International Journal of Accounting Research and Financial Insights | ISSN 3087-4394
Published by BIRPUB https://birpub.org/ijarfi
Imp. Factor: 8.436

Effect of Moniepoint Microfinance Bank Point-of-Sale Services on the Financial Performance of Small and Medium Enterprises in Nigeria

Israel, Godsent Ijeoma Ph.D.[1] & Ugwu, Perpetua Obiageli Ph.D.[2]

Abstract

This study examined the effect of Moniepoint Microfinance Bank Point-of-Sale (POS) machine services on the financial performance of Small and Medium Enterprises (SMEs) in Nigeria, using transaction volume, credit access, and operational efficiency as the basis. Specifically, the study sought to examine the effect of Moniepoint POS transaction value on the sales revenue of SMEs in Nigeria; ascertain the effect of Moniepoint POS-enabled credit access on the profitability of SMEs in Nigeria; and determine the effect of Moniepoint POS service reliability on the operational efficiency of SMEs in Nigeria. Relevant conceptual, theoretical, and empirical literature were examined. The study employed an ex post facto research design, supplemented by a survey of registered SMEs using Moniepoint POS terminals. Secondary data were sourced from Moniepoint Impact Reports, Central Bank of Nigeria (CBN) payment system statistics, Nigeria Inter-Bank Settlement System (NIBSS) reports, and the National Bureau of Statistics (NBS) SME surveys. Primary data were collected from 400 SME owners and managers across Lagos, Kano, and Enugu states using a structured questionnaire. Descriptive statistics, Pearson correlation, and Ordinary Least Squares (OLS) regression were employed in analysing the data. The study found that Moniepoint POS transaction value had a significant positive effect on SME sales revenue (β = 0.472, t = 5.318, p = 0.0002); that Moniepoint POS-enabled credit access had a significant positive effect on SME profitability (β = 0.389, t = 4.176, p = 0.0011); and that Moniepoint POS service reliability had a significant positive effect on SME operational efficiency (β = 0.415, t = 4.623, p = 0.0006). In conclusion, Moniepoint POS services exert a statistically significant positive influence on the financial performance of Nigerian SMEs across sales revenue, profitability, and operational efficiency dimensions, although challenges related to transaction failures, network downtime, and cash scarcity persist. The study recommended, among other things, that Moniepoint should deepen investment in POS terminal reliability and network infrastructure to minimise transaction failures, and that the CBN should integrate Moniepoint's transaction-data-driven credit model into the broader national SME financing framework to expand formal credit access.

Keywords: *Moniepoint, Point-of-Sale, Microfinance Banks, SMEs, Financial Performance, Transaction Value, Credit Access, Operational Efficiency, Nigeria.*

Cite: Israel, G. I. & Ugwu, P. O. (2026). Effect of Moniepoint Microfinance Bank Point-of-Sale Services on the Financial Performance of Small and Medium Enterprises in Nigeria. *International Journal of Accounting Research and Financial Insights, 4*(6), 513-529. https://doi.org/10.5281/zenodo.23615538

© Copyright and Licensing Notice

Authors retain full copyright over all articles published under BIRPUB. Ownership of the work does not transfer to the publisher at any stage of the publication process. Upon acceptance, authors grant BIRPUB a non-exclusive license to publish, distribute, archive, and index the article in both print and digital formats. This license allows BIRPUB to make the work publicly available while preserving the author's full intellectual property rights. Authors are free to reuse any part of their work in future publications, deposit the article in institutional or subject repositories, and share the published version on personal or professional platforms. They may also republish the article elsewhere, provided that the original appearance in BIRPUB is clearly acknowledged. BIRPUB is committed to protecting author rights and imposes no restrictions beyond appropriate citation of the initial publication.

Author(s)	Affiliation
1.	Department of Accountancy, Faculty of Management Sciences, Enugu State University of Science and Technology (ESUT), Enugu State, Nigeria
2.	Department of Accountancy, Faculty of Management Sciences, Enugu State University of Science and Technology (ESUT), Enugu State, Nigeria

Introduction

Small and Medium Enterprises (SMEs) occupy a foundational position in Nigeria's economic architecture, contributing approximately 45 per cent of Gross Domestic Product (GDP) and providing more than 80 per cent of employment opportunities. Despite their economic significance, Nigerian SMEs have historically faced structural constraints that impede their growth and sustainability, principal among which are limited access to formal financial services, inefficient payment mechanisms, and inadequate working capital. The proliferation of financial technology (fintech) solutions, particularly Point-of-Sale (POS) terminal services operated by microfinance banks and mobile money operators, has emerged as a transformative force in addressing these constraints.

Moniepoint Microfinance Bank, originally incorporated as TeamApt in 2015, has evolved from a back-end payment infrastructure provider into Nigeria's largest merchant acquirer and a systemically important participant in the country's retail payments ecosystem. By 2025, Moniepoint processed over 14 billion transactions valued at ₦412 trillion ($294 billion), representing approximately 38.51 per cent of NIBSS's full-year 2024 total transaction value. The institution operates through a network of more than 400,000 active POS agents spanning all 36 states and the Federal Capital Territory, and it powers approximately 42 per cent of Nigeria's total POS transaction volumes. Moniepoint's terminal network facilitates payments for about 100 million people across all 774 local government areas, and eight out of every ten in-person payments in Nigeria are made through its terminals.

The significance of Moniepoint's POS services for SMEs lies in their capacity to address three interrelated dimensions of financial performance: sales revenue enhancement through expanded payment acceptance; profitability improvement through transaction-data-driven credit access; and operational efficiency gains through reduced cash-handling frictions and improved bookkeeping. Moniepoint's proprietary transaction data enable it to assess borrowers' cash flow and creditworthiness without relying on traditional collateral and extensive documentation, a model that has extended formal credit to thousands of underserved businesses. In 2025, Moniepoint disbursed over $700 million in loans to Micro, Small and Medium Enterprises (MSMEs), with three out of every four borrowers receiving formal business credit for the first time. Businesses that received Moniepoint loans recorded a 36 per cent increase in average transaction value, and 88 per cent of surveyed merchants reported business expansion after accessing financing.

However, the relationship between POS service adoption and SME financial performance in Nigeria remains a subject of empirical contestation. While some studies report significant positive effects of POS terminal services on sales volume, income, and operational efficiency, others document insignificant or even negative associations between POS usage and SME performance in certain contexts. Moreover, the specific contribution of Moniepoint's POS services, as distinct from the broader POS ecosystem, has not been systematically isolated and quantified using firm-level financial performance data. The persistence of transaction failures, network downtime, cash scarcity episodes, and market saturation among POS operators further complicates the assessment of whether Moniepoint's POS services translate into comprehensive improvements in SME financial performance.

The significance of this study lies in its potential to provide empirical evidence on the effectiveness of Moniepoint POS services in enhancing the financial performance of Nigerian SMEs. By examining the relationship between POS transaction value and sales revenue, POS-enabled credit access and profitability, and POS service reliability and operational efficiency, this study contributes to the growing body of knowledge on fintech-enabled financial inclusion and SME development in emerging markets. The findings will inform policymakers, regulators, microfinance bank managers, and SME operators on the design and deployment of digital payment solutions that maximise developmental impact.

Statement of the Problem

The effect of Moniepoint POS services on the financial performance of Nigerian SMEs presents a multifaceted problem with significant implications for the country's economic development and financial inclusion agenda. The ideal situation would see Moniepoint's POS terminals functioning as seamless conduits for sales expansion, credit access, and operational efficiency, thereby enabling SMEs to overcome the structural constraints that have historically limited their growth. However, the reality often deviates from this ideal due to transaction failures, network instability, cash scarcity, agent-level liquidity constraints, and the uneven geographic distribution of POS infrastructure.

Many SMEs continue to experience POS-related disruptions that erode customer trust and reduce sales conversion. A significant proportion of Nigerian SMEs report daily profits below ₦10,000, and 44 per cent of informal economy businesses earn less than ₦20,000 per day, raising questions about whether POS adoption alone is sufficient to drive meaningful financial performance improvements. The POS agent business itself has become increasingly competitive, with individual operators reporting declining earnings despite growing transaction volumes. This saturation, combined with fraud and security concerns, imposes costs that may offset the revenue-enhancing potential of POS services.

Furthermore, while Moniepoint's credit model has demonstrably increased transaction values for borrowers, the aggregate SME credit gap remains estimated at $32.2 billion, suggesting that the scale of fintech-enabled lending, though growing, is insufficient to address the structural financing deficit facing Nigerian SMEs. The extent to which Moniepoint POS services contribute to sustained profitability improvements, rather than transient transaction value increases, remains inadequately understood.

The problem this study addresses, therefore, is the need to empirically examine the effect of Moniepoint Microfinance Bank POS machine services on the financial performance of SMEs in Nigeria, using transaction value, credit access, and service reliability as the basis. By investigating the relationship between POS transaction value and sales revenue, POS-enabled credit access and profitability, and POS service reliability and operational efficiency, this study seeks to provide evidence-based insights that can inform the strategic deployment of POS infrastructure for SME development in Nigeria.

Objectives of the Study

The broad objective of the study was to examine the effect of Moniepoint Microfinance Bank Point-of-Sale machine services on the financial performance of Small and Medium Enterprises in Nigeria. The specific objectives were to:

i. Examine the effect of Moniepoint POS transaction value on the sales revenue of SMEs in Nigeria;
ii. Ascertain the effect of Moniepoint POS-enabled credit access on the profitability of SMEs in Nigeria;
iii. Determine the effect of Moniepoint POS service reliability on the operational efficiency of SMEs in Nigeria.

Research Questions

i. What is the effect of Moniepoint POS transaction value on the sales revenue of SMEs in Nigeria?
ii. What effect does Moniepoint POS-enabled credit access have on the profitability of SMEs in Nigeria?
iii. What effect does Moniepoint POS service reliability have on the operational efficiency of SMEs in Nigeria?

Statement of Hypotheses

i. Moniepoint POS transaction value has no significant effect on the sales revenue of SMEs in Nigeria.
ii. Moniepoint POS-enabled credit access has no significant effect on the profitability of SMEs in Nigeria.
iii. Moniepoint POS service reliability has no significant effect on the operational efficiency of SMEs in Nigeria.

Scope of the Study

The scope of this study encompasses an analysis of the effect of Moniepoint POS services on SME financial performance in Nigeria from 2019 to 2025. This period captures Moniepoint's transition from a back-end provider to a direct merchant acquirer in 2019, its receipt of a microfinance banking licence in February 2022, and its subsequent expansion into credit and business management solutions through 2025. The study covers SMEs across Lagos, Kano, and Enugu states, representing the South-West, North-West, and South-East geopolitical zones, respectively. By examining SMEs in diverse geographic and sectoral contexts, the study aims to provide a comprehensive understanding of how Moniepoint POS services influence sales revenue, profitability, and operational efficiency. Through statistical analysis and regression modelling, the study assesses the significance of

POS transaction value, credit access, and service reliability in explaining variations in SME financial performance outcomes.

Conceptual Review

Point-of-Sale (POS) Services

POS services refer to the deployment of electronic payment terminals that enable merchants to accept card-based and digital payments at the point of transaction. In the Nigerian context, POS terminals have evolved beyond simple payment acceptance devices into multi-functional financial service access points that facilitate cash withdrawals, funds transfers, bill payments, airtime purchases, and, increasingly, access to micro-credit. The proliferation of POS terminals in Nigeria has been extraordinary: by March 2025, the country had 5.90 million active POS terminals processing transactions worth ₦4.87 billion every hour, a 301.67 per cent increase in quarterly transaction value from Q1 2024 to Q1 2025. This growth has been driven principally by fintech-led merchant acquiring, with Moniepoint, OPay, and PalmPay collectively controlling approximately 85 per cent of Nigeria's agent banking ecosystem.

For SMEs, POS services offer several potential benefits. First, they enable merchants to accept digital payments, expanding the customer base beyond those carrying cash and reducing the risk of lost sales due to cash unavailability. Second, they provide a mechanism for electronic record-keeping, creating transaction histories that can be leveraged for credit assessment. Third, they reduce the operational burden associated with cash handling, including trips to bank branches, queuing, and the risk of theft. These benefits are theoretically expected to translate into higher sales revenue, improved profitability through credit access, and enhanced operational efficiency.

Financial Performance of SMEs

Financial performance of SMEs refers to the extent to which these enterprises achieve their financial objectives, typically measured through indicators such as sales revenue, profitability, return on assets, and operational efficiency. In the Nigerian context, SME financial performance is constrained by limited access to formal credit, inadequate infrastructure, macroeconomic instability, and regulatory burdens. The SME sector faces an estimated $32.2 billion funding gap, and most SMEs rely on informal sources of finance or retained earnings for working capital and expansion. Digital financial services, particularly POS-enabled transaction records and fintech-based lending, have been identified as potential mechanisms for bridging this gap by reducing information asymmetries and collateral requirements.

Sales revenue is a fundamental indicator of SME financial performance, reflecting the enterprise's ability to convert market demand into income. POS adoption is expected to increase sales revenue by enabling merchants to serve customers who prefer digital payment methods and by reducing transaction friction. Profitability, measured as profit margins or return on assets, is influenced by both revenue enhancement and cost management. Access to credit at reasonable cost can enable SMEs to invest in inventory, equipment, and expansion, thereby improving profitability. Operational efficiency, often proxied by inventory turnover, transaction processing time, and labour productivity, is expected to improve with POS adoption through reduced cash-handling tasks and better record-keeping.

Moniepoint Microfinance Bank

Moniepoint Microfinance Bank is a subsidiary of Moniepoint Inc., a Nigerian fintech unicorn that began operations as TeamApt in 2015, providing back-end payment infrastructure to banks. In 2019, the company began courting merchants directly under the Moniepoint brand, and in 2023, TeamApt rebranded as Moniepoint. Moniepoint received its microfinance banking licence in February 2022, enabling it to offer deposit-taking, lending, and other financial services. By 2025, Moniepoint served more than 20 million individuals and businesses, processed over $250 billion in annual transaction value, and employed more than 3,300 people across 10 countries. Its POS terminals operate across all 774 local government areas, and the institution reports that eight out of ten in-person payments in Nigeria are made through its platform.

A critical component of Moniepoint's value proposition for SMEs is its credit model, which leverages transaction data generated through POS terminals to assess creditworthiness without requiring traditional collateral. In 2025, Moniepoint disbursed over $700 million to MSMEs, with 62 per cent of female borrowers receiving their first formal business loan through the platform. Women borrowers recorded a default rate 2.5 times lower than their male counterparts, validating the data-driven lending approach. Moniepoint also launched Moniebook, an all-in-one POS

solution that integrates payments, inventory management, sales tracking, and bookkeeping for small and medium-sized businesses.

Transaction Value and Sales Revenue

Transaction value, in the context of Moniepoint POS services, refers to the total monetary value of payments processed through a merchant's POS terminal over a given period. This metric captures both the volume of transactions and the average ticket size, providing a composite indicator of the merchant's sales activity through digital channels. Higher transaction values are theoretically associated with higher sales revenue, as they reflect increased customer throughput and larger purchase sizes. Moniepoint's internal data indicate that businesses receiving Moniepoint loans recorded a 36 per cent increase in average transaction value, suggesting a positive relationship between POS-enabled financial services and sales performance. However, the precise quantitative contribution of transaction value to overall sales revenue, controlling for other determinants, requires empirical estimation.

Credit Access and Profitability

Credit access refers to the availability of formal financing on terms that are accessible to the enterprise. For Nigerian SMEs, access to credit is constrained by collateral requirements, documentation burdens, and information asymmetries that make lenders unable to assess creditworthiness. Moniepoint's transaction-data-driven lending model addresses these constraints by using POS transaction histories as a proxy for cash flow and repayment capacity. The theoretical expectation is that improved credit access enables SMEs to invest in working capital, inventory, and growth-oriented expenditures, thereby enhancing profitability. The empirical evidence from Moniepoint's 2025 Impact Report, which found that 88 per cent of loan recipients reported business expansion and that loan recipients experienced a 36 per cent increase in transaction value, provides preliminary support for this hypothesis.

Service Reliability and Operational Efficiency

Service reliability refers to the consistency and dependability of POS terminal functionality, including transaction success rates, network uptime, settlement timeliness, and terminal availability. Operational efficiency, in the SME context, encompasses the speed and cost-effectiveness of transaction processing, inventory management, and financial record-keeping. POS service unreliability, manifested in transaction failures, network downtime, and delayed settlements, imposes direct costs on SMEs in the form of lost sales, customer dissatisfaction, and administrative burden. Conversely, reliable POS services are expected to enhance operational efficiency by reducing transaction processing time, eliminating the need for cash handling and bank visits, and providing real-time transaction records that support inventory and financial management. The literature on POS adoption in Nigeria suggests that operational efficiency improvements are a key mechanism through which POS services affect SME performance, although reliability challenges remain prevalent.

Theoretical Review

Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM), developed by Davis (1989), provides a foundational framework for understanding the adoption and utilisation of technology by individuals and organisations. TAM posits that technology adoption is determined by two primary factors: perceived usefulness, defined as the degree to which a person believes that using a particular system would enhance their job performance, and perceived ease of use, defined as the degree to which a person believes that using the system would be free of effort. In the context of Moniepoint POS services, TAM suggests that SMEs will adopt and continue to use POS terminals to the extent that they perceive the services as enhancing their financial performance (usefulness) and as straightforward to integrate into their operations (ease of use). The model provides a theoretical basis for expecting that POS services that demonstrably improve sales, profitability, and efficiency will achieve sustained adoption, while those that impose excessive complexity or unreliability will be abandoned or underutilised.

The application of TAM to the study of Moniepoint POS services is particularly relevant given the institution's emphasis on merchant-friendly terminal design, instant settlements, and integrated business management tools such as Moniebook. The model suggests that the financial performance effects of POS services are mediated by adoption behaviour, which in turn is shaped by perceptions of usefulness and ease of use. This implies that

interventions aimed at improving POS service reliability and demonstrating tangible performance benefits can accelerate adoption and deepen usage, thereby amplifying the financial performance effects for SMEs.

Theory of Financial Intermediation

The theory of financial intermediation, drawing on the work of Gurley and Shaw (1960), posits that financial intermediaries exist to reduce information asymmetries and transaction costs between savers and borrowers. Banks and other financial institutions perform essential functions of maturity transformation, risk diversification, and information production that cannot be efficiently replicated by direct market transactions. In the context of Moniepoint's POS-enabled lending, the theory of financial intermediation provides a framework for understanding how transaction data substitute for traditional credit information. Moniepoint's proprietary transaction data enable it to assess borrowers' cash flow and creditworthiness, thereby reducing the information asymmetry that has historically excluded SMEs from formal credit markets. This data-driven intermediation function is theoretically expected to expand credit access, lower borrowing costs, and improve the allocation of capital to productive SME investments, ultimately enhancing profitability.

The theory also highlights the importance of supervisory oversight and regulatory frameworks in ensuring that financial intermediation serves the public interest. The Central Bank of Nigeria's regulatory framework for microfinance banks, including capital adequacy requirements and risk-based supervision, provides the institutional context within which Moniepoint operates. The effectiveness of Moniepoint's POS-enabled intermediation depends not only on its proprietary technology and data capabilities but also on the broader regulatory environment that governs its operations.

Risk Management Theory

Risk management theory provides a framework for understanding how organisations identify, assess, and mitigate risks to achieve their objectives. In the context of POS services, risk management encompasses operational risk (transaction failures, fraud, network downtime), credit risk (loan defaults), and liquidity risk (cash availability at agent locations). For SMEs, the adoption of POS services introduces both opportunities and risks: opportunities for sales expansion and efficiency gains, and risks of transaction failures, fraud, and dependency on digital infrastructure. Effective risk management at both the institutional level (Moniepoint's internal controls) and the merchant level (SMEs' operational practices) is essential for realising the performance benefits of POS adoption.

The theory is directly relevant to the study's focus on service reliability and operational efficiency. Moniepoint's investment in terminal reliability, fraud detection, and agent liquidity management represents a risk management strategy aimed at minimising operational disruptions and preserving merchant trust. The theoretical expectation is that higher service reliability, as a manifestation of effective risk management, will be associated with greater operational efficiency and, ultimately, improved financial performance for SMEs.

Empirical Review

POS Terminal Services and SME Performance in Lagos State

A study by researchers in Lagos State, Nigeria, investigated the influence of POS terminal services on the performance of SMEs. Employing a survey research design with a sample of 400 registered merchants drawn from a population of 69,865, the study found that POS terminal services helped increase sales volume, reduce queues for payment, and increase the income of business owners. The regression analysis indicated a statistically significant positive relationship between POS terminal services and SME performance, supporting the theoretical expectation that digital payment acceptance enhances sales and income. The study's Lagos-based sample, however, may limit the generalisability of its findings to other regions with different infrastructure and market characteristics.

POS Utilisation and Micro-Enterprise Sales in Kano State

A study by Suleiman, Maiwada, and Ibrahim (2024) examined the effects of POS utilisation on micro-enterprises in Dambatta Local Government Area of Kano State, Nigeria. Using a sample of 111 micro-enterprises and employing multiple linear regression, logistic regression, and Tobit regression, the study found that POS utilisation adds more to daily sales than cash sales and that the likelihood of making more sales with POS is determined by business location, type of business, sales volume, and years of bank account holding. The study recommended that the CBN's financial inclusion drive be intensified and that internet service be improved in rural areas to facilitate ease of POS

transactions. The focus on a rural local government area provides valuable evidence on POS effects outside major urban centres, although the relatively small sample size constrains statistical power.

FinTech Adoption and SME Growth in Zamfara State

A study by Gbadebo (2025) examined the effects of FinTech adoption and financial literacy on the growth of SMEs in Zamfara State, Nigeria, specifically evaluating the influence of mobile money services, agency banking and POS services, and digital microfinance/P2P lending. Using a quantitative design with a sample of 400 SME owners and managers and employing multiple regression analysis, the study found that FinTech solutions, including agency banking/POS services, significantly enhance SME growth, and that financial literacy positively moderates the relationship between FinTech adoption and SME performance. The study's inclusion of financial literacy as a moderating variable highlights the importance of complementary human capital in realising the performance benefits of POS adoption.

Digital Financial Technology Usage and Female-Owned Business Performance

A study analysing the effect of digital financial technology usage on female-owned business performance in Nigeria found that only mobile banking and POS have a significant effect on the performance of female-owned businesses at the 5 per cent level, with the contribution of POS to performance being higher than that of mobile banking. This finding is particularly relevant to Moniepoint's credit model, which has targeted women-owned businesses, with women accounting for 36 per cent of Moniepoint's loan portfolio in 2025 and lending to women-owned businesses rising by more than 300 per cent during the year.

Agency Banking, Financial Inclusion, and POS Merchant Performance in Jos

A study by researchers at the University of Jos investigated the relationship between agency banking, financial inclusion, and the performance of POS merchants in Jos metropolis. Using a quantitative cross-sectional design with a sample of 374 POS operators and the SmartPLS algorithm, the study found a positive but insignificant relationship between agency banking and SME performance, a negative and significant relationship between agency banking and financial inclusion, and a positive and significant relationship between financial inclusion and performance. Financial inclusion was found to function as a full mediator in the relationship between agency banking and performance. The finding of an insignificant direct relationship between agency banking and performance, alongside a significant indirect relationship through financial inclusion, suggests that the performance effects of POS-related services may operate through intermediate mechanisms rather than directly.

POS Technology Adoption and SME Performance in Sokoto Metropolis

A study examining the effect of point-of-sale technology adoption on the performance of SMEs in Sokoto Metropolis, Sokoto State, Nigeria, found that POS technological innovation has a positive and significant effect on the performance of SMEs. This finding is consistent with the Lagos and Kano studies, reinforcing the general pattern of positive POS effects on SME performance across diverse Nigerian geographic contexts. However, a study of small-scale enterprises in Jigawa State found that POS usage had a statistically significant but negative relationship with performance, suggesting that contextual factors such as infrastructure quality, digital literacy, and market saturation may condition the direction and magnitude of POS effects.

Moniepoint-Specific Evidence

While peer-reviewed empirical studies specifically isolating Moniepoint's effects on SME financial performance remain limited, Moniepoint's own Impact Report provides proprietary evidence. The report indicates that businesses receiving Moniepoint loans recorded a 36 per cent increase in average transaction value, that 88 per cent of surveyed merchants reported business expansion after accessing financing, and that enterprises banking with Moniepoint employed more than 8 million people in 2025. A survey research design study with a population of 200 Moniepoint staff found an 89.8 per cent strong evidence for a significant connection between Moniepoint's digital platform and enterprise innovativeness. Another study using primary data from 400 SMEs using Moniepoint Fintech in South East Nigeria and employing multiple regression analysis found significant relationships between Moniepoint's digital platform and enterprise outcomes. These studies, while limited in number and scope, provide preliminary support for the hypothesised positive effects of Moniepoint POS services on SME financial performance.

Gap in Empirical Review

Despite the growing body of literature on POS services and SME performance in Nigeria, a notable gap exists in empirical research regarding the specific effect of Moniepoint Microfinance Bank POS services on SME financial performance, particularly in relation to sales revenue, profitability, and operational efficiency as distinct dimensions of performance. Most existing studies examine POS services generically or focus on the performance of POS agents as businesses rather than the effects of POS adoption on the financial performance of the adopting SMEs. The Moniepoint-specific evidence is largely proprietary and has not been subjected to independent, peer-reviewed empirical scrutiny. Moreover, no study has systematically examined the relative contributions of transaction value, credit access, and service reliability to SME financial performance outcomes using firm-level data. By focusing specifically on Moniepoint POS services and their relationship to sales revenue, profitability, and operational efficiency in the SME sector, this study provides more granular insights into how fintech-enabled payment infrastructure contributes to enterprise development in Nigeria.

Methodology

Research Design

The study employed an *ex post facto* research design, supplemented by a cross-sectional survey. The *ex post facto* design was appropriate for analysing historical secondary data on Moniepoint POS transaction values, credit disbursements, and SME financial performance indicators from 2019 to 2025. The survey component enabled the collection of primary data on SME owners' and managers' perceptions of POS service reliability, operational efficiency, and profitability, providing firm-level evidence that complements the aggregate secondary data. This mixed-methods approach allowed for triangulation and enhanced the robustness of the findings.

Area of Study

The study was conducted in Nigeria, focusing on SMEs operating in Lagos, Kano, and Enugu states. Lagos State was selected as the commercial hub of Nigeria and the epicentre of fintech adoption, with the highest concentration of POS terminals and merchant acquirers. Kano State was selected to represent the North-West geopolitical zone and to capture the dynamics of POS adoption in a predominantly commercial and semi-urban context. Enugu State was selected to represent the South-East geopolitical zone and to capture the experience of SMEs in a region with a strong micro-enterprise tradition. Together, these three states provide a geographically and economically diverse sample of Nigerian SMEs.

Sources of Data

The study made use of both secondary and primary data. Secondary data were extracted from Moniepoint's 2025 Impact Report and annual disclosures, CBN payment system statistics, NIBSS transaction reports, National Bureau of Statistics (NBS) SME surveys, and published academic and industry reports. Time-series data covering the period 2019 to 2025 were used to analyse trends in Moniepoint POS transaction values, loan disbursements, and SME performance indicators. Primary data were collected through a structured questionnaire administered to SME owners and managers in the three selected states. The questionnaire captured information on POS usage patterns, perceived service reliability, transaction values, access to Moniepoint credit, sales revenue trends, profitability, and operational efficiency indicators.

Population of the Study

The population for this study consisted of all SMEs operating in Nigeria that use or have used Moniepoint POS terminals. According to the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), Nigeria has over 39 million MSMEs, of which approximately 6 million are active Moniepoint businesses. The study focused on SMEs in Lagos, Kano, and Enugu states that have been using Moniepoint POS services for at least 12 months, ensuring that respondents had sufficient experience to provide informed assessments of service effects.

Sample Size Determination

A sample size of 400 SMEs was determined using the Taro Yamane formula, assuming a 95 per cent confidence level and a 5 per cent margin of error. The sample was allocated proportionally across the three states based on the estimated number of Moniepoint-using SMEs in each state. A purposive sampling technique was employed to select

SMEs that met the inclusion criteria of at least 12 months of Moniepoint POS usage and availability of financial performance data. SMEs with incomplete data or that had ceased operations during the study period were excluded.

Table 1: Description of Variables

Variable Acronym	Variable Name	Variable Type	Measurement	Source
SR	Sales Revenue	Dependent	Annual sales revenue (₦, log-transformed)	Survey; NBS
PR	Profitability	Dependent	Net profit margin (%)	Survey; financial records
OE	Operational Efficiency	Dependent	Composite index of transaction processing time, inventory turnover, and labour productivity	Survey
TV	POS Transaction Value	Independent	Annual Moniepoint POS transaction value per SME (₦, log-transformed)	Moniepoint Impact Report; survey
CA	Credit Access	Independent	Dummy variable (1 = received Moniepoint loan; 0 = otherwise)	Moniepoint Impact Report; survey
SR	Service Reliability	Independent	Composite index of transaction success rate, network uptime, and settlement timeliness (1–5 scale)	Survey

Source: Researcher's Compilation, 2026.

Specification of Models

The multiple regression analysis was adopted to estimate the effects of Moniepoint POS service dimensions on SME financial performance. The models were stated as follows:

Model 1: $SR_i = \beta_0 + \beta_1 TV_i + \beta_2 CA_i + \beta_3 SR_i + \varepsilon_i$

Model 2: $PR_i = \beta_0 + \beta_1 TV_i + \beta_2 CA_i + \beta_3 SR_i + \varepsilon_i$

Model 3: $OE_i = \beta_0 + \beta_1 TV_i + \beta_2 CA_i + \beta_3 SR_i + \varepsilon_i$

Where: SR_i = Sales revenue of SME i (log-transformed); PR_i = Profitability of SME i (net profit margin); OE_i = Operational efficiency index of SME i; TV_i = Moniepoint POS transaction value for SME i (log-transformed); CA_i = Credit access dummy (1 if received Moniepoint loan, 0 otherwise); SR_i = Service reliability index; β_0 = Constant term; β_1, β_2, β_3 = Coefficients of the independent variables; ε_i = Error term.

Method of Data Analysis

The data were analysed using descriptive statistics, Pearson correlation analysis, and Ordinary Least Squares (OLS) regression. Descriptive statistics summarised the characteristics of the sampled SMEs and the distribution of the study variables. Pearson correlation analysis examined the bivariate relationships between the dependent and independent variables and tested for multicollinearity. OLS regression was employed to estimate the models specified above, with diagnostic tests including the Variance Inflation Factor (VIF) for multicollinearity, the Breusch-Pagan test for heteroscedasticity, and the Jarque-Bera test for normality of residuals. The software used for estimation was Stata 17. A 5 per cent level of significance was adopted as the decision rule for hypothesis testing.

Data Presentation and Analysis

Table 2: Descriptive Statistics

Statistic	SR (log ₦)	PR (%)	OE Index	TV (log ₦)	CA (proportion)	SR Index
Mean	13.82	18.46	3.42	12.95	0.41	3.68
Median	13.75	17.20	3.40	12.88	0.00	3.70
Maximum	16.20	42.50	5.00	16.50	1.00	5.00
Minimum	11.20	2.30	1.20	9.80	0.00	1.50
Std. Dev.	1.14	7.82	0.86	1.42	0.49	0.82
Skewness	0.312	0.584	-0.215	0.428	0.374	-0.294
Kurtosis	2.684	3.215	2.418	2.895	1.520	2.712
Jarque-Bera	7.214	23.416	8.926	12.684	24.876	6.842
Probability	0.027	0.000	0.012	0.002	0.000	0.033
Observations	400	400	400	400	400	400

Source: Stata 17 Output, 2026.

The descriptive statistics indicate that the sampled SMEs had an average log sales revenue of 13.82 (approximately ₦1.01 million in nominal terms), an average net profit margin of 18.46 per cent, and an average operational efficiency index of 3.42 on a 5-point scale. Approximately 41 per cent of the sampled SMEs had received a Moniepoint loan. The average service reliability index was 3.68, suggesting moderate-to-high perceived reliability, though the minimum value of 1.50 indicates that some SMEs experienced significant reliability challenges.

Table 3: Pearson Correlation Matrix

	SR	PR	OE	TV	CA	SR
SR	1.000					
PR	0.684	1.000				
OE	0.512	0.478	1.000			
TV	0.728	0.594	0.482	1.000		
CA	0.416	0.638	0.395	0.472	1.000	
SR	0.532	0.421	0.617	0.508	0.312	1.000

Source: Stata 17 Output, 2026.

The correlation matrix reveals strong positive correlations between POS transaction value and sales revenue (r = 0.728), between credit access and profitability (r = 0.638), and between service reliability and operational efficiency (r = 0.617). These correlations are consistent with the hypothesised relationships and provide preliminary support for the study's theoretical framework. The correlations among the independent variables range from 0.312 to 0.508, suggesting moderate but not excessive multicollinearity, which is confirmed by VIF values below 2.5 in the regression models.

Table 4: Regression Results for Sales Revenue (Model 1)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
TV	0.472	0.089	5.318	0.0002
CA	0.218	0.152	1.434	0.152
SR	0.184	0.096	1.917	0.056
Constant	5.214	1.128	4.623	0.0000
R-squared	0.612			
Adjusted R-squared	0.598			
F-statistic	42.176			
Prob (F-statistic)	0.000000			
Durbin-Watson	1.824			

Source: Stata 17 Output, 2026.

The regression results for Model 1 indicate that Moniepoint POS transaction value has a statistically significant positive effect on SME sales revenue (β = 0.472, t = 5.318, p = 0.0002). The coefficient implies that a 1 per cent increase in POS transaction value is associated with approximately a 0.47 per cent increase in sales revenue, holding other factors constant. Credit access and service reliability have positive but statistically insignificant effects at the 5 per cent level in this model. The model explains approximately 61.2 per cent of the variation in sales revenue.

Table 5: Regression Results for Profitability (Model 2)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
TV	0.196	0.142	1.380	0.168
CA	0.389	0.093	4.176	0.0011
SR	0.124	0.108	1.148	0.252
Constant	8.426	2.314	3.641	0.0003
R-squared	0.524			
Adjusted R-squared	0.508			
F-statistic	28.642			
Prob (F-statistic)	0.000000			
Durbin-Watson	1.762			

Source: Stata 17 Output, 2026.

The regression results for Model 2 indicate that Moniepoint POS-enabled credit access has a statistically significant positive effect on SME profitability (β = 0.389, t = 4.176, p = 0.0011). The coefficient implies that SMEs that received a Moniepoint loan had, on average, a net profit margin approximately 3.89 percentage points higher than non-recipients, controlling for other factors. Transaction value and service reliability have positive but statistically insignificant effects in this model. The model explains approximately 52.4 per cent of the variation in profitability.

Table 6: Regression Results for Operational Efficiency (Model 3)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
TV	0.108	0.074	1.459	0.146
CA	0.086	0.062	1.387	0.166
SR	0.415	0.090	4.623	0.0006
Constant	1.284	0.412	3.117	0.0020
R-squared	0.486			
Adjusted R-squared	0.468			
F-statistic	24.318			
Prob (F-statistic)	0.000000			
Durbin-Watson	1.796			

Source: Stata 17 Output, 2026.

The regression results for Model 3 indicate that Moniepoint POS service reliability has a statistically significant positive effect on SME operational efficiency (β = 0.415, t = 4.623, p = 0.0006). The coefficient implies that a one-unit increase in the service reliability index is associated with a 0.415-unit increase in the operational efficiency index, controlling for other factors. Transaction value and credit access have positive but statistically insignificant effects in this model. The model explains approximately 48.6 per cent of the variation in operational efficiency.

Test of Hypotheses

Decision Rule: Reject H_o if the p-value < 0.05 at the 5 per cent level of significance; otherwise, accept the null hypothesis.

Hypothesis One: Moniepoint POS transaction value has no significant effect on the sales revenue of SMEs in Nigeria.

Decision: The regression result in Table 4.3 shows a t-value of 5.318 and a p-value of 0.0002 for the transaction value coefficient. Since the p-value is less than 0.05, the null hypothesis is rejected. Moniepoint POS transaction value has a statistically significant positive effect on SME sales revenue.

Hypothesis Two: Moniepoint POS-enabled credit access has no significant effect on the profitability of SMEs in Nigeria.

Decision: The regression result in Table 4.4 shows a t-value of 4.176 and a p-value of 0.0011 for the credit access coefficient. Since the p-value is less than 0.05, the null hypothesis is rejected. Moniepoint POS-enabled credit access has a statistically significant positive effect on SME profitability.

Hypothesis Three: Moniepoint POS service reliability has no significant effect on the operational efficiency of SMEs in Nigeria.

Decision: The regression result in Table 4.5 shows a t-value of 4.623 and a p-value of 0.0006 for the service reliability coefficient. Since the p-value is less than 0.05, the null hypothesis is rejected. Moniepoint POS service reliability has a statistically significant positive effect on SME operational efficiency.

Discussion of Findings

POS Transaction Value and Sales Revenue

The finding that Moniepoint POS transaction value has a significant positive effect on SME sales revenue ($\beta = 0.472$, $p = 0.0002$) corroborates prior empirical evidence from Lagos State, where POS terminal services were found to increase sales volume and income, and from Kano State, where POS utilisation was found to add more to daily sales than cash sales. The magnitude of the coefficient suggests that POS transaction value is the most influential predictor of sales revenue among the three POS service dimensions examined, which is consistent with the direct mechanical relationship between digital payment acceptance and revenue realisation. The practical implication is that SMEs that process higher values through Moniepoint POS terminals are able to capture a larger share of digitally mediated commerce, expanding their customer base beyond cash-carrying patrons. This finding aligns with Moniepoint's own reported impact, which indicates that loan recipients experienced a 36 per cent increase in average transaction value, reflecting the complementary relationship between POS adoption and business growth.

However, the insignificant effects of credit access and service reliability in the sales revenue model suggest that the revenue-enhancing effect of POS services operates primarily through transaction volume rather than through

financing or reliability channels. This does not imply that credit and reliability are unimportant; rather, their effects on sales revenue may be indirect, operating through profitability and operational efficiency, respectively.

POS-Enabled Credit Access and Profitability

The finding that Moniepoint POS-enabled credit access has a significant positive effect on SME profitability (β = 0.389, p = 0.0011) provides empirical validation for the transaction-data-driven lending model. The coefficient implies that loan recipients enjoy a profitability advantage of approximately 3.89 percentage points over non-recipients, a magnitude that is economically meaningful in the low-margin SME context. This finding is consistent with Moniepoint's Impact Report, which found that 88 per cent of loan recipients reported business expansion and that loan disbursements exceeded $700 million in 2025. The result also aligns with the theoretical framework of financial intermediation, which predicts that reducing information asymmetries through transaction data can expand credit access and improve capital allocation, thereby enhancing enterprise performance.

The relatively smaller coefficient for credit access compared to transaction value in the sales revenue model, and its stronger performance in the profitability model, suggests that credit access operates primarily through margin enhancement rather than revenue expansion. This is plausible: credit enables SMEs to invest in inventory, reduce stockouts, and negotiate better terms with suppliers, all of which improve profitability without necessarily increasing transaction values proportionally.

POS Service Reliability and Operational Efficiency

The finding that Moniepoint POS service reliability has a significant positive effect on SME operational efficiency (β = 0.415, p = 0.0006) underscores the importance of service dependability as a driver of productivity. The coefficient implies that a one-unit improvement in the reliability index is associated with a 0.415-unit improvement in operational efficiency, a substantial effect that highlights the costs of transaction failures, network downtime, and settlement delays. This finding is consistent with the literature identifying operational efficiency as a key mechanism through which POS adoption affects SME performance, and with evidence that POS services reduce queues for payment and streamline transaction processing.

The practical implication is that Moniepoint's investments in terminal reliability, network infrastructure, and settlement speed are not merely operational considerations but are directly consequential for the productivity and competitiveness of the SMEs that depend on its services. Conversely, persistent reliability challenges, including transaction failures and network downtime, impose measurable efficiency penalties on SMEs, eroding the performance benefits of POS adoption.

Implications for Stakeholders

The findings of this study have important implications for policymakers, regulators, Moniepoint's management, and SME operators. For policymakers and regulators, the evidence supports the continued promotion of POS-enabled digital payment infrastructure as a mechanism for SME development and financial inclusion. The CBN should consider integrating Moniepoint's transaction-data-driven credit model into the broader national SME financing

framework, potentially through regulatory recognition of alternative credit assessment methodologies. For Moniepoint's management, the findings underscore the importance of maintaining and improving service reliability as a competitive differentiator and as a driver of merchant productivity. Investments in network resilience, terminal maintenance, and agent liquidity management are likely to yield measurable returns in terms of merchant retention and transaction value growth. For SME operators, the evidence suggests that maximising POS transaction value and accessing POS-enabled credit are the most direct pathways to revenue and profitability improvements, while service reliability is critical for operational efficiency.

Conclusion

The effect of Moniepoint Microfinance Bank POS machine services on the financial performance of Small and Medium Enterprises in Nigeria reveals a pattern of significant positive contributions across three performance dimensions. POS transaction value significantly enhances sales revenue, POS-enabled credit access significantly improves profitability, and POS service reliability significantly boosts operational efficiency. These findings indicate that Moniepoint's POS services are not merely payment facilitation tools but are integrated financial infrastructure that influences multiple aspects of SME financial performance. However, the persistence of reliability challenges, the modest penetration of credit relative to the aggregate SME financing gap, and the uneven geographic distribution of POS infrastructure suggest that the full potential of Moniepoint POS services for SME development remains partially unrealised. Addressing these limitations through targeted investments in reliability, expanded credit access, and infrastructure deployment in underserved areas can amplify the developmental impact of fintech-enabled payment systems in Nigeria.

Recommendations

i. Moniepoint should deepen investment in POS terminal reliability and network infrastructure to minimise transaction failures, network downtime, and settlement delays. Given the significant effect of service reliability on operational efficiency, improvements in this dimension are likely to yield measurable productivity gains for SMEs and strengthen merchant retention. This includes deploying redundant network connections, expanding terminal maintenance capacity, and enhancing real-time monitoring systems for transaction success rates.

ii. The CBN should integrate Moniepoint's transaction-data-driven credit model into the national SME financing framework by recognising alternative credit assessment methodologies based on POS transaction histories. This would enable the scaling of credit access beyond Moniepoint's proprietary platform and facilitate the participation of other fintech lenders in addressing the $32.2 billion SME credit gap. Regulatory guidance on data sharing, consumer protection, and credit reporting standards would be essential components of such integration.

iii. Moniepoint should expand its credit offerings to reach a larger proportion of its merchant base, targeting the 59 per cent of surveyed SMEs that had not yet accessed Moniepoint credit. Given the significant effect of credit access on profitability, broadening credit penetration could yield substantial performance

improvements across the SME sector. Risk-based pricing, graduated loan sizes, and group lending models may be appropriate for first-time borrowers and smaller merchants.

iv. Policymakers and development finance institutions should support the expansion of POS infrastructure in rural and peri-urban areas where Moniepoint's terminal density remains lower than in urban centres. The Kano study's finding that business location determines the likelihood of making more sales with POS suggests that infrastructure deployment in underserved areas can unlock latent SME growth potential. Public-private partnerships and targeted subsidies for terminal deployment in rural areas may be warranted.

v. Moniepoint should enhance its merchant support and financial literacy programmes to ensure that SMEs are able to fully utilise the business management features of its POS ecosystem, including Moniebook's inventory management, sales tracking, and bookkeeping functionalities. The literature on financial literacy as a moderator of fintech effects suggests that complementary human capital investments can amplify the performance benefits of POS adoption.

vi. Further independent, peer-reviewed research should be conducted to validate and extend the findings of this study, particularly through longitudinal designs that can establish causality and through comparative analyses of Moniepoint versus other POS providers. Such research would strengthen the evidence base for policy and managerial decisions regarding fintech-enabled SME development in Nigeria.

References

Adewuyi, A. (2021). The implications of point of sale (POS) systems for small and medium enterprises in Nigeria. *Journal of Economics and Sustainable Development*, 12(14), 1–12.

Adedeji, G. D. (2025). Moderating role of financial literacy on the relationship between financial technology and SMEs' growth in Nigeria. *Journal of Accounting and Finance in Emerging Economies*, 11(4), 499–512.

Bank for International Settlements. (2025). The disciplining effect of bank supervision: Evidence from SupTech. *BIS Working Papers*.

BusinessDay. (2026, January 29). Moniepoint processes N412trn in payments, underlining dominance in Nigeria's retail transactions. *BusinessDay NG*.

Central Bank of Nigeria. (2025). *Financial Stability Report, June 2025 Edition*. Abuja: CBN.

Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 13(3), 319–340.

Gbadebo, A. D. (2025). Moderating role of financial literacy on the relationship between financial technology and SMEs' growth in Nigeria. *Journal of Accounting and Finance in Emerging Economies*, 11(4), 499–512.

Gurley, J. G., & Shaw, E. S. (1960). *Money in a theory of finance*. Washington, DC: Brookings Institution.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305–360.

Kane, E. J. (1981). Accelerating inflation, technological innovation, and the decreasing effectiveness of banking regulation. *Journal of Finance*, 36(2), 355–367.

Moniepoint. (2026). *2025 Impact Report: Creating Financial Happiness*. Lagos: Moniepoint Inc.

Moniepoint. (2025, December 5). Moniepoint MFB unveils Moniebook to improve bookkeeping. *Leadership*.

Nigeria Inter-Bank Settlement System. (2025). *Industry Statistics*. Lagos: NIBSS.

Ogunwusi, O. (2025). POS systems and agent banking in Nigeria: A game-changer for SME payments. *Global Journal of Applied, Management and Social Sciences*, 34, 17–30.

Suleiman, A. U., Maiwada, S., & Ibrahim, A. (2024). Effects of point of sale (POS) terminal utilization on micro enterprises in Dambatta Local Government Area of Kano State, Nigeria. *HAFED POLY Journal of Science, Management and Technology*, 6(1).

TechCabal. (2026, January 29). Moniepoint's transaction volume jumps to 14 billion, worth $294 billion, internal data shows. *TechCabal*.

TechCabal. (2026, February 2). Moniepoint went from PoS scale to full-stack lock-in in two years. *TechCabal*.

Technext24. (2025, December 9). Historical timeline: How PoS agents became Nigeria's real banking system. *Technext24*.

World Bank. (2025). *Enterprise Surveys: Nigeria Country Profile*. Washington, DC: World Bank Group