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The Influence Of Financial Literacy And Financial Self Efficacy On Risky Credit Behavior In The Use Of Paylater Among Students(case study of FEB students at Bandar Lampung University)

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Abstract

This study aims to demonstrate the influence of financial literacy and financial self-efficacy on credit risk in the use of PayLater services among students. This research employs a quantitative approach and the analysis technique used is Multiple Linear Regression with a sample of 91 students. This analysis states that financial literacy has a significant inverse relationship with credit risk, which means that increased financial literacy results in a decrease in credit risk levels when using pay later. Additionally, financial self-efficacy also has an inverse relationship with risky credit behavior, indicating that self-confidence in managing finances can reduce risky credit behavior. This research implies that efforts to improve financial literacy and strengthen financial self-efficacy need to be undertaken, especially among students, in order to minimize the detrimental impacts of risky credit behavior in the use of pay later.

Keywords: Financial Literacy, Financial Self-Efficacy, Risk Credit Behavior, Paylater, Students

INTRODUCTION

In today's digital era, there has been a change in people's behavior who tend to prefer shopping online rather than coming directly to shopping centers. One of the factors that influences this is the existence of the Internet which has influenced developments in various industrial sectors, for example the presence of various e-commerce in the digital

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business sector. In 2023, this sector will be the largest contributor to the Indonesian economy with a gross transaction value reaching USD 62 billion (Databoks, 2023, Projection of gross transaction value / GMV of Indonesia's digital economy by sector). The rapid development of e-commerce provides opportunities for several banking and multifinance companies to start introducing new payment alternatives, namely, buy now, pay later (BNPL). BNPL itself is a payment option for making purchases and paying for them in stages. Users can postpone payments for a certain period, of course this is an attractive payment alternative, especially for the people of Lampung who often face various financial demands, such as education costs, daily needs, and other urgent expenses. To access paylater is very easy, users only need to upload a photo of their ID card (Kredivo, 2021). According to records disclosed by the OJK, as of August 2024, Indonesian citizens' loans on paylater services amounted to IDR 26.37 trillion, from the data it also states that the majority of paylater service users are the Zoomers and millennial generations (18-35 years) reaching 70.4%, the remaining 29.7% are users aged 36 and over.

Someone's lack of wisdom in using paylater results in losses, one of which is risky credit behavior. Risky credit behavior is behavior that shows the use of credit to borrow with a credit card without careful consideration or impulsively, delaying credit card payments by using up the credit limit to the maximum (Liu & Zhang 2021), Analysis of risky credit behavior is very important to be used as a research topic, because this paylater payment alternative can be a double-edged sword, presenting benefits if managed properly, but will be detrimental if not used wisely (Muamar, 2020). For paylater users, delays in paying bills can result in sanctions, the sanctions imposed are fines that will accumulate if not resolved immediately and of course will be a burden on users in the future. Risky credit behavior also affects the user's credit score, when someone has a low credit score it can make it difficult for someone to apply for a loan in the future. This is certainly detrimental, especially among students who will later enter a phase of life with quite large cost needs, for example household needs and children's school needs which continue to increase.

Understanding the importance of financial literacy is often overlooked in managing one's finances, especially in taking out paylater credit loans, even though this is an important point in managing each individual's finances. The increasing number of digital and banking platforms that present BNPL and the convenience offered by this payment system must be accompanied by a high level of individual understanding in managing their finances. Furthermore, Widiawati (2023) revealed that BNPL service users can

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continuously change their consumption patterns to be more mechanical. They found that users of this service are often trapped in a risky financial cycle and outside of the initial financial plan. This proves that if the level of understanding of financial literacy is low and there is a lack of awareness of risky credit behavior, paylater users will be faced with financial problems in the future.

*Self-efficacy*also plays an important role in financial decision making. Financial self-efficacy isan attitude of self-confidence in managing finances more regularlyand fight financial challenges. A person who understands self-efficacy well tends to be confident in making financial decisions and facing the risks. This belief not only affects how individuals respond to difficult financial situations, but also how well they can plan and manage debt taken from risky credit behavior such as paylater. In the student circle itself, challenges related to financial literacy and financial self-efficacy are important issues. In this digital era, many students do not equip themselves with good financial understanding. As a result, they may be less prepared to face the complexity of modern financial management. In addition, social demands to meet a certain lifestyle can encourage individuals to take risky credit actions without estimating the financial impact. Based on studies conducted by Sotiropoulus & d'Astous (2013) and Robb (2017), it shows that financial self-efficacy can suppress consumptive behavior and credit abuse. Ultimately, an understanding of a person's financial literacy can be a provision when making financial decisions to be wiser. Of course, in addition to helping them manage debt more effectively, it also increases their ability to plan long-term finances.

LITERATURE REVIEW

Financial Literacy

Financial literacy can be considered as skills and knowledge as well as self-confidence in behavior and attitudes when making decisions and financial management to achieve financial freedom (OJK, 2023). The poor condition of financial literacy in Indonesia can trigger poor financial decision-making, this is in accordance with a study by Ida et al (2020), stating that when an individual equips themselves with a good understanding of financial literacy, it will be in line with the increasing responsibility and decision-making taken, so that it can affect financial management. Referring to the Financial Services Authority (OJK) through the national survey of financial literacy and inclusion (SNLIK). There are 5 benchmark indicators in assessing a person's financial literacy, namely skills, knowledge, trust in financial services, and financial behavior and attitudes to improve the quality of decision-making and managing one's finances.

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Financial Self-Efficacy

Financial self-efficacy can be said to be a form of behavioral control and an individual's self-confidence in their ability to manage finances very well, influencing the individual's intentions and abilities in managing finances (I. Zutiasari & DT Kurniawan 2023). A person with high financial ability confidence tends to be literate and careful in considering consumptive decisions, which if not wise in their implementation will potentially be detrimental. According to Surya & Evelyn (2023) in their research, financial literacy and self-efficacy have a negative relationship with risky credit behavior. A person with good self-efficacy will reduce the chances of risky credit behavior. According to Dare et al., (2022) mentions several indicators that can be used to measure a person's level of financial self-efficacy, namely:

1. Have an improvement in achieving financial goals
2. Do not use a credit card or paylater payment system when unexpected expenses occur
3. Able to solve financial problems and obstacles that arise
4. Able to save and be aware of investments for the future

Risky credit behavior

*Risky credit behavior*refers to actions that can lead to financial problems, such as late payments, excessive spending, and debt accumulation. Hyman (2020) explains that this behavior is often triggered by a lack of understanding of the consequences of debt and is also influenced by an individual's level of financial literacy (Liu & Zang, 2021). Risky credit behavior is divided into two dimensions, Risky borrowing which leads to habits in using credit that will result in default or commonly called failure to pay. While risky paying behavior leads to a person's risk when paying credit bills which results in sanctions in the form of fines (Liu & Zang, 2021). According to Liu & Zhang (2021), there are three indicators of risky credit behavior, namely:

1. Borrowing money with a credit card or paylater without consideration without sufficient financial understanding and risk
2. Postpone credit payment time
3. Using the maximum credit limit

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The Relationship between Financial Literacy, Financial Self-Efficacy, and Risky Credit Behavior

Several studies have mentioned the relationship between the variables in this study. Good financial literacy can reduce risky credit behavior, because individuals who understand the consequences of debt are more likely to make wise decisions (Lusardi & Tufano, 2009). Likewise, financial self-efficacy contributes to improved financial decisions. According to research by Liu & Zhang (2021), if someone has a high level of confidence in their understanding of financial literacy, their confidence in decision-making and solving financial problems will also increase. Furthermore, Kumar and Bansal (2021) found that when an individual is equipped with good financial self-efficacy, they tend to avoid unnecessary debt and are better able to manage risk. Based on the theory of planned behavior, it states that self-efficacy is a medium for transforming knowledge into behavior, so that in addition to influencing a person's financial decision considerations, financial literacy also has a relationship with user behavior through financial self-efficacy indirectly (Liu & Zang, 2021).

Conceptual framework

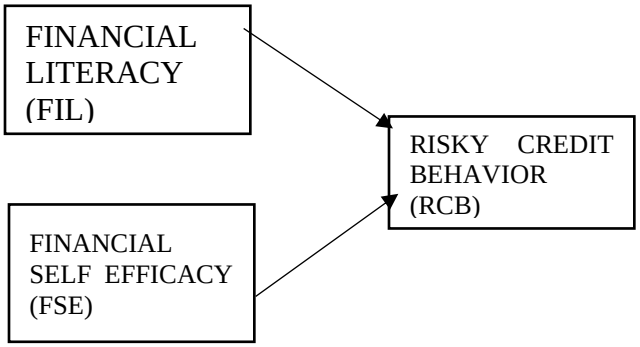


Figure 1. Framework of Thought

H1: Financial literacy has an influence on risky credit behavior in using paylater.
H2: Financial Self Efficacy has an influence on risky credit behavior in using paylater.

RESEARCH METHODOLOGY

This study aims to determine the relationship betweenfinancial literacy (X1) and self-efficacy (X2), on risky credit behavior (Y) in the use of BNPL services.This studyusing

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a quantitative approach with survey design, Likert Scale is used to measure the Influence and Response of a person or group to an event that occurs. (Sugiyono, 2016). The population of this study is all active students of FEB Bandar Lampung University. Based on data released by BAA, active students of FEB Bandar Lampung University number 936 people.A sample is a portion of a population (Sugiyono 2016). sample determination using the Slovin Formula calculation n=$\frac{936.}{1+936.\ (e)2}$= 90.4/=91 (using 10% confidence level). This study used a sample of 91 students. The findings from the data obtained will use various tests with SPSS.

RESULTS AND DISCUSSION

Data Quality Test

Validity Test

Based on the correlation result value obtained from the Validity Test, each question item with details of variable X1 with 12 questions, variable X2 with 11 questions and variable y with 16 questions has a calculated r value that is greater and positive than the r table for degree of freedom (df) = 91-2 = 89 and alpha 0.05, the r table is 0.2061. So that these items can be considered valid.

Reliability Test

Table 1. Reliability Test Results

Variables	Cronbach's Alpha	Standard	Information
Financial Literacy(LK)	0.955	0.60	Reliable
Financial Self Efficacy (FSE)	0.888		
Risk Credit Behavior (RCB)	0.960		

Based on the values obtained, it is known that the three variables get very good and reliable Cronbach's Alpha values, because the value is more than >0.60. These results indicate that the questionnaire that has been distributed is able to produce consistent data, so it is expected to increase the accuracy of the findings of this study and minimize errors in measurement.

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Classical Assumption Test

Normality Test

Table 2. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		91
Normal Parametersa,b	Mean	.0000000
	Std. Deviation	14.52428599
Most Extreme Differences	Absolute	.045
	Positive	.041
	Negative	-.045
Test Statistics		.045
Asymp. Sig. (2-tailed)		.200

a. Test distribution is Normal.
b. Calculated from data.

In table 2, the Normality Test shows results with a significant value of 0.2 > 0.05. From these results, it can be said that the data in this regression model is normally distributed and meets the normality requirements.

Multicollinearity Test

Table 3. Multicollinearity Test Results
***Coefficientsa**

Model		Collinearity Statistics	
		Tolerance	VIF
1	LK	.991	1.009
	FSE	.991	1.009

a Dependent Variable: RCB

The results of the above test did not find any symptoms of multicollinearity in the regression model. proven in table 3, namely the tolerance value obtained by the Financial

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Literacy (X1) and Financial Self Efficacy variables, namely 0.991> 0.10, while the VIF value obtained was 1.009 <10.

Heteroscedasticity Test

Table 4. Heteroscedasticity Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		Std.	Error	Beta		
1	(Constant)	4.511	.3.206		1,407	163
	LK	.054	.067	.086	.806	.422
	FSE	-.013	.027	-.051	-.482	.631

a. Dependent Variable : rcb

The results of the Heteroscedasticity test indicate that there is no Heteroscedasticity in the regression model. This is proven by obtaining a significance value greater than 0.05, namely the Financial Literacy variable with a value of 0.422 and the Financial Self Efficacy variable with a value of 0.631.

Multiple Linear Regression Equation

Table 5. Multiple Linear Regression Equation

Coefficientsa						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	36,920	11,344		3.229	.002
	financial_literacy	-.772	.102	-.606	-7,538	.000
	Financial_self_efficacy	.-967	.240	-.324	-4.033	.000

a. Dependent Variable: rcb

The results of the analysis show Y = 36.920 + -.772 X1 + -.967 X2. From this equation it can be explained that in an effort to prevent or minimize the chances of risky

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credit behavior in the use of paylater, an increase in understanding of Financial Literacy and Financial Self Efficacy is needed.

Hypothesis Test Results

Results of the Determination Coefficient Test (R2)

Table 6. Results of the Determination Coefficient Test (R2)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.660[a]	.436	.423	14.577

a. Predictors: (Constant), neg_fse, LK_BR

The results of the Determination Coefficient Test (R2) showed an adj value (R2) of 0.423 or 42.3%, meaning that the occurrence of risk credit behavior was caused by 2 variables (financial literacy and financial self-efficacy) of 42.3%, and 57.7% was influenced by other variables.

Table 7. F Test Results

			ANOVA			
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14460.491	2	7230.245	34,024	.000b
	Residual	18700.256	88	212,503		
	Total	33160.747	90			

a. Dependent Variable: rcb

b. Predictors: (Constant), financial_self_efficacy, financial_literacy

According to the test results table, 34,024 were obtained with a significant value of less than 0.05, namely 0.00. It can be concluded that the variables of Financial Literacy and financial self-efficacy have a simultaneous relationship with risky credit behavior.

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t-Test Results

Table 8. T-Test Results

Coefficientsa						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	36,920	11,344		3.229	.002
	financial_literacy	-.772	.102	-.606	-7,538	.000
	Financial_self_efficacy	.-967	.240	-.324	-4.033	.000

a. Dependent Variable: rcb

1. The calculated t value of the financial literacy variable (X1) is -7.538 > the t table value of -1.986979 and the sig. value is 0.000 <0.05, so H0 is rejected and Ha is accepted, meaning that the financial literacy variable has an effect on risk credit behavior,
2. The t-value of the Self-efficacy variable (X2) is 4.033 > the t-table value of 1.986979 and the sig. value is 0.000 <0.05, so H0 is rejected and Ha is accepted, meaning that the self-efficacy variable has an effect on risk credit behavior.

DISCUSSION

The results of the analysis show that financial literacy has a negative and significant relationship with risky credit behavior. This indicates that increasing financial literacy affects the management of individual credit behavior. Financial literacy allows individuals to understand the risks inherent in credit decisions, such as high interest rates or uncontrolled debt. Previous research also supports this finding, According to research by Shao et al. (2021), someone who understands financial literacy is proven to be better able to manage credit risk, reduce wasteful behavior, and make wise financial decisions, Lyons et al. (2021) stated that a deep understanding of finance can increase participation in risk management, including in the context of digital credit., Setiawan et al. (2022) emphasized that good financial literacy helps individuals manage credit more carefully by understanding the consequences of digital-based financial products.

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The second hypothesis test shows that Self-Efficacy has a significant negative effect on Risk Credit Behavior. This is in line with various studies that explain that a person's confidence in their financial abilities influences credit decision-making. According to research by Constansje et al. (2023), Self-Efficacy plays a significant role in influencing financial behavior, including risky credit behavior. Someone who is able to understand Self-Efficacy well is proven to be able to manage their finances more rationally, so they tend to have more controlled credit behavior. This study also highlights that Self-Efficacy is closely related to financial literacy and individual financial well-being, supporting better credit risk management. Other research by Ulumudiniati & Asandimitra (2022) states that Self-Efficacy functions as an important connecting factor in financial behavior. A person's financial confidence helps them deal with complex financial situations, thereby reducing the likelihood of making risky credit decisions. These studies confirm that increasing Self-Efficacy can be a strategic step to reduce the risk of bad credit behavior, especially through structured financial education and independent financial motivation.

CONCLUSION

1. Financial Literacy has a negative and significant relationship with Risk Credit Behavior in the use of paylater among students at Bandar Lampung University.
2. Financial Self Efficacy has a Negative and Significant relationship with Risk Credit Behavior in using PayLater among FEB Students at Bandar Lampung University.

SUGGESTION

1. For Educational Institutions, Integration of Financial Literacy in the Curriculum: Adding financial literacy materials to general courses or special training for students, It is expected that students have knowledge and understanding of financial management, credit risk, and the use of digital financial services, Workshops and Seminars: Holding seminars or workshops on financial planning and the risks of paylater services, involving financial experts to provide practical insights.
2. For Students, Increasing Financial Risk Awareness: Students need to understand the consequences of using paylater services, such as high interest and late fees, as well as how to avoid excessive consumer behavior., Personal Budget Management: Train yourself to create and adhere to a personal financial budget in

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order to be able to distinguish between needs and wants before using digital credit services.

3. For Paylater Service Providers, Information Transparency: Provide clear information about fees, interest, and credit risk to users. Service providers can also educate consumers through application features or promotional media about the responsible use of services.
4. For the Government or Financial Regulators, Paylater Usage Regulation: Create regulations that protect young consumers, such as maximum credit limits for low-income users or rules related to transparency of interest and additional fees., National Financial Literacy Campaign: Initiate a digital-based financial literacy program that focuses on the younger generation, especially in digital credit management.

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