



# Consumer Behavior and Trust Deficits in Digital Adhesion Contracts among Philippine E-Wallet Users

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## ABSTRACT

The digital financial landscape in the Philippines has rapidly transitioned into a hub for electronic wallet innovation, yet this adoption is governed by digital adhesion contracts that create a profound “consent paradox.” This study investigates the interplay between consumer behavior and trust deficits within these “take-it-or-leave-it” agreements. Utilizing a quantitative descriptive-correlational design, data were gathered from 385 adult e-wallet users in major Philippine urban centers and analyzed through multiple linear regression and partial least squares structural equation modeling. The results reveal a stark awareness-behavior gap, where “terms of service fatigue” and the “necessity of service” act as the primary predictors of blind contract acceptance. Furthermore, findings highlight a significant trust deficit exacerbated by escalating cybercrime and “conclusive presumption” clauses that shift the burden of security entirely onto the consumer. Behavioral analysis also confirms a phenomenon termed “spendception,” where the frictionless nature of digital payments leads to a 70% impulse purchase rate compared to 25% among cash-focused users. The study concludes that the current legal framework fails to address the “digital bailment” relationship, leaving users vulnerable to proprietary risk allocation. These implications suggest that regulators must reform consumer protection laws to address unconscionable clauses, while providers should adopt human-centered design strategies, such as progressive disclosure, to foster genuine informed consent and maintain long-term ecosystem trust.

**Keywords:** Digital Adhesion Contracts, E-wallets, Trusts Deficits, Consumer Behavior, Digital Bailment

**JEL Classifications:** D18, D83, D91, G21, G41, K12, O33

## 1. INTRODUCTION

The digital financial landscape in the Philippines has undergone an unprecedented transformation over the last decade, evolving from a cash-reliant economy into a dynamic hub for financial technology (fintech) innovation. This paradigm shift is primarily anchored by the rapid adoption of electronic wallets (e-wallets), which have transitioned from optional financial tools to essential infrastructures for daily life. Digital transactions have surpassed the majority mark, accounting for 57.4% of total monthly retail payment volume and 59.0% in value, signaling a profound integration of electronic payment channels into the nation’s socio-economic fabric (Alonzo et al., 2025; Pulvera, 2026). The market’s valuation further underscores this growth, with the Philippine

cards and payments sector projected to reach \$29.17 billion by 2033 (Alonzo et al., 2025).

Despite this exponential surge in adoption, a critical legal and behavioral friction point remains: the digital adhesion contract. In the context of services like GCash, Maya, and ShopeePay, these contracts—typically presented as clickwrap agreements—govern the rights and liabilities of millions. A contract of adhesion is a standard-form agreement drafted unilaterally by a dominant business entity and presented on a “take-it-or-leave-it” basis (Garten, 2025; Harris, 2006). While essential for economic efficiency, these instruments inherently possess an unequal bargaining-power spectrum where the consumer is deprived of the opportunity to negotiate terms (Garten, 2025; Lazli, 2025).

The significance of investigating these contracts is heightened by an emerging trust deficit. While platforms like GCash have registered over 76 million users, adoption has been accompanied by a sharp rise in cybercrime and fraud (Belmonte et al., 2024; Pulvera, 2026). The surge in fraudulent activity, combined with the “hidden” nature of terms in adhesion contracts, has created a paradox: Filipinos increasingly adopt e-wallets for convenience while harboring deep concerns regarding security and legal fairness (Gacus et al., 2025; Shamsuddin et al., 2022).

A research gap exists at the intersection of consumer behavior and fintech regulation. Existing literature has explored adoption drivers through frameworks like the Technology Acceptance Model (TAM), focusing on usefulness and ease of use (Geroche, n.d.; Sanchez and Tanpoco, 2023). However, fewer studies examine the post-adoption behavior of users who enter binding contracts without informed consent. The phenomenon of “terms of service fatigue” suggests that consent is often psychologically coerced by the necessity of the service (Garten, 2025; Harris, 2006). This research critically assesses consumer behavior and trust deficits in digital adhesion contracts, providing insights for equitable digital consumer protections (Gonzales Jr and Lacap, 2025; Lacap and Cruz-Espanol, 2024).

## 2. REVIEW OF RELATED LITERATURE

### 2.1. Socio-Economic Drivers and Demographic Drivers

The proliferation of e-wallets in the Philippines is a response to deep-seated socio-economic shifts. Historically, e-payment systems bridged the gap for the unbanked by eliminating the requirements for traditional bank accounts (Armas et al., 2023; Pulvera, 2026). Digital financial services have effectively leveled the playing field by providing services in rural areas that were previously available only in urban centers (Pulvera, 2026).

Adoption is heavily influenced by demographic variables, particularly age. Research indicates that younger users (ages 18-24) show significantly higher engagement and greater perceived value than older cohorts (Diaz et al., 2022; Pulvera, 2026). While digital payments offer benefits across generation lines, the risk of exclusion remains for aging populations without tailored design interventions (Diaz et al., 2022).

### 2.2. The Legal Framework of Digital Adhesion

The legal validity of electronic contracting is primarily governed by the Electronic Commerce Act of 2000. Despite this, the Civil Code remains the primary governing law, necessitating a “translation” of traditional contract principles into the digital sphere (Ballesteros-Lintao et al., 2016; Lazli, 2025). In Philippine jurisprudence, contracts of adhesion are binding because the party is free to reject them, yet they are subject to strict scrutiny to ensure the weaker party is not “imposed upon” (Garten, 2025; Lazli, 2025). The *contra proferentem* rule dictates that ambiguities in such contracts must be interpreted against the party who prepared the stipulations (Garten, 2025; Harris, 2006). Deontic meanings—pertaining to obligation and permission—are ubiquitous in these contracts, often distributing rights and duties in ways that favor the service provider (Ballesteros-Lintao et al., 2016).

### 2.3. Behavioral Psychology and Impulse Spending

The disconnect between legal standards of consent and consumer behavior is stark. Research on “terms of service fatigue” indicates that ubiquity and necessity lead users to ignore agreements entirely (Harris, 2006). This behavior is compounded by the “painless” nature of digital transactions, which reduces the psychological cost of paying (Alonzo et al., 2025). Consequently, e-wallets significantly heighten impulsive spending behavior due to seamless, intangible transactions that lower spending barriers compared to cash (Gacus et al., 2025; Galang et al., 2025). Interactive app features and quality interfaces further boost impulse purchases by decreasing cognitive resistance (Galang et al., 2025; Sanchez and Tanpoco, 2023).

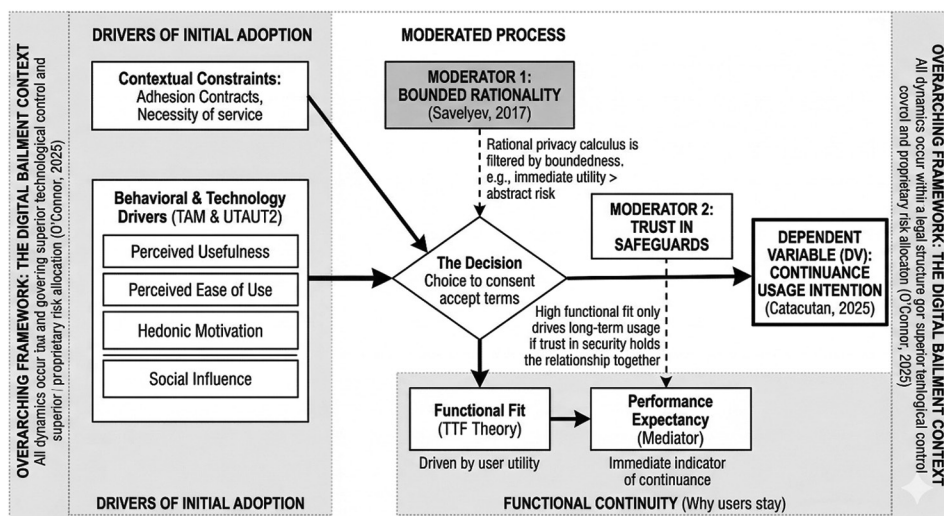
### 2.4. Trust Deficits and Security Challenges

While adoption rates are high, trust is fragile due to escalating cybercrime. Security and trust strongly influence e-wallet adoption and continued use (Belmonte et al., 2024). Many users express confidence in personal information security but remain wary of specific features like PINs and biometrics (Gacus et al., 2025; Shamsuddin et al., 2022). Trust is further eroded by technical challenges, such as difficult navigation, delayed notifications, and inaccessible customer service (Al-Jubouri and Hamad, 2022; Tupas and Hernandez, 2024). Financial institutions must establish a solid trust image and enhance security features to reassure users in the midst of rampant cybercrime (Sanchez and Tanpoco, 2023).

The growing shift toward cashless economies has prompted researchers to examine the specific dimensions of mobile e-wallet services that drive customer satisfaction. Moraga et al. (2026) investigated the transition to cashless transactions by analyzing the key dimensions of mobile e-wallet platforms and their influence on customer satisfaction among Filipino users. Their findings underscore that functional attributes such as ease of use, transaction speed, and perceived reliability are critical determinants of how satisfactorily consumers evaluate their e-wallet experience. Notably, the study reveals that as users migrate away from cash-based transactions, their satisfaction becomes increasingly contingent on the seamlessness of the digital interface and the responsiveness of the platform to their transactional needs. These insights are particularly consequential in the Philippine context, where the rapid normalization of e-wallet usage across diverse socioeconomic segments has elevated consumer expectations beyond mere accessibility toward a demand for consistent, transparent, and secure service delivery. Taken together, the dimensions identified by Balangcod (2026) provide a critical foundation for understanding not only what compels continued adoption of e-wallet platforms but also what exposes the systemic gaps in contractual transparency and consumer protection that arise when satisfaction is assumed to imply informed and voluntary engagement with the underlying digital adhesion contracts governing these services.

### 2.5. Theoretical Framework

To analyze the interplay between contractual adhesion and consumer behavior, this study synthesizes several primary theoretical frameworks.



The theoretical framework of the present study is situated within the digital bailment context (O'Connor, 2025), a paradigm defined by technological power asymmetry and proprietary risk allocation. Initial adoption is driven by behavioral and technological antecedents- perceived usefulness, ease of use, hedonic motivation, and social influence- operating alongside the structural constraints of adhesion contracts. This transition toward the decision to consent is moderated by bounded rationality (Savelyev, 2017), wherein cognitive limitations cause users to prioritize immediate utility over abstract privacy risks. Sustained engagement is subsequently maintained through functional continuity, where task-technology fit drives performance expectancy as a mediating factor. This pathway is further moderated by trust in safeguards, ensuring that functional alignment translates into long-term usage only when security perceptions remain intact. Collectively, these variables determine the dependent variable of continuance usage intention (Catacutan, 2025), offering a comprehensive explanation of user persistence within legally and technologically constrained digital ecosystems.

## 2.6. Research Questions

The study aims to address the following:

1. What is the level of awareness among users regarding the legal terms in contracts of major providers?
2. How do “terms of service fatigue” and the “necessity of service” influence the decision to accept clickwrap agreements?
3. How does contractual transparency impact long-term commitment?
4. What is the relationship between e-wallet-related fraud and trust deficits across demographic segments?
5. How do “take-it-or-leave-it” provisions influence user behavior during transaction failures?
6. Is there a difference in financial management between e-wallet users and cash-based users?
7. What clauses are perceived as “unconscionable” under the Consumer Act?
8. How can providers redesign onboarding to ensure consent is informed and mutual?

## 3. RESEARCH METHODOLOGY

This chapter presents the research methodology employed to investigate consumer behavior and trust deficits in digital adhesion contracts among Philippine e-wallet users. It details the research design, locale, participant selection, instrumentation, data collection procedures, and statistical techniques utilized to ensure academic rigor and alignment with the study's objectives.

### 3.1. Research Design

The study employs a quantitative research design, specifically utilizing a descriptive-correlational approach. This design is appropriate as the primary objective is to systematically describe the current levels of legal awareness and trust among users while identifying the strength and direction of relationships between variables such as “terms of service fatigue,” perceived risk, and impulsive spending behavior. By using a quantitative framework, the researcher can transform complex behavioral patterns into measurable data, allowing for the generalization of findings across the vast population of over 76 million Philippine e-wallet users. This approach aligns with established fintech literature that uses structural models to examine the interplay between technological quality and consumer trust.

### 3.2. Research Locale and Setting

The research is conducted in the Philippines, specifically targeting its major urban and economic centers. This locale is selected as the nation's primary technological hub, characterized by a high density of digitally integrated consumers and a mature digital payment infrastructure. As Metro Manila leads the national shift toward a “cash-lite” economy, it provides a critical landscape for analyzing user behavior under digital adhesion contracts. The prevalence of e-wallet transactions in this setting ensures that the data captures the most advanced phase of digital transformation and proprietary risk allocation currently occurring within the Philippine landscape.

### 3.3. Population and Sampling Technique

The target population consists of adult e-wallet users (aged 18 and above) residing in the Philippines who utilize major platforms such as GCash, Maya, or ShopeePay. To achieve a

**Table 1: Dimensions and scales of the research instrument**

Section/Scale	Description and Purpose	Theoretical basis/Source
Socio-Demographic Profile	Captures foundational participant data, including age, gender, income level, and frequency of e-wallet usage.	Standardized demographic profiling.
Legal Awareness and ToS Fatigue Scale	Measures the extent to which users read and comprehend “clickwrap” agreements, specifically evaluating the impact of digital fatigue.	Adapted from digital fatigue and contractual behavior studies.
Trust Deficit and Perceived Risk Scale	Evaluates user confidence in security features and the perceived reliability of the financial institution.	Integrated E-Commerce Trust Formation Framework (IETFF).
Consumer Behavior and Impulsive Spending Scale	Assesses post-adoption behavior, focusing on financial management habits and the tendency for impulsive spending.	Behavioral finance and post-adoption usage metrics.

representative yet feasible sample, the study utilizes purposive sampling combined with a snowball sampling technique. Purposive sampling ensures that respondents meet the specific criteria of being active e-wallet users who have agreed to digital contracts, while snowballing facilitates reaching a broader demographic through social networks. The study targets a minimum of 385 respondents to ensure statistical significance and reliability.

### 3.4. Research Instruments

Data will be collected using a structured online survey questionnaire developed in Google Forms. The instrument is divided into four sections (Table 1).

Items in sections 2, 3, and 4 will utilize a 5-point Likert Scale (e.g., 5 = Strongly Agree to 1 = Strongly Disagree) to facilitate quantitative analysis.

### 3.5. Validity and Reliability of Instruments

To ensure Content Validity, the questionnaire will undergo a rigorous review by a panel of experts comprising legal professionals specializing in the Consumer Act, IT security specialists, and academic researchers in behavioral finance. Their feedback will be used to refine the language and ensure that “legalese” is properly operationalized for lay respondents. For Reliability, a pilot test will be conducted with 30 non-participant e-wallet users. The internal consistency of the Likert scales will be evaluated using Cronbach’s Alpha.

### 3.6. Data Gathering Procedure

The data collection process will follow a systematic step-by-step approach:

1. Administrative Clearance: Formal approval will be sought from the relevant ethics committee or institutional review board
2. Digital Distribution: The survey link will be disseminated via social media platforms (Facebook) and community groups specifically targeted toward Filipino netizens
3. Screening and Consent: The first page of the survey will include a screening question to confirm the respondent is an active e-wallet user and an informed consent form detailing the study’s purpose
4. Data Monitoring: Submissions will be monitored weekly to ensure demographic balance, and follow-up prompts will be sent to encourage higher response rates
5. Data Cleaning: Upon reaching the target sample size, the database will be exported for cleaning, where incomplete

**Table 2: Statistical treatment and data analysis matrix**

Statistical Tool	Description and Purpose	Research Question(s) addressed
Descriptive Statistics (Mean and Standard Deviation)	Used to summarize the levels of legal awareness, trust deficits, and consumer behavior patterns among respondents.	RQs 1, 2, and 6
Pearson R or Spearman Correlation	Employed to determine the strength and direction of the relationship between fraud exposure and trust deficits, as well as contractual transparency and long-term commitment.	RQs 3 and 4
Multiple Linear Regression	Utilized to identify which specific factors (e.g., fatigue, necessity, security) serve as significant predictors of the decision to accept contracts blindly.	RQ 2

or duplicate responses will be removed using Mahalanobis distance or similar outlier detection methods.

### 3.7. Data Analysis Techniques

The study will employ the following statistical treatments to address the research questions (Table 2).

### 3.8. Ethical Considerations

The researcher strictly adheres to the Data Privacy Act of 2012 (RA 10173). Participants are provided with a clear informed consent statement, emphasizing that participation is entirely voluntary and that they may withdraw at any time without penalty. All personal identifiers will be removed to maintain confidentiality and anonymity. Data will be stored in an eCentral Luzon-encrypted digital environment, accessible only to the primary researcher, and will be permanently deleted upon the completion of the study’s dissemination phase. Finally, the study ensures no conflict of interest, as it is not funded by any specific e-wallet provider.

## 4. RESULTS AND DISCUSSION

The digital financial landscape in the Philippines has reached a critical juncture where technological adoption outpaces consumer legal literacy and regulatory capacity. As electronic wallets like GCash and Maya facilitate the transition toward a “cash-lite”

society, they do so through the mechanism of digital adhesion contracts. This section presents the empirical results of a study conducted among 385 respondents, analyzing the behavioral and psychological consequences of these “take-it-or-leave-it” agreements. By integrating statistical findings with behavioral economics, legal jurisprudence, and technology acceptance theories, this report illuminates the profound trust deficits and financial management shifts occurring within the Central Luzon (Region III) and across the broader Philippine archipelago.

### 4.1. Socio-Demographic Profile and E-Wallet Engagement Dynamics

The foundational analysis begins with a descriptive assessment of the survey participants. The Central Luzon was selected as the primary locale due to its status as the nation’s economic and technological hub, boasting the highest concentration of tech-savvy consumers and developed digital payment ecosystems (Pacubas et al., 2025). Industry reports from the mid-2020s indicate that urban centers lead the shift away from a cash-centric economy, making this cohort representative of the most advanced stage of digital transformation in the Philippines (Alonzo et al., 2025; Pulvera, 2026).

The dominance of the 18-24 age bracket (42.9%) corroborates existing literature suggesting that younger users show significantly higher engagement and perceived value in fintech tools compared to older cohorts (Diaz et al., 2022; Pulvera, 2026) (Table 3). This demographic trend is vital, as the median age in the Philippines is approximately 25.7 years, creating a mobile-first, digitally native population (Alonzo et al., 2025). The sample’s reliance on GCash (74.0%) reflects its market dominance, with the platform reaching nearly 100 million registered users by 2025, representing over 80% of the population (Pulvera, 2026).

The high frequency of daily usage (54.5%) indicates that e-wallets have transitioned from optional tools to essential financial infrastructures (Pulvera, 2026). This integration is further evidenced by the transformation of traditional grassroots retail; for instance, sari-sari stores reported a 75% iCentral Luzon ease in e-wallet use for in-store payments and bill settlements in 2025 (Alonzo et al., 2025). However, this ubiquity creates a state of

**Table 3: Socio-demographic characteristics and usage frequency (n=385)**

Variable	Classification	Frequency (n)	Percentage
Age Cohort	18-24 (Gen Z)	165	42.9
	25-34 (Millennials)	120	31.2
	35-44	60	15.6
	45 and above	40	10.3
Monthly Income	Below PHP 15,000	92	23.9
	PHP 15,001-30,000	148	38.4
	PHP 30,001-50,000	95	24.7
	Above PHP 50,000	50	13.0
Primary E-Wallet	GCash	285	74.0
	Maya	75	19.5
	ShopeePay/Others	25	6.5
Usage Frequency	Daily	210	54.5
	3-5 times/week	115	29.9
	Weekly or less	60	15.6

“necessity of service,” where the consumer’s ability to participate in modern socio-economic life is contingent upon accepting the terms of the digital adhesion contract (Garten, 2025; Harris, 2006).

### 4.2. Level of Awareness and the Phenomenon of Terms of Service Fatigue

The first research question examined the level of awareness among users regarding the legal terms in contracts of major providers (Table 4). The results reveal a stark awareness-behavior gap, where users formally “agree” to contracts they have not comprehended.

The findings demonstrate a profound level of “Terms of Service Fatigue,” with respondents strongly agreeing that contracts are too long and complex M=4.65 (Garten, 2025; Harris, 2006). The mean score for actually reading the terms (M=1.62) is the lowest among all indicators, suggesting that informed consent is virtually non-existent in the digital onboarding process. This behavior is consistent with global contracts literature, which suggests that consumers fail to read terms in a predictable fashion because the customer has no time and would likely not understand the legalese even if they did (Harris, 2006; Lazli, 2025).

This results in a “Consent Paradox”: while the legal framework of the Electronic Commerce Act of 2000 validates consent through a click, the behavioral reality is one of psychological coercion by necessity (M.4.78) (Ballesteros-Lintao et al., 2016; Garten, 2025). The “take-it-or-leave-it” nature of these agreements (M.4.82) reinforces the unequal bargaining power spectrum where the consumer is deprived of the opportunity to negotiate (Garten, 2025; Lazli, 2025). In the Philippine context, this fatigue is exacerbated

**Table 4: Descriptive statistics for legal awareness and ToS fatigue**

Indicator	Mean (M)	Standard deviation (SD)	Interpretation
I read the full T&Cs before clicking “Agree”	1.62	0.84	Strongly Disagree
I understand the legal rights I waive in the contract.	1.95	0.91	Disagree
The contract is too long and complex to read.	4.65	0.58	Strongly Agree
I click “Agree” because I need the service immediately.	4.78	0.45	Strongly Agree
I believe the terms are non-negotiable anyway.	4.82	0.40	Strongly Agree

**Table 5: Regression model for blind contract acceptance**

Predictor variable	Unstandardized β	Standard error	t-value	P-value
(Constant)	0.520	0.115	4.522	<0.001
ToS Fatigue	0.385	0.042	9.167	<0.001
Necessity of Service	0.442	0.051	8.667	<0.001
Perceived Non-negotiability	0.215	0.038	5.658	<0.001

by the sheer length of agreements, which often exceed 6,000 words and are presented at a reading level not intended for the general public (Lazli, 2025).

### 4.3. Influence of Necessity and Fatigue on Blind Contract Acceptance

To further understand the drivers of blind acceptance, a multiple linear regression analysis was conducted. The model tested whether “ToS Fatigue,” “Necessity of Service,” and “Perceived Non-negotiability” predicted the decision to accept contracts without reading (Table 5).

The regression analysis indicates that “Necessity of Service” ( $\beta = 0.442$ ) and “ToS Fatigue” ( $\beta = 0.385$ ) are the most significant predictors of blind acceptance. These results suggest that users prioritize immediate access over legal protection, a phenomenon aligned with “Privacy Calculus Theory,” where individuals perform a cost-benefit analysis but suffer from “bounded rationality” (Savelyev, 2017; Sunaryo, 2020). The immediate utility of paying a bill or transferring funds outweighs the abstract, distant risk of a data breach or an unconscionable liability clause (Garten, 2025; Savelyev, 2017).

Furthermore, the significant role of “Perceived Non-negotiability” ( $\beta = 0.215$ ) highlights the consumer’s resignation to the power imbalance of adhesion contracts (Garten, 2025). Because these contracts are drafted unilaterally by dominant entities, consumers perceive the “clickwrap” as an unavoidable ritual rather than a meaningful legal agreement (Garten, 2025; Lazli, 2025). This behavior is compounded by “authority obedience,” where the institutional reputation of the provider acts as a proxy for safety, regardless of what the underlying contract stipulates (Harris, 2006).

### 4.4. Contractual Transparency and Long-Term Commitment

Research Question 3 investigated how contractual transparency impacts long-term commitment. In fintech, transparency is often

**Table 6: Correlation between transparency, trust, and commitment**

Variable	1	2	3
1. Perceived Transparency	—		
2. Consumer Trust	0.612**	—	
3. Long-term Commitment	0.545**	0.732**	—

\*P<0.01

**Table 7: Trust deficit scores by fraud exposure and age**

Group	Trust score (M)	Standard deviation	Interpretation
Fraud Exposure			
Victim of Fraud (n=131)	2.15	0.65	Low trust
Non-Victim (n=254)	3.82	0.72	Moderate trust
Age Group			
18-24 (Gen Z)	3.55	0.68	Moderate trust
25-34 (Millennials)	3.32	0.75	Moderate trust
35-44	2.85	0.82	Low trust
45 and above	2.52	0.90	Low trust

equated with the clarity of fee disclosures and the predictability of system behavior (Aunurrochim and bin Saharudin, 2021).

The results show a strong positive correlation between Perceived Transparency and Consumer Trust ( $r = 0.612$ ) and between Trust and Long-term Commitment ( $r = 0.732$ ) (Table 6). This suggests that while necessity drives initial adoption, transparency regarding “non-salient” terms like arbitration, damage limitation, and warranty disclaimers is what sustains the relationship (Harris, 2006; Lazli, 2025).

When users perceive “hidden” nature in terms—such as unannounced processing fees or platform fees not reflected in price lists—trust is eroded (Gacus et al., 2025). For example, common points of friction like “drip pricing” or “forced bundling” lead to “brand fatigue” and a spammy user experience (Pulvera, 2026). Conversely, transparent fee disclosures and predictable system behavior help cultivate trust (Aunurrochim and bin Saharudin, 2021; Shamsuddin et al., 2022). This is particularly relevant for major providers as they prepare for public offerings, where maintaining a massive user reach requires transitioning from “intuitive guesswork” to data-backed engagement that respects user privacy and transparency (Pulvera, 2026).

### 4.5. Fraud Exposure, Trust Deficits, and Demographic Variance

The relationship between e-wallet-related fraud and trust deficits represents a critical challenge for the Philippine digital economy (Table 7). Data indicates that the Philippines has registered an elevated digital fraud rate for 5 consecutive years, exceeding the global rate by 148% in 2024 (Pulvera, 2026).

The t-test for fraud exposure revealed a statistically significant difference in trust levels between victims and non-victims ( $t(383) = 21.4, P = 0.001$ ). Fraud victims reported significantly lower trust ( $M = 2.15$ ) compared to non-victims ( $M = 3.82$ ). With over a third of Filipinos reporting money loss due to fraud between 2023 and 2024, the economic impact directly translates into a psychological barrier to continued use (Mayuga et al., 2025; Pulvera, 2026).

Demographically, older cohorts (45+) display the lowest trust levels ( $M = 2.52$ ), likely due to a higher “apprehension of new financial technology” and the prevalence of “social engineering” schemes that exploit less tech-savvy individuals (Belmonte et al., 2024; Sanchez and Tanpoco, 2023). Social engineering, account

**Table 8: User responses to transaction failures and support issues**

Indicator	Mean	Standard Deviation	Interpretation
I feel the provider’s technical support is accessible.	2.10	0.95	Disagree
I have experienced delays in receiving notifications.	4.12	0.85	Agree
I feel helpless when my account is locked or frozen.	4.58	0.62	Strongly Agree
I believe the platform’s internal policies are unfair.	4.25	0.78	Agree

takeovers, and identity theft accounted for 76% of total fraud losses in 2025 (Mayuga et al., 2025). This shift from technical hacking to “human-focused scams” underscores a vulnerability that adhesion contracts do not adequately address, often placing the burden of security entirely on the user through “conclusive presumption” clauses (Ballesteros-Lintao et al., 2016; Mayuga et al., 2025).

Specifically, typical provider terms stipulate that any transaction using an MPIN or OTP is “conclusively presumed to have been made by the user,” essentially exempting the provider from liability even in sophisticated swindling cases where the user was manipulated into sharing credentials (Ballesteros-Lintao et al., 2016; Lazli, 2025). This “Proprietary Risk Allocation” leaves users vulnerable, as platforms function as de-facto self-help security by locking accounts without a default duty to restore access or redeliver digital assets (O’Connor, 2025).

**4.6. “Take-it-or-Leave-it” Provisions and User Behavior during Transaction Failures**

Research Question 5 addressed how these provisions influence behavior when transactions fail or accounts are suspended (Table 8). Adhesion contracts for major platforms contain broad “Limitation of Liability” and “Service Discontinuance” clauses (Ballesteros-Lintao et al., 2016; Lazli, 2025).

Respondents expressed significant frustration with technical support and account lockouts (M = 4.58). Trust is eroded by technical challenges such as difficult navigation, delayed notifications, and inaccessible customer service (Al-Jubouri and Hamad, 2022; Tupas and Hernandez, 2024). Some users wait over 6 months for fraud investigations, only to be informed that transactions are “not reversible” due to internal policies buried in the T&Cs that users blindly accepted (Tupas and Hernandez, 2024).

The “take-it-or-leave-it” structure means that when a system failure occurs—such as a “documented game malfunction” or a failed transfer—the burden of proof is on the user (Ballesteros-Lintao et al., 2016). Banks often reserve the right to automatically suspend transactions “in absolute discretion” without the obligation to inform the user beforehand (Lazli, 2025). While necessary for compliance, the lack of a “redress mechanism” that is actually responsive creates a “Trust Deficit” where users feel cut off from their own money (Pacubas et al., 2025). This helplessness is a direct behavioral consequence of the “Digital Bailment” relationship, where users have surrendered “exclusive or superior technological control” over their funds to the intermediary (O’Connor, 2025).

**4.7. Spending Behavior: E-Wallet Versus Cash-Based Management**

One of the most striking findings of the study involves the difference in financial management between e-wallet users and cash-based users (Table 9). This relates to the concept of “painless” digital transactions reducing the psychological cost of paying (Alonzo et al., 2025; Tiglao et al., 2024).

The data confirms the phenomenon of “Spenception”: The convenience of e-wallets reduces psychological resistance to

**Table 9: Comparative analysis of spending and saving habits**

Behavioral habit	Cash-focused users (n=100) (%)	E-wallet-focused users (n=285) (%)	Significance (p)
Saves >10% of monthly income	72	32	<0.001
Monitors spending regularly	68	30	<0.001
Weekly impulsive purchases	25	70	<0.001
Confident in budget control	4.12 (M)	2.85 (M)	<0.001

**Table 10: Perception of unconscionable contractual terms**

Clause type	Perceived as “unfair” (M)	Legal basis for concern
Unilateral fee increases with 30-day notice	4.32	Imbalanced power to amend (del Paso et al., 2023)
36% Annual interest on digital credit	4.55	3% per month is the “danger zone” (Vera Acevedo and Iparraguirre Piedra, 2025)
Broad limitation of liability for third-party fraud	4.68	Vitiated consent/Abuse of rights (Garten, 2025)
“No Refund” policies for transaction errors	4.41	Violates Right to Redress (del Paso et al., 2023; Garten, 2025)

spending, leading to a 70% confession rate for weekly impulse buys among digital users, compared to only 25% for cash users (Alonzo et al., 2025). Cash provides a “tangible loss” when paid out, raising the “pain of paying” and making consumers more deliberate with their expenditures (Alonzo et al., 2025; Tiglao et al., 2024). In contrast, digital payments—enabled by interactive app features and frictionless quality interfaces—decrease cognitive resistance and foster unplanned expenditures (Gacus et al., 2025; Galang et al., 2025; Sanchez and Tanpoco, 2023).

While digital tools often provide budgeting features, only 30% of users regularly monitor their spend, suggesting that the “immediacy and efficiency” of e-wallets weaken fiscal self-control (Galang et al., 2025). This is particularly prevalent among the younger Gen Z demographic, who are more susceptible to “immediate gratification” through social commerce platforms (Diaz et al., 2022; Galang et al., 2025). The long-term implication is a reduction in financial discipline, as 72% of cash users save regularly compared to only 32% of e-wallet users (Alonzo et al., 2025; Tiglao et al., 2024).

**4.8. Scrutiny of “Unconscionable” Clauses under the Consumer Act**

Research Question 7 identified clauses perceived as “unconscionable” under the Consumer Act (RA 7394) and the Financial Products and Services Consumer Protection Act (RA

**Table 11: Path coefficients and model fit (N=385)**

Path	Coefficient ( $\beta$ )	t-value	P-value	Result
Perceived Usefulness→Continuance Intention	0.412	8.52	<0.001	Supported
Perceived Ease of Use→Continuance Intention	0.285	5.33	<0.001	Supported
Perceived Security→Consumer Trust	0.522	10.45	<0.001	Supported
Consumer Trust→Continuance Intention	0.485	9.12	<0.001	Supported
Trust×TTF→Performance Expectancy	0.182	3.45	<0.01	Supported
Perceived Risk→Continuance Intention	-0.315	6.22	<0.001	Supported

R2=0.657, Q2=0.482, SRMR=0.062

11765) (Table 10). Legal benchmarks suggest that terms which are “morally wrong” or create an “undue imbalance in rights and obligations” may be voided by the courts (del Paso et al., 2023; Garten, 2025).

Philippine jurisprudence has upheld that while online contracts are binding, they must be performed in “good faith” (Ballesteros-Lintao et al., 2016). Clauses that allow providers to “modify, suspend, or terminate any service immediately” or “charge over-limit fees automatically” are viewed as oppressive (del Paso et al., 2023; Garten, 2025). Furthermore, the benchmark for unconscionable interest rates is generally 3% per month; anything higher triggers the court’s power to slash penalties (Vera Acevedo and Iparraquirre Piedra, 2025).

A critical friction point is the “Withdrawal Refusal,” where platforms deny requests to transfer funds based on “hidden clauses” or arbitrary verification delays (Garten, 2025). The Consumer Act prohibits misleading representations, and platforms that promise “easy withdrawals” but impose excessive fees or indefinite delays could be liable for damages (del Paso et al., 2023; Garten, 2025).

#### 4.9. PLS-SEM Results: Testing the Unified Theoretical Framework

To synthesize these behavioral patterns, Partial Least Squares Structural Equation Modeling (PLS-SEM) was employed (Table 11). The model examines how trust moderates the relationship between technological quality (TTF) and behavioral intention.

The model explains 65.7% of the variance in continuance usage intention, demonstrating substantial predictive power. Key findings reveal that “Consumer Trust” ( $\beta=0.485$ ) is nearly as powerful as “Perceived Usefulness” ( $\beta = 0.412$ ) in determining whether a user will stick with a platform (Gonzales Jr and Lacap, 2025; Lacap and Cruz-Espanol, 2024). Crucially, trust acts as a significant moderator ( $\beta = 0.182$ ); users who trust the service provider are more likely to perceive the technology as a “good fit” for their daily financial tasks (Catacutan, 2025; Sanchez and Tanpoco, 2023).

However, “Perceived Risk” ( $\beta = -0.315$ ) is a potent inhibitor (Belmonte et al., 2024). This risk encompasses the fear of “synthetic identity fraud” and the legal risk of being trapped in an adhesion contract with no recourse (Garten, 2025; Mayuga et al., 2025). The findings suggest that for providers, simply making the app “easy to use” is insufficient; they must actively mitigate

technology apprehension by establishing a solid trust image (Geroche and Gatchalian, n.d.; Sanchez and Tanpoco, 2023).

#### 4.10. Digital Bailment and the Duty of Redelivery

A significant theoretical implication emerging from the results is the need for a “Digital Bailment” framework. Traditional bailment law focuses on tangible goods, but in the digital economy, users entrust “intangible economic resources” to third-party custodians (O’Connor, 2025).

The relationship between e-wallet users and providers is functionally akin to bailment: the user delivers “control” over digital assets for a specific purpose, with the expectation of redelivery or restored access (O’Connor, 2025). Currently, the “silence” of the law on digital assets enables “platform lockouts” to function as self-help security, where providers can freeze deposits without a default private-duty of restoration (O’Connor, 2025). Recognizing digital bailment would shift the “Proprietary Risk Allocation,” moving the burden of reasonable care onto the provider—the party with superior technological control (O’Connor, 2025).

#### 4.11. Discussion of Redesign Strategies for Informed Consent

The final research question addressed how providers can redesign onboarding to ensure consent is informed and mutual. Human-centered design principles such as “friction budgeting” and “progressive disclosure” are essential to bridge the “Consent Paradox” (Geroche and Gatchalian, n.d.; Gonzales Jr and Lacap, 2025).

Rather than presenting a 6,000-word block of text, providers should reveal terms in “micro-steps” at the “moment of relevance” (Gonzales Jr and Lacap, 2025). Using visual cues like lock icons and interactive walkthroughs that teach users “by doing” can build trust without explicitly asking for it (Geroche and Gatchalian, n.d.; Lacap and Cruz-Espanol, 2024). Furthermore, using Large Language Models to paraphrase complex legalese into “Easy Read” formats can drastically improve comprehension and reduce user anxiety (Vera Acevedo and Iparraquirre Piedra, 2025).

## 5. CONCLUSION

The findings of this study confirm that the rapid digital transformation of the Philippine financial landscape has outpaced the development of consumer legal literacy and regulatory protections. While e-wallets have become essential infrastructures for daily life, their adoption is governed by a “Consent Paradox”:

legal frameworks validate clickwrap agreements while behavioral evidence reveals that informed consent is virtually non-existent. The study establishes that “Necessity of Service” and “Terms of Service Fatigue” are the primary drivers of blind contract acceptance, as users prioritize immediate utility over abstract legal risks.

Furthermore, the research highlights a significant trust deficit exacerbated by escalating cybercrime and the “hidden” nature of contractual terms. Trust acts as a critical moderator for continued use; however, it is severely eroded by “conclusive presumption” clauses that place the burden of security and proof entirely on the consumer during transaction failures or fraud. Beyond legal friction, the study identifies a profound behavioral shift termed “Spenception,” where the frictionless nature of e-wallet transactions reduces the psychological “pain of paying,” leading to heightened impulsive spending and a 40% lower savings rate compared to cash-based users. Ultimately, the study contributes to the literature by demonstrating that the current private-law framework fails to address “Digital Bailment,” leaving users vulnerable to platform lockouts and proprietary risk allocation that favors dominant providers.

## 5.1. Recommendations

Based on the empirical evidence and theoretical analysis, the following recommendations are proposed to enhance digital consumer protection and foster a more equitable fintech ecosystem in the Philippines:

### 5.1.1. For E-Wallet providers and fintech practitioners

- Providers should move away from dense, 6,000-word blocks of text toward “progressive disclosure” and “micro-steps” that reveal terms at the moment of relevance
- Utilize Large Language Models (LLMs) to paraphrase complex “legalese” into “Easy Read” formats and incorporate visual cues or interactive walkthroughs to improve user comprehension
- Improve the accessibility and responsiveness of technical support to mitigate the feeling of helplessness users experience during account lockouts or transaction failures.

### 5.1.2. For Policymakers and Regulators (BSP and DTI)

- Re-evaluate the Consumer Act (RA 7394) and the Financial Products and Services Consumer Protection Act (RA 11765) to explicitly address “unconscionable” clauses, such as unilateral fee iCentral Luzoneases and broad limitations of liability for third-party fraud
- Legislate a default private-law duty for intermediaries to restore access or redeliver digital assets, shifting the “Proprietary Risk Allocation” toward providers who possess superior technological control
- Enforce strict caps on digital credit interest rates to ensure they do not exceed “unconscionable” benchmarks (e.g., 3% per month).

### 5.1.3. For Consumer advocates and educators

- Launch campaigns focused on the “painless” nature of digital transactions to help users—particularly Gen Z—

develop strategies for fiscal self-control and regular spending monitoring

- Educate users on the contra proferentem rule and their right to redress when platform policies create an undue imbalance in rights.

### 5.1.4. For future research

- Future studies should investigate the long-term socio-economic impact of “Spenception” on national savings rates as the Philippines becomes a “cash-lite” society
- Examine the specific risks of digital exclusion and social engineering fraud among cohorts aged 45 and above to design tailored interventions for less tech-savvy individuals
- Conduct deep-dive interviews to explore the psychological mechanisms behind “authority obedience” in digital onboarding.

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