

Unlocking fintech finance: The paradox of risk and reward in instant online loans for small businesses in port Harcourt

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ABSTRACT

Instant online loans are very popular today in Nigeria and many small business owners have accessed them. The study therefore examined how instant online loans relates with risk and benefits of small business owners in Port Harcourt metropolis, Rivers State, Nigeria. The research design under the methodology adopted was survey. Since the population is very large and cannot be wholly access, the purposive sampling method was adopted, hence fifty (50) small business owners within Port Harcourt metropolis were selected. The questionnaire, that is, the modified 4-likert scale, was adopted for data gathering. Data collected were then analysed using the linear regression analysis (an inferential analysis) on SPSS. The result showed an indication that instant online loans have positive and significant with risks and benefits of small business owners in Port Harcourt metropolis. The recommendations made were that small business owners should develop strategies to mitigate potential risks such as high interest, diversion of fund or debt traps; and also, small business owners should ensure that instant online loans collected are judiciously utilise for the purpose of improving and growing the business. The study concluded that there is a positive significant relationship between the study variables.

Keywords:

Instant online loans, digital lending, small business owners, financial risks, business benefits, FinTech credit, Nigeria SMEs.

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1. INTRODUCTION

Developing Micro-Entrepreneurs, micro-business owners are the backbone of Nigeria's economy, yet they frequently encounter barriers to funding. According to Kasekende and Opondo (2018), the major obstacles to the growth of entrepreneurship is the inaccessibility of credit and capital. This is because it keeps them from obtaining the new technology that would increase their productivity and competitiveness. Small business owners find it difficult to get loans from traditional banks due to the extensive documentation, time-consuming paperwork, and many collateral requirements. By giving micro-entrepreneurs quick and easy access to capital, instant loans have revolutionized the market by empowering them to grow their companies, purchase inventory, and generate employment. This has made it easier for small business owners to get financing. According to McCormick and Atieno (2021), financial accessibility is the dearth of both price and non-price barriers as financial services are used, or the ease with which business owners can secure funding to make investments that are profitable in order to grow their firms or businesses and acquire the technologies that are newest, hence guaranteeing their competitiveness and that of the nation at large. Instant loans, which bridge the gaps left by traditional banking institutions, have revolutionized the way individuals and businesses obtain financial services. For many Nigerian entrepreneurs, the reality is that there are numerous popular rapid loan apps that may fund accounts instantly without the need for paperwork, lengthy lines, or endless waiting. Since cash flow is crucial and delays can result in lost chances, rapid loan apps have thankfully changed the game (Samuel, 2025). These apps help individuals and small businesses stay afloat by providing fast, instant loans without any collateral. Samuel (2025) asserts that quick online loans carry a high risk of responsibility, including the potential for high interest rates and the potential for bad decisions to result in debt traps.

The fast expansion of digital lending platforms in Nigeria has provided millions of financially underserved individuals with quick and accessible credit (Idowu, 2025). However, this convenience has come at a significant cost, exposing borrowers to predatory lending practices, exorbitant interest rates, data privacy violations, and unethical debt collection methods. In China, lack of relevant laws and inexact supervision methods; defects in the information disclosure system; lack of credit system and imperfect credit system; and risk of network information leakage (Chen, 2021) are associated with instant online loans. Many online lenders exploit financially vulnerable individuals through misleading loan

terms, hidden charges, and aggressive recovery tactics, often resulting in severe psychological distress, social humiliation, and, in extreme cases, suicide (Idowu, 2025). On the contrary, the existence of online loans facilitates money loan facilities by financial service providers who operate online (Indriani, Nurhayati, & Utaminingsih, 2021). The study therefore examined critically the risks and the benefits of instant online loans to small business owners in Rivers state, Nigeria

1.1 Statement of the problem

In recent years, instant online loans have surged globally, particularly in developing economies. characterized by rapid approval and disbursement, these loans offer small business owners' quick access to funds, often within hours. Their impact on small enterprises is complex, offering immediate benefits while introducing significant risks. Small businesses frequently struggle to secure traditional financing due to strict collateral requirements, lengthy approval processes, and underdeveloped credit histories. Instant online loans aim to fill this gap, but their high interest and aggressive practices may expose owners to new vulnerabilities. It is believed that instant online loans have the capacity to assist in growing small businesses yet with inherent risks.

1.2 Statement of hypothesis

H₀₁: There is no significant relationship between instant online loans and risks of small business owners in Nigeria.

H₀₂: There is no significant relationship between instant online loans and benefits of small business owners in Nigeria.

2. LITERATURE REVIEW

2.1 Instant online loans

The upsurge in the applications of online loan in the digital era is a phenomenon that is multifaceted and also influenced by numerous factors as it shows a larger and wider trend toward financial services inclusion and accessibility. In a digital era that is rapidly evolving, online loan services is now seen to become one of the trends that is major in the modern economy (Prihatini, 2023). Online loans are a type of financial service that is digital-based. They are referred to money borrowed wholly via an online platform, and physical contact or communication with the financial institution or the provider are not required. Online loan platform acts as link or intermediary between the parties that supply and demand funds to arrive at the loan behaviour (Chen, 2021). Online loans are means for small enterprises or individuals to apply for loans without going through conventional banks or financial institutions (Prihatini, 2023). A loan that can application is made

or submitted via an online application is known as an online loan (Gustiar & Setiawan, 2022). However, compared to traditional loans, these loans frequently have simpler conditions and are approved and granted more rapidly (Prihatini, 2023). Without the use of collateral or traditional financial institutions, online loans are a significant innovation and advancement in financing (Murugeswari, Rajalakshmi & Sudharson, 2023). Yet, instant online loans are typically unsecured, digital, and use alternative-data-driven assessments. In Nigeria, platforms enable smartphones or USSD access to loan amounts ranging from a few thousand to millions of naira, approved and disbursed within minutes to hours. Mobile apps offer online loans without the typical banking hassles. Collateral and copious amounts of paperwork are not prerequisites for obtaining internet loans. It only takes a few clicks to complete the transaction. According to Samuel (2025), artificial intelligence (AI) is utilized to evaluate a borrower's creditworthiness based on their bank transactions, mobile money activities, and BVN. Online loan transactions eliminate the need to visit a bank; the application, review, and loan are completed online. Online loans are appealing due to their quickness and convenience. Since the ease and speed of loan evaluation are ideally suited to pressing and unforeseen needs, online lending companies are driven by high demand from individuals and small business owners.

Samuel (2025) itemised and gave details of instant online loan apps in Nigeria as follows:

Carbon (formerly Paylater). Offering quick, easy loans to both individuals and businesses, Carbon has established a solid reputation as one of Nigeria's top rapid loan apps. In addition to loans, the app offers users investment opportunities, credit score tracking, and bill payment choices. Because of this, it is a comprehensive financial instrument for people who require more than simply quick cash. All that is needed is a legitimate phone number, a linked bank account, and a BVN; the entire process, from application to fund disbursement, takes only a few minutes.

FairMoney. Applicants are guaranteed to obtain loan decisions nearly immediately according to the app's automatic loan approval system. It is intended for people and small business owners who require money for operating capital, unforeseen costs, or crises. Many users can use the app because it simply needs a BVN and basic banking information.

Branch. One of Nigeria's most transparent and easy-to-use lending apps, Branch does away with hidden deductions, rollover fees, and late fees. The software ensures fair and customized loan offers by analyzing a borrower's credit history using an AI-driven methodology. It is perfect for people who require short-term or longer-term financing solutions because of its extremely flexible repayment schedule. Regular borrowers who have a solid repayment record are eligible for larger loans with reduced interest rates through the app, which requires a bank account, phone number, and BVN.

Palmcredit. Palmcredit has a reputation for giving people fast, short-term loans without demanding collateral. Those who want small loans for emergencies, personal expenses, or company support may find it especially helpful. Funds are released minutes after approval, and the application process is simple. Borrowers only pay the agreed-upon interest because Palmcredit does not impose service fees like some other lenders do. To apply, all you need is a linked bank account, a working phone number, and a BVN.

QuickCheck. One notable feature of QuickCheck is their intelligent credit evaluation engine, which use AI to instantly determine a borrower's eligibility. For first-time borrowers who do not have a long credit history, this makes it a great choice. The app is popular among people searching for dependable short-term finance because of its high acceptance rate and simple payback process. Although there is a short repayment period, users who make timely repayments can access larger amounts with longer repayment durations. To ensure a seamless and effective application procedure, the app needs a BVN, a phone number, and a linked bank account.

Umba. In Nigeria, Umba is becoming more and more well-known as one of the most user-friendly rapid lending applications. Umba does not have any hidden costs, rollover penalties, or late fees like many other online lenders do. With the ability to establish a solid borrowing history for better future offers, the app is made to assist users in obtaining reasonably priced short-term financing. It is a fantastic choice for people in need of short-term, fast loans. Users who make timely repayments can eventually access larger sums with lower interest rates; the app requires a BVN, a working phone number, and a linked bank account.

NewCredit. NewCredit is a user-friendly loan software that offers quick loans without requiring collateral. For those who require higher loan amounts and are prepared to establish a payback history in order to be eligible for better terms, it is the best option. In contrast to many other rapid lending apps, this one offers competitive interest rates. Funds are

released nearly instantly upon approval, and the application requires a BVN, an active phone number, and a linked bank account.

Okash. Okash, a reliable immediate lending app supported by Opay, provides quick cash to people in need of money for bills, crises, and other short-term needs. The app's AI-driven risk assessment and complete automation guarantee speedy loan choices and little processing time. A BVN, a working phone number, and an associated Opay wallet or bank account are all necessary for the application process.

LendMe. Despite being one of the more recent players in Nigeria's digital lending business, LendMe is rapidly gaining popularity because to its clear pricing and adjustable repayment schedule. LendMe is more forgiving of its rules and concentrates on assisting users in establishing a solid credit history, in contrast to many loan apps that impose exorbitant fines for late payments. With a flexible payback duration, borrowers have the time to make their payments without feeling rushed. First-time users may begin with modest loan amounts that increase with prudent borrowing; the only prerequisites are a bank account, phone number, and BVN.

CashX. CashX distinguishes itself from other Nigerian rapid loan apps by providing a system of rewards-based financing. It is a great choice for people who want to establish a long-term borrowing relationship because borrowers who make their loan payments on time can access reduced interest rates and bigger loan limits. There is sufficient flexibility for short-term financing needs because the repayment period. Applicants must have a verified bank account, a working phone number, and a BVN in order to be eligible. Many customers choose the app because of its quick approval process and clear fees.

The explanation of Nasith (2023) showed that technological advancements have made it easier and faster in accessing financial services. It includes loans from online lending applications, which can have implications that are significant for both individual finances as well as household economic stability. These apps, according to Raibagi and Ranjithkumar (2024), have provided students platforms to acquire loans with negligible paperwork and quicker processing times when compared with the normal traditional lending institutions. Apart from students, individuals, small business owners, amongst others have in one way or the other relied on these apps to get help in financial matters. Though these apps offer great benefits such as easy accessibility, their negative potentials raise concerns.

2.1.1 RISKS OF INSTANT ONLINE LOANS

In Nigeria, instant loans have two drawbacks: they give you immediate access to money, but if you utilize them carelessly, they might put you in debt (Samuel, 2025). Nigerian small business owners are exposed to a variety of dangers, including financial, operational, natural disaster, debt, and theft. Raghavan (2005) defines risk as the possibility that anticipated occurrences would negatively impact capital revenues. Financial risk and operational or commercial risks that have an impact on MSEs' daily operations, either directly or indirectly, are the main sources of risk (Kagwathi, Kamau, Njau, & Kamau, 2014). Nasith (2023) emphasises that risk perception plays role that is important when using the online loan applications, particularly for individuals that are classified as lower-middle-class. Online loans risks include high interest rates and online leaks of personal information are still common. It is obvious that customer data is highly susceptible to leaks and spread unrestricted (Hidayat and Khaq, 2022). Aside from that, beyond the convenience for the community, there are problems that impacts users negatively, such as the existence of online loan companies that are not legal (Putri & Rinaldi, 2022). A number of concerns, such as social impacts and financial risks are a number of issues raised. Additionally, Nasith (2023) stated that the risks of online loan applications, including exorbitant interest rates, unstated costs (hidden fee), and the possibility of being caught in challenging financial traps, may act as impediments to the use of this technology.

2.1.2 BENEFITS OF INSTANT ONLINE LOANS

When a business owner needs money now, tomorrow, or next week, cash flow issues do not wait for the ideal moment. At this stage, an immediate loan is perhaps the best choice. When conventional lenders fall short, instant loan applications fill the need. Looking at the positive perceptions in respect of the convenience, can be an encouragement to use the online loan applications as a solution that is fast and practical in overcoming financial problems (Prajogo & Rusno, 2022). There are risks that are linked with the use of the online loan applications (Nasith, 2023), low to middle-income individuals and groups may experience benefits such as the meeting up immediate needs, overcoming daily financial challenges, and can even get access business opportunities that are unavailable via the traditional channels. We must acknowledge the substantial benefits of using loans to finance business ideas when investigating this option, especially in light of Nigeria's rapidly developing entrepreneurial scene.

Online loan that are well known providers have a modest process yet very useful in situation where urgent need arises, and funds are available (Subagiyo, Gestora, & Sulistiyo, 2022). Online loan services, currently, are proving small businesses and merchants a very useful instrument to grow their businesses since funds are approved and disbursed quickly. Therefore, they can overcome their capital shortage that arises often in their daily operations (Prihatini, 2023). In the opinion of Sutedja, Adam, Hafizh, and Farrel (2024), applications can be submitted by borrowers, approval decisions received, loan payments managed digitally. An attractive alternative is offered by online loans to those that are in need of capital that is quick and easy to access and without complex requirements (Septanto & Rusmawan, 2023). The ease and user-friendliness of online lending platforms have brought transformation to the lending process, and have provided an application that have made users with a user-friendly and quick experience (Ganlin et al., 2021). According to Prihatini (2023) declared that it has become the main choice for numerous individuals and various small business owners that are in urgent needs for education, health, and improvement at home. In utilisation of instant online loans application, one thing that plays a significant and crucial role is perceived benefits from the applicants such as individuals and small business owners.

Benefits of instant online loans to small business owners may include improved access and financial inclusion, speed and convenience, unsecured lending, flexible loan sizes, stimulating enterprise resilience, and potential well-being improvements. The perception of convenience by Nasith (2023) is a factor that is crucial that influences the lower-middle-class people decision to use the various online loan applications. Again, the ease of access, fast application process, and simple requirements, when compared with the traditional financial institutions are the main attractions.

2.2 THEORETICAL REVIEW

Silber (1983) developed the theory of financial innovations, which was predicated on the notion that the primary driver of financial inclusion is the extension of benefits associated to money. According to the thesis, innovation increases a company's competitive advantage and boosts investor profits (Blach, 2011). Financial innovation is a vital driving force behind the financial system that improves economic capability and boosts economic advantage from the regular and novel adjustments. According to Oke, Ologunwa, and Kolawole (2021), financial innovations are defined as financial breakthroughs that result in improved return rates, new manufacturing methods, and technology solutions that strengthen the nation's economy overall. The gap in financial instruments that exists in many African nations is being filled in part by the new and creative types of financial inclusion that are emerging through mobile and other digital financial services. That is, the instant online loan apps that is a global phenomenon presently.

2.3 EMPIRICAL REVIEW

Idowu (2025) article critically examines the rise, proliferation, and perils of digital lending in Nigeria, highlighting its socioeconomic consequences and ethical concerns. Through case studies of some notorious loan apps, the paper exposes how unregulated lending practices have created a debt trap for borrowers. Furthermore, it explores the moral implications of digital credit, including violations of consumer rights, cyberbullying, and coercive debt recovery tactics. Given these challenges, the paper argues for urgent regulatory interventions to curb exploitative lending and strengthen consumer protection mechanisms. Raibagi and Ranjithkumar's (2024) article investigates the impact of loan applications on students, namely their financial conduct, academic performance, and their overall well-being. The study investigates the experiences of students who use loan applications, providing insights into the possible benefits and drawbacks of these financial instruments. Analyzing survey and interview data shows that loan apps have grown in popularity among students, providing rapid and convenient access to financial resources. Amidu et al. (2023) explored individual opinions of online lending platforms and discovered that many users valued the ease and speed of receiving funds through these platforms, which met their immediate financial demands. Despite the disadvantages, adopting online loan applications is mostly motivated by a positive perception of quick access to funds. Nasith (2023) study aims to obtain a deeper knowledge of the elements that influence lower middle-class perceptions of online loan applications, as well as to provide a solid foundation for public policy planners and financial service providers. This study employs descriptive quantitative approaches. The research tool used in this study was a questionnaire-based interview. One hundred people were chosen at random from the pool of prospective responses. Multiple linear regression is the data analysis tool used in this study. According to the findings, people's perceptions of the ease and benefits of utilizing online lending services (pinjol) have a substantial impact on their behaviour, although perceived risk has no statistically

significant effect. The impact of collateral requirements, lending procedures, and credit conditions on the performance of entrepreneurship in Delta State was explicitly evaluated by Nwajei and Bello (2023). They used a descriptive research design. The study's population consisted of 1,737 registered proprietors of entrepreneurial businesses from Delta State. The sample size is 339, based on Borg and Gall's statistical model. The study used Multiple Regression Analysis (MRA) to test the hypotheses. The study's findings revealed that the need for collateral considerably improves the performance of enterprises in Onitsha, Delta State. The loan application process greatly boosts Onitsha's entrepreneurial performance. In Onitsha, Delta State, lending terms dramatically increase entrepreneurship performance. The study revealed that financial accessibility has a favourable and significant impact on entrepreneurship in Delta State. Prihatini's (2023) research examines the use of online lending services in Cirebon, Indonesia, in light of the increasing rise of these services in the digital era. The major goal is to examine financial risks, social implications, risk perceptions and requirements, motives for using these services, and their influence on the community. This study uses interviews and data analysis to illustrate the benefits of online loan services in aiding small enterprises and satisfying individuals' urgent needs. The study also underlines the need of financial education and strict rules in protecting consumers and preserving the benefits of these services in the Cirebon region

Furthermore, Paramitha and Mahyuni (2022) study the incentives for using online loan applications among low- and middle-income persons. They discovered that the perceived benefits of being able to overcome financial emergencies, manage everyday expenses, and pursue entrepreneurial chances were the most influential variables in the decision to use an online loan application. Putri and Rinaldi's (2022) study seeks to investigate the role of the victim in the occurrence of crimes perpetrated by unlawful internet loans. This study employs a qualitative research method, with Stephen Schafer's Criminal Function Theory serving as an analytical tool to understand the function of the victim. Data collection methods include observation, interviews, and documentation. According to the research findings, when borrowing, the victim was originally unaware that the application was illegal. Victims' failure to pay their debts encourages criminals to perpetrate crimes against them. Victims also borrow back from unlawful internet loans, while knowing the hazards. A study by Oke, Ologunwa, and Kolawole (2021) looked at digital financial services as a way for SMEs in the Nigerian city of Ado-Ekiti to reduce risk. Data was gathered using a quantitative research approach and questionnaires. A purposive sample of 104 MSEs was taken. Both descriptive and inferential statistical methods (linear regression) were used to analyze the data. The results demonstrated that digital financial services have aided micro and small businesses in the research region in lowering their risk of debt, theft, and liquidity. The outcome also demonstrated a positive correlation between the decrease in theft and digital banking services. Additionally, there was a benefit to digital financial. In Kiambu County, Kenya, Waitanji (2020) investigated how microfinance loans affected the financial performance of entrepreneurship. Survey design was used to conduct the study. The survey selected 60 entrepreneurs at random from among the 2,061 licensed entrepreneurs. The study revealed a correlation that is direct between financial performance the companies' surveyed and their financial accessibility. The study also finds that businesses profit from microfinance institution loans, and entrepreneurs turn to MFIs for financial support because of their low interest rates, simple loan repayment terms, and generous loan amounts.

Igwenagu (2019) looked at how microfinance banks affect the performance of small and medium-sized businesses in Nigeria. As part of the study's objectives, the researcher wanted to know how entrepreneurs acquired funding from microfinance institutions, how these funds were used, and how this affected their performance. The researcher supported the use of secondary data by extracting information from the annual report, as well as primary data collected through questionnaires. The study's findings provide empirical support for the idea that entrepreneurs who received capital from microfinance institutions perform better. Samar and Tahir (2019) conducted a study to examine the Bank of Industry's impact to entrepreneurial industrial growth in the Bauchi metropolitan. The study's main goal is to determine the impact of Bank of Industry loans on entrepreneurship and industrial development in the Bauchi metropolitan. The hypotheses were tested using the selected Survey research design, ordinary least squares (OLS). The study's findings demonstrated that the Bank of Industry's financial involvement had a significant impact on entrepreneurship in the Bauchi Metropolitan. Kasekende and Opondo (2018) looked at the relationship between entrepreneurial performance and financial accessibility. Entrepreneurship will thrive if it has access to financing, which will aid in accounting, financial management, and entrepreneurship in accordance with national

accounting standards and/or best practices. The study concludes that the performance of entrepreneurship and financial accessibility are strongly related. Muktar (2017) looked into the relationship between entrepreneurial performance and financial accessibility. They argue that the availability of funding, which is a component of operating expenditures, profit motivation, and the national inflation rate, has a significant impact on small business success. Depending on how the borrowed funds are used, this is expressed in terms of output, revenue, and employment. Financial accessibility is not a concern as long as the borrowed funds are invested in high-yielding assets. However, they observed that in order to do so, the borrowers needed access to a large quantity of cash in order to increase their investment levels and capitalize on economies of scale.

In the Irepodun Local Government Area (LGA) of Kwara State, Nigeria, Adeoti, Gbadeyan, and Yinusa (2015) considered the effect of microfinance lending on the small and medium-sized enterprises survival. They use two operational microfinance banks for the study and used the ANOVA to analyse the data. The results showed that small and medium-sized businesses in the study heavily rely on microfinance institutions for survival. Adeoti, Gbadeyan, and Yinusa (2015) evaluated the impact of microfinance financing on the survival of small and medium-sized businesses in Kwara State's Irepodun Local Government Area. This study's population/sample included the two active microfinance institutions in the Irepodun Local Government Area. The hypothesis was evaluated with an ANOVA. The findings revealed that small and medium-sized enterprises in the study area relied substantially on microfinance institutions for survival. According to the study, potential business owners should have access to longer repayment terms and additional finance in order to start new businesses and create jobs. Owenbiugie and Imuentinyan (2015) investigated the impact of finance on the expansion of small and medium-sized businesses in Edo state, Nigeria. To address the study issue, the researchers employed a survey research method in conjunction with descriptive statistics. The study's findings reveal that the arduous number of rules and regulations imposed by banks and non-banking organizations has, over time, hampered entrepreneurship growth by making it difficult for people to receive loans and credit from the institutions. Bello and Mohammed (2015) investigated how bank financing affects the growth of Nigerian small and medium-sized businesses. The primary purpose of this study is to determine whether credit from the banking industry has a substantial impact on the expansion of small and medium-sized businesses in Nigeria. Annual data from 1985 to 2010 were collected and used as part of the study's methodology. The hypotheses were tested using descriptive statistics, a correlation matrix, and an error correction model. The findings revealed that credit from the banking sector has a substantial impact on the growth of small and medium-sized firms in Nigeria because it improves several critical macroeconomic growth factors such as inflation, exchange rates, trade debts, and so on.

3. METHODOLOGY

The study depended on primary data hence it was anchored on the survey research design. The study has a very large population as the number of small businesses are enormous. Accordingly, the study used the purposive sampling technique to select 50 small business owners within Port Harcourt metropolis, Rivers State, Nigeria. The structured questionnaire was the instrument the study relied upon for the data collection. Data collected were analysed using the inferential method known as linear regression.

4. PRESENTATION OF RESULTS AND ANALYSIS

Ho1: There is no significant relationship between instant online loans and risks of small business owners in Nigeria.

| Model Summary | | | | |
|---------------|-------------------|----------|-------------------|----------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .876 ^a | 0.767 | 0.75 | 15.34054 |

| ANOVA ^a | | | | | | |
|--------------------|------------|----------------|----|-------------|--------|-------------------|
| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
| 1 | Regression | 10820.287 | 1 | 10820.287 | 45.979 | .000 ^b |
| | Residual | 3294.651 | 49 | 235.332 | | |
| | Total | 14114.937 | 50 | | | |

a. Dependent Variable: RISK

b. Predictors: (Constant), IOL

| Coefficients ^a | | | | | | |
|---------------------------|------------|-----------------------------|------------|---------------------------|-------|-------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 14.803 | 5.048 | | 2.932 | 0.011 |
| | IOL | 0.504 | 0.074 | 0.876 | 6.781 | 0 |

a. Dependent Variable: RISK

The tables above present the output of a simple linear regression analysis. The model summary result showed that the correlation coefficient (R) is 0.876 indication a strong relationship between instant online loans and risk of business owners in Port Harcourt metropolis. The R Square (R²) is 0.767, that is, about 76.7% of the variation in risk is explained by instant online loan. As instant loan increases, the risk also increases but when instant loan decreases, the associated risks also reduce. This shows the model has a high explanatory power. Adjusted R Square of 0.750 adjusts for the number of predictors. Since this is close to R², it confirms a good model fit even with a small sample. The ANOVA, which is the analysis of variance, showed an f-value of 45.979 and a p-value of 0.000. The interpretation is that the model is statistically significant (p < 0.05), meaning that There is significant relationship between instant online loans and risks of small business owners in Nigeria. The Coefficients Table showed that when instant online loan is 0, the expected risk is 14.803, and 1 unit increase in instant online loan leads to a 0.504 unit increase in risk, holding other factors. Also, the p-value is highly significant, showing this effect is not due to chance.

Ho2: There is no significant relationship between instant online loans and benefits of small business owners in Nigeria.

| Model Summary | | | | |
|---------------|-------------------|----------|-------------------|----------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .761 ^a | .580 | .550 | 20.58390 |

a. Predictors: (Constant), IOL

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|--------|-------------------|
| 1 | Regression | 8183.181 | 1 | 8183.181 | 19.314 | .001 ^b |
| | Residual | 5931.757 | 49 | 423.697 | | |
| | Total | 14114.937 | 50 | | | |

a. Dependent Variable: BNF

b. Predictors: (Constant), IOL

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.333 | 9.622 | | .139 | .892 |
| | IOL | 1.051 | .239 | .761 | 4.395 | .001 |

a. Dependent Variable: BNF

The interpretation of the second regression output, where instant online loan is the predictor and benefits are the dependent variable:

Based on the Model Summary, r is 0,761 indicating a strong positive correlation between instant online loan and risk on small business owners. The R Square (R²) of 0.580 About 58.0% of the variance in benefits is explained by instant online loan. This suggests a moderately strong predictive power. About 58.0% of the variance in benefit of small business owners is explained by instant online loan. This suggests a moderately strong predictive power. Adjusted R Square of 0.550 means that after adjusting for sample size and number of predictors, the model still explains 55.0% of the variation. The Std. Error of the Estimate is 20.58. This is the standard deviation of the prediction errors. The relatively higher value suggests some prediction error, but still within a usable range. The ANOVA Table showed an F-value as 19.314 and the p-value as 0.001. The model is statistically significant (p < 0.05), that is, instant online loan significantly predicts the benefit of small business owners in Port Harcourt metropolis, Rivers State Nigeria.

The Coefficients Table showed the intercept is not statistically significant. It implies that when instant online loan is 0, risk 1.333, but this value is not meaningful due to the high p-value. Also, 1 unit increase in instant online loan leads to a 1.051 unit increase in benefit of small business owners, and this relationship is statistically significant ($p < 0.01$). There is significant relationship between instant online loans and benefits of small business owners in Nigeria. The model explains 58% of the variability in the benefit, which indicates a good level of explanatory power.

5. CONCLUSION

The study examined instant online loans relationship with risk and benefits of small business owners in Nigeria, with emphasis on Port Harcourt metropolis, Rivers State. The primary data gathered were analysed. The finding showered that instant online loans have positive significant relationship with risk of small business owners. Again, instant online loans have positive significant relationship with benefits of small business owners in Nigeria. The study therefore came to the conclusion that instant online loans relate positively and significantly with risks and benefits of small business owners in Nigeria.

5.1 Recommendations

The study made the following recommendations

- Small business owners should develop strategies to mitigate potential risks such as high interest, diversion of fund or debt traps
- Small business owners should ensure that instant online loans collected should be judiciously utilise for the purpose of improving or growing the business.

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