JOURNAL OF MULTIDISCIPLINARY RESEARCH HORIZON
An International Peer-Reviewed | Open Access | Monthly | Online Journal
Volume 1 | Issue 5 | SEP 2026
ISSN: 3139-7301 (ONLINE)
Website: www.jmrh.in

NEOBANKS IN INDIA: A CONCEPTUAL OVERVIEW

FAIZA RIYAZ

Assistant Professor, Department of Commerce (UG and PG),

Teresian College, Mysuru - 570 011, Email: faizariyaz37@gmail.com

Dr. P. M. SHIVA PRASAD

Assistant Professor, Department of Commerce (UG and PG),

Teresian College, Mysuru - 570 011, Email: shianu@gmail.com

ABSTRACT

The banking system in India has witnessed a significant transformation with the advent of digital technologies, which has set the stage for the emergence of neobanks - a revolutionary, tech-driven alternative to customary banking institutions. This article provides an overview of the Indian banking system, explaining its evolution and regulatory framework, followed by an in-depth exploration of the concept of neo-banks and neobanking. It introduces the concept of neobanks followed by the review of the literature. Research methodology, containing the sources of data used to collect the information on the topic. Further, the results of the study are explained continuing it with the discussion part outlining the core features of neobanks such as digital operations, financial planning, cost supervision, investment planning and advising, credit services, foreign exchange services, AI assistance, Enhanced cybersecurity, reward through gamification and, business tools integration. It also highlights the advantages offered by neobanks, which includes, digital only banking, cost effective banking solutions, smart financial management tools, personalized user experience and, pricing transparency. At the same time, it significantly evaluates the limitations, such as absence of full banking license, absence of physical branches, high dependency on technology, limited product portfolio, cybersecurity and, risk evolving regulatory landscape. The study also includes prominent neobanks in India, such as RazorpayX, FamPay, Niyo, Open and Freo. The conclusion highlights the growing relevance of neobanks in India's financial ecosystem, while stressing

upon the need for robust regulatory oversight, technological resilience, and strategic collaborations to ensure long-term sustainability and trust of the stakeholders or the users.

KEYWORDS: Neobanks, Challenger banks, Traditional banks, Tech-savvy customers, FinTech, Millennials, Gen Z, Gen A, Niche segment.

INTRODUCTION

The banking system in India has evolved over several decades. It is a well-established system and has been serving the banking needs of the economy. The major role of banks is to intermediate resources from the depositor to the lender for their mutual benefit while allocating them in an efficient manner, thereby contributing to economic growth.

India's banking sector stands as a pillar of the nation's economic progress, playing a vital role in mobilizing capital, expanding credit access, and driving financial inclusion. While it continues to navigate challenges such as regulatory shifts, rising operational costs, and growing competition from fintech players, the sector is simultaneously embracing opportunities brought by digital innovation, structural reforms, and evolving customer needs.

The Indian banking industry has recently witnessed the rollout of innovative banking models. In recent years, India has also focused on increasing its banking sector reach through various banking sector reforms like digital payments, NBFCs, and fintech, have significantly enhanced India's financial inclusion and helped fuel the credit cycle in the country. The digital payments system in India has evolved the most, with India's Immediate Payment Service (IMPS) being the only system at level five in the Faster Payments Innovation Index (FPII). India's Unified Payments Interface (UPI) has also revolutionized real-time payments and strived to increase its global reach in recent years. Banks are launching new online services and AI-powered chatbots to make digital banking more secure and convenient.

In the age of digital era, almost every industry has been reimagined and banking is of no exception. The days of long queues, paper forms, and branch visits are being replaced by a new wave of digital-first banking experience. Neobanking is a FinTech evolution in the banking sector. The term "FinTech" characterizes emerging technological advancements in the financial services sector, driven by an increased reliance on information and digital technology.

JOURNAL OF MULTIDISCIPLINARY RESEARCH HORIZON
An International Peer-Reviewed | Open Access | Monthly | Online Journal
Volume 1 | Issue 5 | SEP 2026
ISSN: 3139-7301 (ONLINE)
Website: www.jmrh.in

Neobanking refers to fully digital banks that operate without any physical branches. Neobanking is a combination of IT (Information Technology) and Artificial Intelligence (AI). The word "Neo" is derived from the Greek word meaning "new". Banking refers to the activities, services, or operations performed by banks or financial institutions. The concept of Neobanking emerged in the UK and Germany in 2013 and 2015 respectively.

Neobanks, also called as digital-only banks or virtual banks, are banks without any physical existence. These banks operate only online, and offer services through mobile applications and websites. Their objective is to challenge conventional banking practices by furnishing a smooth, user-friendly banking experience through digital platforms. Neobanks operate with the notion of sustainability and user-friendly services. Neo-bank is a platform focusing on niche segments or underserved segments of society that lack access to traditional banking services. Neobanks majorly serve tech-savvy millennials, Gen Z, Gen A, small business houses, MSMEs and others, who want fast and easier access to banking and financial services.

Neobanks strive to create distinguished digital banking experiences rather than being just another bank. Neobanks, highly successful in countries like, Brazil, UK, China and so on, are now expanding into India. They offer users, the financial services with just a click. Neobanks offer banking solutions through mobile apps and web platforms, blending technology, convenience, and customer-centric design. Neobanks provide real-time services such as: account management, payments and transfers, card management (debit cards), budgeting, faster loan processing, and other financial insights. Neobanks are more convenient and accessible compared to traditional banks, as they provide services 24/7 with AI-enabled technology.

Neobanks are more agile and tech-driven than traditional banks; they can quickly roll out new features, adapt to customer feedback, and embrace cutting-edge fintech partnerships. Neobanks support the cashless economy, which helps accelerate digital India’s financial goals, and reduces dependence on physical cash. Neobanks provide high interest rates on savings accounts and apply low costs on services, as they operate digitally, eliminating the operational and physical infrastructure costs.

Although branchless, Neobanks employ strong security practices - multi-factor authentication, encrypted data storage, and real-time fraud detection. Neobanks in India faces a major challenge of regulatory compliance; they are not licensed to operate individually rather are evolving under a regulated partnership model. They partner with the traditional banks to extend their services. They work with RBI-approved banks to ensure compliance, while offering next-gen features through their digital platforms.

LITERATURE REVIEW

Akshay V Kumar (2026), explains that neo-banks focus on loyalty, product diversification, transparency, cybersecurity and responsible AI practices, whilst customary banks accelerate their digital transformation and partner with fintechs, creating a Banking-as-a-Service model, and repurpose their branches as advisory centers. Regulators should also set up digital licensing, increase digital financial literacy, develop common governance and standards for cybersecurity and AI. The study further tells that Neobanking model illustrates the future of banking is likely to be hybrid, bringing together the trust and financial firepower of customary banks, with the technology, efficiency, convenience and personalization of neo-banks.

Darshan P, Shivaraju A and Prajwal S. (2024), reveals that Neobanking awareness and adoption are still relatively low despite the widespread use of digital banking services. Respondents appreciated Neobanking mainly for its time-saving, efficiency, convenience, safety, easy transactions, quick account opening, and credit card facilities. The study further indicates that the COVID-19 pandemic accelerated the adoption of digital banking by enabling customers to access financial services remotely when physical bank visits were difficult. Overall, Neobanking has the potential to become an important part of the Indian banking system by addressing gaps in traditional banking. However, limited awareness remains a major barrier, highlighting the need for greater customer education about Neobanking services.

Sakshi Sharma (2024), indicates Neobanks exhibit operational efficiency and innovative technological approaches, they face challenges in maintaining profitability. Conventional Banks, despite being more stable, need to improve their operational efficiency and adopt digital innovations to stay competitive. The study contributes valuable insights into the financial performance of different banking models.

Sandipam Palit (2024), states that Neobanking is expected to experience significant growth in India, with the number of neo-bank accounts projected to increase substantially by 2027 and transaction values expected to rise further by 2028. Neobanks provide a fully digital and customer-centric banking experience, making them particularly attractive to tech-savvy consumers. Their growth in India is driven by increasing internet penetration, digital payments, and a supportive fintech ecosystem. However, Neobanks are addressing the challenges of Neobanks through partnerships with traditional banks and by offering innovative products tailored to specific customer segments. Overall, the future of neobanking appears promising, and continued innovation and adaptation to regulatory requirements could enable neobanks to play a major role in the digital transformation of the Indian banking sector.

Elroy Monis and Ramesh Pai (2023), discusses about the transformation of Banking system. Unlike the traditional banks, Neobanks does not require physical branches to render banking services to the customers, which reduces the costs of Neobanks. Thus, neobanks offer customers convenient access to financial services from any location, supporting financial inclusion and inclusive growth, while meeting the changing needs of a technologically driven generation.

Jigmit Stobdan and Sunil Kumar (2023), discusses the potential of Neobanks to reshape the banking experience through technological innovation and customer-centric approaches. It states that neobanks have strong growth prospects due to the increasing demand for digital and mobile banking services. Their long-term success will depend on their ability to continuously innovate, develop new products and services, ensure security, comply with regulations, and build strong customer relationships and trust.

Ruchi Thakur, Satyashree Girdhari Kejriwal and Preksha Tondankar (2023), identifies three important aspects through which Neobanks are gaining popularity, transaction velocity, application reliability, and customer service excellence. The study claims that neobanks provide customers with value transaction speed, application reliability, and quality service but not all the customers get them. Some customers face difficulties with navigation and accessibility. The study suggests, to expand their market share of neobanks, continue improving security, accessibility, customer satisfaction, and digital services.

Somnath Sardar and Kavit Anjaria (2023), highlights that the significance of customer service has led to an increasing usage of new banks over traditional banks, as respondents express high levels of satisfaction with the services provided by neo banks. It says, the demographic profiles, particularly age, also show a significant association with the usage of neo banks. However, regulatory compliance poses a challenge for new banks, as acknowledged by our respondents. On the other hand, opportunities lie in the offering of innovative and tailored financial products, as well as enhanced user experience technologies, as per the respondents. The study finds that traditional banks are unlikely to be replaced in the future. Both traditional and new banks can coexist and serve different customer needs in the evolving banking landscape.

Soumady (2022), examines Neobanking as an emerging significant transformation in India's banking sector, characterized by digitalization, changing customer expectations, technological advancements, competition, and the Digital India initiative. It highlights that neobanks provide convenient, fast, and customer-centric solutions, particularly for SMEs and digitally oriented consumers. It states that the growth of smartphones, digital payments, and internet banking, along with the COVID-19 pandemic, has further accelerated the adoption of Neobanking. Overall, neo-banks have strong potential to disrupt and reshape India's banking and financial-services sector, but their long-term success will depend on their ability to achieve sustainable growth while providing secure, seamless, innovative, and customer-centric services.

RESEARCH METHODOLOGY

This article focuses on an extensive review of the literature of secondary data collected from various books, national and international journals, and publications. Further the relevant information was gathered from academic papers, theses, and conference proceedings. Cross Referencing was also considered which concentrated on various contexts and aspects of Neobanks and Neobanking.

RESULTS

Neobanks are digital-only financial institutions that are transforming the contemporary banking landscape in the digital age. These banks have become significant in today's world due to their affordability and accessibility at any time and from any location. Neobanks simplify financial

JOURNAL OF MULTIDISCIPLINARY RESEARCH HORIZON
An International Peer-Reviewed | Open Access | Monthly | Online Journal
Volume 1 | Issue 5 | SEP 2026
ISSN: 3139-7301 (ONLINE)
Website: www.jmrh.in

transactions by offering a range of services such as account openings, debit and credit cards, UPI transfers, competitive interest rates, credit loans, budgeting tools, and so on, which are available around 24/7 along with the AI support and tailored services. They are particularly popular among small businesses, youth, MSMEs, and tech-savvy individuals. Despite being entirely online, neobanks safeguard customer privacy through measures such as encryption, biometric authentication, Aadhar eKYC, PAN verification, and other data protection practices.

Beyond their accessibility, neobanks assist customers with financial planning, foreign exchange services, and attractive rewards. As their primary users are youth, they often use free coins and cashback, to capture interest. Despite these benefits, neobanks lack independent legal recognition in India. Instead, they operate by partnering with traditional banks, as obtaining an independent banking license is expensive, legally complex, and time-consuming, which could significantly pull up their operating costs.

As the emerging of the financial system, neobanks require greater public awareness, as many individuals remain unfamiliar with the concept. Beyond technical innovation, neobanks must prioritize user protection through robust data security and privacy measures to obtain consumer trust. Unlike traditional banks, neobanks should diversify their service offerings and expand their target market to encompass a broader range of users. By making their products more transparent and accessible to all the users, they can significantly scale their operations.

Ultimately, neobanks possess the potential to redefine the future of the banking industry by offering unique financial solutions that distinguish them from traditional banks. While neobanks cannot operate independently, they can coexist with traditional banks, providing customers with innovative financial products and services while implementing enhanced data security measures.

DISCUSSION

FEATURES OF NEOBANKS IN INDIA

Neobanks are the emerging digital banking platforms that offer customers with the following features,

JOURNAL OF MULTIDISCIPLINARY RESEARCH HORIZON
An International Peer-Reviewed | Open Access | Monthly | Online Journal
Volume 1 | Issue 5 | SEP 2026
ISSN: 3139-7301 (ONLINE)
Website: www.jmrh.in

Digital Operations

By eliminating the need for physical paperwork, neobanks enable a seamless digital onboarding process since they allow customers to set up an account completely online using Aadhaar-based eKYC, video verification and PAN verification. Users are able to open either a savings or a current account in just a few minutes from the comfort of their homes, without having to visit a branch, wait in long queues or fill application forms - the process thus becomes quick, easy, and accessible to all. The neobanks also make sure that user's accounts are activated instantly along with the issuance of the account number.

Financial Planning

By offering users real-time access to their account balances, transaction histories, and spending patterns, neobanks assist with financial planning. Customers can set spending limits, plan both their income and their expenditures, and make well-informed financial decisions through budgeting tools and tailored financial insights. Users can also efficiently manage their regular financial obligations through automated payment options such as scheduled transfers and autopay.

Cost Supervision

Neobanks make it easier to keep track of costs by allowing users to monitor and control their spendings in real time using the analytical tools which also offer a summary of spending patterns, enabling customers to find out where their costs can be lowered. Users can divide their transactions into various spending categories, for example food, transportation, shopping, and utilities, which helps them to spot any unnecessary or excessive spending. By receiving immediate notifications for each transaction, users can keep track of their payments as they happen and avoid the unexpected costs.

Investment Planning and Advising

Neobanks offer investment planning and advice by means of digital tools which assist customers in understanding and managing their investment choices. By means of their mobile applications, users can obtain information on various investment products such as mutual funds, stocks, bonds, fixed deposits, or other financial instruments, depending on the services

JOURNAL OF MULTIDISCIPLINARY RESEARCH HORIZON
An International Peer-Reviewed | Open Access | Monthly | Online Journal
Volume 1 | Issue 5 | SEP 2026
ISSN: 3139-7301 (ONLINE)
Website: www.jmrh.in

provided by the platform. Moreover, some Neobanking platforms also give personalized recommendations, investment insights, risk evaluations, and features for tracking portfolios.

Credit Services

Neobanks offer credit services by means of digital platforms, which make it easier to borrow money and manage credit. The services offered to the customers such as personal loans, credit lines, buy-now-pay-later options, or credit cards, will depend on the neobank and its banking or lending partners. Because of digital onboarding and automated assessments, users are able to keep record of their loan balances, repayment schedules, interest charges and the amounts due. In some cases, the platforms also give customers personalized credit offers based on their transaction patterns and creditworthiness.

Foreign Exchange Services

Neobanks offer foreign exchange services which allow customers to convert money and carry out transactions in various currencies using digital platforms. Customers will be able to obtain competitive exchange rates, make international payments, and manage several currencies all within one application. These services are especially beneficial for people who travel abroad, send money across borders, or get money from overseas. Since neobanks provide convenient and transparent facilities for currency conversion, they can make foreign exchange transactions easier and reduce the complexity of the banking procedures.

Enhanced Cybersecurity

Secure cybersecurity is a key feature of neo banking since the majority of banking operations are carried out digitally. In order to protect customer information and financial transactions, neobanks use various technologies including multi-factor authentication, biometric verification, encryption, transaction monitoring, and real-time fraud detection. Customers also receive immediate alerts when transactions are suspicious or unauthorized, which allows them to act quickly in response to possible security risks.

JOURNAL OF MULTIDISCIPLINARY RESEARCH HORIZON
An International Peer-Reviewed | Open Access | Monthly | Online Journal
Volume 1 | Issue 5 | SEP 2026
ISSN: 3139-7301 (ONLINE)
Website: www.jmrh.in

Rewards through Gamification

To make financial management more interesting and to promote positive customer behavior, neobanks employ gamification. This involves giving users rewards, cashback, points, badges, or other incentives for carrying out activities such as making digital payments, sticking to their savings goals, finishing financial tasks, or using certain services. By incorporating gamified elements, customers are encouraged to save regularly, keep track on their spending, and play an active role in using the banking application.

ADVANTAGES OF NEOBANKS

Neobanks offer several advantages to its customers. The following are some of the major advantages,

Digital-Only Banking

Neobanks deliver banking services exclusively through digital channels, primarily through mobile apps and websites. Customers can open accounts, transfer funds, make payments, check their balances, and manage their finances without visiting a physical bank branch. This allows quick and more convenient banking that can be accessible anytime and anywhere.

Cost-Effective Banking Solutions

Neobanks primarily function through digital means and do not operate a widespread network of physical branches, their operational expenses are generally lower. This can provide advantages to customers through decreased fees, lowered service charges, and more affordable banking solutions. Even for those with a lower credit score, neobanks provide an opportunity to open an account. This accessibility can benefit individuals who need more resources, enabling them to meet their needs and supports their financial goals.

Card Controls

Neobanks frequently offer enhanced control over debit and credit cards through digital application. With one account and a linked debit card, you can deposit currency and convert them to another currency in seconds to pay for goods and services around the world. Customers can switch cards, set spending limits, manage online or international transactions, and receive instant notifications. These functionalities increase customer flexibility and oversight regarding card usage while also strengthening security.

JOURNAL OF MULTIDISCIPLINARY RESEARCH HORIZON
An International Peer-Reviewed | Open Access | Monthly | Online Journal
Volume 1 | Issue 5 | SEP 2026
ISSN: 3139-7301 (ONLINE)
Website: www.jmrh.in

Personalized User Experience

Neobanks use customer data and digital technologies to create services that are more tailored to individual needs. Neobanks offer personalized insights, recommendations, reminders and relevant financial products based on a customer's spending patterns and financial behavior. This makes the banking experience more user friendly rather than providing the same services to every customer.

Pricing Transparency

Neobanks typically disclose their fees, interest charges, service charges and terms of service on their digital platforms. The customers can easily view applicable charges before availing a particular service, thus minimizing the chance of unexpected expenses. This transparency makes customers know what charges are applied and builds more trust in the banking service.

LIMITATIONS OF NEOBANKS

Although neobanks offer its customers with various advantages, they also have certain limitations that are discussed below,

Absence of Full Banking License

Neobanks in India does not function individually. They do not have their banking license. They partner with traditional banks that provide the banking services. Neobanks in India will not be able to offer all the banking products and services they want to and they have to follow the rules of their partner banks. They also have specific regulations to be followed which will not provide them with complete individual legal existence.

Absence of Physical Branches

Neobanks in India mostly work through applications and websites. Therefore, customers of neobanks in India usually cannot visit a physical branch. This makes banking easy for customers but, it can be a problem when they need help in person or have complicated financial issues. Some customers may face difficulties in understanding terms and conditions, policy procedures, have technical glitches and so on, for which they may have to have face to face conversation or visit the physical branch which is not possible in case of Neobanks.

JOURNAL OF MULTIDISCIPLINARY RESEARCH HORIZON
An International Peer-Reviewed | Open Access | Monthly | Online Journal
Volume 1 | Issue 5 | SEP 2026
ISSN: 3139-7301 (ONLINE)
Website: www.jmrh.in

High Dependence on Technology

Neobanks operate online and are heavily dependent on technology, which means they need internet, mobile apps and software to work. If there are technical problems or the internet is slow or the software is outdated and not updated customers may not be able to use their accounts or make transactions, which is a major limitation of Neobank services.

Cybersecurity and Privacy Risks

Since neobanks operate online they are at risk of cyberattacks, misuse of personal information, frauds and data breaches. Customers of neobanks in India share a lot of financial information online so it is very important to keep this information safe. Cybercriminals, equipped with stolen credentials, use automated tools to access various banking accounts and harm the personal data and interest of customers. Customers are also at risk of having their accounts compromised and funds drained.

Evolving Regulatory Landscape

The Neobanking entities in India are not subject to direct regulation by the RBI; they operate under a veil of indirect control owing to their partnership with a traditional bank. Neobanks lack dedicated regulatory framework. The RBI has not granted any digital banking licenses to any neobank. While many neobanks partners with licensed institutions to hold customer deposits, not all operate under the same level of regulatory scrutiny as traditional banks. Unlike the traditional banks, leaving them exposed to sudden policy shifts or compliance hurdles could impact their day-to-day operations.

PROMINENT NEOBANKS IN INDIA

The following are some of the prominent Neobanks in India that have adapted to changes in the regulatory environment and continued to strengthen their digital financial services.

RazorpayX

RazorpayX is the business banking offering from Razorpay, the payments unicorn established by Harshil Mathur and Shashank Kumar in Bangalore in 2014. It assists companies in overseeing payouts, payroll, vendor payments, and cash flow, incorporating credit and lending functionalities for working-capital requirements.

JOURNAL OF MULTIDISCIPLINARY RESEARCH HORIZON
An International Peer-Reviewed | Open Access | Monthly | Online Journal
Volume 1 | Issue 5 | SEP 2026
ISSN: 3139-7301 (ONLINE)
Website: www.jmrh.in

Razorpay raised additional growth funds after 2021 and finalized its corporate migration from the US to India in 2023 - a strategy that numerous other Indian fintech unicorns have subsequently imitated. RazorpayX has developed features in payroll, current accounts, and integrated lending for the companies utilizing Razorpay's payment infrastructure.

FamPay

FamPay was established by Kush Taneja and Sambhav Jain in Bangalore in 2019. FamPay, India's most recognized neobank for teenagers is a prepaid card without numbers (in partnership with IDFC FIRST Bank), designed with VISA, offering rewards in Famcoins, and designed under the use of parental oversight.

The RBI's 2022 limit on credit-line-backed prepaid instruments directly impacted this product type, leading FamPay similar to many teen-oriented card applications - to adjust aspects of its model towards UPI-first and prepaid-only processes, instead of the credit-related spending it initially provided.

Niyo

Niyo was established by Vinay Bagri and Virender Bisht in Bangalore in 2015. Niyo stands out as one of the most significant financial-inclusion narratives in Indian neobanking. NiyoX, a no-balance savings account with Equitas Small Finance Bank and Niyo Global, a multi-currency forex travel card with SBM Bank and DCB Bank remain are its major offerings, and the company has persisted in securing growth-stage funding in the years that followed.

Open

Open was established in Bangalore in 2017 by Anish Achuthan, Ajeesh Achuthan, Mabel Chacko, and Deena Jacob. They created a business banking platform for startups and SMEs - offering current accounts, payments, expense management, and auto-reconciliation, which is now essential for any serious business banking solution.

Open achieved unicorn status in a subsequent funding round supported by investors like Temasek and Google, and separated its banking-as-a-service platform as an independent solution for other fintechs to utilize.

JOURNAL OF MULTIDISCIPLINARY RESEARCH HORIZON
An International Peer-Reviewed | Open Access | Monthly | Online Journal
Volume 1 | Issue 5 | SEP 2026
ISSN: 3139-7301 (ONLINE)
Website: www.jmrh.in

Freo

Freo, previously known as MoneyTap, was established by Anuj Kacker, Bala Parthasarathy, and Kunal Varma in Bangalore in 2015, and stands out as India's most prominent credit-driven neobank. Freo primarily focuses on credit-based financial services, including credit lines and cards. Its services are developed in partnership with banks and NBFCs, allowing customers to access and manage credit digitally.

CONCLUSION

Neobanks are digital-only financial institutions that operate without any physical branches, depending entirely on technology to deliver financial products and services. They primarily cater to tech-savvy consumers and offer a wide range of financial management tools. These digital banks are relevant for diverse customer segments such as small and medium enterprises (SMEs), gig economy workers, freelancers, and small business owners. By providing varied, user-friendly, and cost-efficient services, Neobanks are gradually transforming the traditional banking landscape.

However, the future for Neobanking is looking very promising. With technology advancing and regulatory improvements, neobanks are likely to expand their service offerings, improve security features, and provide even more personalized financial services. Their ability to innovate quickly and adapt to evolving customer expectations makes them a key driver of the future banking ecosystem.

In general, Neobanking is not meant to replace traditional banks but to have strategic collaborations and improve the overall banking experience. Neobanks are changing the way financial services are delivered, offering customers convenience, speed, transparency and innovation. As consumer confidence grows and the regulatory environment improves, Neobanking is set to play an increasingly important role in determining the future of banking in India and the world.

This study aims at exploring the emerging concept of Neobanking, which, despite of its growth globally, remains comparatively unfamiliar to a large section of the public. Therefore, the purpose of this paper is not only to introduce the concept of Neobanking but also to raise awareness and understanding among potential users. Hence, it focuses to help a broader audience recognize and utilize the benefits of Neobanking to the fullest extent possible. The

study also provides scope for further research, as the concept of neobanking and financial landscape continues to evolve with changing technologies, customer preferences, and regulatory developments.

REFERENCES

Asma, U., Johnson, J. M., & George, G. (2022). A study on challenges and future of neobanks in India. The Journal of Contemporary Issues in Business and Government, 28(4), 178–196. https://doi.org/10.47750/cibg.2022.28.04.0013

Barodawala, Y. A. (2022). Neo banking: An innovative window of banking arena. GAP Interdisciplinarities, 5(3), 27-33. https://www.gapinterdisciplinarities.org

Bhatnagr, P., & Rajesh, A. (2024). Neobanking adoption - An integrated UTAUT-3, perceived risk and recommendation model. South Asian Journal of Marketing, 5(2), 93-112. https://doi.org/10.1108/SAJM-06-2022-0040

Birla, V., & Arya, S. (2025, April). Empirical study for neo bank's factors impacting consumer aspirations for mobile banking services in perspective to Western U.P. In Proceedings of the International Conference on Sustainable Development Goals: Challenges, Issues and Practices, Teerthanker Mahaveer University, Moradabad. https://www.researchgate.net/publication/392060358

Darshan, P., Shivaraju, A., & Prajwal, S. (2024). Neo banks: A new era of banking experience. International Journal of Innovative Research in Technology, 11(5), 669-673. https://ijirt.org/Article?manuscript=168366

Darshan, P., Shivaraju, A., & Prajwal, S. (2024). Neo banks: A new era of banking experience. International Journal of Innovative Research in Technology, 11(5), 669–676. https://ijirt.org/article?manuscript=168366

Halldorsdottir, A. (2025, June 12). Advantages & disadvantages of neobanks in 2026 [Guide]. Meniga. https://www.meniga.com/resources/neobanks-advantages-and-disadvantages/

Harjani, D., & Mazumdar, S. (2025, January 10). Navigating the Neobanking wave: Insights into India's digital financial future. LiveLaw. https://www.livelaw.in/lawschool/articles/navigating-the-Neobanking-wave-insights-into-indias-digital-financial-future-280526

Hwang, Y., & Lee, K. C. (2012). Investigating the moderating role of uncertainty avoidance cultural values on multidimensional online trust. Information & Management, 49(3-4), 171-176. https://doi.org/10.1016/j.im.2012.02.003

Jaglan, D. (2021). Neo banks - The rise of banking industry. International Journal of Management and Commerce Innovations, 9(1), 553-561. https://www.researchpublish.com/

Kim, D., & Bae, J. K. (2020). Understanding internet-only bank service adoption: An integration of the unified theory of acceptance and use of technology and innovation resistance model. Global Business & Finance Review, 25(3), 49-59. https://doi.org/10.17549/gbfr.2020.25.3.49

Kumar, A. V. (2026). A study on neo banking and its impact on the overall financial landscape. International Journal of Creative Research Thoughts, 14(3), v410-v417. https://www.ijcrt.org/papers/IJCRT21X0387.pdf

Larsson, B. (2003). Neo-liberalism and polycontextuality: banking crisis and re-regulation in Sweden. Economy and Society, 32(3), 428-448. https://doi.org/10.1080/03085140303132

M2P Fintech. (2021, November 23). Top 14 neo banks that reinvent banking experience in India. M2P Fintech. https://m2pfintech.com/blog/top-14-neo-banks-that-reinvent-banking-experience-in-india/

Maxwell, T. (2023, November 8). Pros and cons of neobanks. Experian. https://www.experian.com/blogs/ask-experian/neobank-pros-and-cons/

Monis, E., & Pai, R. (2023). Literature review of neo banking: An acceptability and compatibility study. EPRA International Journal of Research and Development, 8(12), 326-330. https://doi.org/10.36713/epra2016

Palit, S. (2024). Neobanks in India: Innovation, challenges and opportunities in the banking industry. International Journal for Multidisciplinary Research, 6(6), 1–8.

Prasad, N. (2024). Neo banking: A paradigm shift of banking in India. International Journal of Research Publication and Reviews, 5(7), 410-413. https://ijrpr.com/

Sardar, S., & Anjaria, K. (2023). The future of banking: How neo banks are changing the industry. International Journal of Management, Public Policy and Research, 2(2), 32-41. https://doi.org/10.55829/ijmpr.v2i2.153

Shabu, K., & Ramankutty, V. (2022). Neobanking in India: Opportunities and Challenges from Customer Perspective. SSRN Electronic. https://doi.org/10.2139/ssrn.4037656

Sharma, S. (2024). Comparative financial performance analysis of neo banks and conventional banks in India (2019-2023): An empirical study. TECHNO REVIEW Journal of Technology and Management, 4(2), 1-11. https://doi.org/10.31305/trjtm2024.v04.n02.001

Soumady, V. R. (2022). Are neo banks the future disruptors of banking in India? A perspective. International Journal of Advanced Research in Science, Communication and Technology, 2(2). https://doi.org/10.48175/IJARSCT-2826

Stobdan, J., & Kumar, S. (2023). NeoBanks: Future prospects, challenges and strategies. The Journal of Indian Institute of Banking & Finance, 98(3), 18-24. https://www.iibf.org.in

Thakur, R., Kejriwal, S. G., & Tondankar, P. (2023). Neo banking. International Journal of Research in Finance and Management, 6(1), 63-68. https://doi.org/10.33545/26175754.2023.v6.i1a.520

Urmil, S., & Uke, L. The disruption of traditional banking: A neobanks revolution-A literature review. International Journal of Social Sciences and Management Review.