

BEHIND THE RISE OF PAYLATER: INNOVATION MEETS FINANCIAL RISK

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Abstract

The objective of this study is to analyze the role of paylater services as a financial innovation, focusing on their growth, benefits, and the emerging risks they pose. This research employs a literature review approach, utilizing published academic sources, industry analyses, and regulatory frameworks. The findings reveal that although paylater systems enhance purchasing convenience and promote financial inclusion, they also raise concerns regarding consumer overspending, repayment defaults, and insufficient regulatory clarity. A limitation of this research is that it does not involve primary data collection or real-time consumer insights. The results of this study are relevant for stakeholders in the areas of financial technology, digital consumer behavior, and policy development in the digital economy.

Keywords: Paylater, Financial Technology, Literature Review

1. INTRODUCTION

Entering the digital era, where all sectors are competing to provide convenience and comfort in delivering services, one example is the payment sector or the buy now, pay later method. This payment method allows us to enjoy the benefits of products we desire without having to pay upfront or involves a type of debt that is gaining popularity across various demographics, commonly referred to as PayLater. With its innovative features offering numerous conveniences, PayLater is believed to enhance financial literacy and inclusion for the Indonesian population (Kurniawan et al., 2021).

Not only in e-commerce or online stores, but even mobile top-ups and bill payments can now be made using the buy now, pay later method. E-commerce platforms are competing to offer PayLater as a payment option, aiming to make it easier for customers while also boosting purchasing power (Sari, 2021).

Currently, people rarely carry cash and prefer payment methods that are as simple as possible. This trend has become more widespread after the COVID-19 pandemic, during which cashless transactions became the norm. For these reasons, many individuals have chosen PayLater as their preferred payment method (Budiman et al., 2023). Indeed, this method seems very appealing and helpful for society, but the excessive use of PayLater without considering family planning or financial budgeting can lead to bankruptcy and failure in managing finances. The Buy Now, Pay Later (BNPL) business model is an innovative approach to installment loans that allows customers to receive the purchased goods immediately, with or without a down payment, and pay later (Safira & Hasan, 2023). While BNPL offers convenience, it can also create financial strain if not carefully managed (Rossa, 2022), as users may accumulate debt without proper

consideration of their ability to repay in the future. This underscores the importance of financial literacy and planning when using such payment methods. (Kurniasari et al., 2023)

This service has experienced significant growth as a new type of consumer credit offered by various fintech companies around the world, such as Affirm in the United States, Klarna in Sweden, Afterpay in Australia, as well as Ant and Tencent in China, including in Indonesia. In the e-commerce landscape of Indonesia and Malaysia, the PayLater service provides significant benefits to consumers who do not have credit cards and would opt to use the PayLater service for shopping (Prasetyani et al., 2024),(Putri & Iriani, 2020).

The presence of fintech contributes positively to society by providing innovative solutions for financial services, one of which is through the paylater feature. This service allows consumers to postpone payment for their consumption costs until a certain time, while also providing easy access to installment credit facilities without the need to go through the complex banking process. (Fitriyah & Nadlifatin, 2024). Paylater payments are typically available with a minimum of 1 month and can extend up to 2 years or 48 months for certain types of products, depending on the payment period options offered by e-commerce platforms or other payment applications. Some terms include options such as 1 month with zero interest, while others apply interest rates, which are relatively low, ranging from 1-4.80% per month. Research indicates that the paylater feature has a strong relationship with product variables (with a correlation value of 0.72 based on the Pearson Correlation Coefficient/PCC) and transactions (with a value of 0.41 according to Matrix Coding/MC). As a result, many consumers rely on paylater to meet their transaction needs. This highlights the strategic role of paylater as a relevant financial innovation in supporting consumer shopping activities in the modern era (Fitriyah & Nadlifatin, 2024).

The paylater era has even expanded into applications for purchasing flight tickets, hotel bookings, and vacations, such as Traveloka, which offers interest rates ranging from 2.55% to 4.80% per month with a flat interest rate each month. Additionally, transportation service platforms like Gojek have also implemented paylater as a payment method. While this is certainly appealing and convenient, excessive use of paylater can lead to difficulties when the monthly payment amounts increase. In such cases, individuals may struggle and often resort to a "borrow from Peter to pay Paul" approach to settle their bills. Some even turn to online loans (pinjol) because they are unable to pay off their paylater bills. This is essentially a new payment method with a credit card scheme, similar to what was commonly used in the past. Late paylater payments can also create a new problem, as prolonged delays can lead to debt collectors arriving in the field to collect payments, often using methods that can cause distress among the public.

The lack of financial literacy regarding the wise use of paylater services is still a significant issue. One study has shown that individuals with good financial literacy tend to be more cautious when using paylater services. They are more likely to manage their spending responsibly and avoid overusing such services, ensuring they don't fall into debt or face financial difficulties due to mismanagement of their paylater accounts (Chernovita, 2020). In addition, good financial planning plays a crucial role in preventing individuals from falling into excessive paylater debt. Furthermore, desires and lifestyles that are not aligned with one's income are another factor that makes people vulnerable to falling into paylater debt. Research has shown that the motivation behind shopping using paylater services generally includes both utilitarian values (focusing on practical benefits) and hedonic values (focusing on enjoyable experiences). This combination of practical and emotional drivers often leads consumers to use paylater services without fully considering the financial consequences, potentially resulting in excessive debt.(Syifani & Mustika, 2024) It is no surprise that nowadays, people are encouraged to take on debt to meet their needs, as there are many conveniences and comforts offered in the payment process. However, in financial planning, individuals are advised to prioritize their purchases rather than engage in panic buying or impulsive buying. Impulsive buying is recognized as excessive behavior driven by temporary feelings of excitement and satisfaction (Saputra & Sudarwanto, 2023). This behavior often leads to unplanned spending, which can result in

financial strain, especially when using services like paylater without careful consideration of one's financial situation. (Natswa, 2021). In addition to the factors mentioned above, consumers who experience FOMO (Fear of Missing Out) are more likely to follow the latest trends. This perception drives them to make impulsive purchases in order to keep up with what's popular. In fact, around 60% of millennial consumers make a purchase within 24 hours after feeling FOMO, further highlighting how this emotional trigger influences spending behavior. This impulsive buying, often facilitated by paylater services, can lead to unplanned debt and financial difficulties when not managed carefully. (Djamhari et al., 2024)

Overall, while PayLater offers convenience and flexibility in transactions, it is important to balance this comfort with awareness of the potential financial risks that may arise. Further research into consumer behavior, patterns of PayLater usage, and the psychological factors influencing purchasing decisions can help create a healthier financial environment for users in the future. This research could lead to better understanding and management of paylater services, ultimately promoting more responsible usage and preventing financial strain.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

The rise of PayLater as a modern financial solution marks a significant shift in how consumers interact with credit and payment systems. Originally introduced as a means to enhance convenience in online transactions, PayLater has now expanded across various sectors, including e-commerce, digital bills, travel, and even ride-hailing platforms. Its popularity is driven by its ability to offer instant access to goods and services with deferred payments, minimal administrative processes, and increasingly flexible payment tenors. In many developing countries, this system has also helped fill the gap for consumers without access to traditional banking or credit card facilities.

The COVID-19 pandemic played a pivotal role in accelerating the use of digital financial services, especially contactless and installment-based payments. PayLater became a preferred choice for many consumers seeking flexible financial options during times of economic uncertainty. Its integration into mobile applications and online marketplaces has further supported its rapid adoption, especially among younger generations who prefer fast and seamless digital services.

While PayLater is often seen as a financial innovation that promotes inclusion and purchasing power, it also raises a number of concerns. One of the most significant issues is the potential for excessive consumer debt, as users may be tempted to spend beyond their means. Behavioral tendencies such as impulsive buying and emotional triggers like fear of missing out (FOMO) have also been linked to the frequent use of PayLater, contributing to unplanned and unmanaged financial commitments. Additionally, the absence of proper financial literacy and budgeting skills among users increases the risk of default, which can eventually lead to financial instability.

From a regulatory standpoint, the rapid growth of PayLater services has not always been matched by the development of consumer protection policies. In some cases, unclear contract terms, interest rates, or late payment penalties may place consumers at a disadvantage. Furthermore, the aggressive debt collection methods used by some providers in the absence of clear regulations have raised concerns about ethical business practices and the need for tighter oversight.

Previous research has extensively explored the benefits of PayLater services, including increased consumer convenience, higher transaction volume, and expanded market access for digital platforms. Other studies have focused on user behavior, identifying patterns of emotional spending, psychological motivation, and the role of digital marketing in promoting the use of deferred payment systems. Several works have also emphasized the importance of financial education and awareness in preventing misuse of PayLater and similar credit facilities.

Despite these contributions, there remains a gap in understanding the holistic interaction between PayLater's technological innovation and its embedded financial risks. Much of the existing literature treats these aspects separately—either highlighting the advantages of financial technology or analyzing its potential

drawbacks in isolation. Few studies have examined how these factors coexist and influence each other within the context of real-world usage.

This study seeks to fill that gap by analyzing PayLater not only as a digital innovation but also as a financial risk factor. It will explore how consumer behavior, emotional tendencies, financial planning, and regulatory absence intersect in shaping the impact of PayLater usage. Through this approach, the research aims to offer a more integrated perspective that can guide stakeholders in developing more responsible, inclusive, and sustainable financial ecosystems.

3. RESEARCH METHODOLOGY

To gain a comprehensive and in-depth understanding of previous research in a particular field, a systematic approach is required in analyzing academic journal publications. This involves reviewing and synthesizing existing studies, identifying key themes, trends, and gaps in the literature, and critically evaluating the methodologies and findings of previous research. By doing so, one can build a solid foundation for further investigation and contribute to advancing knowledge in that area. (Maidah et al., 2024) . This study uses a systematic methodology to analyze existing literature on the benefits and challenges of financial technology, specifically paylater or BNPL (Buy Now Pay Later). The goal is to identify weaknesses in the research that has been conducted and provide recommendations for future studies. By systematically reviewing relevant studies, this research aims to contribute valuable insights into the evolving landscape of financial technologies, highlighting areas for improvement and further investigation.

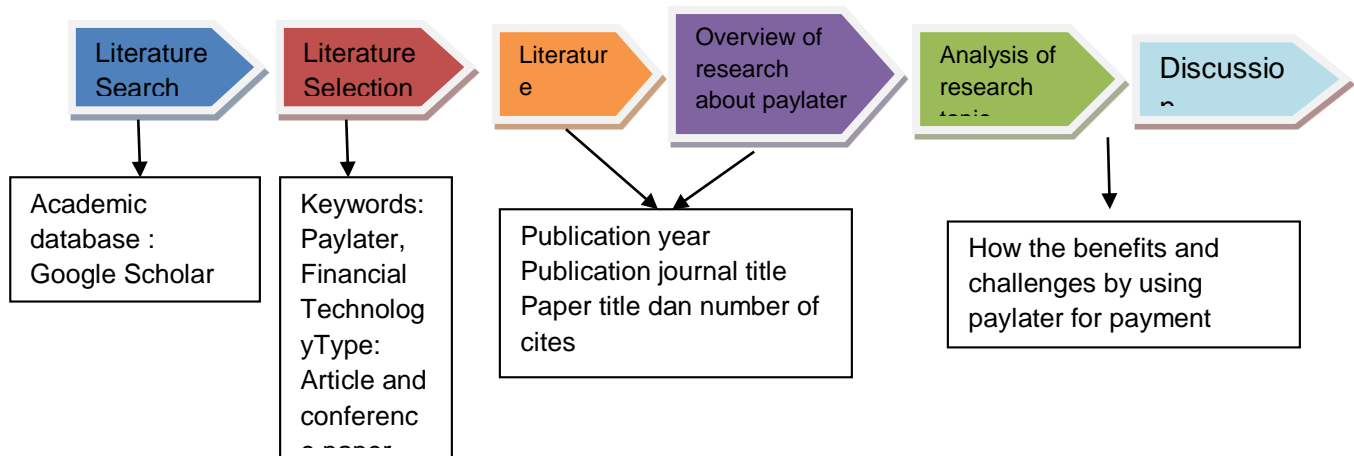


Figure 1. Flow of overall research framework

The research method applied in this article is a literature review, utilizing data collection through Publish or Perish. The articles obtained are from Google Scholar and Scopus, with a publication date range of 2020-2024. The search focuses on the keywords "PayLater" and "financial technology." This approach aims to evaluate recent studies on the benefits and challenges of PayLater as a payment method, as well as other influencing factors, through the review of the collected articles.

4. RESULTS AND DISCUSSIONS

This research focuses on an in-depth review of studies related to financial technology, specifically PayLater. The process of identifying relevant articles on this topic was conducted in two different ways. First, a search was made by filtering titles and abstracts of articles using relevant keywords in the Google Scholar and Scopus databases. The next search was based on articles published between 2020 and 2024.

In the initial search using the keywords "financial technology" and "paylater," 99 articles were found on Google Scholar and 29 on Scopus, including articles and proceedings. To narrow down the selection, only articles and proceedings that had been cited were considered, resulting in 29 Google Scholar articles with a minimum of 10 citations and 10 Scopus articles with citations, which were further analyzed.

Table 1: Research Outcomes Table Google Scholar

Authors	Title	Year and cites	Findings
AA Bakri et al	The Application of UTAUT Modified Model to Analyze the Customers Use Behavior of Shopee Paylater	2023 – 167 sitasi	The efficiency and convenience of Shopee Paylater enhance its appeal.
HJ Asja et al	Pengaruh Manfaat, Kemudahan, dan Pendapatan terhadap Minat Menggunakan Paylater: Studi Kasus Masyarakat di DKI Jakarta	2021 – 129 sitasi	The perception of benefits and the convenience of the service have a significant impact on the intention to use PayLater.
P Gerrans et al	Fintech and responsibility: Buy-now-pay-later arrangements	2022 – 85 sitasi	Low financial literacy tends to increase the use of BNPL and reduce awareness of its risks.
B Guttman-Kenney et al	Buy now, pay later (BNPL)... on your credit card	2023 - 64	There is a need for stronger regulatory oversight in the BNPL sector to protect consumers from long-term negative impacts.
V Eviana et al	Analisis Faktor-Faktor yang Memengaruhi Minat Penggunaan Sistem Pembayaran Pay Later	2022 - 58	The perceived benefits and ease of use have a significant impact on consumers' interest in using paylater systems. Additionally, promotions are considered a key supporting factor.
LD Hilmi	Paylater Feature: Impulsive Buying Driver For E-Commerce In Indonesia	2021 - 50	This feature makes it easier for consumers to manage financial challenges, but on the other hand, it can also increase the risk of excessive consumption, particularly among younger generations.
SL Natswa et al	Buy-Now-Pay-Later (BNPL): Generation Z's Dilemma On Impulsive Buying And Overconsumption Intention	2021 - 50	The emergence of BNPL is an innovation in payment methods, but it carries the risk of excessive consumption among younger generations who are not yet earning an income.
S Permata et al	Perlindungan Hukum Terhadap Pengguna	2022 - 38	The lack of consumer protection for users of the Shopee Pay Later app.

Authors	Title	Year and cites	Findings
	Aplikasi Shopee Pay Later		
GP Adirinekso et al	Measurement Of Performance, Effort, Social Influence, Facilitation, Habit And Hedonic Motives Toward Pay Later Application Intention: Indonesia Evidence	2020 -32	Factors such as performance expectations, ease of use, social influence, facilitating conditions, habits, and hedonic motives contribute to users' intention to use paylater services.
R Relja et al	Understanding The Psychological Determinants Of Buy-Now-Pay-Later (BNPL) In The UK: A User Perspective	2024 - 25	BNPL has become a popular transaction method for people in the UK, but it also carries risks such as excessive consumption, financial burden, and a lack of awareness about long-term consequences. Therefore, education and regulation are needed for its use.
F Fajariah et al	Application of Principal Component Analysis and Maximum Likelihood Estimation Method to Identify the Determinant Factors Intention to Use of Paylater in E-Commerce	2023 - 21	The perception of benefits, risks, and the influence of promotions have a strong correlation with the decision to use Paylater.
F Cuandra et al	The Effect Of Paylater Payment Method Used In Online Impulsive Buying In Batam City	2022 - 21	Paylater services play a significant role in increasing impulsive purchases, especially among younger generations.
M Wijayanti et al	The influence of financial literature, benefits, easy and income on interest in using shopee paylater (study on milenial generation, Bekasi regency)	2022 - 18	Financial knowledge affects attitudes toward this service, while factors such as ease of use and income have a smaller impact among millennials.
R Parameswari et al	The Effect Of Paylater Payment Methods On The Increase Of Impulse Purchases	2022- 17	The Buy Now, Pay Later model encourages consumers to make purchases without immediate financial commitment, which can lead to overconsumption. This study highlights the psychological impact

Authors	Title	Year and cites	Findings
			of this payment method, particularly on younger, tech-savvy consumers.
GKS Tan et al	Buy What You Want, Today! Platform Ecologies Of 'Buy Now, Pay Later'services In Singapore	2022 - 17	This study demonstrates how BNPL, while catering to materialistic consumption, actually creates a new form of debt through its automatic system, resulting in a generation of users who are more financially dependent.
RCEE Rompas et al	Buy Now, Pay Later: Determinants Of Pay Later Service Affecting The Lifestyle Of Society	2020 -16	The research findings indicate that the benefits of transactions and discounts have a significant impact on students' lifestyles, whereas transformational advertising does not have a significant effect.
S Lestari et al	The Influence Of Using ShopeePay And Shopee Paylater Features On Shopee User Purchasing Decisions During The Covid-19	2021 – 15	ShopeePay and Shopee PayLater influenced users' purchasing decisions on Shopee during the COVID-19 pandemic.
H Fajrussalam et al	Persepsi Masyarakat Terhadap Paylater Dalam Online Shopping	2022 – 14	This study focuses on the outcome that, although Paylater offers benefits and convenience, it still contradicts Islamic law.
F Aprilianty et al	The Impact Buy Now Pay Later Feature Towards Online Buying Decision In E-Commerce Indonesia	2022 -14	Perceived usefulness and perceived ease of use have a positive influence on the intention to use Buy Now Pay Later (BNPL).
EA Sari et al	Pengaruh Penggunaan Shopee Paylater Terhadap Perilaku Konsumtif Mahasiswa Muslim	2023 – 14	This study shows that the use of paylater influences consumer behavior among students.
N Surya et al	Pengaruh Literasi Keuangan Dan Financial Self-Efficacy Terhadap Risky Credit Behaviour Dalam Penggunaan Paylater	2023 -14	The research findings show that both objective financial literacy and subjective financial literacy have a positive and significant impact on financial self-efficacy. Financial self-efficacy, in turn, has a significant negative effect on risky credit behavior.

Authors	Title	Year and cites	Findings
Y Pratika et al	UTAUT Model: Identifying The Driving Factors Of The Intention To Use Paylater	2021 – 12	The main factors influencing the intention to use Paylater services are performance expectancy and facilitating conditions.
AA Setiawan et al	Analysis Of Intention To Use On Pay Later Payment System During COVID-19 Pandemic	2022 – 12	Factors such as perceived usefulness, perceived ease of use, trust, and self-efficacy play a significant role in the intention to use the BNPL system.
S Soni et al	Regulating Buy Now, Pay Later	2023 – 11	In the context of the United States, the Consumer Financial Protection Bureau (CFPB) has announced plans to align the treatment of BNPL with existing credit card regulations.
A Agrawal et al	Why Do Many Consumers Prefer To Pay Now When They Could Pay Later?	2020 – 11	Cash payments, debit cards, and online banking represent a preference for paying now, while credit cards and loans are more aligned with the desire to pay later.
D Widyaningrum et al	Tipologi Financial Technology Paylater: Technology Acceptance Model (Tam)	2023 – 10	The main factors influencing the use of fintech paylater are perceived usefulness, perceived ease of use, and attitude toward using.
HP Chernovita et al	The Role Of Financial Literacy To Suppress Temptation Of Using Paylater Service	2020 – 10	The study results show that individuals with higher financial literacy are better at managing their finances and are more prudent in choosing to use such services.
B Constansje et al	The Effects Of Financial Literacy, Self-Efficacy, And Financial Stress On Risky Credit Behavior Of Generation Z: Evidence From Pay Later Users	2023 - 10	Higher financial literacy is associated with lower and more prudent credit behavior.
RM Al-Mahbubah et al	The Frame Of Sharia Economic On Paylater Payment System	2021 – 10	This study finds that the PayLater system is easy for consumers to follow due to its simple and practical instructions. However, in the context of Islamic law, the system faces criticism because it involves elements of riba (interest) and gharar (excessive uncertainty).

Table 1 provides a summary of the article from google scholar with keywords financial technology and paylater which will be get a deep analyze

A review of 29 articles from Google Scholar shows similar findings regarding the benefits of PayLater usage, particularly its ease of use and convenience. However, many studies indicate that the presence of PayLater has led to more consumerism, increasing both short- and long-term financial risks. The younger generation, on average, faces higher risks due to a lack of financial literacy and poor decision-making when managing finances and prioritizing needs. Additionally, the use of PayLater is influenced by hedonistic lifestyles and the fear of missing out (FOMO), which are common in society today. This behavior can lead to unwise decisions when taking out credit. Users with higher financial literacy tend to use PayLater more responsibly, as they are more cautious and aware of the potential long-term risks. In terms of religious perspectives, PayLater usage is still seen as contradictory to certain legal and religious principles. Furthermore, the lack of adequate security protections for PayLater users remains an issue due to the absence of strict regulations, which has led to cases of financial crimes related to technology.

Table 2: Research Outcomes Table Scopus

Authors	Title	Cites	Findings
Y Kurniawan et al	Analysis Of The Effect Of Usefulness, Ease Of Use, And Security Perception On Intentions To Use The Paylater Application	5	By improving usability and demonstrating tangible benefits, paylater services can enhance user engagement and loyalty
Y Arisandy et al	Buy Now Pay Later Services On Generation Z: Exploratory Data Analysis Using Machine Learning	4	It emphasizes the importance of educating Gen Z users about managing their financial commitments and the risks involved in BNPL schemes.
T Nur et al	The Influence Of Attitude Toward Behavior, Subjective Norms, Perceived Behavioral Control On The Behavioral Intention Of Using Paylater Apps Moderated By Financial Literacy And Hedonic Value	4	Consumers with higher financial literacy are better able to manage their use of financial technologies and may make more informed decisions. The pleasure or enjoyment derived from using the service can influence the decision to use PayLater apps, with consumers who find the service enjoyable being more likely to use it
H.P. Chernovita et al	The Role Of Financial Literacy To Suppress Temptation Of Using Paylater Service	4	It highlights that individuals with higher financial literacy are better equipped to manage their finances and are less likely to fall into the temptation of using Buy Now, Pay Later (BNPL) services impulsively. The research emphasizes the importance of financial education in helping individuals understand the long-term consequences of such services, which can often lead to financial distress due to deferred payments.

Authors	Title	Cites	Findings
S.R. Basana et al	The Effect Of Excessive Social Networking Sites On Credit Overuse Behavior Through Money Trust, Money Anxiety, And Money Power	2	The research highlights the importance of reflective and responsible use of social media, which can mitigate negative effects on work, family life, and financial habits.
C. Budiman et al	The Effect Of Paylater On Purchase Decision And Continuance Intention In Generation Z At Gofood Application	2	The study highlights how perceived ease of use and perceived security of Paylater significantly influence purchase decisions
N. Dominic et al	Decision Theory And Risk Simulation Analysis For Optimizing Profit In Paylater Services	2	The study combines theoretical approaches with practical simulations to present a robust decision-making framework for fintech companies launching PayLater services
A.A. Setiawan et al	Analysis Of Intention To Use On Pay Later Payment System During COVID-19 Pandemic	2	The research highlights how, during the pandemic, economic uncertainty led to an increase in the use of BNPL services, as consumers sought flexible payment options.
H. Hidayat et al	Factors That Influence Customer Intention To Use Buy Now Pay Later (BNPL) In Indonesia	1	The study highlights how perceived ease of use impacts perceived usefulness, creating a cycle that drives higher adoption rates of BNPL among consumers in Indonesia.
F. Kurniasari et al	Identifying Determinant Factors Influencing User's Behavioral Intention To Use Traveloka Paylater	1	The study suggests that Traveloka Paylater's growth can be attributed to its similarity with familiar credit systems and the promotions offered, like discounts. However, for wider adoption, especially among older generations, the platform should simplify registration processes and enhance user education. This research points to the necessity of addressing security concerns and improving the user interface to cater to a broader demographic and boost Paylater usage

Table 2 provides a summary of the article from scopus with keywords financial technology and paylater which will be get a deep analyze

Similar findings in articles from Google Scholar and Scopus indicate that PayLater has had a positive impact on financial technology innovation, particularly in payment methods. The widespread use of PayLater and cashless payment systems became prominent during the COVID-19 pandemic and has continued to grow and evolve. PayLater offers convenience and speed in payment processes by leveraging technology. However, its misuse can negatively impact financial planning. Financial literacy is crucial, especially for

the younger generation, as they tend to engage in impulsive buying and may not be fully aware of the long-term risks they could face.

5. CONCLUSION

A comprehensive review of research from 2020 to 2024 using articles from Google Scholar and Scopus highlights several conclusions regarding the benefits, drawbacks, and challenges of the PayLater service, as follows:

Benefits:

1. **Convenience and Usefulness:** PayLater offers convenience in transactions, allowing consumers to make purchases without immediate payment, providing comfort, especially for the younger generation and tech-savvy users.
2. **Increased Purchasing Access:** PayLater enhances consumers' purchasing power, particularly for products that cannot be paid for upfront, supporting a more flexible and dynamic lifestyle.
3. **Payment Flexibility:** With adjustable payment systems, consumers can arrange installments according to their financial capabilities, which is particularly beneficial in difficult financial situations.

Drawbacks:

1. **Excessive Consumerism:** This service may encourage consumers to spend more than they should, especially among young users who may not fully understand the long-term impact of using this service.
2. **Financial Risks:** Dependence on PayLater can add financial burdens, such as debt accumulation, particularly for those with unstable income or limited financial knowledge.
3. **Lack of Consumer Protection:** Some consumers may not receive adequate protection against risks, especially if there is insufficient education on debt management and interest rates.

Challenges:

1. **Criticism in the Context of Islamic Law:** From an Islamic legal perspective, PayLater may face issues related to practices such as usury (riba) and uncertainty (gharar), which conflict with Sharia principles.
2. **Limited Financial Knowledge:** Users with low financial literacy may not fully realize the long-term impact of using the service, potentially leading to long-term financial problems.
3. **Insufficient Regulation:** Some countries, like the United States, are working to implement stricter regulations on BNPL services, but there are still challenges in providing adequate consumer protection globally.

LIMITATION AND STUDY FORWARD

This study relies entirely on a literature review approach and is limited to secondary data obtained from academic databases such as Google Scholar and Scopus within the publication range of 2020–2024. As such, the analysis may not fully capture recent developments in real-time user behavior or emerging regulatory changes beyond the literature reviewed. Additionally, this study does not incorporate primary data, such as surveys or interviews, which could provide deeper insights into the psychological or emotional factors influencing PayLater usage across diverse demographic segments.

For future research, it is recommended to conduct empirical studies involving consumer surveys, focus group discussions, or behavioral experiments. These approaches would allow researchers to explore the dynamic relationship between financial literacy, impulsive behavior, and actual user experiences with PayLater services. Furthermore, comparative studies across different countries or regions could offer a broader perspective on how cultural, legal, and economic contexts affect the adoption and risks associated with PayLater systems. The integration of machine learning or sentiment analysis to examine social media discussions about PayLater could also uncover emerging consumer trends and sentiments in real time.

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