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BUY NOW, PAY LATER (BNPL): A REVIEW OF BEHAVIORAL AND SOCIAL DRIVERS, ECONOMIC IMPLICATIONS, AND REGULATORY CHALLENGES

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Abstract:

This review paper provides a multidimensional review of the global expansion of Buy Now, Pay Later (BNPL) platforms and their specific impact on young consumers, especially Generation Z, integrating social drivers, behavioral economics, macroeconomics, and regulation into a unified framework. The study reveals that BNPL's frictionless digital design exploits cognitive biases like mental accounting and reduces the psychological "pain of paying," transforming a liquidity-smoothing tool into an aggressive driver of impulse spending. Amplified by social media environments, digital peer comparison, and the Fear of Missing Out (FOMO), these micro-level behavioral biases encourage young users to pile up uncoordinated debt across multiple apps, ultimately contributing to broader macroeconomic risks such as depressed national savings rates, elevated household debt-to-GDP ratios, and ecological

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resource waste. Furthermore, the review identifies a critical regulatory lag in which decentralized BNPL providers operate in data silos outside traditional banking frameworks, obscuring liabilities from centralized credit bureaus and creating systemic blind spots. By establishing a direct conceptual link showing how individual behavioral vulnerabilities roll up to generate national economic risks, this paper moves beyond simple technology-acceptance metrics to deliver timely, actionable insights for consumer advocates, financial educators, and macroprudential watchdogs striving to maintain financial stability without suffocating digital fintech innovation

Keywords:

Consumer Behavior, Consumer Credit Regulation, Financial Technology (FinTech), Financial Well-Being, Household Debt, Impulsive Buying



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Introduction

Financial technology (fintech) has developed rapidly in recent years, changing the way consumers access and use credit. One of the most visible developments is the emergence of alternative digital payment solutions such as Buy Now, Pay Later (BNPL). The rapid growth of mobile wallets, e-commerce, and digital marketing has therefore contributed to the expansion of BNPL across both developed and emerging economies (Cornelli et al., 2023), making it an increasingly important and popular component of modern consumer finance. These services are often integrated into e-wallets and online shopping platforms, allowing consumers to make purchases quickly and pay later or in several installments (Aji et al., 2024). BNPL has become particularly attractive to Gen Z and Millennials, who familiar with mobile-based services and digital shopping. This generation, born and raised in a hyper-connected and digitally driven world, prioritizes speed over accuracy and values immediate and seamless payment experiences. Instead of going through the approval processes associated with traditional credit, users can obtain relatively small amounts of credit instantly through platforms they are already familiar with or use. Rewards, notifications, and social media-based promotions can further encourage users to engage with BNPL services and make digital borrowing part of their everyday consumption habits (Relja et al., 2024). Option of postponing payment and dividing a purchase into smaller instalment offered by BNPL make this fintech attractive to young consumers, especially those with irregular incomes. This feature helps manage their short-term cash flow and maintain their purchasing power when income and expenditure do not coincide (Mahmud et al., 2025). Chen (2024) states that BNPL usage is

lower among individuals aged 46 and older, and those who are married. Usage is also generally low among individuals with higher incomes.

However, the convenience offered by BNPL also raises significant socio-economic concerns. It makes consumer spend more than their usual spending due to its user-friendly design that makes spending feel less immediate and indirectly helps reduce the psychological “pain of paying.” BNPL may make purchases appear more affordable by presenting a larger financial commitment as several smaller installments. This digital payment interacts with cognitive biases among younger consumers (Bakar et al., 2025). Despite its convenience, social comparison, lifestyle trends, and the Fear of Missing Out (FOMO) may further encourage young consumers to use BNPL for discretionary purchases that they might otherwise postpone or avoid (Tholib, 2025; Kamraju, 2025). These BNPL platforms have evolved from digital borrowing into practical tools and spaces for personal expression, where purchases are intertwined with one's social narrative. BNPL integrates into the aesthetics and flows of mobile purchasing, which is defined by constant scrolling, tapping, and liking (Fitrisam et al., 2025). In this context, BNPL may also create longer-term financial pressures for young consumers because its contribute to the accumulation of hidden debt across multiple platforms (Guttman-Kenney et al., 2023; Halim et al., 2024). This digital payment platform also serve as marketing tool that help seller boost their sales and get the full payment with no credit risk as BNPL providers typically generate revenue through merchant commissions rather than by charging consumers interest.

Numerous studies have examined BNPL development and its growing popularity, but much of the existing literature remains focused on specific aspects or criteria of this fintech. Some studies examine behavioral and technological acceptance factors, such as why consumers choose BNPL, while others focus on consumer psychology within particular contexts. However, the behavioral aspects, economic implications, and regulatory challenges associated with BNPL have not been adequately addressed in a single study in the current literature. Previous research has looked at these problems from various angles, but it usually focuses on individual characteristics rather than the connections between the three. To address this gap, this paper brings together these three perspectives and offers a broader discussion, particularly on consumer debt behavior, its economic implications, and the regulatory challenges posed by the rapid growth of BNPL services. Therefore, the objective of this review is to provide an in-depth analysis of BNPL use among young consumers, considering behavioral, economic, and regulatory dimensions. By integrating separate discussions into a holistic perspective, this paper contributes to existing literature and offers insights into how individual consumption decisions can impact broader economic and policy landscapes.

Behavioral and Social Drivers of Youth BNPL Adoption

The rising use of BNPL among young consumers, especially for non-essential purchases, has sparked interest in the social and psychological factors behind these decisions. Rahmawati et al (2006) argue that BNPL adoption behavior can be explained by psychological motivation that leads to emotional fulfillment. The adoption of this digital payment method is frequently linked to greater self-confidence in engaging in digital consumption culture and perceived modernity. BNPL is perceived as supporting aspirational consumption and making lifestyle-related products and experiences more accessible by providing immediate access to credit (Srivastava et al., 2024; Tan, 2022; Hiew et al., 2026). This could cause customers to focus more on digital-citizen concerns such as identity, lifestyle, and self-image rather than

traditional affordability considerations (Relja et al., 2024). In digital environments, the influence of social comparison is particularly important, as social media shapes young consumers to pay more attention to the presented lifestyles and forces them to engage in frequent purchasing activities, which eventually contributes to the normalization of high levels of consumption (Mappadang et al., 2025). For instant, young women in fashion-focused online shopping environments are particularly prone to BNPL-driven symbolic consumption. These consumers use BNPL to construct social meaning through their purchases, dressing in ways that reflect gender, modernism, or class while coping with structural issues such as caregiving obligations or income inequality (Fitrisam et al., 2025). In these environments, BNPL can serve as a means of maintaining social belonging, following trends, and presenting a desired image online (Fitrisam et al., 2025; Ayhan Gökçek, 2023).

Another important behavioral explanation for BNPL use is psychological discomfort, which refers to its ability to reduce the “pain of payment.” BNPL can reduce the immediate visibility of the total cost by dividing a relatively large purchase into smaller installments and postponing payment. This may encourage consumers to spend more and beyond their means (Bakar et al., 2025; Maesen & Ang, 2025). This tendency could also be explained by mental accounting. Consumers may have a tendency to neglect their entire financial obligation and view each installment separately when numerous transactions are conducted across various platforms. (Gelman & Roussanov, 2023). The way BNPL payments are presented can further reinforce this perception, as smaller installments may appear easier to manage and make the overall cost of a purchase less noticeable at the time of payment (Di Maggio et al., 2022; Harun, 2025; Waliszewski et al., 2024). At the same time, not all BNPL use should necessarily be viewed as irrational. Some studies suggest that consumers will still choose BNPL even if they understand the total cost of their purchases because they value short-term liquidity. However, other evidence suggests that the way BNPL payments are presented can lead consumers to underestimate their overall financial commitments (Anggorowati, 2025). This suggests that there may be a difference between using BNPL as a deliberate short-term financial management tool and using it repeatedly for consumption that exceeds one’s financial capacity. On top of that, emotional triggers like fear of missing out (FOMO) can also have an impact on BNPL usage. Young consumers are constantly subjected to stressful living to meet the perceived stress of living according to their peers' lifestyle. In the digital world, most of the young consumers are pressured to have a well-curated social media presence. They often buy something which they don't use but use for display, for example, to demonstrate cultural associations and trend-awareness. In this case, BNPL has become a means to sustain a "social media ready" image. FOMO creates real emotional distress when someone feels they are going to miss out on a particular social experience or trend and this is often how people decide to use BNPL. Often, these decisions are not completely rational and stem from an emotional urgency that is caused by exclusivity and time-sensitive marketing strategies. Tholib (2025) and Kamraju (2025) state that this also creates a problem due to limited time offers and online shopping drives that compel people to purchase immediately or else the product feature or offer will be eliminated. Lacking the funds to buy something today, FOMO has added to this pressure by making consumers feel like they are missing out on something, which has resulted in some consumers resorting to BNPL. This phenomenon can be amplified during flash sales or when scarcity messaging and social validation techniques are employed to prompt consumers to make rapid decisions about their purchases (Azzuhurf & Cahyono, 2026).

The design of BNPL platforms can also help appease young buyers' FOMO. Many of these sites have elements that teens already see on social media, such as gamification, individualized recommendations, interactive images, animated images, notifications and reminders to buy. These features minimize the possibility that the consumer will go back to their original position immediately after the purchase of the product is made; they are attracted by the incentives and other positive reinforcements offered, making the experience of purchasing more attractive. In this respect, not only is credit available, it is also how it is shown and sold. This aligns with the arguments put forth by Juita et al. (2023) and Ajouz et al. (2024) that such digital affordances can play a role in normalizing debt, making borrowing appear like a need and a way of maintaining consumption as a stable and routine aspect of life, rather than a well-thought-out financial choice. In addition, financial literacy is also involved in BNPL usage. The repayment conditions may be hard to comprehend for consumers with low financial literacy, and they may not be aware of the compounding effects of multiple BNPL transactions (Halim et al., 2024; Anggorowati, 2025).

The BNPL platform's design and presentation may also put consumers at risk. However, consumers may have a difficult time understanding their financial situation, because they may not receive consolidated information on repayment obligations, or they may receive little or no disclosure, or fee information may not be clear (Cook et al., 2023). Thus, the above-described behavioral factors, social pressures, and platform features all are interdependent and can lead to ongoing consumption beyond the initial purchase. This mix of low payment salience, FOMO, social influence and easy-to-borrow borrowing digitally, is concerning for the long-term financial health of young consumers. The convenience of BNPL to purchase discretionary items could have a negative impact on savings, debt, and financial stability if they are used regularly. Because of this, the conversation must go beyond the short-term behavioral factors influencing BNPL adoption and take into account the potential long-term economic ramifications of these trends.

Long-Term Economic Impact of BNPL Usage on Young Consumers

While the behavioral mechanics of BNPL use that were mentioned above are important to understand how consumers make decisions, it is also important to understand the long-term consequences of BNPL use on consumers. As BNPL continues to become a growing trend in discretionary spending, there could be implications for how young consumers are spending their money now, and in the future. Previous research has demonstrated that payment methods influence spending. In contrast to credit cards, BNPL is a fairer credit facility for customers as BNPL providers are not relying on credit scores to qualify for the purchase. This means that when customers use BNPL, online retailers can access a wider range of customers, including those that may not have purchased if they did not have BNPL as an option. This greater access has been linked to higher customer spending when using BNPL.

Although BNPL can be a convenient and relatively safe payment method, its long-term use can foster a more short-term mindset towards spending, especially among consumers with lower financial literacy and self-control, suggesting a profound influence on consumer behavior (Kumar et al., 2024). Similarly, Fitrisam (2024)) argues that while BNPL services enhance consumer satisfaction and post-purchase experiences, they also lure users into spontaneous, emotionally charged purchases. This dual experience, convenience alongside regret, highlights the trade-off between ease and impulsivity: the more effortless the purchase, the less reflective the consumer. The experience of convenience and regret is a reminder of the

dichotomy between convenience and impulsivity: the easier something is to buy, the less thought it will require. This will create more situations in which deferred payment is used when consumers shop online and may lead consumers to see BNPL as a routine payment method, not something they need to think about or use as a form of credit. This can lower the perceived risk of borrowing and increase consumers' willingness to consume in the future. This can lead to a future mismatch between income and expenditure, especially for young consumers with less or erratic incomes.

Another concern is that a customer could use several platforms to get a habit of paying in installments. One of the issues is that the customer might be accustomed to various BNPL services and create a dependence cycle. In contrast to conventional credit options, BNPL enables consumers to have multiple installment plans without having to see all of their obligations, sometimes without realizing they have them. This practice is called “debt stacking,” according to Anh et al. (2025). Consumers can be tempted to consider each purchase on its own, which can lead to under-estimations about how much they owe on various platforms. Minor installments may thus seem to be low-risk when they total up to be high-risk. The burden of these disparate responsibilities may be compounded and influence saving patterns as well. This can leave consumers with less disposable income for savings and establishing financial reserves (Halim et al., 2024; Papich, 2022). Without financial buffers, young consumers are at a greater risk of facing financial shocks or expenses they do not anticipate, which can over time reduce the financial resilience of the consumer.

BNPL can also lead to confusion about consumers' future credit history. In many contexts, there is confusion around the connections between BNPL and formal credit reporting systems. Consumers with timely payment history may not necessarily benefit from building a better formal credit history, as BNPL payments are not always reported to credit bureaus. This could be a hindrance to their ability to access things like mortgages in the future too (Guttman-Kenney et al., 2023). Conversely, delinquencies and missed payments can negatively impact consumers' credit history, and raise the interest rate on future credit products.

The overall impact of BNPL on young consumers is more than a mere mode of payment, as it has significant long-term effects on their finances. The increasing use of it could have an impact on financial behaviors, the amount of savings and credit worthiness. Some customers are likely to be using BNPL responsibly to manage their cash flow in the short-term, but there remains a lack of existing research in this area to define the boundaries between responsible and harmful use of BNPL. The current evidence, however, indicates that an excessive use of BNPL might lead to more debt-driven spending and financial insecurity. The longer-term economic impacts, however, of this shift, and in particular on young consumers, has not been well studied. It is challenging to understand the longitudinal impact of multiple BNPL transactions, as there is limited evidence available to determine the cumulative impact of BNPL over time and the economic impacts of BNPL over a broader spectrum of transaction.

Macro-Level and National Economic Implications of BNPL

The financial stress that individual consumers feel also poses economic issues. The consequences of BNPL are felt within digital economies and can go beyond consumer psychology to impact national consumption patterns, household debt, and financial well-being. While BNPL may lead to increased consumption in the short term by creating more accessible credit, macroeconomic effects on the long run have not been as well understood. Overall,

BNPL may help create loan-fueled consumption by alleviating short-term liquidity constraints. BNPL can enhance consumer purchasing power in the short term and boost the number of transactions in retail and ecommerce sectors (Maesen & Ang, 2025). This can help facilitate economic activity and be a part of digital market growth. But when this growth comes on the back of a rise in private credit, not household income, it poses questions.

Over time, reliance on credit to support consumption may create concerns about the sustainability of this growth. The relationship between short-term economic stimulation and long-term financial stability is therefore important. So the short-term economic stimulus versus the long-term financial stability is important. However, evidence from across the globe suggests that the growth of BNPL relates to a rise in household debt, especially in more digitally connected financial markets (Cornelli et al., 2023). The continued use of deferred payments can harm the balance sheets of households, and encourage less aggregate saving, which can make economies more vulnerable to financial or macroeconomic disturbances. Ghaida et al., (2025) explain that there is long-term relationship between savings and economic growth with savings being found to be a causal driver of economic growth, where countries with high national savings rates are observed to have reduced dependency on foreign investment.

There can also be income differences in effects. Liquidity constraints are more prevalent among younger and lower income consumers and they might therefore be more inclined towards consumption smoothing. The common denominator, however, is that these groups may have a disproportionate burden from the long-term effects of debt accumulation (Cornelli et al., 2023). In this regard, BNPL can offer immediate consumption opportunities, and may exacerbate financial inequity and hardship for already financially constrained households. BNPL also raises questions about consumption and environmental sustainability. Deferred payment may make the purchase of non-essential items more attractive to consumers, since it lowers the upfront cost of acquiring them. This can lead to higher usage of short-lived items and waste and environmental impacts (Juita et al., 2023; Ajouz et al., 2024). Ecological economics, however, may not align with these consumption patterns and with the broader push for responsible production and consumption (Prabhakar, 2025). The link between consumption and environmental sustainability then ought to be a topic of future research in the context of fintech.

The other issue is the role of BNPL companies in the broader financial ecosystem. BNPL works across various merchant networks, non-bank fintechs, and funders and doesn't depend on traditional banking intermediaries. While this will increase the efficiency of transactions, it can also lead to vulnerabilities during times of economic downturn. Rising customer defaults at the expense of financial stability could occur during the economic slowdown, while merchant fees and external financing may be critical to BNPL providers. While BNPL has become more prevalent, it is notable that many BNPL providers are not included in traditional macroprudential oversight systems, and this continues to be the case as financial innovation and regulation continue to evolve (Cook et al., 2023).

The overall macro-economic impact of BNPL is not unambiguous. BNPL can also be more effective in extending credit and encouraging consumer spending when they have cash flow shortfalls. Meanwhile, the literature also points to "hidden" household debt, overconsumption and risks to system. The current macro level studies are still limited by the absence of longitudinal and aggregate data. Deeper research in this vein is warranted in future to better

understand the interplay between BNPL and monetary policy, fiscal stability, saving behavior, and macroprudential policy. This research could provide insight into whether BNPL can become a viable and long-term part of digital finance, or if it may become a potential driver of financial fragility.

Legal and Regulatory Challenges of BNPL

The rapid growth of BNPL has created new opportunities for financial access and consumption, but it has also exposed weaknesses in existing legal and regulatory frameworks. In many jurisdictions, regulatory development has not kept pace with the expansion of BNPL, resulting in concerns about consumer protection, transparency, and financial oversight. Although BNPL shares several characteristics with traditional credit products, it is often subject to different regulatory requirements or, in some cases, limited regulation. Raj et al (2024) highlight that credit cards are issued by banks, require lengthy application checks, and charge interest on unpaid balances, while BNPL services are offered by fintech companies with instant approval and interest-free installments, though they come with strict repayment terms and late fees. This makes BNPL unregulated, excludes credit checks, and is not considered a formal credit, so providers are not required to adhere to responsible lending standards. Consequently, many consumers do not view BNPL as a credit, they do not fully understand the need to repay their purchases or the impact on their credit scores (Raj et al., 2024).

Further, BNPL providers may operate outside some of the regulatory requirements that apply to traditional banks and credit card companies. This can create gaps in areas such as transparency, risk management, and responsible lending (Federal Trade Commission [FTC], 2022). BNPL is commonly promoted as an interest-free alternative to conventional credit. However, providers typically earn revenue from merchant fees, so the more consumers buy, the more they earn (Soni, 2023). This is because BNPL is a two-for-one deal, which gives consumers easy access to short-term loans and retailers an incentive to make purchases. Therefore, the regulatory categorisation of BNPL is a significant challenge. The lack of interest and the short-term nature of BNPL could mean that it is not considered a traditional credit product in some jurisdictions. This means providers could face less disclosure and more affordable lending, while also being exempt from the same affordability assessments and responsible lending requirements as traditional lenders (Ishak et al., 2025; Guttman-Kenney et al., 2023). This leaves room to doubt that BNPL should be subject to consumer credit regulations or be considered a distinct category of financial service. There has also been a lack of uniformity in classification, which has led to variations in regulations and monitoring and enforcement efforts from country to country.

Consumer protection, transparency, and disclosure are other important concerns. The term “interest-free”, often employed in the marketing of BNPL products and services, can lead consumers to think that the service is either not a significant financial cost or means they're not paying interest. Users may have to face indirect costs like penalties, late fees, and other costs which may not be clearly expressed at the point of purchase (Cook et al., 2023; Anggorowati, 2025). Repayment information can also be made "simplified" or in a digital presentation that makes it hard for consumers to understand their overall financial obligation. This may be an issue in informed decision making, especially for younger consumers who may not be financially literate. Hence, the regulation needs to focus on not only the availability of information but also its format, as it will be presented in the digital platform's design.

Another challenge is assessing creditors' worthiness. BNPL providers may rely on simplified or alternative forms of data rather than the more comprehensive affordability assessments typically used by traditional financial institutions. This can improve accessibility and support financial inclusion, but it may also increase the risk of lending to consumers who have limited capacity to repay. This is because BNPL providers are not obliged to share information with credit bureaus (Machura-Urbaniak and Lupinu, 2023). Given that many consumers say they will look for another provider if they reach their limit with one credit provider or are rejected, the risk of creating widespread and significant indebtedness is high. Evidence suggests that weaker credit assessment practices are associated with missed payments and financial stress among BNPL users (Guttman-Kenney et al., 2023). Regulators therefore face a difficult balance between maintaining access to financial services and ensuring responsible lending. Stricter requirements may reduce access for some underserved consumers, whereas weak requirements may expose consumers to excessive borrowing.

Credit reporting creates another important regulatory issue. BNPL transactions are not always consistently reported to credit bureaus, resulting in incomplete information about consumers' total debt exposure. Not all BNPL transactions get reported to credit bureaus, which means there is incomplete data on consumers' overall debt exposure. This generates two associated issues. One of them is that consumers can have multiple BNPL commitments, which may not be clearly reflected in the regular credit assessment processes. This can lead to more over-indebtedness. Secondly, consumers whose repayments are on time might not have a better formal credit record. Not having a standardised reporting process in place thus also impacts risk assessment and financial inclusion, as well as the need for greater integration between the BNPL platforms and existing credit reporting systems (Ishak et al., 2025).

There are wider challenges with different regulations in different jurisdictions. There are various methods of integration, from bolstering existing credit policy regulations to a relatively open framework. These disparities can hinder inter-jurisdictional operations, and can even lead to inconsistencies in regulation. Furthermore, the regulatory reaction has frequently been reactive, rather than proactive in anticipation of risks and consumer harms from new fintech models. When financial technologies are quick to grow and potentially endangering many consumers, a reactive response may not be enough.

The rise in BNPL could also impact financial system stability. While BNPL is still a relatively small sector of the credit market, its growth rate and adoption by digital platforms may make it more significant in the future. This reliance on outside funding and merchant fees could leave BNPL providers open to economic risks, especially in times of economic downturn where customers may default. Even with these potential risks, BNPL remains largely unregulated by the mainstream macroprudential framework, highlighting an ongoing mismatch between financial innovation and macroprudential monitoring and surveillance (Cook et al., 2023). In light of such challenges, the literature suggests that there is a need for more holistic and future-oriented regulation. These can involve a legal definition of BNPL, affordability assessments, more robust disclosure, and better reporting of BNPL transactions to the credit bureaus. Yet, it is still hard to strike a balance. Unnecessary regulation may stifle innovation and hinder access to easy access financial services, while too little regulation may lead to greater consumer harm. A regulatory regime that is proportional and flexible is thus required, with regulation evolving with technological progress and consumer response.

In general, the regulatory dilemmas faced by BNPL illustrate the trade-offs between financial innovation and good regulation. BNPL offers convenience and can help expand access to short-term credit but current regulations have not always been in place with the BNPL in mind. Literature thus suggests the need for a more holistic approach to the regulation that incorporates the consumer's behaviour, technology, consumer protection, and financial system risk together. If that is not the case, BNPL could remain in a regulatory void that could lead to financial fragilities at the micro and macro level.

Conclusion

This paper has explored the phenomenon of Buy Now Pay Later (BNPL) in four aspects: behavioural drivers, economic impact on individuals, economic impact on the macro economy and challenges for regulations. Overall, the literature suggests that BNPL adoption among young consumers is influenced by a combination of cognitive biases, social pressures, and digital platform design. Deferred payment is now becoming a regular practice, and impulsive buying habits and social influences like FOMO are further proof of a financial pattern that prioritizes instant gratification over long-term planning. This behaviour change has significant economic implications at the individual level. Risks associated with fragmented and "hidden" debt, consumption-side constraints on saving, and the trajectory of credit risks are all highlighted from the literature, potentially leading to reduced long-term financial resilience. Taken together, these micro-level outcomes lead to macro-level concerns such as the growing importance of credit-financed consumption, the possibility of rising household indebtedness and the growing financial inequality. While BNPL can boost immediate economic activity, it is unclear if this will last without the growth of income. Moreover, the regulatory analysis shows that the current regulatory system fails to respond adequately to the special nature of BNPL, leading to a lack of consumer protection, transparency and credit regulation.

In spite of these insights the current review has a few limitations. First, the analysis is based mainly on literature, and work on cross-sectional data is prevalent, which makes it difficult to infer causal and long-term conclusions. Second, the diversity of BNPL users is not always reflected in the findings of the studies; some studies report generalised results, which might not reflect the diversity in financial behaviors and risk exposure among BNPL users. Thirdly, as fintech is a relatively new field, evidence may have been incomplete or outdated. Future research should focus on empirical and longitudinal studies that examine the long-term financial outcomes for BNPL users, acknowledging these limitations. Also, the segmentation of users, especially by income levels and financial literacy, should be considered more closely to gain a more detailed understanding of risk. In addition, there is still a need to explore how the design of digital platforms and regulatory measures can affect consumer behaviour. Research is crucial to create better policies and ensure that the proliferation of BNPL aligns with sustainable financial and economic outcomes.

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