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The Role of Trust and Financial Literacy on Intention to Use Services *Buy-Now-Pay-Later* with Approach *Extended Theory of Planned Behavior Model*

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Abstrak: The Buy Now Pay Later (BNPL) service is a fintech innovation that allows consumers to purchase with delayed payments. Its popularity is increasing with the growth of e-commerce and the need for flexible payments, but understanding the factors that influence usage intentions remains limited. This research analyzes the influence of trust and financial literacy on intentions to use BNPL in Indonesia using an approach *to the Extended Theory of Planned Behavior*. The study was conducted quantitatively on 405 respondents and analyzed using *Partial Least Squares-Structural Equation Modeling* (PLS-SEM), including *Multigroup Analysis* (MGA) based on gender and financial literacy level. The results show that trust significantly affects attitudes and intentions to use BNPL. In contrast, financial literacy does not directly impact intentions but influences attitudes, beliefs, and perceived behavioral control. Multigroup analysis shows that *subjective norms are* more influential on women's intentions, and *privacy concern* influences attitudes more in individuals with low financial literacy. These findings emphasize the importance of building trust and increasing financial literacy to encourage the wise use of BNPL. Practical implications are aimed at industry players and regulators in designing educational strategies and consumer protection policies.

Keyword: *Buy Now Pay Later, Intention To Use*, TPB, *Trust, Privacy Concern*.

INTRODUCTION

E-commerce is currently popular and has become an application that can meet consumer needs. With the increasing use of e-commerce applications, various innovations and facilities are provided by service providers and e-commerce platforms (e-Conomy SEA, 2021). *Buy-Now, Pay-Later* (BNPL) is one of these features that has become popular among Indonesian consumers. *Buy-Now, Pay-Later* is a credit product *fintech* that allows consumers to postpone payments and pay later. (Guttman-Kenney et al, 2023). Consumers who need short-term cash find BNPL a suitable option because BNPL enables them to obtain needed goods and services by paying for them later (Mastercard, 2021). Therefore, the payment method (BNPL) is increasingly popular among consumers, especially young people, because it offers an alternative to conventional credit cards.

BNPL's market share in payments *e-commerce* in 41 countries worldwide from 2016 to 2023 shows significant growth. At first, BNPL's market share was still relatively small compared to traditional payment methods such as credit cards. However, with technology and services in fintech development, BNPL is taking a larger share of total e-commerce payments. Based on Statista data (2024), Sweden has the largest BNPL market share, namely 21%, followed by Germany, Norway, and Australia. The BNPL market share in Indonesia is 3%, but in Southeast Asia, Indonesia has the second-largest BNPL market share after Malaysia. Kredivo and Katadata Insight Center (2023) surveyed the usage *of pay later* in Indonesia. According to the survey results, 6,403 users paid *later*, and 39.9% use this service more than once a month. In 2023, a survey conducted by Kredivo recorded that users' pay *later* on the application *e-commerce* has increased to 45.9% in 2023 compared to the previous year, where it was only 28.2% (Kredivo & Katadata Insight Center, 2023).

Digital payment methods in Indonesia include several options: *e-wallet, mobile/internet banking, pay later*, QRIS, and *virtual account*. *E-wallets* have become the leading choice for Indonesian consumers when using digital payment methods. Still, apart from that, mobile/internet banking and pay later are also the choices of Indonesian consumers when using digital payment methods. Based on Stasista, users *pay a later* amount of 25% of digital payment method options (Stasista, 2024). Apart from that, in Indonesia, the use of BNPL is increasing every year, where in 2022, only 3% of BNPL use was in *e-commerce*. However, it is estimated that in 2024 and 2027, the use of BNPL will increase to 6% and 7% in Indonesia. Based on research conducted by Kredivo and Katadata Insight Center (2024), using BNPL payment methods is increasingly popular, with 70.5% of consumers using BNPL services to shop online in the last year, up from 69.4% the previous year. This increase was driven by promotions such as discounts and *cashback* that attracted consumer interest.

BNPL services are increasingly popular in Indonesia as people's interest in flexible payment methods increases. Some of the BNPL platforms that are popular in Indonesia are Akulaku, Atome, GoPaylater, Home Credit, Indodana, Julo, Kreditmu, Kredivo, ShopeePaylater, Traveloka Paylater, and Vospay. Of the many brands competing in the market, ShopeePayLater has emerged as the best known and most widely used by the public. Based on a report from Populix (2023), as many as 89% of respondents named ShopeePayLater as *top of mind*, far outperforming GoPay Later (50%), Kredivo (38%), Akulaku (36%), and other brands. Not only that, ShopeePayLater is also the BNPL service most frequently used by respondents, 77% of whom use it. This usage is also higher compared to GoPayLater (28%), Akulaku (18%), and Kredivo (14%). This data shows that ShopeePayLater has a strong position in the market and is the leading choice for service users to pay *later* in Indonesia. BNPL service users mainly use this service to cover expenses such as internet data packages/credit, credit card payments, electricity bills, and fashion purchases. In addition, from the results of research conducted by Populix, BNPL users consider using certain brands of BNPL services because they provide access to the market and operate under the supervision of the OJK (Financial Services Authority).

One of the factors that influences the use of BNPL is consumer trust in the service. Trust in this service is still crucial in influencing consumers' intentions to use BNPL. Based on the Bisnis.com article (2024), Indonesia is currently ranked 13th in the world in terms of data leaks, as well as being the highest in the Southeast Asia region, according to the PT Indonesia Digital Identity (VIDA) report and Global Surfshark data (2004–2024). The number of data leak cases in Indonesia reached 157 million, far surpassing neighboring countries such as Malaysia, Thailand, and Singapore. The report also highlights the growing threat of increasingly complex digital fraud, especially those based on artificial intelligence (AI), such as *deepfake*, social engineering (*social engineering*), account takeover, and document falsification. Rapid growth

of services *Fraud-as-a-Service* (FaaS) on the dark web also makes accessing tools for committing digital fraud easier.

Research by Raj and friends (2023) shows that trust increases user attitudes towards BNPL. When users trust that a service will deliver on their promises and act in their best interests, they will have a positive attitude towards BNPL. Trust is essential and crucial for BNPL users because of concerns about their privacy. BNPL users worry about losing important information such as mobile phone numbers, bank account details, and access to their credit reports. This concern arises because of the frequent hacking and leakage of consumers' personal information. (Wang, Ying., et al, 2020).

Apart from trust being an essential factor in using BNPL services, financial literacy also significantly impacts the intention to use an application in fintech. Rapid developments in financial technology (*fintech*) also emphasize the need to increase financial literacy to use innovative financial products and services. In Indonesia, based on a survey conducted by the Financial Services Authority (OJK) in 2022, the financial literacy index of the Indonesian population was 49.68 percent, an increase compared to 2013, 2016, and 2019, which were only 21.84 percent, 29.70 percent, and 38.03 percent, respectively. However, the survey shows that less than half of Indonesia's population has an adequate understanding of the knowledge, skills, and confidence in managing finances. Even though this figure shows a significant increase compared to previous years, the level of financial literacy in Indonesia can still be considered low, especially compared to ideal standards, where most of the population should have good financial literacy.

Previous research shows that people's financial literacy levels tend to be low across age groups, backgrounds, and countries (Lusardi & Mitchell, 2011; Klapper & Panos, 2011). Research conducted by Ha, Sensoy, and Phung (2023) found that perceived trust and financial literacy were key factors influencing the usage intentions of mobile *money.* The research results show that six factors influence the intention to use *mobile money* namely perceived usefulness (*perceived usefulness*), perceived ease of use *(perceived ease of use*), perceived risk (*perceived risk*), perceived value (*perceived value*), financial literacy (*financial literacy*), and perceived trust (*perceived trust*). Although perceived trust did not have a substantial direct impact in this study, it still mediated in driving intention to use *mobile money*. Financial literacy factors also significantly influence the intention to use *mobile money*. This research is also supported by research conducted by Morgan and Trinh (2020), where the research results show that financial literacy is closely related to awareness and adoption of fintech services such as banking and electronic payments.

Research conducted by Raj (2023) and Dao Ha (2023) shows that trust plays an important role in influencing intentions to use an application. Apart from trust, financial literacy factors significantly influence intention to use mobile money, based on research conducted by Dao Ha (2023). These findings strengthen the theoretical foundation in this research.

This research aims to analyze the factors that influence consumers' intentions to use services *Buy-Now-Pay-Later* (BNPL) services by adopting and expanding the framework *of the Theory of Planned Behavior* (TPB) through the addition of trust variables (*trust*), privacy concerns (*privacy concern*), and financial literacy (*financial literacy*). This research aims to understand how attitudes, subjective norms, perceived behavioral control, as well as external factors such as trust and financial literacy, contribute to the formation of intentions to use BNPL services, as well as to identify the role of privacy concerns as a potential obstacle in the consumer decision-making process. Thus, the results of this research can provide deeper insight for digital financial industry players in designing more effective marketing and education strategies.

METHOD

This research applies a quantitative approach. This method is an inductive, objective, and scientific method, with data in the form of numbers or statements that can be measured and analyzed statistically. (Hermawan, 2019). The research helps test a hypothesis that can describe the role of trust and financial literacy on the intention to use BNPL services, with this approach, *the extended TPB Model*. Using a questionnaire, this survey method aims to collect primary data from respondents to test hypotheses regarding the role of trust and financial literacy on intentions to use services *Buy Now, Pay Later* (BNPL) with the *Extended Theory of Planned Behavior Model* approach. The data in this research were obtained directly by researchers through distributing questionnaires to respondents who were research subjects.

The sample in this research is men and women who have used BNPL services, namely ShopeePayLater. This sample was chosen to obtain data relevant to the construct *of intention to use* from respondents who have direct experience using BNPL services. Hair et al. (2017) recommend having at least 5-10 respondents for each research question. Considering the researcher has 22 questions, the researcher needs a minimum of 110 respondents. For this research, the minimum sample size is 154 respondents. Therefore, the number of samples used in this study was 405 people, consisting of 162 men and 243 women

In this research, the data obtained from respondents was then analyzed using *Structural Equation Modelling* (SEM) techniques, an analytical method used to understand the cause-and-effect relationship between latent and observed variables. Latent variables cannot be measured directly, while observed variables can be measured directly (Wijanto, 2008). The SEM technique was chosen because of its ability to analyze complex relationships between variables. This research applies an SEM-based approach using the method *Partial Least Squares* (PLS) with the help of SmartPLS software's tool for testing hypotheses.

Apart from that, researchers also use *multigroup analysis* (MGA) to dig deeper. *Multigroup Analysis* (MGA) is an analysis method used to test whether significant differences in specific parameters exist between previously determined data groups (Ringel et al, 2024). Researchers used MGA to compare differences in financial literacy levels and gender on intentions to use BNPL services. This analysis aims to identify whether there are significant differences between different groups, such as financial literacy level and gender, on intentions to use BNPL services.

RESULTS AND DISCUSSION

Measurement Model Analysis

Table 1. Average Variance Extracted (AVE) Test

	Average variance extracted (AVE)
Attitude	0.778
Intention to Use	0.841
Perceived Behavioral Control	0.665
Perceived Financial Literacy	0.540
Privacy Concern	0.837
Subjective Norms	0.826
Trust	0.710

Source: *Output* SmartPLS Results Processed by Researchers (2025)

The AVE value in Table 1 shows how much of the variance in the presentation of the indicators has been explained by the construct. In this case, all variables have an AVE value that exceeds 0.5, which means that all constructs have been able to explain more than half of

the variance, thus supporting the previous results and strengthening the results that the model is convergently valid.

Table 2. Reliability Test

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)
Attitude	0.857	0.864	0.913
Intention to Use	0.905	0.906	0.941
Perceived Behavioral Control	0.749	0.759	0.856
Perceived Financial Literacy	0.627	0.659	0.772
Privacy Concern	0.902	0.913	0.939
Subjective Norms	0.896	0.936	0.934
Trust	0.864	0.864	0.907

Source: *Output* SmartPLS Results Processed by Researchers (2025)

The results of construct reliability testing in Table 2 show that almost all variables have *Cronbach's alpha* values above 0.6. (Malhotra, 2019) states that a variable can be reliable if above 0.60. When a variable is proven to be reliable, this indicates that it has good internal consistency.

Structural Model Analysis

Testing Coefficients of determination (R^2)

This test measures the extent to which the model is accurate in predicting. The R^2 value ranges from 0 to 1, where 1 indicates the model has excellent prediction accuracy.

Table 3. Coefficients of determination testing (R^2)

	R-square	R-square adjusted
Attitude	0.471	0.469
Intention to Use	0.570	0.564
Perceived Behavioral Control	0.309	0.308
Subjective Norms	0.105	0.103
Trust	0.125	0.120

Source: *Output* SmartPLS Results Processed by Researchers (2025)

The results in Table 3 show that the variable *attitude* can be explained by 47.1% by the independent variables *trust* and *privacy concern*. The variable *intention to use* is explained by 57% by *attitude, subjective norm,* and *perceived behavioral control.* Meanwhile, *perceived behavioral control* was explained by 30.9% by *trust* and *privacy concern. Subjective norm* is explained by 10.5% by *trust* and *privacy concern,* while trust is explained by 12.5% by *perceived financial literacy*, *privacy concern*, and *intention to use*.

Testing Q^2 Effects

Cross Validated Redundancy (Q^2) is used to measure the level of significance in cross-tabulation-based research (Malhotra, 2019). By observing the Q^2 value, we can assess the predictive power of a model and identify the relationship between independent and dependent variables on a nominal or ordinal scale (Hair et al., 2019b). When the difference between the actual value and the predictive value becomes smaller, the Q^2 value becomes larger, indicating a high accuracy level in the model's predictions (Hair et al., 2019a).

Table 4. Testing Q2 Effects

	SSO	SSE	Q² (=1-SSE/SSO)
ATT	1.215.000	777.643	0.360
ITU	1.215.000	646.558	0.468
PBC	1.215.000	969.061	0.202
PC	1.215.000	1.215.000	
PFL	1.215.000	1.204.163	0.009
SN	1.215.000	1.116.257	0.081
TR	1.620.000	1.542.969	0.048

Source: *Output* SmartPLS Results Processed by Researchers (2025)

Based on Table 4 above, the Q² value is greater than 0, indicating that the model has good predictive ability.

Testing f² Effect Size

Measurement *effect size* or *F-squared is* used to assess the magnitude of the relative influence of the independent variable on the dependent variable. The following are the measurement results *of the effect size* in this model. The f² value is in the range of 0.02, 0.15, and 0.35, which indicates the presence of small, medium, and significant effects of the independent variable (Hair et al., 2019a).

Table 5. Testing f2 Effect Size

	ATT	ITU	PBC	PFL	PC	SN	TR
ATT		0.344					
ITU							
PBC		0.019					
PFL		0.004					0.064
PC	0.010						0.111
SN		0.002					
TR	0.774	0.012	0.448			0.117	

Source: *Output* SmartPLS Results Processed by Researchers (2025)

Based on the table above, it is found that several exogenous constructs have a strong influence on endogenous constructs such as *trust* to *attitude* (0.774) and *perceived behavioral control* (0.448), whose value is greater than 0.35. However, there are also weak influences such as *privacy concerns* on *attitude* (0,01).

Hypothesis Testing

Hypothesis testing in this research was carried out by looking at the p-value, t-statistics, and *path coefficient*. The results show that *a p-value* < 0.05 and a t-statistic > 1.96 indicate a significant influence of the independent variable on the mediating and dependent variables.

Table 6. Hypothesis Test Results

Hypothesis	Relationship of Variables	*Path coefficients*	t-statistics	P-values	Conclusion
H1	Privacy concern decreases consumer attitude towards BNPL services	-0.075	2.064	0.020	Accepted

Hypothesis	Relationship of Variables	*Path coefficients*	t-statistics	P-values	Conclusion
H2	Privacy concern decreases consumer trust level towards BNPL services	-0.321	8.435	0.000	Accepted
H3	Trust increases consumer attitude towards BNPL services	0.663	18.575	0.000	Accepted
H4	Trust increases subjective norm	0.556	13.516	0.000	Accepted
H5	Trust increases perceived behavioral control	0.324	7.462	0.000	Accepted
H6	Attitude increases intention to use BNPL services	0.601	11.431	0.000	Accepted
H7	Subjective norm increases intention to use BNPL services	0.032	0.828	0.204	Accepted
H8	Perceived behavioral control increases intention to use BNPL services	0.112	2.330	0.010	Rejected
H9	Perceived financial literacy increases intention to use BNPL services	-0.042	1.072	0.142	Accepted
H10	Trust mediates the influence of perceived financial literacy on intention to use BNPL services	a. PFL -> TR -> ATT -> ITU: 0.097 b. PFL -> TR -> PBC -> ITU: 0.015 c. PFL -> TR -> SN -> ITU: 0.002	a. PFL -> TR -> ATT -> ITU: 4.531 b. PFL -> TR -> PBC -> ITU: 2.002 c. PFL -> TR -> SN -> ITU: 0.772	a. PFL -> TR -> ATT -> ITU: 0.000 b. PFL -> TR -> PBC -> ITU: 0.023 c. PFL -> TR -> SN -> ITU: 0.220	a. Accepted b. Accepted c. Rejected
H11	Trust increases intention to use BNPL services	0.105	1.743	0.041	Accepted

Source: *Output* SmartPLS Results Processed by Researchers (2025)

The research results in table 6 can be explained as follows.

H1: *Privacy concerns* hurt consumers ' attitudes towards BNPL services with a coefficient of -0.075, value *t-statistic* 2,064, and *p-value* 0.020. Because the value *p-value* < 0.05, this hypothesis is accepted. This means the higher consumers' concerns about data privacy, the more negative their attitudes towards BNPL services.
H2: *Privacy concerns* have also been proven to significantly reduce *trust* on BNPL services, with a coefficient of -0.321, *t-statistic* 8,435, and *p-value* 0,000. This hypothesis is accepted, indicating that concerns about the security of personal data can undermine consumer trust in service providers.
H3: *Trust* significantly influences *consumer attitudes* (coefficient 0.663, *t-statistic* 18.575, *p-value* 0,000). The hypothesis was accepted, indicating that the higher the consumer's trust, the more positive their attitude towards BNPL.
H4: *Trust* also improves *subjective norm* significantly (coefficient 0.556, *t-statistic* 13.516, *p-value* 0,000). This shows that trust in BNPL services can strengthen consumers' perceptions of the social influence around them.
H5: The influence of trust on *perceived behavioral control is also* significant and positive (coefficient 0.324, *t-statistic* 7.462, *p-value* 0.000), indicating that trust helps strengthen consumers' perceptions of their ability to control the use of BNPL services.
H6: *Attitude* was the primary predictor *of intention to use* BNPL services (coefficient 0.601, *t-statistic* 11.431, *p-value* 0,000). The hypothesis is accepted, confirming the importance of positive attitudes in forming usage intentions.
H7: *Subjective norm* does not significantly affect *intention to use* (coefficient 0.032, *t-statistic* 0.828, *p-value* 0.204), so the hypothesis is rejected. This means social influence is insufficient to drive intentions to use BNPL.
H8: *Perceived behavioral control* positively affects intention to use BNPL (coefficient 0.112, *t-statistic* 2.330, *p-value* 0.010). The hypothesis was accepted, indicating that the greater consumers' perceived control, the greater their intention to use BNPL services.
H9: *Perceived financial literacy* does not significantly affect intention to use BNPL (coefficient -0.042, *t-statistic* 1.072, *p-value* 0.142), so this hypothesis is rejected.
H10: There is an indirect influence *perceived financial literacy* to *intention to use* through *trust*, with route:

- PFL → TR → ATT → ITU: significant (*t-statistic* 4.531, *p-value* 0.000)
- PFL → TR → PBC → ITU: significant (*t-statistic* 2.002, *p-value* 0.023)
- PFL → TR → SN → ITU: not significant (*t-statistic* 0.772, *p-value* 0.220)

So, paths a and b are accepted, while path c is rejected. This suggests that financial literacy indirectly influences intentions through attitudes and behavioral control, not subjective norms.
H11: *Trust* also directly affects *intention to use* (coefficient 0.105, *t-statistic* 1.743, *p-value* 0.041). With a p-value below 0.05, this hypothesis is accepted, strengthening trust's central role in increasing the intention to use BNPL services.

Multigroup Analysis

Table 7. Multigroup Analysis Results Based on Gender

Factors	Difference (Male - Female)	1-tailed (Male vs Female) p value	2-tailed (Male vs Female) p value	Interpretation
ATT -> ITU	0.196	0.054	0.054	Not significant.
PBC -> ITU	0.013	0.443	0.443	Not significant.
PFL -> ITU	0.006	0.480	0.480	Not significant.

Factors	Difference (Male - Female)	1-tailed (Male vs Female) p value	2-tailed (Male vs Female) p value	Interpretation
PFL -> TR	0.143	0.084	0.084	Not significant.
PC -> ATT	0.092	0.101	0.101	Not significant.
PC -> TR	0.056	0.234	0.234	Not significant.
SN -> ITU	-0.124	0.960	0.040	Significant. Subjective norms have more influence on Women.
TR -> ATT	0.005	0.469	0.469	Not significant.
TR -> ITU	-0.162	0.891	0.109	Not significant.
TR -> PBC	-0.133	0.940	0.060	Not significant.
TR - SN	-0.050	0.714	0.286	Not significant.

Source: *Output* SmartPLS Results Processed by Researchers (2025)

Table 7 shows a significant difference in the influence *of subjective norm* on *intention to use* between male and female respondents, where the effect is greater on female respondents. This is supported by research conducted by (BAKER, 2007) regarding the influence of gender on the application of new technology in developing countries, where the influence of peers or the social environment on women tends to be greater than on men.

Table 8. Results of Multigroup Analysis of Financial Literacy for Above Average vs Below Average Groups

Factors	Difference (Above Average - Below Average)	1-tailed (Above Mean vs Below Mean) p value	2-tailed (Above Mean vs Below Mean) p value	Interpretation
ATT -> ITU	0.096	0.183	0.366	Not Significant
PBC -> ITU	0.179	0.032	0.064	Not Significant
PC -> ATT	-0.209	0.999	0.002	Significant. Privacy Concern has more influence on the "Below Average" group
PC -> TR	-0.036	0.683	0.635	Not Significant
PFL -> ITU	-0.057	0.767	0.466	Not Significant
PFL -> TR	0.014	0.435	0.870	Not Significant
SN -> ITU	-0.039	0.700	0.601	Not Significant
TR -> ATT	-0.077	0.863	0.273	Not Significant
TR -> ITU	-0.184	0.941	0.119	Not Significant
TR -> PBC	-0.048	0.732	0.535	Not Significant

Factors	Difference (Above Average - Below Average)	1-tailed (Above Mean vs Below Mean) p value	2-tailed (Above Mean vs Below Mean) p value	Interpretation
TR -> SN	-0.014	0.562	0.876	Not Significant

Source: *Output* SmartPLS Results Processed by Researchers (2025)

Table 8 above is a comparison between the above-average group and the below-average group. Mark's *p-value* for *two tails* can be used to see whether there is a significant difference in influence between groups 1 and 2. If the p-value is smaller than alpha (0.05), then there is a significant difference between the two groups. At the same time, the value *p-value* on *one-tailed* and column differences is used to see which group has a greater influence. If the value *difference* is positive, group 1 has greater significance than group 2.

Meanwhile, group 2 has a greater influence if the value is negative. Based on the table above, of all the relationships between the variables tested, only one shows a significant difference, namely the influence *of privacy concern* on *attitude*, which is stronger in groups with group *financial literacy* below average. This is indicated by the difference value of -0.209 and *p-value* 0.002 (< 0.05). This indicates that *privacy concerns* influence attitudes towards BNPL services in individuals with below-average financial *literacy* values.

Lower-level individuals tend to have limited knowledge in managing financial information and protecting personal data. Therefore, privacy concerns are an important factor that shapes their attitudes towards digital financial services, including BNPL. When they feel that their data is at risk of misuse, their attitudes towards using the service tend to become more negative. Conversely, in individuals with *financial literacy*, to a greater extent, a better understanding of data protection mechanisms and digital risks can reduce these concerns. They tend to judge services based on benefits and usage control, not just concerns about privacy. Hence, the influence *of privacy concerns* on attitudes in this group becomes less significant.

DISCUSSION

Privacy Concern Reduces Consumer Attitudes Towards BNPL Services

Hypothesis 1 states that *privacy concerns hurt* the attitude of consumers towards BNPL services. Based on the results of hypothesis test 1, the results show *a path coefficient* of -0.075 and *a p-value* of 0.02. Based on these figures, hypothesis 1 is accepted. This test's results align with research conducted by Raj (2023), where *privacy concern* has a relatively significant negative influence on users' intentions to use BNPL services. This shows that many users are worried that their data could be leaked or misused. This concern arises because BNPL users must provide personal information, such as cell phone numbers, bank account data, and access to their credit reports, to obtain BNPL credit facilities. This situation is becoming more serious as cases of hacking and personal data leakage are becoming more frequent (Wang et al., 2020).

Privacy Concern Reduces Consumer Trust Levels in BNPL Services

From the results of hypothesis testing in this research, hypothesis 2 is stated, and it can be concluded that *privacy concerns* lower the level of trust consumers have in BNPL services. This is shown by the results of the hypothesis analysis with a *path coefficient* of -0.321 and *a p-value* of 0,000. This is consistent with previous research findings conducted by Raj and friends (2023), where the greater consumers' concerns about their data security, the lower their trust in BNPL service providers. In addition, with the increasing number of hacking cases and personal data leaks (Wang et al., 2020), this concern is increasing and making consumers more

wary of trusting technology-based services such as BNPL. Research conducted by Raj (2023) shows that trust is an important element in building a positive attitude of users towards BNPL services. Therefore, when privacy concerns are high, trust is eroded, which can ultimately hinder consumers' intention to use the service.

Trust improves consumer attitudes towards BNPL services

From the results of hypothesis testing in this research, hypothesis 3 is stated, and it can be concluded that *trust* has a positive and significant influence on the attitude of consumers towards BNPL services. This is shown by the results of the hypothesis analysis, where the path *coefficient* is 0.663 and *the p-value* is 0,000. This is also in line with research by Raj et al (2023), which confirms that when consumers believe that a BNPL service provider will keep its promises and act in their interests, they tend to have a more positive view of the service.

Trust plays an important role because BNPL is a technology-based financial service that requires consumers to provide sensitive personal data. When consumers feel confident that service providers can keep their data secure and provide transparent and reliable services, this strengthens their positive perceptions of BNPL (Penney et al., 2021). Additionally, Raj et al. (2023) also highlight that a high level of trust can reduce consumer doubts regarding the function and benefits of BNPL services. Thus, well-built trust not only increases user comfort but also forms a positive attitude that encourages adoption of this service. Therefore, these findings confirm that building strong trust through transparency, security, and reliable service is a key strategy for BNPL service providers to create positive attitudes and increase service usage intentions among consumers.

Trust Increases Subjective Norms

From the results of hypothesis testing in this research, hypothesis 4 is stated, and it can be concluded that trust has a positive and significant influence on *subjective norms*. This is shown by the results of the hypothesis analysis with a *path coefficient* of 0.556 and a p-value of 0.000. This finding is in line with reference research by Raj et al. (2023), which states that consumer trust in BNPL service providers contributes to positive social views regarding the use of these services. When consumers feel confident that a BNPL service provider can be trusted, keeps promises, keeps personal data secure, and provides fair service, they tend to be more receptive to social influence from those around them. In other words, high trust makes consumers more open to the opinions of friends, family, or colleagues regarding using BNPL, thereby strengthening *subjective norms*. This research also shows that *trust* can reduce consumer concerns and skepticism towards BNPL services. Thus, when trust is well built, individuals will be more likely to follow positive social norms that support using these services (Yang et al., 2017).

Trust Increases Perceived Behavioral Control

From the results of hypothesis testing in this research, hypothesis 5 is stated, and it can be concluded that trust positively and significantly influences *perceived behavioral control*. This is shown by the results of the hypothesis analysis, where the path *coefficient* is 0.324 and *the p-value* is 0,000. This finding aligns with research by Raj et al. (2023), who emphasized that the higher consumers' trust BNPL service providers, the greater their confidence in controlling and using these services easily and safely. High trust makes consumers feel more confident that BNPL service providers will provide a process that is transparent, safe, and by their promises (Penney et al., 2021). With this confidence, consumers can better manage their BNPL usage activities, such as making timely payments, understanding terms and conditions, and accessing service features without significant difficulties. Besides, well-built trust also

reduces consumers' feelings of worry and uncertainty regarding this digital service. Thus, consumers feel more confident in using BNPL because they are confident that the service provider will provide the support they need and look after their interests well.

Attitude Increases Intention To Use BNPL Services

From the results of hypothesis testing in this research, hypothesis 6 is stated, and it can be concluded that *attitude* can positively improve *intention to use* BNPL services. This is shown by the results of the hypothesis analysis with a *path coefficient* of 0.601 and *a p-value* of 0,000. This finding is based on research conducted by Raj et al. (2023), who stated that the more positive a person's attitude towards BNPL, the more likely they are to use the service. This positive attitude arises when consumers feel that BNPL is a valuable and practical service that makes payments more manageable. When consumers believe that BNPL helps organize their finances, provides payment flexibility, and offers a convenient shopping experience, they tend to have a stronger intent to use the service. This is also supported by research conducted by Wong et al (2024) regarding the use of renewable energy technology, which suggests that a good attitude towards a technology or service has a significant direct impact on intentions to use it. In other words, the more positively a consumer views BNPL, the more likely they are to use this service.

Subjective Norms Increase Intention To Use BNPL Services

From the results of hypothesis testing in this study, hypothesis 7 was rejected because of a *p-value* greater than alpha (0.05), and the t-statistic value is 0.828. This shows that *subjective norms* or influence from other people are not the main factors that encourage someone to use BNPL services. This rejection aligns with research by Rhodes and Courneya (2005), which emphasizes the importance of thresholds *(threshold)* on attitudes, subjective norms, and perceived behavioral control in predicting intentions and behavior. They found that the influence *of subjective norms* was only significant when increasing from low to medium levels, but further increases to high levels did not have a significant additional impact on intentions. If related to the context of this research, the average value *of subjective norm* from the results of descriptive analysis was only 4,673, which is included in the medium–low category on a Likert scale of 1–7. This indicates that most respondents do not feel intense social pressure when using BNPL services.

Furthermore, the demographic characteristics of the respondents also support this finding. Most respondents were women aged 26–30 (41%) and had a high school/vocational education (69.4%), who were most likely more accustomed to making independent financial decisions. This personal decision-making tends to reduce the role of subjective norms in influencing behavior. Apart from that, the main reason for using BNPL services from the questionnaire results was to meet needs when there was a lack of funds (49.9%), not because of recommendations or influence from other people. These findings indicate that the decision to use BNPL is more pragmatic and based on functional needs, rather than social pressure. Level *financial literacy* respondents are also a supporting factor. As many as 52.8% of respondents fall into the below-average financial literacy category, which can affect their ability to evaluate information or advice from the surrounding environment critically. That is, although there may be influence from others, individuals with low literacy focus more on personal needs than normative considerations.

Therefore, it can be concluded that the low perception of *subjective norm* and the strong influence of internal factors such as urgent needs and perceived self-control make the influence of subjective *norm* on *intention to use* BNPL services insignificant in the context of this research.

Perceived Behavioral Control Increases Intention To Use BNPL Services

From the results of hypothesis testing in this research, hypothesis 8 is stated, and it can be concluded that *perceived behavioral control* directly influences *intention to use* BNPL services. This is shown by the results of the hypothesis analysis with a *path coefficient* of 0.112 and *a p-value* of 0.010. This finding is also supported by research by Raj (2023), which states that when consumers feel they have the ability and ease in using BNPL services, such as understanding how the service works, feeling capable of managing payments, and confident they can overcome risks, they become more motivated to use the service. PBC reflects how much individuals feel that they have control over their actions. In the context of BNPL, the higher consumers' perception that they can use this service easily and safely, the greater their intention to adopt it (Aljzen, 1991). Apart from these findings being in line with research by Raj (2023), this research is also in line with research conducted by Wong (2024), where a person's intention to use a new technology is greatly influenced by how much control they feel they have over its use.

Perceived Financial Literacy Increases Intention To Use BNPL Services

From the results of the hypothesis test in this study, hypothesis 9 was stated to be rejected. This result is shown by the results of the hypothesis analysis, where *the path coefficient* is -0.042, which means the effect is adverse, apart from that *p-value* of 0.142 and t-stat 1.072, which indicates that these results are not strong enough to state that there is a significant relationship. This aligns with previous research that financial literacy is the weakest factor influencing intentions to use digital financial services such as *mobile money* (Ha, 2023). Previous studies conducted by Hasan et al. (2020), Mirzoyants (2013), Morgan and Trinh (2020), and Zhao and Othman (2010) also found that the influence of financial literacy on intention to use digital financial services was not significant. In addition, research conducted by Topimin & Hashim (2020) supports this finding, where basic knowledge or "*perceived" financial literacy* alone is not enough to drive real action or intent, including in the context of BNPL use. Therefore, these results suggest that even if someone has good financial literacy, this does not necessarily make them more likely to use services such as BNPL. One reason for this weak influence could be that users with *high financial literacy* tend to be more careful and consider the risks more when using credit services such as BNPL. In contrast, users with low or medium may be more influenced by comfort or ease of access, not their financial understanding.

Trust Becomes a Mediator in the Influence of Perceived Financial Literacy on Intention to Use BNPL Services

Based on the results of hypothesis testing, hypothesis 10 is divided into three mediation paths, where *trust* is a mediator of influence *perceived financial literacy* on *intention to use* through *attitude, perceived behavioral control,* and *subjective norm.* The test results show that *trust* successfully mediates the relationship between perceived *financial literacy* and *intention to use* through *attitude* (*p-value* = 0.000; t-stat = 4.531) and *perceived behavioral control* (*p-value* = 0.023; t-stat = 2.002). On the contrary, *trust* does not mediate the relationship through *subjective norm* (*p-value* = 0.220; t-stat = 0.772), because the *p-value* is greater than 0.05.

Attitude is formed from an individual's evaluation of a behavior, which is greatly influenced by a person's perception and knowledge (Ajzen, 1991). In this case, perceived financial literacy provides a knowledge base that influences positive attitudes towards using financial technology such as BNPL services. This knowledge grows *trust* towards technology and service providers. Abraham (2016) explains that knowledge influences attitude formation and decision making in technology adoption. This belief further strengthens the individual's intention to use technology. This finding also aligns with research by Ha (2023), which

confirms that *trust* plays a key role in strengthening or weakening a person's intention to use a service, primarily through channel *attitude* and *perceived behavioral control.*

Perceived behavioral control relates to an individual's perception of the ease or difficulty of using a system. A good level of financial literacy increases one's sense of ability and control in using BNPL services and strengthens *trust* in one's abilities and technological systems. *Trust* here results from perceptions of affordability supported by financial knowledge, which influences usage intentions. In line with research by Jing et al. (2019), *knowledge readiness* influences technology adoption intentions because it increases self-confidence and trust in the system.

However, *trust* does not mediate the relationship between *perceived financial literacy* and *intention to use* through *subjective norms* in this research. This shows that even though someone has good financial literacy and trust in BNPL services, social influence factors or subjective norms (other people's opinions) are not strong enough to drive their intention to use these services. As mentioned by Venkatesh and Davis (2000) and Schepers and Wetzels (2007), the relationship between *subjective norm* and *intention is inconsistent*. This inconsistency may be due to *subjective norms* influenced more by social pressure or group norms, rather than *trust* that arises from personal knowledge, such as *perceived financial literacy*. This means that even if someone has high financial literacy, this does not necessarily make them trust technology just because of social encouragement. *Trusting* personal ones is more challenging to mediate by social norms.

Trust Increases Intention To Use BNPL Services

From the results of hypothesis testing in this research, hypothesis 11 is stated, and it can be concluded that *trust* directly influences *intention to use* BNPL services. This is shown by the results of the hypothesis analysis with a *path coefficient* of 0.105 and a p-value of 0.041. This aligns with research conducted by Dao Ha and friends (2023), where trust was important in encouraging users' intentions to use digital financial services, including BNPL. Trust refers to customers' confidence in the words, actions, and judgments of others (Tian et al., 2023). According to Gefen (2000), trust is the customer's intention towards the expected results from technology and the belief that the company can fulfill its responsibilities. This research shows that *trust* helps increase users' positive perceptions of the benefits of digital financial services, making them more confident and motivated to use these services. Like Dao Ha's (2023) research conducted in Vietnam, this research also shows that trust is becoming increasingly crucial due to increasing cybercrime and data leaks. Therefore, building trust is an important key in driving the adoption of financial services amidst concerns about the security of personal information.

CONCLUSION

The conclusion of this research shows that the Development *Theory of Planned Behavior* (TPB), by adding variables *trust*, *privacy concern*, and *financial literacy, can* provide a broader understanding of the factors that influence service use intentions, *Buy-Now-Pay-Later* (BNPL). The analysis results show that *attitude* and *perceived behavioral control* significantly increased the intention to use BNPL services, while *subjective norms* did not generally show a significant effect. Trust (*trust*) is shown to have a central role because it influences all the main components in the TPB model and directly drives usage intentions. On the other hand, privacy concerns hurt consumer attitudes and trust towards BNPL services. Financial *literacy* does not directly affect intentions, but makes an indirect contribution through increasing trust, positive attitudes, and perceived behavioral control. Findings from multigroup analysis also suggest that gender moderates the effect of subjective *norm* on intentions, with women being more influenced by social pressure than men. In addition, individuals with low levels of financial

literacy are more sensitive to privacy issues when forming attitudes towards BNPL services. These findings provide important implications for BNPL service developers in designing strategies that consider psychological aspects, consumer beliefs, and financial education needs to increase service adoption effectively..

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