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TRANSFORMATION OF FINANCIAL INTERMEDIATION IN THE CONTEXT OF DIGITALIZATION: THE ROLE OF ONLINE INVESTMENT PLATFORMS

ABSTRACT

This study aims to analyse the transformation of the financial intermediation system in the context of digitalisation as a key defining trend shaping the modern global economy, and to determine the role of online investment platforms as an innovative form of financial intermediation between investors and financial markets. Based on methods of analysis and synthesis, comparative analysis, statistical analysis, and case studies of leading international platforms (Interactive Brokers, eToro, Robinhood, and Trading 212), the key characteristics of digital investment platforms, their differences from traditional financial intermediaries, and the factors contributing to the democratisation of public access to financial markets have been identified, along with the mechanisms through which these platforms actively reshape traditional financial intermediation relationships. The findings indicate that digital investment platforms significantly reduce barriers to entry into financial markets through minimal investment thresholds, commission-free trading, and fractional share purchasing. It has been established that the application of digital technologies, including algorithmic recommendation systems, robo-advisors, and automated data analysis, enhances the efficiency of investment services and contributes to a more personalised and accessible investment experience for a broad range of users. At the same time, key risks have been identified, including cyber threats, regulatory uncertainty, and behavioural factors of investors, such as overtrading, herd behaviour, and susceptibility to gamification elements increasingly embedded in modern platform design. The prospects for the development of digital financial intermediation have been outlined, particularly in the context of artificial intelligence integration and expanded access to global markets. Special attention is devoted to the potential for implementing digital investment platforms in the Ukrainian financial market.

Keywords: financial intermediation, digitalisation, online investment platforms, fintech, investment democratisation, robo-advisory, fractional shares, cyber risks, financial markets, regulatory environment

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INTRODUCTION

Financial intermediation is a fundamental element of the modern economy, ensuring the efficient redistribution of financial resources between entities with surplus funds and those requiring additional financing. For decades, this function has remained predominantly the prerogative of banks, brokerage firms, and investment funds, which have served as obligatory intermediaries between investors and financial markets. However, the rapid development of digital technologies, particularly financial technologies (fintech), is fundamentally reshaping the architecture of financial intermediation, creating new models of interaction among market participants.

The digitalisation of financial services is a global trend that has been gaining momentum since the mid-2010s. According to KPMG (2024), global investments in the fintech sector amounted to USD 113.7 billion in 2023, while Boston Consulting Group (BCG & QED Investors, 2024) forecasts that fintech industry revenues will reach USD 1.5 trillion by

2030. The segment of digital investment platforms has been particularly dynamic: according to Grand View Research (2024), the global online trading platform market was valued at USD 9.57 billion in 2023, with a projected growth to USD 15.62 billion by 2030 at a compound annual growth rate (CAGR) of 7.3%. These platforms offer a fundamentally new approach to investing: low entry thresholds, commission-free trading, intuitive mobile applications, access to fractional shares, algorithmic recommendations, and social trading.

The relevance of this study is determined by several factors. First, there has been a rapid increase in the number of retail investors using digital platforms: in the United States alone, over 30 million new brokerage accounts were opened in 2023. Second, the share of retail investors in daily trading volumes has risen to 20-35% in key global markets, indicating a substantial shift in the structure of financial market participants. Third, the COVID-19 pandemic served as a powerful catalyst for the population's transition to online investing, accelerating the digital transformation of the financial sector.

At the same time, the rapid development of digital investment platforms gives rise to new challenges: cybersecurity concerns, regulatory gaps, risks associated with the behavioural characteristics of inexperienced investors, and issues of consumer protection in financial services. These aspects require systematic scholarly analysis, which determines the relevance of this research.

LITERATURE REVIEW

The theoretical foundations of financial intermediation have been developed over a long period of economic science. The seminal works of Diamond & Dybvig (1983) and Diamond (1984) substantiated the role of financial intermediaries in reducing information asymmetry and transaction costs, thereby enabling a more efficient allocation of financial resources in the economy. Allen & Santomero (1997) expanded this concept by incorporating risk management functions and participation cost reduction as key arguments for the existence of financial intermediaries. Scholtens & van Wensveen (2000) further emphasised the role of intermediaries in transforming financial risks, which is particularly relevant in the context of the modern digital economy.

Research on the digital transformation of the financial sector became particularly intensive from the mid-2010s. Arner, Barberis & Buckley (2016) systematised the evolution of fintech from its origins to its current state, identifying three key stages of development: FinTech 1.0 (1866-1967), associated with the development of telegraph and cross-border financial systems; FinTech 2.0 (1967-2008), characterised by the transition to electronic financial services; and FinTech 3.0 (from 2008 onwards), marked by the emergence of new digital participants in the financial market. Gomber, Koch & Siering (2017) conducted a comprehensive analysis of digital finance, identifying key directions including digital payments, digital investment, digital financing, and digital insurance.

A special place in the scholarly discourse belongs to studies on the impact of fintech on the efficiency of financial intermediation. Philippon (2016) demonstrated in his seminal work that, despite significant technological progress, the cost of financial intermediation in the United States had remained stable for over a century at approximately 2% of intermediated assets. The author hypothesised that fintech companies have the potential to substantially reduce this cost through the use of digital technologies and innovative business models. Buchak, Matvos, Piskorski & Seru (2018) empirically confirmed that the growth in the market share of fintech lenders is associated with both the regulatory burden on traditional banks and technological innovations, with technological factors accounting for approximately 30% of the growth in market share of new entrants.

A separate stream of research concerns digital investment platforms and their impact on investor behaviour. Barber, Huang, Odean & Schwarz (2022) investigated the phenomenon of investment "gamification" using the Robinhood platform as a case study, finding that the design of mobile applications significantly influences user trading activity, stimulating more frequent transactions. Welch (2022) analysed the characteristics of retail investors on the Robinhood platform, revealing that they are predominantly younger and less experienced compared to clients of traditional brokers. D'Acunto & Rossi (2022) summarised the consequences of investment democratisation through fintech platforms, noting both positive aspects (expanded access, reduced costs) and potential risks (excessive trading activity, susceptibility to speculative strategies).

The role of robo-advisory as an innovative instrument of digital investment intermediation has been examined by Beketov, Lehmann & Wittke (2018), who analysed the algorithmic approaches to portfolio management employed by robo-advisors. Fisch, Laboure & Turner (2019) investigated the determinants of investor adoption of robo-advisory services, establishing that trust in technology, financial literacy, and income level are key factors. Phoon & Koh (2018) explored the development prospects of robo-advisory in the context of asset management.

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The regulatory environment for digital investment platforms is the subject of active scholarly debate. Zetzsche, Buckley, Arner & Barberis (2017) analysed the concept of regulatory sandboxes as a tool for balancing innovation promotion with investor protection. Magnuson (2018) examined regulatory challenges associated with fintech activities. The MiFID II Directive in the European Union and SEC regulatory initiatives in the United States have established new standards for transparency and investor protection that directly affect the operations of digital platforms (Moloney, 2018).

Risks associated with the operation of digital investment platforms have been investigated in the context of cybersecurity, behavioural finance, and systemic stability. Goldstein, Jiang & Karolyi (2019) analysed the impact of fintech on financial stability, noting that the concentration of trading volumes on a limited number of platforms may create new systemic risks. The FSB (2024) highlighted that the rapid development of AI technologies in the financial sector may intensify interconnectedness, opacity in decision-making, and the risks of misuse.

Domestic researchers have also contributed to the study of digital transformation in the financial sector. Lyeonov, Draskovic, Kubaščikova & Fenyves (2024) analysed the role of artificial intelligence and machine learning in combating illegal financial operations, which is directly related to the security of digital investment platforms. Yarovenko et al. (2025) investigated the digital readiness of European countries to counter cyber threats, emphasising the critical role of digital infrastructure for the secure functioning of financial services. At the same time, comprehensive studies of digital investment platforms as a form of financial intermediation remain limited in the Ukrainian scholarly discourse.

Thus, the analysis of scholarly literature reveals considerable interest among researchers in various aspects of the digital transformation of financial intermediation. However, there is a deficit of comprehensive studies that would systematically analyse digital investment platforms as an integral form of financial intermediation, taking into account their technological, economic, and regulatory characteristics, comparison with traditional intermediaries, and assessment of risks and development prospects. This constitutes a research gap that this study aims to address.

AIMS AND OBJECTIVES

The aim of this study is to analyse the transformation of the financial intermediation system in the context of digitalisation and to determine the role of online investment platforms as an innovative form of financial intermediation between investors and financial markets.

To achieve this aim, the following objectives have been defined:

1. To systematise the key characteristics of digital investment platforms as a new form of financial intermediation.
2. To conduct a comparative analysis of traditional financial intermediaries and digital investment platforms based on key criteria.
3. To assess the scale and dynamics of the digital investment market in the global context.
4. To carry out a case study analysis of leading international investment platforms (Interactive Brokers, eToro, Robinhood, and Trading 212).
5. To identify the key risks associated with the functioning of digital investment platforms.
6. To determine the prospects for the development of digital financial intermediation, particularly in the context of the Ukrainian financial market.

METHODS

The methodological foundation of this study consists of a set of complementary general scientific and specialised methods that ensure a comprehensive examination of the transformation of financial intermediation in the context of digitalisation.

The method of analysis and synthesis was applied to generalise theoretical approaches to financial intermediation and to systematise the characteristics of digital investment platforms. This method enabled the identification of the key elements of the new financial intermediation model and the determination of their specifics compared with traditional forms.

The method of comparative analysis was used to juxtapose traditional financial intermediaries (banks, conventional brokerage firms) with digital investment platforms across the following criteria: minimum investment threshold, commission policy, range of financial instruments, technological features, level of regulatory protection, and target audience.

Statistical analysis was applied to assess the dynamics of fintech market development and the digital investment segment. The sources of statistical data included analytical reports from KPMG (Pulse of Fintech), Boston Consulting Group, CB Insights, and Grand View Research, as well as official data from the platforms under study.

The case study method was employed for an in-depth examination of four leading international investment platforms: Interactive Brokers (founded in 1978, USA), eToro (founded in 2007, Israel), Robinhood (founded in 2013, USA), and Trading 212 (founded in 2003, United Kingdom). The selection of platforms was determined by their representativeness: they represent different business models, geographic markets, and target investor segments.

The method of generalisation was applied to formulate conclusions regarding the role of digital platforms in the transformation of financial intermediation and to identify promising directions for development.

The period of analysis covers 2015-2024, which corresponds to the period of active fintech sector development and the mass proliferation of digital investment platforms. The application of these methods ensures the replicability of the study and the possibility of obtaining analogous results by other researchers.

RESULTS

Systematisation of characteristics of digital investment platforms

Based on the analysis conducted, it has been determined that digital investment platforms represent a technologically mediated form of financial intermediation that provides direct access for retail and institutional investors to financial markets through digital interfaces (mobile applications, web platforms). Unlike traditional financial intermediaries, which perform the function of aggregating and redistributing financial resources, digital platforms concentrate predominantly on the function of providing access to market infrastructure and delivering information and analytical services.

The key characteristics of digital investment platforms that distinguish them from traditional forms of financial intermediation are: minimal or zero entry thresholds; commission-free or low-commission trading models; the possibility of acquiring fractional shares of securities; integration of algorithmic recommendation systems and robo-advisory; elements of social trading and strategy copying; mobile-oriented interface design; automation of account opening and verification processes (KYC); access to a wide range of financial instruments (shares, ETFs, cryptocurrencies, options, and CFDs) through a single platform.

Comparative analysis of traditional and digital financial intermediaries

To systematise the differences between traditional financial intermediaries and digital investment platforms, a comparative analysis was conducted based on key criteria (Table 1).

Table 1. Comparative analysis of traditional financial intermediaries and digital investment platforms. *(Source: analyzed by the author based on own research)*

Indicator	Traditional intermediaries	Digital platforms
Minimum deposit	USD 500 - USD 10,000 and above	USD 0 - USD 10
Trading commissions	USD 5-20 per transaction	USD 0 (commission-free) or minimal spreads
Fractional shares	Generally unavailable	Available on most platforms
Technology interface	Desktop-oriented, complex	Mobile-oriented, intuitive
Automated advice	Personal financial consultant	Robo-advisory, algorithmic recommendations
Social trading	None	Strategy copying, investor communities
Account opening speed	Days to weeks	Minutes (automated KYC)
Range of instruments	Broad, including complex derivatives	Shares, ETFs, crypto, CFDs, options
Target audience	Experienced investors, institutional clients	Mass investor, youth, beginners
Regulatory status	Full banking/brokerage licence	Brokerage licence varies by jurisdiction

The comparative analysis demonstrates that digital investment platforms substantially reduce the financial and technological barriers to market entry, targeting the mass retail investor. At the same time, traditional intermediaries retain advantages in the sphere of complex financial instruments, personalised service, and regulatory stability.

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Dynamics of the digital investment market

The global fintech market demonstrated significant volatility during the period under study. According to KPMG (2024), total investment in the fintech sector reached record levels in 2021 before declining against the backdrop of rising interest rates, geopolitical instability, and falling fintech valuations. In 2023, global fintech investment fell to USD 113.7 billion across 4,547 deals, while according to CB Insights (2024), venture funding for fintech startups dropped to USD 39.2 billion, a 50% year-on-year decrease. KPMG (2025) reports that in 2024, investment in the payments space recovered to USD 31 billion, driven by defensive transactions.

Meanwhile, the digital investment platform segment demonstrated more resilient growth dynamics. According to Grand View Research (2024), the global online trading platform market was valued at USD 9.57 billion in 2023, with projected growth to USD 15.62 billion by 2030 (CAGR of 7.3%). By other estimates, the investment app market was valued at USD 63.6 billion in 2025 and is expected to nearly double by 2029.

A key growth driver has been the increased participation of retail investors. According to available estimates, retail investors contributed approximately USD 302 billion in inflows into US equities in 2025, a 53% increase over 2024. The share of retail investors in daily trading volumes reached 20-35% across key markets (the United States, the United Kingdom, and South Korea). Approximately 33% of retail investors report using robo-advisors, roughly double the figure from a few years prior.

The COVID-19 pandemic served as a powerful catalyst for growth in the number of users of digital platforms. According to the World Bank, the year 2020 was marked by a significant increase in retail investor participation, demonstrating the resilience of online platforms under conditions of uncertainty. The online trading platform market also grew due to the proliferation of commission-free models, increased financial literacy, and the activity of investment communities on social media.

Case study of leading digital investment platforms

Four platforms representing different business models, geographic markets, and target investor segments were selected for in-depth analysis. The selection criteria included: global market presence, diversity of business models, availability of publicly reported operational data, and representativeness of key trends in digital investment intermediation.

Interactive Brokers (IBKR), founded in 1978 in the United States by Thomas Peterffy, is the largest electronic trading platform in the United States by the number of daily average revenue trades. Originally established as a market maker, the company transitioned to brokerage services in 1993 and has since built a reputation as a technologically sophisticated platform catering to professional and institutional investors. As of year-end 2024, the platform served 3.34 million client accounts, representing a remarkable 30% year-on-year increase. Client equity stood at USD 568.2 billion, reflecting a 33% rise compared to the previous year. The company reported 3.267 million daily average revenue trades (DARTs) in December 2024, a 66% increase from the prior year. Annual revenue for 2024 amounted to USD 5.19 billion, a 19.5% increase from USD 4.34 billion in 2023, with commission-based revenue rising 37% to USD 477 million in Q4 2024 alone. IBKR provides access to over 160 exchanges across 36 countries and 28 currencies, offering trading in stocks, options, futures, bonds, mutual funds, forex, cryptocurrencies, and contracts for difference (CFDs). The platform's competitive advantages include industry-leading low margin lending rates, sophisticated trading tools (Trader Workstation, IBKR Mobile), and a strong emphasis on execution quality. Notably, over 80% of IBKR's active accounts are located outside the United States, underscoring its truly global reach. However, the platform's complexity may present a barrier for novice investors, and its interface has been criticised for its steep learning curve.

eToro, founded in 2007 in Tel Aviv, Israel, by brothers Yoni and Ronen Assia together with David Ring, is widely recognised as a pioneer of social trading. The platform has grown to serve over 32 million registered users across more than 100 countries, making it one of the most widely used retail investment platforms globally. eToro's defining innovation is its CopyTrader feature, which enables users to automatically replicate the portfolios and trading strategies of successful investors in real time, effectively democratising access to professional-grade investment strategies. Beyond social trading, the platform offers commission-free trading in thousands of stocks and hundreds of ETFs, access to over 100 cryptocurrencies, and professionally managed Smart Portfolios that provide thematic and diversified investment options. eToro targets the mass retail investor with a minimum deposit starting from USD 10 (varying by jurisdiction, up to USD 10,000 in some regions) and an intuitive, social-media-inspired interface. The platform is regulated across multiple jurisdictions, including the FCA (United Kingdom), CySEC (Cyprus), ASIC (Australia), and FINRA/SEC (United States). In 2025, eToro reported 3.8 million funded accounts and USD 868 million in net contribution. While eToro's social features and broad cryptocurrency offering attract a diverse user base, the platform has faced criticism for its spread-based fee structure on

certain assets and the absence of self-custody options for cryptocurrency holdings, meaning users cannot transfer crypto to external wallets or connect to decentralised applications.

Robinhood, founded in 2013 by Stanford graduates Vladimir Tenev and Baiju Bhatt, has become a symbol of investment democratisation in the United States. The company was the first brokerage to offer commission-free stock trading, a model that subsequently compelled the entire industry to follow suit. Robinhood's mission to "democratise finance for all" attracted millions of users, particularly younger and first-time investors drawn to its minimalist mobile interface and zero-commission model. As of year-end 2024, Robinhood reported 25.2 million funded accounts and 26.2 million investment accounts. Assets under custody reached USD 193 billion, an extraordinary 88% year-on-year increase driven by continued net deposits and higher equity and cryptocurrency valuations. Annual revenue surged to USD 2.95 billion, a 58% increase, and the company posted its first significant annual net profit of USD 1.41 billion. The platform offers trading in stocks, ETFs, options, cryptocurrencies, and, more recently, futures and index options. Robinhood Gold, a premium subscription service at USD 5 per month, reached 2.6 million subscribers by year-end 2024, offering margin trading, professional research, and higher interest rates on uninvested cash. The platform was at the centre of the GameStop controversy in January 2021, when it restricted trading in highly volatile stocks, sparking widespread criticism regarding potential conflicts of interest inherent in its payment for order flow (PFOF) business model. Despite these controversies, Robinhood has demonstrated resilience, diversified its revenue streams, and expanded into new markets, including the United Kingdom and Asia-Pacific regions in 2025.

Trading 212, founded in 2003 in Sofia, Bulgaria, and headquartered in London, United Kingdom, positions itself as an accessible and user-friendly platform primarily targeting European retail investors. The platform offers commission-free trading and access to over 13,000 global stocks and ETFs, making it one of the broadest offerings among commission-free European brokers. Trading 212 has accumulated approximately 3 million lifetime funded accounts and is regulated by the FCA (United Kingdom), CySEC (Cyprus), FSC (Bulgaria), and ASIC (Australia), ensuring compliance across multiple jurisdictions. A key differentiator for Trading 212 is its offering of Stocks and Shares ISA accounts for UK-based clients, which provide tax-advantaged investing - a feature not available on most international competitors. The platform also features an AutoInvest function that enables users to create custom portfolios with automatic rebalancing and fractional share investing, making passive investing accessible even with small capital. Trading 212 additionally offers a CFD trading mode for more experienced traders seeking leveraged exposure. While the platform has gained popularity for its simplicity and zero-commission model, it has a more limited range of asset classes compared to Interactive Brokers and does not offer options, futures, or bonds. The platform's revenue model relies on spreads, currency conversion fees, and interest on uninvested client cash.

The comparative characteristics of the four platforms are summarised in Table 2.

Table 2. Comparative characteristics of leading digital investment platforms (as of year-end 2024). *(Source: summarized by the author based on Robinhood Markets, Inc. (2025), Grand View Research. (2024). Online trading platform market size, share & trends analysis report; Interactive Brokers Group. (2025). Brokerage metrics and other financial information for December 2024)*

Characteristic	Interactive Brokers	eToro	Robinhood	Trading 212
Founded	1978, USA	2007, Israel	2013, USA	2003, UK
Client accounts	3.34 million	32 million registered (3.8M funded)	25.2 million funded	~3 million funded
Assets under custody	USD 568.2 billion	Not publicly disclosed	USD 193 billion	Not publicly disclosed
Annual revenue (2024)	USD 5.19 billion	Not publicly disclosed	USD 2.95 billion	Not publicly disclosed
Minimum deposit	USD 0 (IBKR Lite)	USD 10-USD 10,000 (varies)	USD 0	USD 1 (Invest), USD 10 (CFD)
Commission model	USD 0 (Lite) / tiered (Pro)	USD 0 stocks; spreads on crypto/CFDs	USD 0 (PFOF model)	USD 0 stocks/ETFs; spreads on CFDs
Markets/exchanges	160+ exchanges, 36 countries	Multi-asset, global (varies by region)	US markets primarily	13,000+ stocks/ETFs globally
Key instruments	Stocks, options, futures, bonds, forex, crypto, CFDs	Stocks, ETFs, crypto (100+), CFDs, forex	Stocks, ETFs, options, crypto, futures	Stocks, ETFs, CFDs
Fractional shares	Yes	Yes	Yes	Yes
Social/copy trading	No	Yes (CopyTrader)	No	No

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Table 2. Continued.

Characteristic	Interactive Brokers	eToro	Robinhood	Trading 212
Robo-advisory	No (tools for advisors)	Smart Portfolios	No	AutoInvest (pies)
Tax-advantaged accounts	IRA (US)	No	IRA (US)	ISA (UK)
Regulation	SEC, FINRA, FCA, and 10+ regulators	FCA, CySEC, ASIC, FINRA/SEC	SEC, FINRA	FCA, CySEC, FSC, ASIC
Target audience	Professional, institutional, active traders	Mass retail, social investors	Young, first-time US investors	European retail investors
Key innovation	Global market access, execution quality	Social trading, CopyTrader	Commission-free pioneer, simplicity	ISA accounts, AutoInvest pies

The analysis of four leading platforms reveals several important patterns. First, there is a clear segmentation of the market: Interactive Brokers serves the professional and institutional segment with maximum breadth of instruments and markets, while Robinhood, eToro, and Trading 212 compete for the mass retail investor through simplicity, low costs, and innovative features. Second, the commission-free model has become a baseline expectation rather than a differentiator, pushing platforms to innovate in other areas such as social trading (eToro), premium subscriptions (Robinhood Gold), and tax-advantaged wrappers (Trading 212's ISA). Third, the scale disparity is notable: while Interactive Brokers manages over USD 568 billion in client equity with 3.34 million accounts, Robinhood manages USD 193 billion across 25.2 million accounts, indicating very different average account sizes and investor profiles. Finally, geographic focus varies significantly: IBKR operates across 36 countries with over 80% of accounts outside the US, whereas Robinhood remains predominantly US-focused, and Trading 212 concentrates on European markets.

Risks in the development of digital investment platforms

The analysis has enabled the identification of several key risk categories associated with the functioning of digital investment platforms.

Cyber risks and technological threats represent one of the most serious concerns for digital platforms. The concentration of significant volumes of financial assets and personal data on a limited number of platforms creates attractive targets for cyberattacks. According to the FBI, losses from cybercrimes in the US financial sector exceeded USD 4.2 billion in 2020. Platforms invest substantial resources in security systems; however, the risk of technical failures, DDoS attacks, and data breaches remains significant.

Regulatory risks stem from the varying levels of development of the legal and regulatory framework for digital financial platforms across different jurisdictions. In the EU, the MiFID II Directive establishes requirements for transparency, investor protection, and best execution of orders. In the United States, platform activities are regulated by the SEC and FINRA. However, significant regulatory gaps exist, particularly with respect to cryptocurrency operations, social trading, and the use of algorithmic recommendations.

Behavioural risks of investors constitute a specific challenge for digital platforms. The gamification of the investment process, the simplicity of executing transactions, and the influence of social media may stimulate excessive trading activity, a propensity for speculative strategies, and herd behaviour. A vivid example is the GameStop event in January 2021, when coordinated actions by retail investors via Reddit (WallStreetBets) led to extreme share price volatility and significant losses for some participants.

Risks associated with platform business models include dependence on the "payment for order flow" (PFOF) model, used notably by Robinhood. This model creates a potential conflict of interest between the platform and its clients, as the platform's revenue depends on the volume of trading operations rather than on the performance of client investments.

Ukrainian context: prospects and challenges

The Ukrainian financial market is characterised by significant potential for the development of digital investment intermediation, yet simultaneously faces a number of specific challenges. Currently, access for Ukrainian citizens to international investment platforms is limited: most global platforms (Robinhood, Trading 212) are unavailable to Ukrainian residents, while some (eToro, Interactive Brokers) offer restricted functionality.

Key barriers to the development of digital investment intermediation in Ukraine include: an underdeveloped legal and regulatory framework for digital investment platforms; restrictions on foreign exchange operations and cross-border capital

flows; a low level of financial literacy among the population; insufficient development of the stock market and a limited range of available financial instruments; and risks associated with military operations and macroeconomic instability.

At the same time, there are prerequisites for positive change: a high level of digitalisation of public services (the Diia experience), a growing IT industry, an active youth demographic interested in investing, and European integration aspirations that envisage the approximation of the regulatory environment to EU standards, particularly in the field of capital markets.

DISCUSSION

The results of this study confirm and complement previous scholarly findings regarding the transformative impact of digital technologies on the financial intermediation system. The identified trend of reducing barriers to entry into financial markets is consistent with the hypothesis of Philippon (2016) regarding the potential of fintech companies to reduce the cost of financial intermediation. Specifically, the transition from a commission-based model (USD 5-20 per transaction) to commission-free trading, introduced by Robinhood and subsequently adopted by other platforms, represents empirical confirmation of this trend.

The comparative analysis of platforms demonstrated substantial differentiation of business models within the digital investment intermediation segment. Interactive Brokers maintains a model oriented towards professional investors, offering the broadest range of instruments and markets. eToro implements an innovative social trading model, which corresponds to the findings of Barber et al. (2022) regarding the growing influence of social factors on investment decisions. Robinhood demonstrates a model of maximum simplicity and accessibility; however, as noted by Welch (2022) and D'Acunto & Rossi (2022), such a model may stimulate excessive trading activity among inexperienced investors.

The identified risks of digital platforms correspond to the conclusions of Goldstein, Jiang & Karolyi (2019) and the FSB (2024) regarding potential threats to financial stability. In particular, the concentration of significant volumes of retail trading operations on a limited number of platforms creates new points of systemic risk that require an adequate regulatory response. The PFOF model used by Robinhood remains the subject of regulatory debate in both the United States and the EU, where the possibility of its prohibition is being considered.

Regarding the Ukrainian context, the study results indicate significant unrealised potential for digital investment intermediation. The experience of digitalising public services through the Diia platform demonstrates the country's technological readiness for the implementation of innovative financial services. However, realising this potential requires systemic reforms in the regulation of capital markets, liberalisation of foreign exchange legislation, and the enhancement of financial literacy among the population.

It should be noted that this study has several limitations. First, the analysis is primarily based on secondary data (analytical reports, official platform statistics), which may not reflect all aspects of the functioning of the platforms under study. Second, the study does not include primary empirical data (user surveys, econometric modelling), which limits the possibility of causal analysis. Third, the rapid pace of change in the technological and regulatory environment means that some data may lose relevance. These limitations define the directions for further research.

CONCLUSIONS

Systematisation of the key characteristics of digital investment platforms has established that they represent a technologically mediated form of financial intermediation distinguished by minimal or zero entry thresholds, commission-free trading models, access to fractional shares, integration of algorithmic recommendation systems and robo-advisory tools, social trading features, and mobile-oriented design. These characteristics collectively constitute a new paradigm of financial intermediation that prioritises accessibility and automation over the relationship-based model of traditional intermediaries.

Comparative analysis of traditional financial intermediaries and digital investment platforms across key criteria - minimum deposit, commission policy, range of instruments, technological interface, advisory model, account opening speed, and target audience - demonstrated that digital platforms substantially reduce financial and technological barriers to market entry. However, traditional intermediaries retain competitive advantages in the provision of complex financial instruments, personalised advisory services, and regulatory stability, indicating that the two models are complementary rather than mutually exclusive.

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Market dynamics assessment confirmed sustained growth momentum in the digital investment segment. The global online trading platform market, valued at USD 9.57 billion in 2023, is projected to reach USD 15.62 billion by 2030 (CAGR of 7.3%). Retail investor participation in daily trading volumes reached 20–35% across key global markets, with retail inflows into US equities amounting to USD 302 billion in 2025 - a 53% year-on-year increase - underscoring the structural shift in the composition of financial market participants.

Case study analysis of Interactive Brokers, eToro, Robinhood, and Trading 212 revealed significant differentiation of business models within the digital investment intermediation segment. Interactive Brokers serves the professional and institutional segment with maximum breadth of instruments and global market access; eToro implements a social trading model centred on the CopyTrader feature; Robinhood pioneered commission-free trading targeting young and first-time investors; and Trading 212 offers commission-free investing with tax-advantaged ISA accounts for European retail clients. The absence of a single dominant model confirms ongoing market differentiation driven by distinct investor needs and regulatory environments.

The identification of key risks associated with digital investment platforms revealed three principal risk categories: cyber and technological threats arising from the concentration of financial assets and personal data on a limited number of platforms; regulatory risks stemming from jurisdictional inconsistencies and gaps in the legal framework governing cryptocurrency operations, social trading, and algorithmic recommendations; and behavioural risks of investors, including overtrading, herd behaviour, and susceptibility to gamification elements, as illustrated by the GameStop episode of January 2021. Additionally, platform-level conflicts of interest - most prominently the payment for order flow model - represent a structural risk requiring ongoing regulatory attention.

Prospects for digital financial intermediation in Ukraine are determined by a combination of enabling factors and structural constraints. On the one hand, a high level of public service digitalisation (the Diia platform), an expanding IT sector, a demographically young population with growing investment interest, and the country's European integration trajectory - which entails approximation of capital markets regulation to EU standards - create a foundation for the development of domestic digital investment platforms. On the other hand, the realisation of this potential is contingent upon systemic reforms in capital markets regulation, liberalisation of foreign exchange legislation, and a sustained effort to enhance population-wide financial literacy, without which the democratisation of investment access will remain limited in scope.

ADDITIONAL INFORMATION

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CONFLICT OF INTEREST

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ТРАНСФОРМАЦІЯ ФІНАНСОВОГО ПОСЕРЕДНИЦТВА В УМОВАХ ЦИФРОВІЗАЦІЇ: РОЛЬ ІНВЕСТИЦІЙНИХ ОНЛАЙН-ПЛАТФОРМ

Метою дослідження є аналіз трансформації системи фінансового посередництва в умовах цифровізації як ключової визначальної тенденції, що формує сучасну глобальну економіку, та на визначення ролі онлайн-інвестиційних платформ як інноваційної форми фінансового посередництва між інвесторами й фінансовими ринками. На основі методів аналізу й синтезу, порівняльного аналізу, статистичного аналізу та кейс-стаді провідних міжнародних платформ (Interactive Brokers, eToro, Robinhood та Trading 212) виявлено ключові характеристики цифрових інвестиційних платформ, їхні відмінності від традиційних фінансових посередників і чинники, що сприяють демократизації публічного доступу до фінансових ринків, а також механізми, за допомогою яких ці платформи активно трансформують традиційні відносини фінансового посередництва. Отримані результати свідчать про те, що цифрові інвестиційні платформи суттєво знижують бар'єри входу на фінансові ринки завдяки мінімальним інвестиційним порогам, безкомісійній торгівлі та купівлі дробових акцій. Установлено, що застосування цифрових технологій, зокрема алгори-

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тмічних рекомендаційних систем, робо-advisors та автоматизованого аналізу даних підвищує ефективність інвестиційних послуг і сприяє більш персоналізованому та доступному інвестиційному досвідові для широкого кола користувачів. Водночас виявлено ключові ризики, зокрема кіберзагрози, регуляторну невизначеність і поведінкові чинники інвесторів, такі як надмірна торгівля, стадна поведінка та схильність до гейміфікації, що дедалі активніше впроваджується в сучасний дизайн платформ. Окреслено перспективи розвитку цифрового фінансового посередництва, зокрема в контексті інтеграції штучного інтелекту та розширення доступу до глобальних ринків. Особлива увага приділена потенціалові впровадження цифрових інвестиційних платформ на українському фінансовому ринку.

Ключові слова: фінансове посередництво, цифровізація, інвестиційні онлайн-платформи, fintech, демократизація інвестування, robo-advisory, дробові акції, кіберризики, фінансові ринки, регуляторне середовище

JEL Класифікація: G23, G20, O33, O16