within seconds, often while attention is divided.

In calm conditions, people are capable of making careful and informed financial decisions. They understand the importance of verification. They recognise potential risks. They know when something requires attention.

But digital financial environments are rarely calm. They are fast, interruptive, and often demanding. Notifications appear unexpectedly. Tasks overlap. Decisions are made in between other activities.

In these conditions, behaviour changes.

People become more focused on completing tasks than on evaluating them. They prioritise efficiency over verification. They respond quickly, not because they are careless, but because the environment encourages speed.

This creates a gap that is often overlooked. It is the gap between knowing what to do and being able to apply that knowledge in the moment.

Understanding this gap changes the way digital financial security is approached. Instead of asking whether people know the rules, it becomes more useful to ask what happens when those rules are difficult to apply.

For many individuals, especially those working independently or managing multiple responsibilities, digital financial interactions happen without support. There is no immediate colleague to consult, no system that pauses the process, no clear moment for reflection.

In these situations, hesitation can feel uncomfortable. Asking questions may feel unnecessary. Delaying action may feel risky.

This is why digital financial security must be understood as a matter of behaviour, not only knowledge.

It involves recognising the conditions that influence decisions. It involves accepting that mistakes are not always the result of ignorance, but often the result of pressure. Most importantly, it involves creating simple ways to respond differently in those moments.

When people understand that their reactions are normal, they become more capable of managing them. Awareness replaces self-blame. Reflection replaces automatic action.

This shift is essential not only for individual protection, but also for broader financial inclusion. When people feel confident navigating digital systems, they are more likely to use them effectively. When they feel uncertain or exposed, they may withdraw.

## Key takeaway

Digital financial security is shaped by how people behave under pressure. Understanding this behaviour is essential for making safer decisions.

## Reflection

In your daily routine, when do digital financial decisions feel most rushed? What would help you slow down, even briefly?

## Module 4/3

### Biases, Habits and the Click Reflex in Digital Decisions

Human decision-making is designed for efficiency. Every day, people process a large number of small actions, many of which do not require deep analysis. Without this ability, even simple routines would become overwhelming.

To manage this, the brain relies on patterns and shortcuts. These shortcuts allow decisions to happen quickly, often without conscious effort. In familiar situations, this is highly effective.

In digital environments, however, this efficiency can become a vulnerability.

When a message looks familiar, it is processed quickly. When a request resembles something routine, it is accepted with little reflection. When a situation appears urgent, it is handled immediately.

This process is often described as the click reflex. It is the tendency to act first and reflect afterward.

What makes this particularly important is that it does not occur because something is wrong. It occurs because the brain is functioning as intended.

Certain patterns increase the likelihood of this automatic response. Messages that appear to come from authority figures are less likely to be questioned. Situations that create urgency reduce the time available for reflection. Familiar formats, such as invoices or platform notifications, are processed as routine and therefore trusted more easily.

These patterns are not isolated. They often appear together. A message may look official, create urgency, and resemble a familiar process at the same time. When this happens, the interaction feels both credible and immediate.

## The same reflex applies to AI-generated answers

A similar dynamic occurs when people rely on AI tools for information or guidance. An answer generated by AI is often presented fluently, confidently, and in a well-structured format. This combination of fluency and confidence can make a response feel authoritative, even when its accuracy has not been verified.

Because the click reflex responds to *appearance* of credibility rather than to *actual* accuracy, an AI-generated answer can trigger the same automatic acceptance as a familiar email or official-looking notification. The response looks correct, so it is treated as correct.

This makes it important not to assume that an AI tool automatically provides the right answer or the right guideline. AI systems can be wrong, outdated, or incomplete, and they can present incorrect information with the same fluency as correct information. The confident tone of a response is not evidence of its accuracy.

For this reason, it is advisable to verify important information, decisions, or instructions against reliable, independent sources, especially when the outcome affects security, compliance, finances, or other consequential decisions. Treating an AI-generated answer as a starting point for verification, rather than as a final answer, helps reintroduce the conscious reflection that the click reflex tends to bypass.

Even individuals who are aware of these risks may still respond automatically. Knowledge does not disappear, but it may not be activated in time.

This is why awareness alone is not enough. What matters is the ability to interrupt the sequence.

Interrupting does not require complex actions. It may involve stepping away from the screen, delaying the response, or checking the request through another channel. These small actions create a break in the automatic flow and allow conscious thinking to re-engage.

Over time, these interruptions can become habits themselves. Instead of reacting immediately, the default response becomes to pause, even briefly. This shift transforms the interaction from automatic to intentional.

## Key takeaway

Automatic behaviour is not the problem. Uninterrupted automatic behaviour under pressure is. Creating small interruptions allows better decisions to emerge, including the habit of verifying AI-generated answers against trustworthy sources rather than accepting them at face value.

## Reflection

Think of a recent digital interaction that felt routine. Did you actively verify it, or did you respond automatically? What might have changed if you had paused? Consider also: have you ever accepted an answer from an AI tool without checking it against another source and on reflection, should you have?

## Module 4/4

### Security Fatigue, Silence and Delayed Response

In digital environments, users are constantly exposed to information that demands attention. Alerts, updates, warnings, confirmations, and reminders appear regularly. At first, these signals are helpful. They guide behaviour and highlight potential risks.

Over time, however, their impact changes.

When too many signals compete for attention, it becomes difficult to distinguish what truly matters. Important messages begin to feel similar to routine ones. Urgent warnings begin to resemble background noise. This condition is known as security fatigue.

Security fatigue does not reflect a lack of responsibility. It reflects the limits of attention.

When people are overloaded, they simplify their responses. They approve actions quickly, skip details, and rely on systems to prevent mistakes. These behaviours are not intentional shortcuts. They are adaptive responses to a demanding environment.

Another important response emerges after something goes wrong or feels uncertain. Many people hesitate to act immediately. They may not be sure whether the situation is serious. They may feel uncomfortable raising a concern. They may hope that the issue resolves itself.

This hesitation often leads to silence.

Silence can feel protective in the short term. It avoids drawing attention, avoids potential embarrassment, and delays confrontation with the problem. However, in digital financial systems, delays can increase risk significantly.

Transactions may be processed quickly. Fraud may spread across accounts. Recovery may become more complex with time.

Early action, even when uncertainty exists, often reduces damage.

This requires a shift in perspective. Instead of viewing mistakes as failures, it becomes more useful to view them as signals. They indicate that something in the interaction, the process, or the environment requires attention.

When this perspective is adopted, reporting becomes easier. It is no longer a confession, but a contribution to safety.

Creating this shift does not require complex systems. It can begin with simple changes in behaviour and communication. Expressing uncertainty openly, asking for confirmation, or sharing concerns early can significantly improve outcomes.

### **Key takeaway**

Security fatigue and delayed response are natural reactions to overload and uncertainty. Acting early, even when unsure, is a critical part of digital financial safety.

### **Reflection**

Have you ever delayed checking or reporting something that felt unusual? What influenced that decision?

## **Module 4/5**

### **Empowerment and Safer Digital Financial Behaviour**

Digital financial security is often presented through restrictions. Do not click. Do not share. Do not trust. While these instructions highlight risks, they do not fully reflect how people actually interact with digital systems.

In reality, individuals must continue to act. They must respond to messages, complete transactions, and make decisions. Avoidance alone is not a practical strategy.

A more effective approach focuses on empowerment.

Empowerment in this context does not mean eliminating risk. It means developing the ability to respond effectively when risk appears.

This begins with recognising that safe behaviour is not defined by constant alertness. It is defined by the presence of simple, repeatable actions that can be applied in everyday situations.

One of the most important of these actions is the ability to pause. Not to stop the task entirely, but to interrupt the immediate reaction. Even a short delay can reduce the influence of pressure and allow a clearer assessment of the situation.

Another important element is the willingness to externalise doubt. When uncertainty remains internal, it often leads to hesitation or inaction. When it is shared, it becomes easier

to address. A simple verification with a colleague, a support channel, or a trusted source can clarify the situation quickly.

Empowerment also involves redefining urgency. Not every urgent message requires immediate action. Asking simple questions about who benefits from the urgency and what happens if action is delayed can reduce the influence of manipulation.

Equally important is the ability to recover. Mistakes are part of any system that involves human interaction. Knowing how to respond after a mistake, who to contact, and how to act quickly can significantly reduce impact.

Over time, these behaviours become habits. Instead of reacting automatically, individuals begin to respond with greater awareness. Instead of avoiding risk entirely, they learn to manage it.

This approach creates confidence. Not the confidence that nothing will go wrong, but the confidence that when something does, it can be handled effectively.

### **Key takeaway**

Safer digital financial behaviour is not based on fear or avoidance. It is based on simple, consistent actions that create space for better decisions.

### **Reflection**

What is one small habit you could introduce to improve your digital financial safety? What would make it easier to apply consistently?

### **Final Takeaway of Chapter 4**

Digital financial security is ultimately shaped by how people interact with systems under pressure.

Technology provides the tools.

Human behaviour determines the outcome.

When individuals learn to recognise pressure, pause their response, and act with awareness, they transform risk into manageable situations.

Digital financial literacy, therefore, is not only about understanding systems.

It is about understanding ourselves within those systems.

## Supporting material

### Glossary of Key Digital Financial Terms

This glossary provides simple explanations of common terms used throughout the guide. The purpose is to help readers understand important financial and digital concepts without requiring specialised financial knowledge.

**Authentication**

A security process used to verify the identity of a user before allowing access to a digital system or approving a financial transaction.

**Biometric Verification**

A method of confirming identity using unique physical characteristics such as fingerprint recognition or facial recognition.

**Blockchain**

A digital record-keeping system that stores information in connected blocks across a distributed network of computers. It is commonly used for recording cryptocurrency transactions.

**Budget**

A financial plan that estimates income and expenses over a specific period of time.

**Cash Flow**

The movement of money into and out of a personal account or business. Positive cash flow means income exceeds expenses, while negative cash flow occurs when expenses exceed income.

**Credit Card**

A payment card that allows users to borrow money from a financial institution to make purchases. The borrowed amount must be repaid according to agreed conditions.

**Creditworthiness**

An evaluation of a borrower's ability to repay a loan. Financial institutions assess factors such as income, repayment history, and existing financial obligations.

**Cryptocurrency**

A type of digital asset that operates through decentralised digital networks and uses cryptographic technology to secure transactions.

**Debit Card**

A payment card linked directly to a bank account. When a payment is made, the amount is deducted immediately from the account balance.

**Digital Banking**

Banking services that are accessed through digital channels such as websites or mobile applications rather than physical bank branches.

**Digital Wallet**

An application that stores payment information electronically and allows users to make payments using a smartphone or digital device.

|                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Electronic Payment</b>                                                                                                                |
| A financial transaction completed digitally rather than through cash or physical exchange.                                               |
| <b>Interest Rate</b>                                                                                                                     |
| The cost of borrowing money, expressed as a percentage of the loan amount.                                                               |
| <b>Loan</b>                                                                                                                              |
| A financial agreement in which a lender provides money to a borrower who agrees to repay it over time, usually with interest.            |
| <b>Microfinance</b>                                                                                                                      |
| Financial services designed for individuals or small businesses that may have limited access to traditional banking services.            |
| <b>Multi-Factor Authentication (MFA)</b>                                                                                                 |
| A security process that requires two or more verification methods before granting access to a financial system.                          |
| <b>One-Time Password (OTP)</b>                                                                                                           |
| A temporary security code used to confirm a login or financial transaction.                                                              |
| <b>Peer-to-Peer Payment</b>                                                                                                              |
| A digital payment system that allows individuals to transfer money directly to another person.                                           |
| <b>Point-of-Sale (POS) Terminal</b>                                                                                                      |
| An electronic device used by businesses to process card payments.                                                                        |
| <b>Prepaid Card</b>                                                                                                                      |
| A payment card that contains a preloaded amount of money and is not linked directly to a bank account or credit line.                    |
| <b>Phishing</b>                                                                                                                          |
| A fraudulent attempt to obtain sensitive information by pretending to be a trustworthy institution through email, messages, or websites. |



Project 2025-1-MT01-KA210-VET-000356734

Funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or the European Education and Culture Executive Agency (EACEA). Neither the European Union nor EACEA can be held responsible for them.