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Buy Now Pay Later Usage Intensity, Financial Distress, and Coping Strategies: A Qualitative Study of Muslim University Students in Medan, Indonesia

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Abstract:

The advancement of financial technology has driven the emergence of various innovations in digital financial services, one of which is Buy Now Pay Later (BNPL). This service facilitates the payment process, offers payment flexibility, and provides quick access to financing, making it increasingly popular, particularly among university students. However, the use of Buy Now Pay Later (BNPL) without proper financial management may potentially lead to financial distress, a condition in which individuals experience difficulties in meeting their financial obligations due to limited economic capacity. This study aims to: (1) examine the intensity of Buy Now Pay Later (BNPL) usage among students at the State Islamic University of North Sumatra; (2) analyze the impact of Buy Now Pay Later (BNPL) usage on the financial distress experienced by students; and (3) analyze the efforts undertaken by students to minimize financial distress resulting from the use of Buy Now Pay Later (BNPL). This study employed a qualitative approach using a descriptive method. The research participants consisted of students at the State Islamic University of North Sumatra who use Buy Now Pay Later (BNPL) services. Data were collected through interviews, observations, and documentation and were subsequently analyzed using the interactive data analysis model developed by Miles, Huberman, and Saldaña. The findings reveal that, first, the intensity of Buy Now Pay Later (BNPL) usage among students is categorized as high. The high level of usage is influenced by several factors, including ease of access, various promotional programs, economic needs, and a tendency toward a consumptive lifestyle. Second, intensive use of Buy Now Pay Later (BNPL) contributes to the emergence of financial distress, as indicated by difficulties in managing finances, increasing installment burdens, delayed bill payments, and psychological pressure arising from financial obligations. Third, students undertake several efforts to minimize financial distress, including limiting their use of Buy Now Pay Later (BNPL), preparing financial budgets, prioritizing needs over wants, and improving financial literacy as a foundation for managing personal finances more efficiently. Overall, this study confirms that Buy Now Pay Later (BNPL), as one of the services offered by financial technology, provides convenience and flexibility in meeting transaction needs. Nevertheless, when its use is not accompanied by sound financial management and adequate self-control, the service may increase the risk of financial distress among university students.

Keywords: Buy Now Pay Later (BNPL); Financial Distress; Financial Technology.

1. Introduction

The rapid advancement of information and communication technology has driven significant transformation in the financial sector through the emergence of various Financial Technology (FinTech) innovations. These innovations have introduced a wide range of digital financial services that provide greater convenience, speed, and efficiency in conducting financial transactions. One of the FinTech services that has experienced rapid growth in Indonesia is Buy Now Pay Later (BNPL), which is increasingly being utilized by people from various user groups. Buy Now Pay Later (BNPL) is a form of digital financing that allows users to obtain products or services immediately, while the payment obligation can be settled at a later time, either through full repayment or installment schemes in accordance with the applicable terms and conditions (Prasetyo, 2022). The ease of activation, relatively simple requirements, and integration with various e-commerce platforms are among the factors contributing to the increasing use of this service, particularly among young people and university students (Sari, 2021). This development is reflected in the increasing number of users and the growing value of Buy Now Pay Later (BNPL) financing in Indonesia each year. Based on data from the Financial Services Authority (OJK), as of April 2025, the outstanding value of Buy Now Pay Later (BNPL) financing in the banking sector reached IDR 21.35 trillion, with a total of 24.36 million user accounts, representing an increase of 26.59% compared with the same period of the previous year (OJK, 2025). This trend continued through June 2025, when the outstanding value of Buy Now Pay Later (BNPL) financing increased to IDR 22.99 trillion, with 26.96 million user accounts, reflecting annual growth of 29.72% (OJK, 2025).

The increasing use of Buy Now Pay Later (BNPL) in Indonesia indicates that this service has become an increasingly widespread alternative source of digital financing. University students represent one of the user groups with relatively high levels of utilization (Andri, 2023). This condition is supported by students' high ability to adopt digital technology, easy access to the internet, and various incentives offered by service providers, such as discounts, cashback, free shipping, and affordable installment facilities. In practice, Buy Now Pay Later (BNPL) is used not only to support academic needs, such as purchasing books, computers, internet data packages, and other educational supplies, but also to fulfill personal consumption needs, including clothing, skincare products, electronic devices, food, entertainment, and various products that are trending on social media (Atika, 2024). The development of Buy Now Pay Later (BNPL) usage indicates that the service no longer functions merely as an alternative payment method but has become part of students' consumption patterns and digital habits. Although it offers convenience in accessing financing and flexibility in conducting transactions, the use of Buy Now Pay Later (BNPL) may still generate financial problems when it is not accompanied by prudent and responsible financial management (Raja et al., 2022). Furthermore, the ease of obtaining financing facilities without having to make immediate payments may encourage consumptive behavior and increase the likelihood of impulsive purchases among users (Devi Ramadhani et al., 2023). This condition may potentially trigger financial distress, which refers to a situation in which individuals experience difficulties in fulfilling their financial obligations due to limited economic capacity (Xiao, 2016). Among university students, financial distress may be characterized by difficulties in managing monthly expenses, delays in installment payments, the use of additional loans to cover previous obligations, and psychological pressure in the form of stress, anxiety, and concerns when facing payment due dates (Yusuf, 2023). The resulting impacts may not only affect students' financial conditions but also interfere with their academic concentration, reduce academic performance, and negatively affect their psychological well-being. A similar phenomenon has also been observed among students at the State Islamic University of North Sumatra (UINSU).

Preliminary observations conducted by the researcher indicate that some students utilize Buy Now Pay Later (BNPL) services, such as Shopee PayLater, Kredivo, Akulaku, and GoPayLater, to fulfill various needs. The high utilization of these services is influenced by the ease of the activation process, various promotional offers, and social environmental influences that encourage students to continue using Buy Now Pay Later (BNPL) facilities (Saparuddin, 2023). On the other hand, the use of these services without adequate financial planning and management may lead to difficulties in fulfilling payment obligations, thereby increasing the risk of financial distress (Nurlaila et al., 2022). Although research on Buy Now Pay Later (BNPL) has been widely conducted, previous studies have generally employed quantitative approaches focusing on examining relationships or effects among variables, such as Buy Now Pay Later (BNPL) usage, financial literacy, consumptive behavior, and financial distress. Such approaches are capable of empirically explaining relationships among variables; however, they have not sufficiently provided an in-depth understanding of students' experiences, perceptions, motivations, and the processes underlying their use of Buy Now Pay Later (BNPL) services and their subsequent experiences of financial distress.

Studies examining Buy Now Pay Later (BNPL) usage through a qualitative approach, particularly those exploring the experiences of university students as users at the State Islamic University of North Sumatra (UINSU), remain relatively limited. This situation indicates the existence of a research gap, namely the limited number of studies that examine in depth students' subjective experiences regarding the intensity of Buy Now Pay Later (BNPL) usage, its impact on financial distress, and the various efforts undertaken to minimize such conditions. Aulia and Fitriani (2023) employed a quantitative approach to analyze the effect of PayLater usage on financial distress among university students. Meanwhile, Yusuf and Harahap (2023) examined the relationship between the intensity of Buy Now Pay Later (BNPL) usage and personal financial management through statistical analysis. Although these studies successfully explain relationships among variables, they have not provided an in-depth account of students' actual experiences in using Buy Now Pay Later (BNPL), the forms of financial distress they experience, or the strategies they adopt to mitigate its effects.

Based on the identified research gap, this study offers novelty that distinguishes it from previous research. Whereas previous studies have generally employed quantitative approaches to examine the relationship or effect of Buy Now Pay Later (BNPL) usage on financial distress, this study adopts a descriptive qualitative approach to obtain a more comprehensive understanding of the experiences of students at the State Islamic University of North Sumatra (UINSU) as Buy Now Pay Later (BNPL) users. The novelty of this study lies in examining the process through which the intensity of Buy Now Pay Later (BNPL) usage develops, the factors influencing students' decisions to utilize the service, the various forms of financial distress they experience, and the efforts undertaken to minimize such conditions based on the experiences of the informants. Therefore, this study is expected to contribute to expanding knowledge regarding Buy Now Pay Later (BNPL) usage among university students while addressing the limitations of previous research, which has predominantly employed quantitative approaches.

Through this study, a deeper understanding is expected to be obtained regarding the phenomenon of Buy Now Pay Later (BNPL) usage based on the direct experiences of students as users, which has received relatively limited attention in previous studies. Based on the foregoing background, this study aims to: (1) examine the intensity of Buy Now Pay Later (BNPL) usage among students at the State Islamic University of North Sumatra (UINSU); (2) analyze the impact of Buy Now Pay Later (BNPL) usage on the financial distress experienced by students at the State Islamic University of North Sumatra (UINSU); and (3) identify the various efforts undertaken by students at the State Islamic University of North Sumatra (UINSU) to minimize financial distress resulting from the use of Buy Now Pay Later (BNPL).

2. Literature Review

Financial Technology (Fintech)

The rapid advancement of digital technology has driven significant transformations in modern financial systems through various innovations in the financial services sector. One such innovation is Financial Technology (FinTech), which refers to technology-based financial services developed to improve convenience, speed, and efficiency in carrying out various financial transactions within society (Fauziah, 2022). The implementation of FinTech integrates technology with financial systems, enabling various activities, such as payments, financing, investment, and financial management, to be conducted online through digital applications or platforms (Aslami, 2024). The Financial Services Authority (OJK) defines Financial Technology (FinTech) as the utilization of technology within the financial services sector that generates innovations in the form of products, services, technology, and business models that may affect financial stability, the financial system, and the efficiency of payment systems. Along with its development, FinTech has transformed public transactions from conventional systems toward digital financial systems that provide convenience, accessibility, effectiveness, and efficiency in various financial activities (OJK, 2022).

The development of Financial Technology (FinTech) in Indonesia has shown substantial growth alongside the increasingly widespread availability of internet access and the high level of smartphone usage among the population. This condition has encouraged the emergence of various digital financial innovations, such as mobile banking, digital wallets (e-wallets), online lending, digital investment, and Buy Now Pay Later (BNPL) services. The presence of these services provides convenience, speed, and efficiency in conducting financial transactions, thereby encouraging changes in people's behavior from traditional financing systems toward digital financing systems (Hidayat, 2023). University students represent one of the groups with a relatively high level of FinTech utilization due to their ability to adapt to technological developments, high intensity of digital technology use, and demand for practical and flexible financial transaction services. Nevertheless, the use of FinTech without adequate financial knowledge and prudent financial management may increase the risk of financial problems, such as excessive consumptive behavior, uncontrolled spending, and difficulties in managing personal financial conditions.

Concept of Buy Now Pay Later (BNPL)

The development of Financial Technology (FinTech) in Indonesia has continued to grow substantially alongside the expansion of internet access and smartphone utilization among various segments of society. This condition has encouraged the development of various electronic financial service innovations, including mobile banking, electronic wallets (e-wallets), online lending, digital investment, and Buy Now Pay Later (BNPL) services. These services offer convenience, speed, and efficiency in supporting financial transactions, thereby gradually transforming people's payment patterns from conventional systems toward digital-based transactions (Hidayat, 2023). University students are among the groups that actively utilize FinTech services because they have a high level of technological adaptability, intensive use of digital devices, and a need for financial services that are practical, fast, and flexible. Nevertheless, the utilization of FinTech without adequate financial literacy and sound financial management skills may potentially create various financial risks, including increased consumptive behavior, impulsive purchasing habits, and difficulties in managing and maintaining personal financial conditions.

This theory suggests that consumer decisions regarding the use of a particular service are influenced by various factors, including cultural, social, personal, and psychological aspects. In relation to the use of Buy Now Pay Later (BNPL), easy access to services, simple transaction mechanisms, various promotional offers and discounts, social influences through digital media, and changes in modern lifestyles are factors that may encourage university students to utilize these services. Therefore, the intensity of Buy Now Pay Later (BNPL) usage is not solely related to financial needs but is also influenced by psychological and social factors that shape students' consumption behavior. The increasing use of Buy Now Pay Later (BNPL) services is also influenced by their ability to provide convenience and flexibility for users to obtain goods or services immediately while making payments in a subsequent period in accordance with the applicable terms and conditions. According to Kotler (2023), several main factors influence the use of Buy Now Pay Later (BNPL) services among university students, namely:

3. Technological Convenience

The rapid development of digital technology has influenced students' behavior in selecting financial services that provide convenience, efficiency, and speed in conducting transactions. Buy Now Pay Later (BNPL) services facilitate digital transactions through smartphones with simple, fast, and efficient procedures. The flexibility of the payment mechanisms offered makes BNPL an alternative transaction option that is more practical than conventional payment methods.

4. Consumptive Lifestyle

Advances in information technology and the increasing use of social media have influenced changes in students' consumption patterns as they adapt to modern lifestyle trends. The ease of access provided by Buy Now Pay Later (BNPL) services may influence students' consumption decisions, encouraging them to purchase various products or services that are not necessarily based on priority needs but are also influenced by consumptive behavior, digital trends, and social environmental factors.

5. Promotional Offers and Discounts

Promotional factors are among the aspects that encourage students' interest in using Buy Now Pay Later (BNPL) services. Offers such as interest-free installments, cashback, discounts, shopping vouchers, and other benefits provide additional value that makes these services increasingly attractive to users.

6. Limited Financial Capacity

Limited financial capacity experienced by some students, particularly those who do not yet have a stable income, encourages the use of Buy Now Pay Later (BNPL) as an alternative means of meeting certain needs. This service is considered capable of providing a short-term solution when students face difficulties in managing their available funds.

7. Social Environmental Influence

The use of Buy Now Pay Later (BNPL) services among students is influenced not only by personal factors but also by the social environment, which plays a role in shaping consumption behavior. Peer relationships, exposure to information through various digital media, and the growing availability of online-based financial services may influence students' perceptions that BNPL usage has become part of modern consumption patterns and lifestyles.

Consumptive Behavior among University Students

Consumptive behavior refers to an individual's tendency to engage in excessive consumption without adequately considering the necessity, utility, and priority level of a particular product or service. This behavior is influenced not only by economic factors but also by psychological aspects, the desire to obtain satisfaction, and the social environment, all of which play important roles in shaping individual behavioral patterns and consumption decisions. University students are among the groups that may be more vulnerable to consumptive behavior because they are in a developmental stage characterized by identity formation, a desire for social recognition, and susceptibility to technological developments, social environments, and constantly changing consumption trends. In addition, advances in digital technology and the increasing intensity of social media use have further expanded their influence on students' consumption patterns through promotional content, digital advertising, lifestyle trends, and marketing strategies involving influencers.

Financial distress refers to a condition of financial pressure experienced by individuals due to inadequate financial management and difficulties in fulfilling their economic obligations (Fauziah, 2022). Prawitz et al. (2006) state that financial distress cannot only be assessed through objective financial indicators, such as income levels and debt amounts, but is also influenced by individuals' perceptions of their current financial conditions. Individuals experiencing financial distress generally face various difficulties, including delays in fulfilling payment obligations, limitations in meeting daily needs, increasing pressure caused by accumulated debt, and psychological effects such as stress, anxiety, and concerns about their future financial capacity. Financial distress can be examined from the perspective of the Behavioral Life-Cycle Theory developed by Shefrin and Thaler (1988). This theory explains that individuals often face challenges in managing financial behavior because they tend to prioritize immediate gratification rather than considering potential long-term economic consequences. In the context of Buy Now Pay Later (BNPL) usage, easy access, rapid transaction processes, and deferred payment mechanisms may encourage students to make impulsive purchases without adequately considering their financial capacity. An imbalance between BNPL usage and repayment capacity may increase installment obligations, ultimately increasing the risk of financial distress. This condition can be reflected in difficulties managing expenditures, delays in fulfilling payment obligations, and psychological pressure resulting from financial problems (Lubis, 2025).

Method

This study employed a qualitative approach conducted at the State Islamic University of North Sumatra (UINSU) to comprehensively explore and understand the phenomenon of Buy Now Pay Later (BNPL) service usage among university students. Research informants were selected using purposive sampling, a method of selecting informants based on specific criteria considered relevant to the focus and objectives of the study. The informants consisted of active UINSU students who had experience using Buy Now Pay Later (BNPL) services, either as active users or as students who had previously utilized such services. The study involved five informants, namely Arif Rahman (AR), Nilawati Sari (NS), Muhammad Firdaus (MF), Dinda Ayu (DA), and Fahri Ramadhan (FR). The selection of informants considered their experiences, understanding, and

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ability to provide in-depth and relevant information regarding the intensity of Buy Now Pay Later (BNPL) usage and its implications for students' financial conditions. Data were collected through several methods, including in-depth interviews, observations, and documentation, to obtain information relevant to the research problems and objectives. The collected data were subsequently analyzed using the Miles and Huberman data analysis model, which consists of three main stages: data reduction, data display, and conclusion drawing. The trustworthiness of the research data was assessed through source triangulation and technique triangulation to ensure the consistency, credibility, and validity of the information obtained throughout the research process. Through these analytical and validation procedures, the study is expected to produce accurate, credible, and scientifically accountable findings.

Findings and discussion

Participants and Analytical Procedure

This study examined the intensity of Buy Now Pay Later (BNPL) use among students at the State Islamic University of North Sumatra (UINSU) and the strategies through which they seek to limit the resulting financial strain. Data were generated through semi-structured, in-depth interviews conducted between 1 and 2 May 2026 with five active students recruited purposively against three criteria: current enrolment, use of at least one BNPL facility for a minimum of one month, and willingness to discuss personal financial experience in detail. Recruitment ceased at five participants when successive interviews no longer generated codes relevant to the guiding research questions. Saturation claims resting on five cases must be advanced cautiously; the homogeneity of the sample in institution, age band, and funding structure supports the adequacy of this number for an exploratory account, but not for any inference about prevalence. All participants are identified throughout by code (S1–S5). Names, study programmes, and other potentially identifying details have been withheld in accordance with the informed consent obtained prior to each interview. Interview extracts are presented as verbatim translations from Indonesian; translation was checked against the original transcripts to preserve meaning rather than idiom. Table 1 summarises the participant profile.

Table 1. Profile of Participants

Code	Age	Semester	Predominant use	Outstanding balance (IDR)	Reported condition
S1	20	4	Online shopping; academic needs	1,500,000	Repayment difficulty when parental remittance is delayed
S2	21	6	Clothing; skincare	2,300,000	Multiple concurrent instalment obligations
S3	22	8	Gadgets; accessories	3,000,000	History of late repayment
S4	21	5	Skincare; fashion items	1,800,000	Frequent use during major promotional periods
S5	23	8	Laptop; academic requirements	2,700,000	Concurrent use of multiple platforms

Source: interview data, 2026. Balances are participant-reported aggregate outstanding obligations across all platforms at the time of interview.

Transcripts were analysed thematically. Following familiarisation, the corpus was open-coded line by line; codes were then clustered into candidate themes, reviewed against the full dataset for internal coherence and external distinctiveness, and finally defined and named. Credibility was pursued through member checking, in which participants reviewed and confirmed their transcribed accounts, and through negative-case analysis in which extracts inconsistent with an emerging theme were actively sought. Dependability was supported by an audit trail documenting coding decisions. Table 2 presents a cross-case display of theme distribution, which serves the dual purpose of demonstrating the evidential basis of each theme and identifying where accounts diverged.

Table 2. Cross-Case Distribution of Themes

Theme	S1	S2	S3	S4	S5
Trajectory from academic to discretionary use	✓	–	–	–	✓
Promotion-triggered transaction	✓	✓	✓	✓	✓

Theme	S1	S2	S3	S4	S5
Social media or peer influence on purchase	✓	✓	✓	–	–
Concurrent use of multiple BNPL platforms	–	✓	✓	–	✓
Missed or forgotten repayment date	–	✓	✓	✓	–
Displacement of essential expenditure	✓	–	–	✓	✓
Informal borrowing to service instalments	–	✓	✓	–	–
Anticipatory anxiety before due dates	✓	✓	✓	✓	✓
Post-purchase regret	–	✓	–	–	–
Adoption of self-regulation strategies	✓	✓	–	–	–

Note: ✓ indicates the theme was evidenced in the participant's account; – indicates it was not raised. Absence denotes absence of evidence, not evidence of absence.

The Trajectory of BNPL Use: From Instrumental to Habitual Consumption

The accounts describe a trajectory rather than a stable pattern of use. Participants who entered BNPL through a discrete, largely productive purchase subsequently broadened their use to routine and discretionary consumption. S1 traced this widening explicitly: At first, I used Shopee PayLater only to buy academic necessities such as books and a headset, but over time I started using it more often to buy other things because the process was very easy. *(S1)*

S5, who adopted the facility to finance a laptop, described the same progression, noting that use eventually extended to needs unconnected with study. The convergence is analytically significant because the mechanism both participants identified was procedural rather than economic. Neither attributed the shift to deteriorating financial circumstances; both attributed it to the low transactional friction of the facility itself. Reported frequency at the time of interview ranged from two to more than five transactions per month, and across the five accounts discretionary purchases—clothing, skincare, accessories, digital entertainment—outnumbered academic ones. These frequency figures are self-reported and were not verified against platform records.

The decoupling of purchase from payment

The most theoretically consequential statement in the corpus came from S2, who articulated not an inability to afford a purchase but a failure to experience it as expenditure:

Whenever there is a promotion or discount, I usually use PayLater immediately because I feel that I can pay later, so I don't really feel like I'm spending money.*(S2)* The distinction matters. S2 is not describing a budget constraint that BNPL relaxes; she is describing a perceptual effect in which the transaction is not registered as a cost at the moment of decision. This is consistent with the proposition that the disutility of payment is attenuated when payment is temporally separated from consumption, and that payment mechanisms differ systematically in the psychological cost they impose (Prelec & Loewenstein, 1998). S4 located the same effect in the removal of the liquidity check that would ordinarily precede purchase, observing that she could complete a transaction without first considering whether she held sufficient cash.

Crucially, the data indicate that deferral does not eliminate the perceived cost but relocates and magnifies it. S3 captured both halves of this movement in a single account: Sometimes when I want something, I just check out immediately and think about the payment later. But when the bill arrives, it feels much heavier.*(S3)* The asymmetry between the lightness of the purchase and the heaviness of the bill is the pivot on which the remainder of the findings turns.

Platform multiplicity and the loss of aggregate visibility

Three of the five participants used two or more BNPL platforms concurrently. The stated motive was the expansion of available credit rather than any preference between providers. S2 described a strategy of sequential limit exhaustion: I use more than one application because each one has a different limit. Sometimes when my Shopee limit is used up, I use Kredivo or Akulaku.*(S2)* Multiplicity carried a distinct consequence. S5 reported confusion in managing repayments across applications, while S3 and S4 both described missing due dates and discovering, on checking, that obligations had accumulated beyond what they had assumed. The mechanism, however, is not adequately described as forgetfulness. Participants consistently evaluated obligations at the level of the individual instalment rather than the aggregate monthly burden, and the aggregation was performed retrospectively. S1 made the sequence explicit:

At first, I only took small instalments, but eventually I had many transactions. When I added everything up, I realized that the amount I had to pay was actually quite large.*(S1)* This pattern corresponds to narrow bracketing within mental accounting, whereby each transaction is evaluated within its own account rather than against the totality of existing commitments (Thaler, 1985). Concurrent use across platforms compounds the effect for a structural reason: no single interface displays the participant's aggregate exposure, so the information required for a correctly framed decision is not merely

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neglected but unavailable at the point of transaction. This observation extends the existing account of BNPL adoption. Where prior work identifies ease of access and payment flexibility as the principal drivers of uptake among students (Yusuf & Harahap, 2023), the present data suggest that platform multiplicity operates as a separate mechanism, active after adoption, that governs whether use escalates.

Promotional architecture and socially mediated desire

Two distinct pathways channelled participants toward transaction. The first was platform-generated. S1 described promotional offers as creating an obligation to transact, framing non-use as waste rather than framing purchase as expenditure, and S3 acknowledged buying items he did not need because a discount coincided with the availability of deferred payment. S5 identified free shipping and large discounts as the specific triggers prompting immediate use. The second pathway was social. S2 connected purchase directly to circulating content: I often see viral products on TikTok or Instagram and want to buy them too. Because PayLater is available, it feels easier to make the purchase. *(S2)*

S1 similarly located the impulse in peer comparison rather than in advertising, describing the desire to match the acquisitions of friends. The formulation adopted by S2—that the availability of BNPL makes the purchase easier—indicates the analytically appropriate role for the facility. BNPL did not generate the desire in either pathway. It functioned as an enabling condition, converting desire into completed transaction by removing the liquidity constraint that would otherwise have deferred or cancelled the purchase. Treating BNPL as a cause of consumptive behaviour would therefore overstate its role; treating it as a neutral payment instrument would understate it.

The Emergence of Financial Distress

Financial distress is understood here as difficulty in meeting financial obligations as they fall due. The accounts indicate that distress emerged not as a discrete event but as a graduated progression through three observable stages.

Displacement of essential expenditure

Participants were funded principally by fixed monthly parental remittances. Instalment obligations became a prior claim on this fixed income, and adjustment fell first on discretionary and subsequently on essential categories. S4 described reducing other expenditure in order to meet repayments, and S5 reported postponing needs until further funds arrived. S1 stated the consequence directly, noting that his allowance was exhausted early because it serviced instalments, requiring reductions in daily expenditure. Expenditure on food, transport, and academic costs was thus subordinated to repayment. This displacement constitutes the first observable indicator of distress and is significant precisely because it precedes any default: the participant remains current on obligations while the underlying financial position deteriorates.

Informal borrowing to service instalments

A qualitative threshold was crossed when obligations ceased to be serviceable from income. S2 described the point of transition: I have been late with a payment because there were too many bills while my monthly allowance from my parents had not arrived. Eventually, I borrowed money from a friend to pay the instalment. *(S2).* S3 likewise reported borrowing from friends following a late repayment. Incurring a new liability to discharge an existing one marks the onset of a liability spiral in the conventional sense, and its appearance at modest absolute magnitudes—outstanding balances between IDR 1,500,000 and 3,000,000—underlines that distress among this population is a function of the ratio of obligation to disposable income rather than of absolute exposure. For a student dependent on a fixed remittance, a balance that would be trivial for a salaried borrower is not.

Anticipatory anxiety and post-purchase regret

Participants reported affective consequences alongside material ones. S3 described persistent preoccupation with accumulated bills in the absence of funds to settle them, and S1 located anxiety specifically in the approach of the due date and the prospect of penalty charges. S2 described a retrospective variant: Sometimes after buying something, I start thinking about how I'm going to pay for it. Then I regret it because I only bought it because I wanted it. *(S2).* These are self-reported affective states elicited in interview; they were not clinically assessed, and no diagnostic claim is advanced. Their analytical value lies in their temporal structure. Distress clustered around anticipated repayment dates rather than around the moment of purchase—precisely the inverse of the decoupling described in Section 4.2.1. The same temporal separation that suppresses perceived cost at the point of transaction concentrates it at the point of repayment. This finding confirms the association between excessive BNPL use and financial distress reported by Aulia and Fitriani (2023), and adds specification by identifying the sequence through which that association is realised.

Self-Regulation and the Reactive Character of Financial Learning

Participants described four strategies for containing the consequences of use: restricting BNPL to purchases judged essential, recording monthly expenditure, accumulating precautionary savings, and deliberating on financial capacity before transacting. S1 reported confining use to items he considered genuinely important, and S2 had begun recording expenses in order to establish where her money was being allocated. The substantive finding, however, concerns the timing of these strategies rather than their content. Every regulatory practice described in the corpus was adopted after a specific adverse event—a missed due date, an episode of borrowing, or the discovery of an unexpectedly large aggregate balance. No participant described anticipatory planning at the point of adoption. S2 articulated the reframing that followed consequence: I used to think of PayLater as backup money, so I kept using it. But when the bills came, they actually became a burden *(S2).* Financial capability among these participants was therefore acquired experientially rather than instructionally. The distinction bears directly on intervention design. If learning is triggered by adverse experience, then literacy provision delivered after adoption addresses students who have already incurred the costs it was intended to prevent, and the gap between financial knowledge and financial behaviour documented in the literacy literature (Lusardi & Mitchell, 2014) is reproduced rather than closed. It also suggests that the two participants who had not yet adopted regulatory strategies (S3 and S4, per Table 2) were not less capable than the others but had not yet encountered a sufficiently salient adverse event.

Discussion

An integrative account

Taken together, the findings support an account in which three mechanisms operate in sequence. Payment decoupling attenuates the perceived cost of a purchase at the moment of decision (Section 4.2.1). Narrow bracketing across multiple platforms prevents aggregate obligation from entering the decision frame at all, since no interface presents it (Section 4.2.2). Promotional and social cues then supply a continuous stream of purchase occasions that the first two mechanisms permit to be acted upon (Section 4.2.3). Distress consequently emerges not from any single large or reckless purchase but from the accumulation of individually minor decisions, each of which was locally reasonable given the information the participant was attending to. This framing matters for both explanation and intervention: it locates the problem in the informational structure of the decision environment rather than solely in individual imprudence.

An Islamic financial ethics perspective

Given the institutional setting, one absence in the data merits comment. No participant spontaneously invoked sharia considerations in explaining or evaluating their use of BNPL. Concepts such as riba, gharar, israf, and tabdhir did not appear in any account, despite all participants studying at an Islamic university and several within faculties where Islamic economics is taught. This absence is itself a finding. From the perspective of maqashid al-shariah, and specifically hifz al-mal (the preservation of wealth), the pattern documented here—obligations displacing expenditure on food and transport, and new debt incurred to service existing debt—sits uneasily with normative expectations. The prohibition of israf and tabdhir bears directly on promotion-driven discretionary purchase of the kind described in Section 4.2.3. That participants did not reach for these frameworks when accounting for their own conduct suggests a gap between religious-economic instruction and applied financial decision-making, and identifies a point of leverage for institutional intervention that a purely conventional financial-literacy framing would not surface. The permissibility status of late-payment charges under contemporary fiqh raises a further question that lies beyond the scope of the present data and warrants dedicated treatment.

Theoretical implications

The study contributes to the BNPL literature in three respects. First, it shifts attention from the determinants of adoption, which are comparatively well documented, to the post-adoption trajectory through which use escalates. Second, it identifies concurrent multi-platform use as a mechanism distinct from ease of access, operating through the structural unavailability of aggregate obligation data rather than through user preference or convenience. Third, it specifies a staged sequence in the emergence of distress—displacement, informal borrowing, anticipatory anxiety—that offers observable markers preceding formal default and therefore a potential basis for earlier identification.

Practical implications

For higher education institutions, the reactive character of financial learning documented in Section 4.4 argues for positioning literacy provision at matriculation rather than as a remedial response. Content should address aggregate obligation tracking across platforms specifically, since this is the informational failure the data identify most clearly, and integration with existing Islamic economics instruction would address the applied gap noted in Section 4.5.2. For providers and regulators, the finding that participants evaluated obligations instalment by instalment indicates that per-transaction disclosure is insufficient; disclosure of aggregate exposure, ideally consolidated across providers, would supply the information the decision frame currently lacks. For students, the practical implication is the maintenance of a consolidated record of obligations across all platforms in use.

Boundary conditions

Several limitations bound these claims. The study draws on five participants at a single institution interviewed at one point in time, and no claim is advanced regarding the prevalence of BNPL use or of financial distress among UINSU students generally. The findings support analytical generalisation to theory rather than statistical generalisation to a population. All financial data—balances, transaction frequency, repayment history—are participant-reported and were not verified against platform records; recall error and social desirability bias may operate in either direction, and the sensitivity of disclosing debt and regret makes under-reporting the more probable direction. Because accounts were retrospective, the staged sequence proposed in Section

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4.3 is reconstructed rather than observed prospectively, and longitudinal work would be required to establish it as a temporal ordering rather than a narrative one. Finally, the sample was drawn exclusively from an Islamic higher education institution, and the ethical dimension examined in Section 4.5.2 may not transfer to secular settings.

Conclusion

Based on the findings regarding the intensity of Buy Now Pay Later (BNPL) usage in minimizing financial distress among students at the State Islamic University of North Sumatra (UINSU), it can be concluded that the use of Buy Now Pay Later (BNPL) services among students is relatively high and has become part of their routine digital consumption patterns. The service is not only used to fulfill essential and academic needs but has also expanded to various forms of consumption, such as fashion, skincare, food, entertainment, and other lifestyle-related needs. This condition indicates a shift in the function of Buy Now Pay Later (BNPL), from being merely an alternative payment method to becoming one of the means supporting students' consumption behavior. The high intensity of BNPL usage is influenced by several factors, including the ease of access to digital technology, attractive promotions and discounts, social environmental influences, and changes in students' increasingly digitalized lifestyles. In addition, psychological factors, such as the desire to follow trends and the perception that payments can be deferred to a later period, also contribute to the repeated use of Buy Now Pay Later (BNPL).

The findings further indicate that excessive use of Buy Now Pay Later (BNPL) without adequate financial control and planning may increase the potential for financial distress among students. This condition is reflected in various difficulties experienced by students, including difficulties managing monthly expenses, delays in installment payments, increased dependence on credit facilities, and psychological pressure in the form of stress and anxiety resulting from the accumulation of financial obligations. These findings demonstrate that the use of Buy Now Pay Later (BNPL) affects not only students' financial conditions but also their psychological well-being and daily activities.

Nevertheless, the findings show that some students have begun to develop greater awareness of the need to control their use of Buy Now Pay Later (BNPL) through various efforts, such as limiting its use, preparing financial plans, and reducing excessive consumption behavior. These efforts reflect an increasing awareness among students of the importance of personal financial management, although continuous strengthening of financial literacy remains necessary. Overall, Buy Now Pay Later (BNPL) has a dual impact: it provides convenience and flexibility in conducting transactions, but it may also increase the risk of financial distress when it is not used responsibly and is not accompanied by appropriate financial management.

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