JURNAL BISNIS DAN AKUNTANSI
Vol. 28, No. 1, June 2026, Page 21-34
Accreditation of Sinta 2 SK No. 72/E/KPT/2024

P-ISSN: 1410 – 9875
E-ISSN: 2656 – 9124
http://jurnaltsm.id/index.php/JBA

# THE MODERATING ROLE OF FINANCIAL LITERACY'S ON FINTECH, PAY-LATER, ATTITUDE AND CONSUMPTIVE BEHAVIOR AMONG MILLENNIALS

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Received: March 4, 2026; Revised: May 4, 2026; Accepted: June 5, 2026

***Abstract:*** *The rapid digitization of financial services, particularly "Buy Now, Pay Later" (BNPL) products like Shopee PayLater, raises concerns about unsustainable spending, especially among tech-savvy millennials. Grounded in a post-positivist philosophy, this study investigates whether financial literacy acts as a protective moderator, weakening the positive influence of general financial technology (FinTech) adoption and specific Shopee Pay-Later use on consumptive behavior. A prudential-financial attitude was incorporated as a direct antecedent to provide a holistic model. Data were collected via a structured survey from 150 purposively sampled millennials (aged 20-45) in Tanjung Priok, Jakarta, who are active digital commerce users. The hypotheses were tested using Partial Least Squares Structural Equation Modeling (PLS-SEM). The results confirmed that FinTech adoption, Shopee PayLater use, and financial attitude are all significant positive predictors of consumptive behavior. Crucially, financial literacy was found to be a significant negative moderator for the Shopee PayLater-consumption pathway, demonstrating its regulatory power in the context of targeted credit products. However, its moderating effect on the general FinTech-consumption link was not significant, suggesting that broad digital tool adoption may influence spending through channels beyond rational financial assessment. This nuanced outcome aligns with the post-positivist view that human behavior is complex and not fully determined by rational knowledge alone. These findings offer critical insights for policymakers and financial educators, indicating that literacy interventions may be most effective when specifically tailored to the mechanisms of popular BNPL services rather than digital finance in general.*

***Keywords*****:** Buy Now Pay Later (BNPL), Consumptive Behavior, Financial Literacy, Financial Technology (FinTech), Millennials.

## INTRODUCTION

The tectonic shifts induced by the digital era have profoundly redefined the financial services sector. Financial Technology (Fintech) has emerged as a disruptive force, fundamentally altering transactional paradigms and challenging the hegemony of traditional banking institutions (Alkhwaldi et al. 2022; Feyen et al. 2023; Al-Okaily et al. 2024). This evolution is characterized by the proliferation of agile, user-centered platforms that prioritize accessibility, efficiency, and integration into daily life.

At the vanguard of this adoption are millennials (Generation Y), a cohort born between 1981 and 1995, whose identities are deeply intertwined with digital connectivity (Brosdahl & Carpenter 2011; Aji & Adawiyah 2022; Widjojo et al. 2025). Their inherent comfort with technology positions them as the primary conduit through which Fintech achieves mainstream penetration, utilizing these tools for everything from micropayments to wealth management (Gomber et al. 2018; Prayoga et al. 2025). This generation expects financial services to be as seamless and mobile-integrated as social media—a demand Fintech is uniquely equipped to satisfy (Deloitte 2021; Al-Okaily et al. 2024).

Paradoxically, this convenience may come with a socioeconomic cost: the normalization of heightened consumptive behavior. Empirical data suggests a propensity among millennials to allocate a disproportionate share of their income to discretionary spending, often at the expense of savings and long-term investment (Utomo and Noormega 2020). The recent advent and rapid scaling of "Buy Now, Pay Later" (BNPL) platforms, such as Shopee PayLater, have intensified this dynamic. These services architect a psychological disconnect between acquisition and payment, offering immediate possession while deferring financial accountability (Ashby 2024)—a mechanism that can potentiate impulse spending (Bakar et al. 2025).

This research adopts a positivist paradigm to argue that such behavior is not merely anecdotal but a measurable objective reality (Saunders et al. 2023) . We posit that Fintech acts as a catalyst that systematically dismantles consumer self-control by mitigating the "pain of paying" (Prelec & Loewenstein 1998; Cornelli et al. 2023). Under this framework, we challenge the traditional assumption that financial literacy acts as a universal safeguard. Instead, we propose a "literacy-consumption paradox" where financial knowledge may paradoxically enable more strategic, high-volume spending in frictionless credit environments (Gerrans et al. 2022; de Vries et al. 2025).

**Fintech Adoption**

The theoretical foundation for the direct effects stems from the integration of Behavioral Economics and Technology Acceptance paradigms. The frictionless design of Fintech platforms, characterized by one-click payments and seamless integration, directly operationalizes the concept of reducing the pain of paying (Prelec & Loewenstein 1998; Kumar et al. 2024). This reduction in transactional friction lowers cognitive effort and weakens self-control mechanisms, thereby creating a direct pathway to increased consumption. Empirical support is found in studies by Cornelli et al. (2023) and Ashby (2024), which link digital payment architecture to impulsive purchasing. Furthermore, research in the Indonesian context by Pulungan and Febriaty (2018), observed a positive correlation between digital wallet usage and discretionary spending, providing localized precedent for H1.

**$H_1$: Fintech Adoption positively influences millennial consumptive behavior**

**Shopee PayLater Usage**

The hypothesis for Shopee PayLater (H2) is anchored in the specific "Buy Now, Pay Later" business model theory, which is engineered to stimulate demand by temporally decoupling the pleasure of acquisition from the financial consequence (Guttman-Kenney et al. 2023). This mechanism acts as a powerful behavioral nudge, effectively increasing a consumer's immediate purchasing power and reducing perceived budget constraints. Prior research consistently validates this effect; for instance, Gartenberg & Zenger (2023) found BNPL users exhibited higher basket values, while Amelia et al. (2023) and Ashby et al. (2025) identified a significant link between BNPL usage and unplanned spending among young Indonesian consumers, directly supporting H2.

**$H_2$: Shopee PayLater Usage positively influences millennial consumptive behavior.**

**Financial Attitude**

For Financial Attitude (H3), the hypothesis is grounded in the core Theory of Planned Behavior (Ajzen 1991; Kumar et al. 2024), which posits that attitude toward a behavior is a primary determinant of behavioral intention and subsequent action. A favorable attitude towards using credit for discretionary spending reflects a positive evaluation of such consumption, making its enactment more likely. This relationship is well established in financial behavior literature, where permissive credit attitudes have been shown to predict higher levels of consumption behavior and debt accumulation (Dewi et al. 2020).

**$H_3$: Financial Attitude positively influences millennial consumptive behavior.**

**Moderating Role of Financial Literacy**

The moderating hypotheses (H4 and H5) introduce a critical contingency based on Cognitive Evaluation Theory. They propose that the effect of a technological stimulus (Fintech or BNPL) on behavior is not uniform but depends on the individual's cognitive framework—their financial literacy. Traditionally, financial literacy is seen as a restraint (Lusardi & Mitchell 2023). However, in the context of accessible digital credit, an alternative perspective emerges from the work of Gerrans et al. (2022) and Cuttino (2025), who suggest that high literacy can enable more sophisticated, yet potentially more extensive, engagement with financial products. This implies a paradoxical moderation: financially literate individuals may not be immune to the consumption-stimulating effects of Fintech/BNPL; instead, they may leverage these tools with greater calculative confidence, potentially strengthening the positive relationship. Thus, H4 and H5 posit that the level of financial literacy will significantly alter (moderate) the strength of the relationships proposed in H1 and H2, making these effects contingent on the consumer's financial knowledge and skill.

**$H_4$: Financial Literacy moderates the relationship between Fintech Adoption and consumptive behavior.**

**$H_5$: Financial Literacy moderates the relationship between Shopee PayLater Usage and consumptive behavior**

In this context, the conventional role of financial literacy becomes increasingly ambiguous. Traditionally defined as the amalgamation of knowledge, skills, and attitudes necessary for sound decision-making (OECD 2024), financial literacy is championed as a bulwark against profligacy and a tool for effective debt management (Lusardi & Mitchell 2023; Hirdinis 2024). Supporting this view, prior literature suggests that literacy curtails credit use in traditional instruments—such as credit cards and personal loans—where interest costs and application barriers are salient (O'brien et al. 2024; Gilly et al. 2025). These studies reinforce the objectivist stance that financial knowledge acts as a universal restraint on high-risk borrowing behaviors.

However, a significant research gap exists regarding Buy Now, Pay Later (BNPL) services, which are characterized by zero-interest structures and frictionless user interfaces (Gerrans et al. 2022; Alt et al. 2024). This study fills this gap by proposing an alternative hypothesis: in a frictionless landscape, financial literacy may operate not as a restraint, but as an enabler. Specifically, it may equip consumers with the 'calculative confidence' to navigate digital credit more extensively, leveraging these tools to strategically manage cash flow rather than avoiding debt (Kumar & Nayak 2024). Consequently, this study exposes the context-contingent nature of financial literacy, establishing a critical boundary condition that has remained largely neglected in existing digital economy literature (Wang and Zhang 2025).

This study examines the millennial community of Tanjung Priok, North Jakarta, a demographic noted for its vigorous engagement in both digital and physical commerce (Munir 2022). Jakarta was selected as Indonesia's economic center, contributing approximately 17% to the national GDP and hosting the highest concentration of digital financial service users nationwide (Bank Indonesia, 2023). Unlike affluent districts such as South or Central Jakarta, Tanjung Priok occupies a strategic middle ground as North Jakarta's port and logistics hub, sustaining a large, economically active millennial workforce (BPS Jakarta Utara, 2023). Its population displays high digital transaction frequency despite moderate income levels, while its position at the crossroads of logistical commerce and digital infrastructure creates a transition zone where frictionless credit is expanding—but not yet saturated—offering natural variation for testing how financial literacy may shift from restraint to enabler during early-to-middle BNPL diffusion. Their pronounced digital fluency and reliance on mobile technology for transactions (Turiel & Aste 2020; Khan et al. 2024; Restike et al. 2024) render them an exemplary population for scrutinizing the tripartite relationship between Fintech tools, financial literacy, and contemporary consumption patterns. Therefore, this study aims to analyze the interconnected influences of Fintech's psychological architectures—specifically BNPL's role in normalizing micro-debt—and potential moderating effect of financial literacy on millennials' consumptive behavior. Crucially, this study posits financial literacy as a moderator of the relationship between Fintech/BNPL usage and financial attitudes. The research investigates the paradoxical drivers of millennial spending, arguing that the frictionless accessibility of digital credit—specifically Shopee PayLater—creates a behavioral bypass where the ease of transaction overrides the protective influence of financial literacy within the millennial demographic.

## METHOD

This investigation adopted a positivist research philosophy, utilizing a quantitative, survey-based approach to establish causal relationships among the defined constructs. The study setting was the Tanjung Priok District in North Jakarta, selected for its documented prevalence of digitally-engaged millennial consumers (Munir 2022;.Akbar et al. 2024).

The target population was circumscribed to millennials aged 20-45 residing in this area who are registered and active users of the Shopee PayLater service. A non-probability purposive sampling technique was applied, resulting in a final sample size of 150 qualified respondents. Primary data were gathered through a structured online questionnaire, hosted on Google Forms, which employed a five-point Likert scale to capture responses across all latent variables.

The data analysis proceeded using the variance-based Partial Least Squares Structural Equation Modeling (PLS-SEM) technique, executed with Smart-PLS 3.0 software (Kusumaningrum and Danibrata 2023). This method is appropriate for the study's objectives due to its ability to handle complex models with moderating effects and its suitability for prediction-oriented research with smaller sample sizes (Hair et al. 2021). The analysis followed a two-stage procedure: first, the reliability and validity of the measurement model were assessed, followed by an evaluation of the structural model to test the direct (H1, H2, H3) and moderating (H4, H5) hypotheses.

The core analytical focus was on testing whether Financial Literacy (M) significantly moderates the influence of Fintech Adoption (X1) and Shopee PayLater Usage (X2) on Consumptive Behavior (Y), alongside examining the direct effects of X1, X2, and Financial Attitude (X3) on the outcome variable. Bootstrapping procedures were employed to determine the statistical significance of all path coefficients and interaction terms.

**Table 1. Descriptive Statistics**

| Respondent Characteristics | Category | Frequency (n) | Percentage (%) |
|---|---|---|---|
| **Age** | 26–35 | 90 | 60 |
| | 36–45 | 60 | 40 |
| **Gender** | Male | 82 | 55 |
| | Female | 68 | 45 |
| **Education Level** | High school | 84 | 56 |
| | Higher education | 60 | 40 |

## RESULTS

The study yielded 150 valid responses from 200 distributed questionnaires, a robust 75% response rate that far exceeds established benchmarks for digital consumer research. As presented in Table 1, the sample was predominantly composed of young adults aged 26–35 years (60%), with a balanced gender distribution (55% male, 45% female). Regarding education, 56% of respondents had completed high school, while 40% held higher education qualifications. These characteristics confirm that Shopee PayLater appeals across diverse demographic groups (see Table 1).

Table 2 presents the descriptive statistics for all variables. Consumptive behavior (Y) peaked for appearance-driven purchases (M = 4.217; SD = 0.920) but was lowest for resisting promotional temptations (M = 3.793; SD = 0.985), indicating that visual triggers override price incentives. Furthermore, a distinct knowing-doing gap emerged regarding financial literacy (M): high general knowledge (M = 4.411; SD = 1.002) and strong BNPL understanding (M = 4.263; SD = 0.973) contrasted sharply with low debt management concern (M = 3.862; SD = 0.987), despite a stated future orientation (M = 4.231; SD = 1.127). This mismatch confirms that BNPL obligations are routinely deprioritized in financial planning.

This access-understanding gap extends directly to digital platforms. Fintech adoption (X1) excelled at ease of app launch (M = 4.370; SD = 1.027) but lagged significantly in registration guide clarity (M = 3.830; SD = 0.867). Similarly, Shopee PayLater usage (X2) peaked for basic app access (M = 4.510; SD = 1.020) yet fell short on the clarity of sales promotions (M = 3.972; SD = 0.986). Collectively, these findings reveal that while technological entry barriers are low, complex registration interfaces and ambiguous promotional information remain significant user hurdles (Table 2).

### Assessment of the Measurement Model

The validity and reliability of the reflective constructs were confirmed through rigorous testing. All indicator loadings exceeded the threshold of 0.70, demonstrating that each item is a reliable measure of its underlying construct (Hair et al. 2021). For each construct exceeded the 0.50 criterion, thereby establishing convergent validity (Rönkkö and Cho 2022). Discriminant validity was verified via the Fornell-Larcker criterion, as the square root of each construct's AVE was greater than its correlation with all other constructs.

The constructs demonstrated strong internal consistency, with Cronbach's Alpha and Composite Reliability (rho_a and rho_c) values all above the recommended threshold of 0.70. Convergent validity was established, as the Average Variance Extracted (AVE) for each construct was greater than 0.50 (Fornell and Larcker 1981). Furthermore, discriminant validity was confirmed using the Heterotrait-Monotrait (HTMT) ratio criterion, with all values below the conservative threshold of 0.85 (Henseler et al. 2015; Hair et al. 2024), indicating that each construct is empirically distinct.

**Table 2. Variable Descriptives**

| Variables | Indicator | Mean (M) | Standard Deviation (SD) |
|---|---|---|---|
| **Consumptive Behavior (Y)** | Purchases driven by appearance or advertisements | 4.217 | 0.920 |
| | Ability to resist promotional urges | 3.793 | 0.985 |
| **Financial Literacy (M)** | Financial knowledge | 4.411 | 1.002 |
| | Understanding of BNPL | 4.263 | 0.973 |
| **Fintech Adoption (X1)** | Ease of opening the application | 4.370 | 1.027 |
| | Clarity of registration guides | 3.830 | 0.867 |
| **Shopee PayLater Usage (X2)** | Application access | 4.510 | 1.020 |
| | Clarity of sales promotions | 3.972 | 0.986 |
| **Financial Attitude (X3)** | Strong future orientation | 4.231 | 1.127 |
| | Concern toward debt management | 3.862 | 0.987 |

**Evaluation of the Structural Model**

The structural model was evaluated for collinearity, predictive power, and model fit. All Variance Inflation Factor (VIF) values were below 5, indicating no critical multicollinearity issues among the predictor constructs. The model demonstrated a good fit with the data, as evidenced by a Standardized Root Mean Square Residual (SRMR) of 0.062 and a Normed Fit Index (NFI) of 0.907, both of which met established benchmarks (Hu & Bentler 2009). The model's explanatory power for the endogenous variable, Millennial Consumptive Behavior (MCB), is substantial, with an $R^2$ value of 0.620 and an adjusted $R^2$ of 0.606. This indicates that the model explains approximately 62% of the variance in consumptive behavior. Furthermore, the model's predictive relevance, assessed through Stone-Geisser's $Q^2$ test, yielded a value of 0.348, which denotes a large predictive capacity (Hair et al. 2022; Kumar et al. 2023).

The model fit was deemed acceptable based on a Standardized Root Mean Square Residual (SRMR) of 0.065 (saturated model) and 0.062 (estimated model), and a Normed Fit Index (NFI) of 0.912 (saturated model) and 0.907 (estimated model). These values meet established model fit requirements, as both the SRMR values are well below the conservative threshold of 0.08 and the NFI values exceed the common benchmark of 0.90 (Hu & Bentler, 2009;.Benitez et al. 2020).

**The Bootstrapping Analysis**

The analysis assesses the direct effects of fintech adoption ($X_1$), Shopee PayLater usage ($X_2$), and financial attitude ($X_3$) on millennials' consumptive behavior (Y), as well as the moderating role of financial literacy (M) on the $X_1 \rightarrow Y$ and $X_2 \rightarrow Y$ paths. Bootstrapping with 5,000 resamples was performed to determine the significance of each path. Figure 1 presents the structural model results from the bootstrapping analysis.

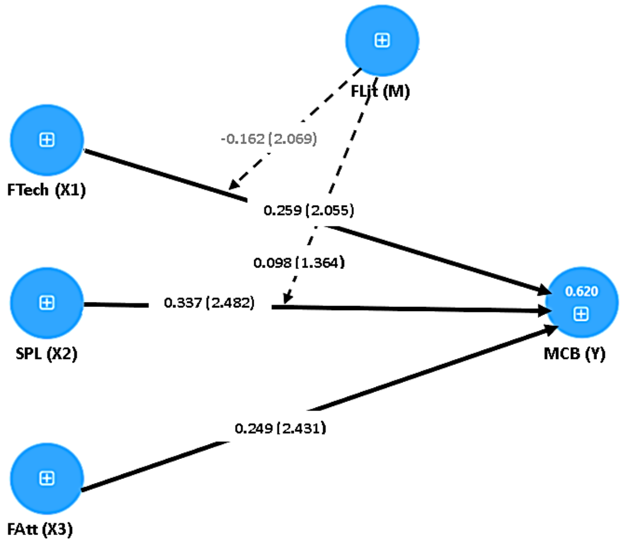


**Figure 1. PLS Model Bootstrapping Results**
*Source: Data processed by Smart PLS 4.0 (2023)*

The PLS-SEM bootstrapping results indicate that all direct relationships in the model are positive and significant. Financial Technology Adoption (X1) positively influences Millennial Consumptive Behavior (β = 0.259, t = 2.055), while Shopee PayLater Usage (X2) demonstrates the strongest effect among the predictors (β = 0.337, t = 2.482). Financial Attitude (X3) also has a significant positive effect on Consumptive Behavior (β = 0.249, t = 2.431).

Regarding the moderating effects, Financial Literacy (M) significantly moderates the relationship between Financial Technology Adoption and Consumptive Behavior, as indicated by the negative interaction coefficient (β = -0.162, t = 2.069). This result suggests that the positive effect of fintech adoption on consumptive behavior decreases as the level of financial literacy increases. In contrast, the interaction between Shopee PayLater Usage and Financial Literacy is not statistically significant (β = 0.098, t = 1.364), indicating that Financial Literacy does not moderate the relationship between Shopee PayLater Usage and Consumptive Behavior.

The structural model explains 62.0% of the variance in millennials' consumptive behavior ($R^2$ = 0.620), capturing nearly two-thirds of what drives their spending. Three key positive drivers emerge: fintech adoption, Shopee PayLater usage, and financial attitude. Shopee PayLater exerts the strongest influence, underscoring its unique capacity to stimulate consumption. Regarding moderation, financial literacy plays a conditional role: it significantly weakens the fintech-adoption link, acting as a protective buffer. However, this moderating effect does not extend to Shopee PayLater, suggesting that seamless design and deferred payment appeal override users' financial knowledge, rendering literacy ineffective as a safeguard.

Table 3 summarizes the PLS-SEM results. All fit indices (SRMR = 0.062; NFI = 0.907), reliability (α > 0.758), and validity (AVE > 0.625) confirm a robust model. Fintech adoption (β = 0.259) and Shopee PayLater usage (β = 0.337) drive consumptive behavior (H1, H2 supported), while financial attitude shows a positive effect (β = 0.249), contrary to expectations (H3 not supported). Financial literacy weakens the fintech-consumption link (β = -0.162; H4 supported) but does not moderate BNPL-consumption (H5 not supported). The model explains 62% of variance ($R^2$ = 0.620; $Q^2$ = 0.348).

**Table 3: Summary of Key Findings**

| Aspect | Finding | Interpretation |
|---|---|---|
| **Model Fit & Validity** | All reliability (α > 0.758), validity (AVE > 0.625), and fit (SRMR=0.062, NFI=0.907) metrics are excellent. | The measurement instrument is robust, and the proposed model fits the observed data well. |
| **Direct Effects (H1-H3)** | **H1 & H2 Supported:** Fintech (β=0.259) and Shopee PayLater (β=0.337) significantly increase consumption. **H3 Not Supported:** Financial Attitude shows a positive effect (β=0.249), contrary to the hypothesized negative effect. | Digital finance tools are potent drivers of spending. Attitudes in this context may enable rather than restrain consumption. |
| **Moderating Effects (H4-H5)** | **H4 Supported:** Financial Literacy weakens the Fintech-Consumption link (β=-0.162). **H5 Not Supported:** Literacy does not significantly moderate the Shopee PayLater-Consumption link. | Financial literacy acts as a buffer for general Fintech but is ineffective against the specific, powerful nudge of BNPL services. |
| **Overall Explanatory Power** | The model explains 62% of the variance in consumptive behavior ($R^2$=0.620) with strong predictive relevance ($Q^2$=0.348). | The integrated model of technology, psychology, and knowledge is highly effective in predicting millennial spending behavior. |

*Source: Data processed by Smart PLS 4.0 (2023)*

## DISCUSSION

Guided by a positivist and objectivist stance, the significant direct effects of Financial Technology Adoption and Shopee PayLater Usage are interpreted as empirical discoveries of objective causal relationships (Saunders et al. 2023). The finding that BNPL exerts the strongest influence robustly confirms the frictionless transaction paradigm as a measurable social fact, validating the theory that decoupling purchase from payment acts as a powerful behavioral nudge (Prelec & Loewenstein 1998; Ashby 2024).

Contrary to the hypothesized negative effect, the significant positive relationship between Financial Attitude and consumption presents a counterintuitive result. From the axiological principle of value-neutrality, this is reported as an objective empirical pattern that challenges conventional assumptions (Guba and Lincoln 1994). It suggests a measurable paradigm shift where, within the digital credit landscape, a "prudent" financial attitude may manifest as a strategic orientation toward spending (Gerrans et al. 2022).

The nuanced moderating role of financial literacy is a key finding revealed through systematic hypothesis testing. The significant negative moderating effect on the Fintech-Consumption path is interpreted as an empirical law that reaffirms literacy's traditional protective function (Lusardi & Mitchell 2023).

However, the non-significant moderating effect on the BNPL-Consumption path presents a stark contrast. This indicates that the engineered nudge of BNPL can override declarative financial knowledge, creating a measurable knowledge-behavior gap (Thaler and Sunstein 2021). This empirically challenges the assumption that generic financial literacy is a monolithic shield against all digital stimuli.

Theoretically, these empirically derived results advance a contingency model of financial literacy, showing its effectiveness is contextdependent (Hilgert et al. 2003). This calls for integrating behavioral economics more deeply into consumer finance models.

Practically, for policymakers and educators, these value-neutral findings suggest that conventional financial literacy programs may be inadequate compared with product-specific interventions such as BNPL, necessitating targeted educational modules (OECD 2020). For Fintech firms and regulators, the research highlights the objective effectiveness of BNPL design, informing discussions on ethical product design and consumer protection (Guttman-Kenney et al. 2023).

Acknowledged through the same positivist lens, this study's cross-sectional design limits causal inference (Creswell and Creswell 2023). Future longitudinal research is required. Furthermore, this paradigm's focus on measurable generalizations may overlook subjective experiences. Qualitative investigations from an interpretivist stance are needed to explore the cognitive and emotional processes behind the observed knowledge-behavior gap (Bryman 2016).

## CONCLUSION

This study, grounded in a positivist research paradigm, investigated the drivers of consumptive behavior among Indonesian millennials. The objectivist ontology that framed this work treats Fintech usage, financial literacy, and spending as measurable, objective realities. Guided by an empiricist epistemology, the research employed quantitative methods to derive knowledge from observable data, systematically testing hypothesized relationships. This commitment to value-neutrality (axiology) ensured findings were based on empirical evidence, providing an objective foundation for the following conclusions.

The analysis yields three primary findings. First, it empirically validates that digital financial tools act as potent catalysts for spending, with Shopee PayLater exerting the most significant influence. Second, a critical contingency is revealed: while financial literacy successfully buffers the effects of general fintech adoption, it fails to moderate the influence of Buy Now, Pay Later (BNPL) services. Third, the positive correlation between financial attitude and consumption suggests a fundamental shift in financial psychology within digital-native environments.

These findings introduce a "neutralization effect" to behavioral finance theory, suggesting that the frictionless nature of BNPL bypasses traditional rational filters. This challenges the Theory of Planned Behavior, as even high levels of financial literacy prove insufficient to override the psychological ease of digital credit. It suggests that in the digital economy, the speed of the transaction is a more powerful predictor of behavior than the knowledge of the consumer.

For fintech providers and regulators, these results necessitate a shift from transparency to intervention. Platforms should implement cognitive speed bumps—mandatory pauses or clear debt-visualizations—at the point of sale to re-engage the user's rational decision-making. Regulators, specifically within Indonesia’s OJK, should move beyond general literacy campaigns and focus on targeted credit-limit policies that address the unique psychological triggers of BNPL usage among millennials.

These conclusions carry significant implications. For policymakers and educators, they highlight the need for financial literacy programs to specifically address product-based behavioral nudges like BNPL. For the Fintech industry and regulators, the findings underscore the importance of ethical product design and transparent communication. Ultimately, this study provides a robust, empirically derived framework for understanding digital consumption, advocating for consumer protection strategies as sophisticated as the technologies they aim to govern.

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