Nnamdi Azikiwe University Awka Journal of Private and Property Law, volume 3 (2) April, 2026

THE CONFLUENCE OF FINTECH COMPANIES WITH RESPECT TO COMPETITION IN THE FINANCIAL SECTOR IN NIGERIA

O. E. Enwere & Juliet N Odimma [1]

Abstract

Fintech firms have fundamentally reshaped Nigeria's financial sector by expanding digital payments, lending, and banking-like services, creating complex competition dynamics between incumbent banks, non-bank fintechs, and platform providers. This article examined these dynamics by mapping the regulatory and institutional architecture—including the Central Bank of Nigeria (CBN), the Federal Competition and Consumer Protection Commission (FCCPC), and the Nigeria Data Protection Commission (NDPC)—and analyzing market structure and conduct issues such as platform effects, network economies, data-driven advantages, interoperability, and payments infrastructure. Illustrative case studies of Moniepoint, PalmPay, payment aggregators, and digital lenders demonstrate how fintech growth can generate concentration risks, consumer harms, and structural barriers to entry. The paper further evaluates enforcement challenges, including multi-agency coordination, data access constraints, and market monitoring limitations, and proposes policy options to balance competition, innovation, and consumer protection. Recommendations focus on harmonizing regulatory oversight, enhancing real-time monitoring, implementing data portability and open-banking frameworks, and strengthening remedies, leniency, and whistleblower mechanisms tailored to the digital economy.

Keywords: Fintech, Competition and Consumer Protection, Financial Sector, Nigeria.

1. Introduction

Nigeria's financial sector has undergone a significant transformation over the past decade, driven largely by the rapid growth of fintech companies. Fintech innovations—encompassing mobile payments, digital lending, e-wallets, and integrated "super-apps"—have expanded financial inclusion by providing low-cost, convenient alternatives to traditional banking services. As of 2024, Nigeria's fintech ecosystem includes notable players such as Moniepoint, PalmPay, and Flutterwave, which collectively process billions of naira in transactions annually and serve millions of individual and business users. This growth is fueled by high mobile penetration, widespread use of smartphones, and low formal banking account ownership, creating opportunities for fintechs to address unmet needs in both retail and SME markets.[2]

The rapid expansion of fintechs has fundamentally altered competitive dynamics in Nigeria's financial sector. Unlike conventional banks, fintech platforms leverage network effects and proprietary data to create scale advantages and enhance risk management, product personalization, and service delivery efficiency.[3] These advantages, however, can translate into concentrated market power, particularly where platforms control access to distribution networks,

[1*] **O E Enwere PhD,** Faculty of Law, Abia State University, Email.oguchinalu.enwere@abiastateuniversity.edu.ng, Tel-08035111015.
***Juliet N Odimma PhD,** Margaret Lawrence University, Abuja, Email-Juliet.odimma@mlugalilee.edu.ng,Tel-08136483020.

[2] Reuters; 'Nigeria's Fintech Boom: How Moniepoint and PalmPay Are Reshaping Payments', Lagos, 2024.

[3] Uubo, Timothy; *FinTech Regulation and Competition in Emerging Markets*, Lagos, Praesidium Press, 2021, pp. 112–130.

agent points, or merchant onboarding channels. Traditional banks face both competitive pressure and partnership opportunities, navigating a hybrid landscape where they cooperate with fintechs via APIs and co-lending while simultaneously competing in payments, deposits, and lending markets.[4]

Regulatory oversight has evolved to address these complex market realities, creating a multi-agency landscape in Nigeria. The Central Bank of Nigeria (CBN) regulates payment systems, licensing, and sandbox frameworks; the Federal Competition and Consumer Protection Commission (FCCPC) oversees competition and consumer protection; and the Nigeria Data Protection Commission (NDPC) enforces data privacy standards.[5] While this regulatory structure promotes innovation, it also generates potential overlaps and jurisdictional tensions, particularly in areas where fintechs straddle banking, payments, telecommunications, and digital services. Effective coordination and clearly defined regulatory boundaries are therefore critical to fostering competitive, inclusive, and safe financial markets.

2. Conceptual Framework

2.1 Fintech

The term fintech is derived from two words namely "financial" and "technology". Consequently, fintech may be referred to any app, software, or technology that allows people or businesses to digitally access, manage, or gain insights into their finances or make financial transactions.[65] According to Kagan, Financial technology, commonly known as fintech, has revolutionized how financial services are delivered by service providers and consumed by customers or consumers.[76] Kagan posits that fintech helps businesses, entrepreneurs, and consumers efficiently manage their financial activities, leveraging cutting-edge software and algorithms accessible via computers and smartphones. Therefore, it is not in doubt that consumers have come to rely on fintech for a range of uses including retail banking, education, investment management, nonprofits, and the burgeoning cryptocurrency market as well as for its tangible everyday benefits. This is because it enhances and automates financial services, aiding businesses and consumers in managing financial operations efficiently through software and algorithms

With respect to competition in the financial services sector, Fintech banks disrupts traditional financial service providers by offering faster, more accessible alternatives tailored for underserved segments, thus driving innovation in areas like loans, mortgages, and insurance. Thus, Financial products and services that were once the realm of branches, salespeople, and desktops are now more commonly found on mobile devices. This is as a result of the fact that

[4] Zetzsche, A Dirk, Buckley, P Ross, Arner, W Douglas and Barberis, N Janos; 'From FinTech to TechFin: The Regulatory Challenges of Data-Driven Finance'; *New York University Journal of Law & Business*, 14(2), 2018, pp. 393–446.

[5] Central Bank of Nigeria; *Operational Guidelines for Open Banking in Nigeria*, Abuja, CBN, 2023, pp. 8–12.

[65] What is fintech? 6 main types of fintech and how they work, https://plaid.com/resources/fintech/what-is-fintech, accessed on 27/4/2026

[76] J Kagan,Understanding Fintech: Enhancing Financial Services and Everyday Life, August 29, 2025, https://www.investopedia.com/terms/f/fintech.asp, accessed on 27/4/2026

Fintech breaks down financial services into simpler, individual offerings, making transactions seamless and reducing costs.[8]

2.2 **Competition**

Competition refers to the rivalry between companies to attract customers and gain market share within the same industry. Companies compete on several fronts or basis, such as design, price, quality, sales, location, and marketing strategies and customer service. [9] It is the contest between companies that provide similar products or services or that target the same audience of consumers. Companies and firms compete to convert and retain customers, increase revenue and gain more market share. Where companies are selling identical or very similar products, they must compete on price with each company trying to undercut the others; differentiation depends on making a product different from those of competitors and by giving it distinctive qualities that are valued by the target market such as branding, styling or quality customer services. Competition helps consumers get a good deal. It encourages companies to innovate by reducing slack, putting down pressure on costs and providing incentives for the efficient organization of production.[10]

2.3 Consumer Protection

Consumer protection is an area that affects every individual in the society. Consumers are constantly exposed to the problems of product safety, product and service quality, unfair trade practices and the resultant dispute resolution. Aniagolu, JSC observed that:

> ….it is often the unhappy lot of consumers to be inflicted with shoddy and unmerchantable goods by some pretentious manufacturers, entrepreneurs, shady middlemen and unprincipled retailers whose avowed interest seems only, and always, to be to maximize their profits leaving honesty a discounted an shattered commodity.[11]

Both developed and developing countries of the world have paid varying degrees of attention to consumer protection[12] because it says a lot about the social and economic development of the Country.

Consumer protection can be defined as the act of safeguarding the interests of the consumer in matters relating to the supply of goods and services, fraudulent and hazardous practice as well as environmental degradation. In its wider sense, the concept of consumer protection refers to the liability of not only the producers of goods and services but also retailers, wholesalers, distributors and the other suppliers of goods and services to persons who use or consume them. In substance, it deals with the legal machinery to resolve consumer issues between the purchasers and users of goods and services vendor, manufacturer/producer or other persons concerned with

---

8 Central Bank of Ireland, Explainer - What is "fintech" and how is it changing financial products?, https://www.centralbank.ie/consumer-hub/explainers/what-is-fintech-and-how-is-it-changing-financial-products accessed on 27/4/2026,

9 'Competition', www.businesscasestudies.co.uk/business.theory, accessed on 21/4/2026.

10 *United States v. Topco Associates Inc*. 405, US, 596, 61092, SC Per Justice Thusgood Marshall

11 *Nigerian Bottling Company Ltd. v. Constance Ngonadi* (1985) 1 NWLR (Pt. 4) 739 at 753

12 I Ramsay, *Consumer Protection: Text and Materials*, London, Weidenfeld and Nicolson, 1989, 4

their production, supply/distribution and sale. This undoubtedly calls for a cautions balance of the competing interests of both sides for sustainable human development.

2.2 Regulatory Architecture

Nigeria's fintech ecosystem has witnessed exponential growth throughout the 2020s, fuelled by a unique combination of high mobile phone penetration, low levels of formal financial inclusion, and increasing consumer demand for affordable, accessible financial services. With over 120 million active internet users and a youthful, tech-savvy population, Nigeria provides fertile ground for digital financial solutions that bypass traditional banking limitations. Large fintech success stories such as Moniepoint and PalmPay epitomize this trend. Moniepoint, for instance, attracted substantial international capital from investors including Google and has rapidly evolved into a dominant "super-app," offering payments, credit facilities, and merchant support services to millions of small and medium-sized enterprises (SMEs) across the country.[13] Similarly, PalmPay has expanded through strategic partnerships with smartphone manufacturers, embedding its app in devices sold to millions of consumers, thereby creating a near-ubiquitous platform for retail and consumer financial services. These fintechs now process billions of dollars in transaction volumes annually, controlling critical points of last-mile retail finance and reshaping access to financial services in both urban and rural Nigeria.[14]

The regulatory architecture that governs this ecosystem is complex and multilayered, reflecting the convergence of financial services, telecommunications, and digital technologies. At the apex, the Central Bank of Nigeria (CBN) regulates the payments system, licensing fintech operators through categories such as Payment Service Providers (PSPs), Payment Terminal Service Aggregators (PTSA), and Mobile Money Operators (MMOs). The CBN also introduced the *Framework for Regulatory Sandbox Operations* in 2021, which allows fintech innovators to test new products under controlled regulatory conditions. Alongside this, the Nigeria Data Protection Commission (NDPC) enforces compliance with the Nigeria Data Protection Act, 2023, ensuring that fintechs adhere to principles of consent, transparency, and data minimization in their handling of consumer data.[15] The Federal Competition and Consumer Protection Commission (FCCPC), on the other hand, oversees issues of market dominance, anticompetitive practices, and consumer rights protection in the fintech space. While these overlapping jurisdictions collectively provide a robust framework for innovation, they also give rise to tensions and regulatory fragmentation, particularly where fintech companies straddle multiple sectors such as banking, telecoms, and e-commerce. For Nigeria to fully harness the benefits of fintech innovation, regulatory coordination and clarity of roles among the CBN, NDPC, and FCCPC remain essential for balancing innovation, competition, and consumer protection.[16]

[13] Global Legal Insights; *Fintech Laws and Regulations 2025: Nigeria*, London, Global Legal Insights, 2025.

[14] Reuters; *Google among investors putting $110 million into Nigeria's Moniepoint*, Chicago, Reuters, 2024. See also; Global Legal Insights; *Fintech Laws and Regulations 2025: Nigeria*, London, Global Legal Insights, 2025.

[15] Ibid.

[16] Central Bank of Nigeria; *Framework for Regulatory Sandbox Operations*, Abuja, Central Bank of Nigeria, 2021.

3. How Fintechs Alter Competition Economics in Finance

3.1 Platform Effects and Network Economies

Fintech companies operate as multi-sided platforms, where their value proposition expands as more users join the ecosystem. This phenomenon, known as network externalities, has been central to the growth of platforms like OPay, PalmPay, and Moniepoint in Nigeria. The accumulation of users on these platforms not only increases convenience but also enhances data aggregation, enabling superior risk profiling, pricing models, and cross-selling opportunities.[17] As platforms expand, they gain structural advantages beyond price competition, such as exclusive control over merchant onboarding through point-of-sale (POS) networks or partnerships with phone manufacturers that pre-install fintech apps. These structural features, once entrenched, reduce the capacity of smaller entrants to compete effectively, thus creating potential monopolistic tendencies in the sector. Competition law, therefore, must grapple with whether these platforms' advantages constitute legitimate efficiencies or the creation of exclusionary barriers.[18]

3.2 Data as a Strategic Asset

A defining feature of fintech competition lies in the control and use of data. Transactional records, behavioral patterns, geolocation signals, and alternative data sources (such as airtime usage or utility payments) are continuously harvested and analyzed. This data provides Fintechs with predictive power, enabling differentiated underwriting, precision pricing, and bundled product offerings. However, when such datasets are proprietary and non-portable, they create a competitive moat by increasing switching costs for consumers and erecting barriers for new market entrants. Without interoperability frameworks or mandated data portability (as seen in Open Banking regimes), dominant Fintechs can entrench their position.[19] Thus, the regulatory challenge is not simply protecting privacy but also ensuring that data frameworks advance consumer choice and competition. This shifts competition law into a new terrain where information asymmetry and data monopolization are as important as traditional price manipulation.[20]

3.3 Incumbents vs Challengers: Incumbency, Partnerships and Disintermediation

The entry of fintechs has reshaped competitive dynamics between established banks and emerging digital players. On the one hand, traditional banks have witnessed erosion in revenue from retail payments and transfers, as fintechs offer cheaper and more accessible alternatives.[21] On the other hand, some banks have embraced collaboration through open APIs, co-lending arrangements, or by investing in their own digital subsidiaries to remain relevant. This duality of rivalry and cooperation underscores the fluid boundaries between "banks," "payment providers,"

---

[17] Evans, S David. and Schmalensee, Richard; *Matchmakers: The New Economics of Multisided Platforms*, Boston, Harvard Business Review Press, 2016, p. 45.

[18] Ibid.

[19] Parker, G Geoffrey, Van Alstyne, W Marshall and Choudary, Sangeet Paul; *Platform Revolution: How Networked Markets Are Transforming the Economy and How to Make Them Work for You*, New York, W.W. Norton & Company, 2016, p. 103.

[20] Ibid.

[21] Mayer-Schönberger, Viktor and Cukier, Kenneth; *Big Data: A Revolution That Will Transform How We Live, Work, and Think*, London, John Murray, 2013, p. 89.

and "e-money operators."[22] Fintech wallets, for example, often replicate deposit-like features, blurring the legal distinction between banking and non-banking activities. Consequently, regulatory classification—whether a fintech service is subject to banking law, payment regulation, or consumer protection rules—has direct implications for competition. Misalignment or ambiguity in these boundaries can lead to regulatory arbitrage, where some entities gain undue advantage while others remain overburdened by compliance obligations.[23]

4. Case studies and illustrative market developments

4.1 Moniepoint: Scale and Breadth

Moniepoint's trajectory illustrates the transformative potential of fintech scale. By 2024–25, its fundraising and expansion into banking-like activities, including credit issuance and deposit-taking products, positioned it as a systemically significant actor in Nigeria's financial landscape. Its merchant ecosystem, spanning POS terminals, agent banking, and SME support services, processed vast transaction volumes comparable to mid-tier banks. This expansion blurs the boundaries between banks and non-banks, altering traditional benchmarks of market concentration and financial stability. While such scale enhances financial inclusion and last-mile distribution, it also raises regulatory concerns around systemic risk, market dominance, and oversight adequacy. The key competition question becomes whether Moniepoint's market position reflects legitimate efficiency gains or whether its scale generates exclusionary effects that reduce competitive diversity.[24]

4.2 PalmPay and Distribution Strategies

PalmPay's competitive advantage stems less from pricing and more from aggressive distribution strategies. Its partnerships with Original Equipment Manufacturers (OEMs), particularly through pre-installation of its apps on smartphones, created immediate access to millions of users, accelerating adoption beyond what organic growth would achieve. Combined with bundled offers such as airtime discounts and cashbacks, PalmPay's strategy illustrates how control over distribution channels can function as a "gatekeeping" mechanism. The creation of de facto lock-ins through pre-installs and cross-border expansion into other African markets complicates traditional competition law assessments, as market power arises not from pricing dominance but from control of access routes. This illustrates the need for competition frameworks to evolve in recognizing non-price strategies as potential sources of anti-competitive effects.[25]

4.3 Payments Infrastructure and Aggregator Licensing

The Central Bank of Nigeria's licensing of new Payment Terminal Service Aggregators (PTSA) and related infrastructure operators was intended to foster competition and innovation in the payments space. In principle, this diversification reduces reliance on a handful of providers and broadens access to POS and agent banking services. However, concentration risks persist when a small number of aggregators capture control of merchant onboarding or dominate the provision of

[22] Zetzsche, A Dirk, Buckley, P Ross, Arner, W Douglas. and Barberis, N Janos; 'From FinTech to TechFin: The Regulatory Challenges of Data-Driven Finance'; *New York University Journal of Law & Business*, 14(2), 2018, pp. 393–446.

[23] Fasan, Rotimi; 'Regulating Digital Lending in Nigeria: Competition and Consumer Protection Challenges'; *SSRN Electronic Journal*, (2023), pp. 1–29.

[24] Ibid.

[25] Udo Udoma & Belo-Osagie; *CBN Issues New Guidelines on Payment Terminal Service Aggregators*, Lagos, UUBO Legal Briefing, 2023, p. 6.

POS devices. Such vertical integration, where infrastructure providers extend into merchant services, creates the possibility of foreclosure of rivals and market bottlenecks. Competition policy must therefore balance the benefits of increased innovation with vigilance against horizontal consolidation and vertical foreclosure in these critical infrastructure markets.[26]

4.4 Digital Lenders and Consumer Harms

The rapid proliferation of app-based digital lenders in Nigeria has introduced both opportunities and consumer risks. While these lenders enhance credit access for underserved populations, concerns have mounted around opaque pricing models, exploitative interest rates, and aggressive debt-collection practices, including harassment and data privacy violations. These practices prompted interventions by the FCCPC, which has issued guidelines and is developing sector-specific rules to ensure fairness in digital lending. From a competition perspective, misconduct by digital lenders erodes consumer trust and market quality, creating distortions where compliant operators are disadvantaged by the predatory behavior of rivals. Regulatory interventions, therefore, are aimed not only at consumer protection but also at preserving a level playing field that sustains long-term competition in the credit markets.[27]

5. Competition Risks and Enforcement Challenges

5.1 Market Definition and Metrics

Defining relevant markets in Nigeria's multi-sided fintech ecosystem is a technically complex task. Unlike traditional banking, fintech platforms simultaneously serve consumers, merchants, and intermediaries through payments, peer-to-peer (P2P) transfers, and digital wallets. Regulators must integrate transaction volumes, merchant concentration, user behavior, and platform interconnectivity to accurately assess market boundaries and competitive dynamics.[28] Incorrect market delineation can lead to under- or over-enforcement, potentially mischaracterizing dominant positions or overlooking anticompetitive practices. Multi-sided platform theory suggests that network effects further complicate market analysis, as a platform may appear non-dominant on one side (e.g., small consumer wallet share) but exercise substantial influence via merchant or distribution networks.[29]

5.2 Data as a Core Competitive Asset and Remedies

In fintech markets, proprietary data constitutes a critical source of market power. Traditional competition remedies, such as structural divestitures or behavioral commitments, may be insufficient when dominance derives from control over transaction and behavioral data. Effective remedies increasingly require measures around data sharing, portability, and standardized API access to ensure that competitors can access essential inputs on fair terms. Absent such interventions, new entrants face prohibitive barriers, and consumer choice diminishes. Regulatory frameworks in other jurisdictions, such as the European Union's Open Banking and PSD2

[26] Ibid.

[27] Financial Times; 'PalmPay Targets Market Expansion through OEM Partnerships', *Financial Times*, (2024), p. 4.

[28] Rochet, Jean-Charles and Tirole, Jean; *Platform Competition in Two-Sided Markets*, Journal of the European Economic Association, 1(4), 2003, pp. 990–1029.

[29] Rochet, Jean-Charles and Tirole, Jean; *Platform Competition in Two-Sided Markets*, Journal of the European Economic Association, 1(4), 2003, pp. 990–1029.

regulations, provide useful models for addressing data-related competitive bottlenecks, but domestic adaptation is needed to reflect Nigeria's fintech realities.[30]

5.3 Jurisdictional Complexity and Regulatory Coordination

Nigeria's fintech sector is regulated by multiple agencies with overlapping mandates: the Central Bank of Nigeria (CBN) oversees banking and payment licensing; the Nigeria Data Protection Commission (NDPC) governs data privacy; and the Federal Competition and Consumer Protection Commission (FCCPC) enforces competition and consumer protection law.[31] This multi-regulator environment creates risks of inconsistent outcomes, duplication, and regulatory arbitrage. For instance, a merger requiring CBN approval for financial stability may simultaneously trigger FCCPC scrutiny for potential market dominance, while NDPC considerations around data sharing could complicate remedies. Effective coordination, including joint review protocols and information-sharing agreements, is therefore critical to harmonize enforcement and minimize conflicting regulatory signals.[32]

5.4 Rapid Technological Change

The pace of innovation in fintech presents a constant challenge for competition enforcement. Algorithmic pricing, AI-driven credit scoring, and real-time platform interactions can generate consumer harm or exclusionary effects faster than regulators can respond. Lagging oversight may leave anticompetitive practices unaddressed and erode market trust. Consequently, regulators need enhanced technical capabilities, including real-time market monitoring, data analytics expertise, and algorithmic auditing tools, to detect and respond to market distortions effectively. Building such capacities is essential to ensure that competition law remains relevant and enforceable in a rapidly evolving digital financial ecosystem.[33]

6. Policy and Enforcement Responses

6.1 Clarify Regulatory Boundaries and Create Formal Coordination Mechanisms

Effective fintech regulation in Nigeria requires clear demarcation of responsibilities among the Central Bank of Nigeria (CBN), Federal Competition and Consumer Protection Commission (FCCPC), and Nigeria Data Protection Commission (NDPC). Establishing a formal Memorandum of Understanding (MoU) for joint review of fintech mergers and cross-cutting investigations can reduce duplication, accelerate decision-making, and provide legal certainty to market participants. The MoU should specify timelines, reporting obligations, and protocols for data sharing while respecting privacy and commercial confidentiality. Such coordination aligns with international best practices, where multi-agency fintech oversight is increasingly common to mitigate gaps and overlapping jurisdictions.[34]

---

[30] Zetzsche, A Dirk, Buckley, P Ross, Arner, W Douglas and Barberis, N Janos; 'From FinTech to TechFin: The Regulatory Challenges of Data-Driven Finance'; *New York University Journal of Law & Business*, 14(2), 2018, pp. 393–446.

[31] NDPC; *Nigeria Data Protection Regulations*, Abuja, NDPC, 2023, pp. 5–12.

[32] Federal Competition and Consumer Protection Commission; *Competition Guidelines for the Digital Economy*, Abuja, FCCPC, 2022, p. 8.

[33] Ibid.

[34] Federal Competition and Consumer Protection Commission; *Guidelines on Digital Lending and Consumer Protection*, Abuja, FCCPC, 2022, pp. 4–9.

6.2 Strengthen Market Monitoring and Data Access for Regulators

To ensure evidence-based competition enforcement, regulators need access to comprehensive market data under appropriate safeguards. The FCCPC, alongside sectoral agencies, should be equipped to analyze anonymized transaction metadata, usage patterns, and market share statistics to detect emerging dominance or anticompetitive behavior. Investment in digital forensics, data science expertise, and real-time monitoring infrastructure is essential for assessing fintech conduct across payments, lending, and multi-service platforms. Enhanced analytical capability will allow agencies to identify structural and behavioral concerns promptly, thereby reducing lag in enforcement.[35]

6.3 Data Portability, Open Banking, and API Governance

Data-driven network effects are a key source of market power for fintech platforms. Mandating open APIs, interoperability, and enforceable data portability standards lowers switching costs, allowing rival providers to compete on quality and innovation rather than incumbent datasets. These measures must be complemented with robust privacy safeguards, including informed consent, data minimization, and purpose limitation, under NDPC supervision. By integrating competition and privacy rules, regulators can simultaneously enhance market entry opportunities and protect consumer rights.[36]

6.4 Remedies Fit for Platforms

Where dominance stems from platform effects, traditional remedies such as divestiture may be insufficient. Regulators should consider structural interventions, such as unbundling of marketplace functions, as well as behavioral rules enforcing non-discriminatory access to essential interfaces like agent networks or merchant onboarding platforms. Such remedies ensure that multi-sided network advantages do not translate into exclusionary practices or stifled innovation, while preserving benefits for end-users.[37]

6.5 Consumer Protection and Fintech Conduct Rules

Consumer protection must remain a core element of fintech regulation. Enforceable rules should govern transparent pricing, ethical debt recovery for digital lenders, merchant fee disclosures for payment aggregators, and dispute resolution standards for marketplace platforms. Ongoing initiatives by the FCCPC to regulate digital lending and the NDPC's data protection framework provide a foundation, but synchronizing these rules with CBN licensing and supervisory standards is critical. A harmonized framework ensures consumer trust, enhances competition, and mitigates risks of misconduct that could distort market development.[38]

---

[35] Ibid. See also; Aluko & Oyebode; *Consumer Protection in the Fintech Industry (insight)*, Lagos, Aluko & Oyebode, 2024. Available at: https://www.aluko-oyebode.com/insights/consumer-protection-fintechs-nigeria/

[36] Uubo, Timothy; *FinTech Regulation and Competition in Emerging Markets*, Lagos, Praesidium Press, 2021, pp. 112–130.

[37] Ibid

[38] Zetzsche, A Dirk, Buckley, P Ross, Arner, W Douglas and Barberis, N Janos; 'From FinTech to TechFin: The Regulatory Challenges of Data-Driven Finance'; *New York University Journal of Law & Business*, 14(2), 2018, pp. 393–446.

7. Conclusion and Recommendations

The convergence of fintech innovations and financial sector competition in Nigeria has transformed both market dynamics and regulatory priorities. Fintechs, through platform effects, network externalities, and proprietary data, have rapidly scaled to become systemically important actors, challenging traditional banks and reshaping the delivery of payments, credit, and merchant services. While this has driven financial inclusion, efficiency, and innovation, it has also introduced concentration risks, high switching costs, and potential consumer harms. Regulatory oversight has evolved, with the CBN, FCCPC, and NDPC playing complementary roles in licensing, competition, and data protection. Case studies of Moniepoint, PalmPay, and digital lenders illustrate both the opportunities fintechs create and the risks they pose when structural advantages or opaque practices undermine competition and consumer welfare. Enforcement challenges—such as defining multi-sided markets, addressing data-driven dominance, and coordinating across agencies—highlight the need for a proactive, integrated regulatory framework.

To sustain competition while fostering innovation, a multi-pronged approach is essential. First, formal coordination mechanisms among the CBN, FCCPC, and NDPC, including MoUs and joint review protocols, should be institutionalized to reduce jurisdictional overlaps and provide regulatory certainty. Second, regulators must strengthen real-time market monitoring and gain access to anonymized transaction and usage data, coupled with investment in data analytics and digital forensics to detect anticompetitive behavior promptly. Third, policies promoting data portability, open banking, and API governance are critical to lowering switching costs and reducing concentration risks. Finally, tailored remedies and consumer protection rules—covering transparency in digital lending, merchant fee disclosures, dispute resolution, and fair data usage—must be enforced to preserve market integrity and consumer trust. Implementing this integrated framework will ensure that Nigeria's fintech sector continues to innovate while remaining competitive, inclusive, and accountable.