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Buy Now Pay Later and Generation Z Consumerism: A Maqasid al-Shariah Perspective on Digital Finance

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Abstract

The rapid growth of Buy Now Pay Later (BNPL) services has transformed consumer financial behavior, particularly among Generation Z, one of the most active groups in the digital economy. While BNPL offers greater payment flexibility and improved access to digital financial services, concerns have emerged regarding its potential to encourage impulsive spending, excessive consumption, and financial vulnerability. Existing studies mainly focus on financial, behavioral, and regulatory aspects of BNPL, with limited attention to its implications from an Islamic economic perspective. This study aims to analyze BNPL usage among Generation Z through the lens of Maqasid al-Shariah. Using a qualitative library research approach, the study examines relevant literature from books, scientific journals, research reports, and academic publications related to BNPL, consumer behavior, digital finance, and Islamic economics. The findings indicate that BNPL functions as a double-edged financial innovation. On the one hand, it promotes financial inclusion, purchasing flexibility, and participation in the digital economy. On the other hand, excessive reliance on BNPL may contribute to consumerism, debt accumulation, and weakened financial discipline. From the perspective of Maqasid al-Shariah, particularly hifz al-mal (protection of wealth) and hifz al-'aql (protection of intellect), BNPL should be assessed based on its contribution to responsible consumption and financial well-being. This study proposes a Maqasid-Based Framework for Responsible Digital Consumption consisting of financial awareness, spending necessity, debt responsibility, wealth protection, and ethical digital consumption. The findings contribute to the development of Islamic economic discourse on digital finance and responsible consumer behavior.

Keywords: Buy Now Pay Later; Generation Z; Maqasid al-Shariah; Digital Finance; Consumer Behavior

1. Introduction

The rapid development of financial technology has transformed consumer financial behavior worldwide. One of the most significant innovations in digital finance is the emergence of Buy Now Pay Later (BNPL), a payment system that enables consumers to purchase goods or services immediately while postponing payment through installment mechanisms. The popularity of BNPL has increased substantially in recent years due to its convenience, accessibility, and integration with e-commerce platforms. Unlike conventional credit cards, BNPL services generally offer a simplified registration process and instant approval, making them particularly attractive to younger consumers. Recent studies indicate that BNPL has become one of the fastest-growing forms of consumer credit in the digital economy and is reshaping consumption patterns among young adults (DeHaan et al., 2024; Lupșa-Tătaru et al., 2023; Simolinna, 2025).

Indonesia has experienced a similar trend in BNPL adoption. The rapid growth of digital commerce, combined with increasing internet penetration and smartphone usage, has accelerated the expansion of BNPL services offered by fintech companies and e-commerce platforms. Reports from the Financial Services Authority (OJK) show that BNPL transactions continue to grow annually, especially among younger consumers who actively engage in online shopping and digital payment ecosystems. The availability of BNPL facilities through platforms such as Kredivo has made deferred payment mechanisms increasingly accessible to consumers from various socioeconomic backgrounds (Kredivo & Center, 2024).

Among all demographic groups, Generation Z has emerged as the most active BNPL user segment. Born and raised in a highly digitalized environment, Generation Z demonstrates strong engagement with online commerce, digital payments, and social media-driven consumption. Previous studies have shown that Generation Z consumers tend to value convenience, instant gratification, and seamless financial services, making them more likely to utilize BNPL facilities than previous generations. While BNPL can increase financial inclusion and purchasing flexibility, excessive reliance on deferred payment systems may encourage impulsive buying behavior, overspending, and debt accumulation among young consumers (Fitrisam et al., 2025; Halim et al., 2024; Waliszewski et al., 2025).

From the perspective of Islamic economics, consumer behavior is not solely evaluated based on economic efficiency but also on ethical and moral considerations. Islamic teachings emphasize moderation (*wasatiyyah*), financial responsibility, and the avoidance of excessive consumption (*isrāf*) and wastefulness (*tabdhīr*). The Qur'an explicitly encourages balanced consumption patterns and discourages behavior that may lead to financial harm or social imbalance. Therefore, the growing popularity of BNPL among Generation Z raises important questions regarding its compatibility with the objectives of Islamic law (*maqāṣid al-sharīʻah*), particularly the protection of wealth (*ḥifẓ al-māl*) and the promotion of individual and social welfare (Auda, 2008; Chapra, 2008).

Several previous studies have examined BNPL from different perspectives. Di Maggio et al. (2022) and Halim et al. (2024) investigated the impact of BNPL on consumer spending and household debt, finding that BNPL usage significantly increases short-term consumption while potentially contributing to future financial vulnerability. Likewise, Waliszewski et al. (2025) explored the relationship between BNPL services and consumer financial behavior, highlighting concerns regarding financial literacy and debt management among younger users. Within the Islamic finance literature, most studies have focused on the contractual structure, legal permissibility, and Shariah compliance of BNPL products, particularly regarding issues of credit sales, deferred payments, and potential elements of riba (Ali et al., 2025; Hayati et al., 2025; Thalib et al., 2025).

Although existing studies provide valuable insights, several limitations remain. First, most BNPL studies are dominated by financial and behavioral perspectives, with limited attention to Islamic economic ethics. Second, previous Islamic finance studies primarily discuss the legality and contractual aspects of BNPL rather than its implications for consumer behavior. Third, few studies specifically examine the interaction between BNPL usage, Generation Z consumerism, and the objectives of Islamic law (*maqāṣid al-sharīʻah*). Consequently, the ethical and socio-economic implications of BNPL adoption among young Muslim consumers remain insufficiently explored.

This study addresses these gaps by analyzing BNPL usage among Generation Z through the lens of *maqāṣid al-sharīʻah*. Unlike previous studies that focus mainly on legal permissibility or financial performance, this research emphasizes how BNPL influences consumption behavior and whether such practices align with Islamic principles of moderation, financial responsibility, and wealth protection. The study contributes to the growing literature on Islamic digital finance by providing a maqāṣid-based framework for understanding contemporary consumer behavior in the digital economy.

Accordingly, this study aims to analyze the phenomenon of BNPL usage among Generation Z and evaluate its implications from a *maqāṣid al-sharīʻah* perspective. Specifically, the study seeks to answer the following question: To what extent does BNPL usage among Generation Z align with the objectives of Islamic law concerning responsible consumption and wealth preservation? The findings are expected to contribute theoretically to Islamic economic discourse and practically to policymakers, Islamic financial institutions, and consumers in promoting more responsible digital financial behavior.

2. Literature Review and Hypothesis Development / Conceptual Framework

2.1. Buy Now Pay Later in the Digital Financial Ecosystem

The emergence of Buy Now Pay Later (BNPL) has become one of the most significant developments in contemporary digital finance. BNPL enables consumers to acquire goods and services immediately while postponing payment through short-term installments. This financial innovation has expanded rapidly due to its simplicity, flexibility, and accessibility compared to traditional credit facilities. Previous studies indicate that BNPL has transformed consumer purchasing behavior by reducing perceived financial constraints and increasing purchasing power, particularly among younger consumers who are highly engaged in digital commerce (DeHaan et al., 2024; Di Maggio et al., 2022).

Unlike conventional credit products, BNPL services are often integrated directly into e-commerce platforms, creating a seamless shopping experience. While this integration contributes to financial inclusion and convenience, researchers have also raised concerns regarding excessive spending, impulsive purchasing, and increasing consumer indebtedness. Di Maggio et al. (2022) found that BNPL users tend to increase consumption shortly after adopting the service, suggesting that deferred payment mechanisms may influence purchasing decisions beyond actual financial capacity. Similarly, Waliszewski et al. (2024, 2025) argued that BNPL services may encourage unsustainable financial behavior when consumers lack adequate financial literacy and budgeting skills.

2.2. Generation Z and Digital Consumerism

Generation Z refers to individuals born approximately between 1997 and 2012 and is widely recognized as the first generation to grow up entirely within a digital environment. This generation demonstrates strong familiarity with smartphones, social media, online marketplaces, and digital financial services. Consequently, Generation Z has become one of the largest user groups of BNPL services worldwide (Gebeyehu & Mavridis, 2023; Kumar et al., 2025; Natswa, 2021).

Consumer behavior literature suggests that Generation Z tends to prioritize convenience, immediacy, and personalized digital experiences. Social media exposure, influencer marketing, and online shopping culture significantly shape consumption decisions among this generation. Research has shown that digital platforms frequently stimulate impulsive buying behavior through personalized recommendations and instant payment facilities. In this context, BNPL functions not merely as a payment instrument but also as a mechanism that facilitates immediate consumption without requiring immediate financial sacrifice (Priporas et al., 2017; Waliszewski et al., 2024).

From an economic perspective, increased consumption may stimulate market activity. However, from a behavioral perspective, excessive dependence on deferred payment systems may create financial vulnerability, especially among younger consumers who have limited financial experience and unstable income sources. Therefore, understanding BNPL usage among Generation Z requires not only financial analysis but also ethical and normative evaluation.

2.3. Maqasid al-Shariah and Consumer Behavior

Maqasid al-Shariah represents the higher objectives of Islamic law intended to preserve and promote human welfare. Contemporary scholars identify the protection of religion (*hifz al-din*), life (*hifz al-nafs*), intellect (*hifz al-'aql*), lineage (*hifz al-nasl*), and wealth (*hifz al-mal*) as the primary objectives of the Shariah (Auda, 2008; Chapra, 2008).

Within the context of economic activities, *hifz al-mal* occupies a central position because Islamic economics seeks to ensure that wealth is acquired, utilized, and distributed in ways that promote justice and social welfare. Islamic teachings encourage responsible consumption while discouraging extravagance (*israf*) and wastefulness (*tabdhir*). The Qur'an explicitly warns against excessive consumption and emphasizes moderation as a fundamental principle of economic behavior (Kamali, 2015).

Applying *maqasid al-Shariah* to contemporary financial practices requires evaluating not only the legal structure of a financial product but also its broader social and economic consequences. Accordingly, the assessment of BNPL should not be limited to contractual permissibility alone. Instead, it should also consider whether BNPL promotes financial well-being, protects wealth, encourages responsible consumption, and contributes to sustainable economic behavior among consumers.

2.4. Previous Studies and Research Gap

Several studies have examined BNPL from financial, behavioral, and regulatory perspectives. Di Maggio et al. (2022) focused on the relationship between BNPL adoption and household spending behavior, while Waliszewski et al. (Waliszewski et al., 2024, 2025) investigated financial literacy issues among BNPL users. Other studies have discussed BNPL from legal and consumer protection perspectives, emphasizing regulatory challenges in the rapidly evolving fintech sector (DeHaan et al., 2024).

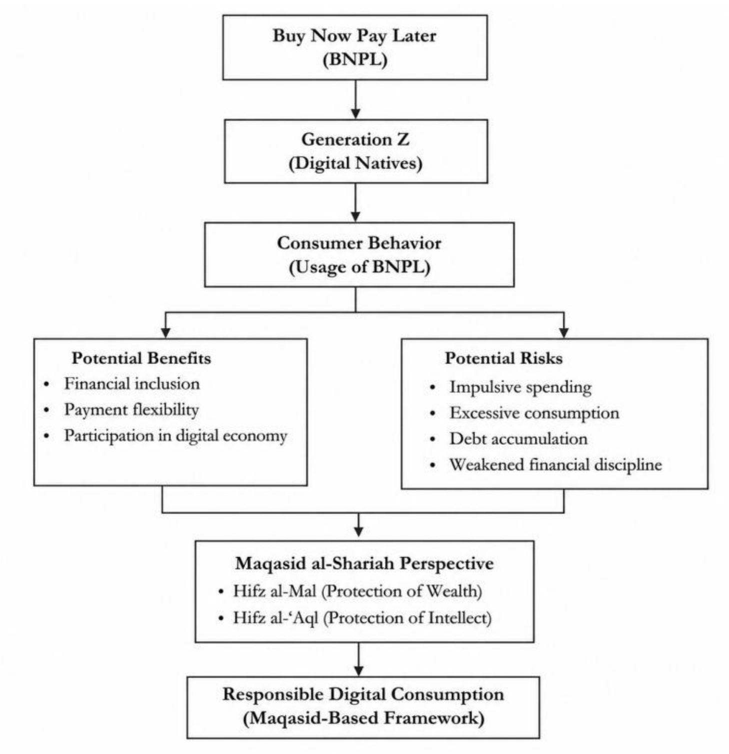
Within Islamic finance literature, existing studies primarily concentrate on Shariah compliance, contractual structures, and the permissibility of deferred payment mechanisms. These studies generally assess whether BNPL practices comply with Islamic legal requirements concerning credit sales, installment contracts, and the prohibition of *riba*. However, limited attention has been given to the behavioral consequences of BNPL usage among Muslim consumers, particularly Generation Z. Furthermore, few studies have examined BNPL through the broader framework of maqasid al-Shariah, which emphasizes ethical consumption, wealth preservation, and social welfare rather than merely contractual legality.

Therefore, this study seeks to fill an important gap by analyzing BNPL usage among Generation Z through a maqasid al-Shariah perspective. Unlike previous studies that focus on legal permissibility or financial outcomes, this research emphasizes the relationship between BNPL adoption, digital consumerism, and the objectives of Islamic law.

2.5. Conceptual Framework

This study is based on the assumption that the increasing use of BNPL influences consumer behavior among Generation Z by facilitating deferred consumption and reducing immediate payment constraints. Such behavioral changes may produce both positive and negative consequences. On one hand, BNPL can enhance financial accessibility and purchasing flexibility. On the other hand, it may encourage impulsive consumption, excessive spending, and financial dependence. These outcomes are subsequently evaluated through the framework of maqasid al-Shariah, particularly the principle of *hifz al-mal* (protection of wealth), to determine whether BNPL usage contributes to or undermines responsible financial behavior and overall societal welfare.

Figure 1. Conceptual Framework of the Study



Source: Developed for this study

3. Research Method

This study employed a qualitative library research approach to examine the phenomenon of Buy Now Pay Later (BNPL) usage among Generation Z from the perspective of *Maqasid al-Shariah*. A literature review method was adopted to synthesize previous empirical findings and conceptual discussions regarding BNPL, digital consumer behavior, Islamic economics, and responsible financial practices. The literature was collected from four major academic databases, namely Scopus, Dimensions, Google Scholar, and Crossref, to ensure comprehensive coverage of high-quality scholarly publications. The search process was conducted using combinations of the following keywords: Buy Now Pay Later, BNPL, Generation Z, Consumer Behavior,Digital Finance, Islamic Economics, and Maqasid al-Shariah. To maintain the quality and relevance of the reviewed literature, this study applied several inclusion criteria. First, only peer-reviewed journal articles published between 2020 and 2025 were selected. Second, the publications had to be written in English and directly discuss

BNPL, digital financial behavior, consumer behavior, or Islamic economic perspectives. Third, studies indexed in reputable databases such as Scopus or recognized international publishers were prioritized.

Meanwhile, several exclusion criteria were applied. Conference proceedings, book reviews, opinion papers, duplicated publications, and articles with limited relevance to the research objective were excluded from the analysis. The initial search identified approximately 168 publications. After removing duplicate records and screening titles and abstracts, 87 articles remained. Subsequently, a full-text eligibility assessment was conducted, resulting in 46 articles that met all inclusion criteria and were included in the final analysis. The selected literature was analyzed using qualitative content analysis. The analysis consisted of four stages: data reduction, categorization of themes, comparative analysis, and interpretation based on the Maqasid al-Shariah framework. During the analytical process, the reviewed studies were grouped into several major themes, including the growth of BNPL, Generation Z consumer behavior, financial inclusion, consumerism, financial risk, and Islamic ethical perspectives. These findings were then synthesized to evaluate whether BNPL practices support the objectives of hifz al-mal (protection of wealth) and hifz al-'aql (protection of intellect), ultimately leading to the formulation of a Maqasid-Based Framework for Responsible Digital Consumption.

4. Results and Discussion

4.1 The Growth of Buy Now Pay Later in the Digital Financial Ecosystem

The synthesis of the 46 selected studies reveals that the rapid growth of Buy Now Pay Later (BNPL) is driven by three interconnected factors: the expansion of digital commerce, the increasing adoption of financial technology, and consumers' growing preference for flexible payment systems. Across the reviewed literature, BNPL consistently emerges as one of the fastest-growing financial innovations within the digital economy, particularly due to its seamless integration with e-commerce platforms and mobile financial applications. This finding indicates that BNPL has evolved beyond a simple payment alternative into an essential component of contemporary digital financial ecosystems (Di Maggio et al., 2022).

The reviewed studies further demonstrate that BNPL has fundamentally transformed consumer purchasing behavior by reducing immediate payment constraints and enabling consumers to access goods and services through deferred payment mechanisms. Unlike conventional credit products, BNPL offers simplified registration procedures, instant approval processes, and greater accessibility, making it particularly attractive to digitally connected consumers. These characteristics explain why BNPL adoption has accelerated rapidly across various countries and demographic groups, especially among younger consumers who actively participate in digital commerce (Arun et al., 2024; Bian et al., 2023; DeHaan et al., 2024; Ishak et al., 2025).

In Indonesia, the growth of BNPL has been accelerated by increasing internet penetration, smartphone usage, and the rapid expansion of e-commerce activities. The digital transformation of financial services has encouraged fintech companies and marketplace providers to offer BNPL facilities as part of their payment options. Platforms such as Kredivo, Shopee, Tokopedia, Traveloka, and other digital service providers have integrated BNPL features to enhance consumer purchasing power and improve customer retention. This development has contributed to the increasing acceptance of deferred payment systems among Indonesian consumers, particularly those who actively participate in the digital economy (Kredivo & Center, 2024).

From an economic perspective, BNPL provides several advantages for consumers and businesses. For consumers, BNPL offers greater purchasing flexibility and access to financing without the complexity often associated with traditional credit products. For businesses, BNPL can increase transaction values, stimulate consumer spending, and improve sales performance by reducing payment barriers at the point of purchase. Previous studies have found that the availability of BNPL services tends to increase consumer expenditure and encourage more frequent purchasing behavior, particularly for discretionary products and online retail transactions (Di Maggio et al., 2022; Waliszewski et al., 2024, 2025).

Despite these benefits, the rapid expansion of BNPL has also generated concerns among scholars, regulators, and financial institutions. The ease of access to deferred payment facilities may encourage consumers to spend beyond their financial capacity, potentially increasing household indebtedness and financial vulnerability. Several studies have reported that frequent BNPL users are more likely to experience repayment difficulties, financial stress, and budgeting problems, especially when financial literacy is relatively low. These concerns have led policymakers and regulators in many countries to examine the need for stronger consumer protection mechanisms and responsible lending practices within the BNPL industry (Arun et al., 2024; Bureau, 2022).

The growing role of BNPL in digital finance demonstrates that financial innovation has significantly altered the way consumers access and utilize financial services. However, the success of BNPL should not be evaluated solely in terms of transaction growth and market expansion. Its broader implications for consumer welfare, financial sustainability, and responsible consumption must also be considered. This issue becomes particularly important when examining Generation Z, a demographic group that represents one of the largest segments of BNPL users and whose consumption behavior is heavily influenced by digital technologies and online marketplaces. Therefore, understanding the relationship between BNPL and Generation Z consumer behavior is essential for assessing the long-term implications of digital finance from both economic and ethical perspectives.

Overall, the reviewed literature demonstrates that the growth of BNPL is not merely a technological innovation but also a structural transformation within the digital financial ecosystem. While its rapid expansion has improved financial accessibility and consumer convenience, it has simultaneously reshaped purchasing behavior by encouraging more frequent and flexible consumption. These findings suggest that evaluating BNPL should extend beyond economic growth and market expansion to include its long-term implications for consumer welfare and financial sustainability.

4.2 Generation Z and the Transformation of Consumer Behavior

The synthesis of the 46 reviewed studies demonstrates that Generation Z possesses four dominant characteristics that strongly influence the adoption of Buy Now Pay Later (BNPL) services: digital dependency, convenience-oriented consumption, intensive social media engagement, and a strong preference for instant financial solutions. Across the reviewed literature, these characteristics consistently position Generation Z as the primary user segment of BNPL, distinguishing them from previous generations in terms of digital financial behavior and consumption patterns (Francis & Hoefel, 2018; Priporas et al., 2017).

The reviewed studies further indicate that the integration of digital technologies into everyday life has fundamentally transformed the purchasing behavior of Generation Z. Rather than relying solely on conventional financial considerations, purchasing decisions are increasingly shaped by digital interactions, personalized marketing, algorithm-driven recommendations, and the availability of flexible payment systems. Consequently, BNPL has become more than a payment option; it functions as an enabler of immediate consumption within the digital economy (Djafarova & Bowes, 2021; Priporas et al., 2017).

Another important characteristic of Generation Z consumption behavior is the influence of social media. Platforms such as Instagram, TikTok, and YouTube have become powerful tools in shaping consumer preferences and lifestyle aspirations. Influencer marketing, viral trends, and online peer recommendations often encourage purchasing decisions that are driven not only by necessity but also by social recognition and self-expression. In many cases, consumption becomes closely associated with identity formation and social participation. As a result, young consumers may experience pressure to follow trends and maintain a certain lifestyle, even when such consumption exceeds their immediate financial capacity (Djafarova & Bowes, 2021; Yuan & Lou, 2020).

Within this context, Buy Now Pay Later (BNPL) services have emerged as an attractive financial solution for Generation Z. The ease of registration, minimal credit requirements, and immediate purchasing capability offered by BNPL align closely with the consumption preferences of digitally connected consumers. BNPL eliminates the need to postpone purchases until sufficient funds become available, thereby providing instant access to desired products and services. Previous studies suggest that younger consumers are more likely to adopt BNPL because they perceive it as more flexible and accessible than traditional credit facilities (DeHaan et al., 2024; Waliszewski et al., 2024, 2025).

However, the increasing use of BNPL among Generation Z also raises concerns regarding impulsive buying behavior and financial discipline. Research in consumer behavior demonstrates that deferred payment mechanisms tend to reduce the psychological burden associated with spending because consumers do not immediately experience the financial consequences of a purchase. This phenomenon may lead to higher consumption levels, lower spending restraint, and increased vulnerability to debt accumulation. Di Maggio et al. (2022) Simolinna (2025) found that consumers who adopt BNPL services often increase their spending shortly after adoption, suggesting that payment flexibility may influence purchasing decisions beyond actual financial necessity.

From an Islamic economic perspective, these developments highlight the importance of evaluating consumption behavior beyond conventional economic indicators. While technological innovations such as BNPL may enhance financial accessibility and consumer convenience, they may also encourage excessive consumption if not accompanied by financial responsibility and ethical awareness. Islamic economics emphasizes moderation (*wasatiyyah*), responsible spending, and the avoidance of extravagance (*isrāf*) and wastefulness (*tabdhīr*). Therefore, understanding the consumption behavior of Generation Z in the digital era requires not only an examination of technological factors but also an assessment of whether such behavior contributes to individual welfare and sustainable financial well-being. In this regard, the increasing adoption of BNPL among Generation Z provides an important context for analyzing the compatibility of modern consumption practices with the objectives of *Maqasid al-Shariah*.

Overall, the synthesized literature suggests that the widespread adoption of BNPL among Generation Z is influenced not only by technological accessibility but also by changing consumption values shaped by digital lifestyles. The interaction between social media, personalized marketing, and flexible payment systems has accelerated the transformation of consumer behavior, making Generation Z more vulnerable to impulsive purchasing while simultaneously increasing their participation in the digital economy. These findings highlight the importance of evaluating BNPL usage from both behavioral and ethical perspectives.

4.3 Benefits and Risks of Buy Now Pay Later for Generation Z

The synthesis of the 46 reviewed studies reveals that Buy Now Pay Later (BNPL) generates both significant benefits and substantial risks for Generation Z consumers. Across the selected literature, five recurring themes consistently emerge: improved financial accessibility, greater payment flexibility, increased participation in the digital economy, heightened impulsive buying tendencies, and growing financial vulnerability due to debt accumulation. These findings demonstrate that BNPL functions as a double-edged financial innovation, simultaneously creating economic opportunities while introducing behavioral and financial challenges for young consumers.

The reviewed studies further indicate that the overall impact of BNPL depends not only on the characteristics of the financial service itself but also on consumers' financial literacy, spending discipline, and ability to manage deferred payment obligations. While many studies emphasize BNPL's contribution to financial inclusion and consumer convenience, others consistently report that excessive reliance on deferred payment systems may weaken financial discipline and encourage unsustainable consumption behavior among Generation Z.

One of the primary advantages of BNPL is its ability to increase financial accessibility. Unlike conventional credit cards, BNPL services generally require simpler registration procedures and fewer eligibility requirements, enabling broader access to financing for young consumers who may have limited credit histories. This accessibility allows Generation Z consumers to obtain products and services without needing immediate cash availability. In addition, BNPL provides payment flexibility through installment arrangements, helping consumers manage short-term liquidity constraints while maintaining access to essential goods and services (Ahmad et al., 2026; DeHaan et al., 2024; Simolinna, 2025).

BNPL also contributes to the growth of digital commerce by facilitating consumer transactions and encouraging participation in the digital economy. For businesses and online marketplaces, BNPL can increase purchasing power, improve conversion rates, and stimulate sales growth. Studies have shown that consumers tend to spend more when BNPL options are available because deferred payment mechanisms reduce immediate financial barriers during the purchasing process. As a result, BNPL has become an important tool for supporting economic activity within rapidly expanding digital marketplaces (Di Maggio et al., 2022; Kiran et al., 2024).

Despite these benefits, numerous studies have highlighted the financial risks associated with excessive BNPL usage. One major concern is the tendency of BNPL to encourage impulsive buying behavior. The convenience of postponing payment often reduces consumers' perception of spending costs, making purchases appear more affordable than they actually are. Behavioral finance research suggests that individuals are generally more willing to spend when payment is delayed because the psychological impact of financial loss is weakened. Consequently, consumers may purchase products based on desire rather than necessity, increasing the likelihood of excessive consumption (Di Maggio et al., 2022; Waliszewski et al., 2024, 2025).

Another significant risk is debt accumulation. Although individual BNPL transactions may involve relatively small amounts, repeated use across multiple platforms can create substantial financial obligations. Young consumers who lack effective budgeting skills may experience difficulties tracking installment commitments and repayment schedules. Several studies have found that frequent BNPL users are more likely to miss payments, incur late fees, and experience financial stress compared to consumers who rely on traditional payment methods. These findings suggest that easy access to deferred payment facilities may expose Generation Z to higher levels of financial vulnerability if not accompanied by adequate financial literacy (Bureau, 2022; Kozol et al., 2025; Seldal & Nyhus, 2022)

The risks associated with BNPL become more pronounced when combined with the influence of social media and digital consumer culture. Generation Z is continuously exposed to advertising content, influencer recommendations, and lifestyle trends that encourage frequent consumption. In such circumstances, BNPL may function not merely as a payment instrument but also as a mechanism that sustains consumerism by enabling purchases beyond immediate financial capacity. This situation creates concerns regarding long-term financial well-being, particularly among young consumers who are still developing financial management skills and economic independence (Djafarova & Bowes, 2021; Yuan & Lou, 2020).

Overall, the synthesized literature indicates that the impact of BNPL on Generation Z cannot be classified as entirely beneficial or entirely detrimental. Instead, the reviewed studies consistently show that its consequences are determined by consumers' financial awareness, repayment capacity, and spending behavior. When used responsibly, BNPL enhances financial inclusion, facilitates access to digital commerce, and provides short-term financial flexibility. However, when accompanied by low financial literacy and impulsive purchasing behavior, BNPL may contribute to excessive indebtedness, financial stress, and unsustainable consumption patterns.

These findings suggest that evaluating BNPL should extend beyond its contribution to economic growth and market expansion. A comprehensive assessment must also consider its long-term implications for consumer welfare, financial sustainability, and ethical financial behavior. This conclusion provides a logical transition to the following discussion, which examines BNPL through the perspective of Maqasid al-Shariah to determine whether contemporary digital financial practices support the objectives of wealth protection, rational decision-making, and responsible consumption.

4.4 Buy Now Pay Later from the Perspective of Maqasid al-Shariah

The synthesis of the 46 reviewed studies demonstrates that the implications of Buy Now Pay Later (BNPL) extend beyond financial performance and legal compliance, encompassing broader ethical and socio-economic dimensions. Across the reviewed literature, BNPL is consistently portrayed as a financial innovation whose impact depends largely on consumers' behavioral patterns, financial responsibility, and the broader consequences for individual and social welfare. These findings indicate that evaluating BNPL solely from the perspective of contractual permissibility is insufficient, as its practical effects on consumption behavior and financial well-being are equally important (Auda, 2008; Chapra, 2008; Marwah et al., 2025).

The reviewed studies further reveal that the framework of Maqasid al-Shariah provides a comprehensive approach for assessing contemporary digital financial practices. Rather than focusing exclusively on the legality of financial contracts, Maqasid al-Shariah emphasizes whether financial innovations contribute to the realization of public welfare (maslahah), the prevention of harm (mafsadah), the protection of wealth (hifz al-mal), and the promotion of rational decision-making (hifz al-'aql). Consequently, this perspective enables a more holistic evaluation of BNPL within the context of responsible digital consumption.

One of the most relevant dimensions of *Maqasid al-Shariah* in evaluating BNPL is *hifz al-mal* (the protection of wealth). Islamic economics emphasizes that wealth should be acquired, managed, and utilized responsibly to ensure long-term prosperity and social justice. Financial instruments are considered beneficial when they support economic needs and improve welfare without creating excessive financial burdens. From this perspective, BNPL may contribute positively by providing consumers with short-term financial flexibility, enabling access to goods and services when immediate liquidity is limited. For certain consumers, BNPL can function as a useful financial tool that facilitates consumption without resorting to informal or potentially exploitative sources of kredit (Hiew et al., 2026).

However, the principle of *hifz al-mal* also requires individuals to avoid financial practices that may threaten wealth preservation. Numerous studies indicate that excessive reliance on BNPL may encourage overspending, debt accumulation, and weak financial planning among young consumers. When consumers repeatedly purchase non-essential products through deferred payment mechanisms without considering their future repayment capacity, the objective of protecting wealth may be compromised. In such circumstances, BNPL shifts from being a means of financial facilitation to becoming a source of financial vulnerability. Therefore, the compatibility of BNPL with *hifz al-mal* depends largely on how the facility is utilized and whether consumers maintain responsible financial behavior (Di Maggio et al., 2022; Waliszewski et al., 2024, 2025).

Another important objective of Islamic law is *hifz al-'aql* (the protection of intellect). This principle encourages rational decision-making, critical thinking, and responsible judgment in all aspects of life, including economic activities. Consumption decisions should be based on genuine needs, careful consideration, and awareness of potential consequences. However, contemporary digital environments often expose consumers to persuasive marketing strategies, personalized advertisements, and social media influences that stimulate impulsive purchasing behavior. The convenience offered by BNPL may further reinforce these tendencies by reducing the immediate financial consequences associated with consumption. As a result, purchasing decisions may become increasingly driven by emotions, desires, and social pressures rather than rational economic considerations (Djafarova & Bowes, 2021; Kamali, 2015).

The concept of *maslahah* and *mafsadah* also provides a useful analytical framework for assessing BNPL. From the perspective of *maslahah*, BNPL offers several benefits, including increased financial accessibility, greater purchasing flexibility, and enhanced participation in the digital economy. These benefits may support economic welfare when the facility is used prudently and for legitimate needs. Nevertheless, the potential *mafsadah* associated with BNPL cannot be ignored. Financial stress, excessive indebtedness, compulsive consumption, and declining financial discipline represent significant risks that may undermine individual welfare and social stability. Islamic legal theory generally recognizes that when potential harms outweigh expected benefits, preventive measures become necessary to protect public welfare (Ahmed, 2025; Auda, 2008; Chapra, 2008).

Furthermore, Islamic economics strongly emphasizes the principles of moderation (*wasatiyyah*) and the avoidance of extravagance (*israf*) and wastefulness (*tabdhir*). The Qur'an repeatedly encourages balanced consumption and warns against excessive spending that exceeds reasonable needs. In this context, BNPL does not inherently contradict Islamic economic principles. Rather, concerns arise when the facility becomes a catalyst for consumerism and encourages purchasing behavior that prioritizes desire over necessity. The problem therefore lies not merely in the financial instrument itself but in the behavioral patterns associated with its use. This distinction is important because it shifts the discussion from the legality of BNPL toward the ethical quality of consumption behavior within the digital economy (Chapra, 2008; Kamali, 2015).

Overall, the synthesized literature suggests that BNPL should be understood as a value-neutral financial innovation whose ethical implications depend on the manner in which it is utilized. When employed to satisfy legitimate needs, supported by adequate financial literacy, and managed responsibly, BNPL contributes to financial inclusion and aligns with the objectives of Maqasid al-Shariah, particularly the protection of wealth and the promotion of rational financial behavior. Conversely, when it encourages excessive consumption, weakens financial discipline, and leads to unsustainable debt obligations, its practices become inconsistent with the principles of hifz al-mal and hifz al-'aql. These findings indicate that the primary issue is not the existence of BNPL as a financial instrument, but the behavioral patterns associated with its use. Accordingly, the reviewed studies highlight the need for a normative framework capable of guiding consumers toward responsible digital financial behavior. This conclusion provides the foundation for the Maqasid-Based Framework for Responsible Digital Consumption proposed in the following section, which integrates the ethical objectives of Islamic economics into contemporary digital finance.

4.5 Towards Responsible Digital Consumption: A Maqasid-Based Framework

The synthesis of the 46 reviewed studies indicates that the benefits and risks associated with Buy Now Pay Later (BNPL) cannot be adequately addressed through financial or regulatory approaches alone. Across the reviewed literature, a consistent pattern emerges showing that responsible BNPL usage depends on the interaction between financial literacy, ethical consumption behavior, prudent debt management, and awareness of long-term financial consequences. While existing studies have successfully identified various determinants of BNPL adoption and its implications for consumer behavior, they provide limited guidance on how consumers should utilize BNPL in accordance with the ethical objectives of Islamic economics.

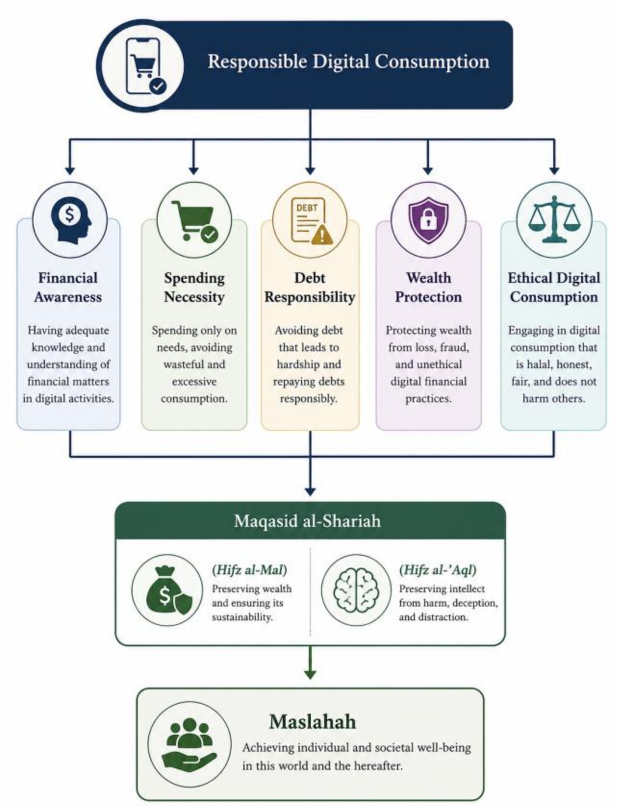
Building upon these synthesized findings, this study proposes a Maqasid-Based Framework for Responsible Digital Consumption as a normative model for evaluating and guiding BNPL usage among Generation Z. The proposed framework integrates the higher objectives of Maqasid al-Shariah with contemporary digital financial practices, emphasizing that financial innovation should not only improve accessibility and convenience but also promote responsible consumption, wealth preservation, rational decision-making, and sustainable financial well-being.

Based on the synthesis of the reviewed literature, this study proposes a Maqasid-Based Framework for Responsible Digital Consumption consisting of five interconnected principles: financial awareness, spending necessity, debt responsibility, wealth protection, and ethical digital consumption. These principles are derived from the higher objectives of Maqasid al-Shariah, particularly hifz al-mal (protection of wealth) and hifz al-'aql (protection of intellect), while simultaneously responding to the behavioral challenges associated with BNPL usage identified throughout the reviewed studies. Collectively, these principles provide a comprehensive normative framework for promoting responsible digital financial behavior among Generation Z.

Figure 2 illustrates the proposed Maqasid-Based Framework for Responsible Digital Consumption developed from the synthesis of the reviewed literature. The framework demonstrates that responsible BNPL usage should be guided by five interconnected principles financial awareness, spending necessity, debt responsibility, wealth protection, and ethical digital consumption which collectively support the realization of Maqasid al-Shariah, particularly hifz al-mal and hifz al-'aql, ultimately contributing to maslahah (individual and societal well-being).

The proposed framework is presented in Figure 2. It illustrates how the five principles of responsible digital consumption are conceptually integrated within the objectives of *Maqasid al-Shariah*, ultimately aiming to achieve *maslahah* (individual and societal well-being).

Figure 2. Maqasid-Based Framework for Responsible Digital Consumption



Source: Developed by the authors based on the synthesis of the reviewed literature (2026).

The first principle is financial awareness. Consumers should possess sufficient understanding of their financial condition before utilizing BNPL facilities. This includes awareness of income sources, expenditure patterns, repayment obligations, and future financial commitments. Financial awareness is essential because many young consumers adopt BNPL without fully considering its long-term consequences. Previous studies have shown that limited financial literacy is one of the primary factors contributing to repayment difficulties and financial stress among BNPL users (Ahmad et al., 2026; Hiew et al., 2026). From the perspective of *Maqasid al-Shariah*, financial awareness supports the protection of wealth by encouraging informed and responsible economic choices.

The second principle is spending necessity. Islamic economics distinguishes between needs (*daruriyyah* and *hajiyyah*) and excessive desires that may lead to wasteful consumption. Accordingly, BNPL should ideally be utilized to facilitate legitimate needs rather than impulsive purchases driven by temporary desires or social pressures. Consumers should evaluate whether a purchase genuinely contributes to personal welfare before committing to future payment obligations. This principle aligns with the Islamic prohibition of *israf* and *tabdhir*, which discourage unnecessary and excessive consumption (Chapra, 2008; Kamali, 2015).

The third principle is debt responsibility. Although BNPL transactions often involve smaller financial commitments than traditional loans, they nevertheless create obligations that must be fulfilled. Islamic teachings emphasize the importance of honoring contractual commitments and fulfilling debts in a timely manner. Therefore, consumers should ensure that installment obligations remain within their repayment capacity and do not jeopardize future financial stability. Debt responsibility encourages consumers to assess affordability before making purchases and to avoid accumulating multiple obligations that may become difficult to manage.

The fourth principle is wealth protection (*hifz al-mal*). This principle serves as the central objective of the proposed framework. The preservation of wealth requires individuals to balance present consumption with future financial security. Excessive dependence on deferred payment mechanisms may weaken savings behavior, reduce financial resilience, and increase vulnerability to economic shocks. Consequently, BNPL usage should be evaluated not only in terms of immediate convenience but also in relation to its impact on long-term financial well-being. Financial decisions that strengthen economic stability and support sustainable wealth management are more consistent with the objectives of Islamic economics.

The fifth principle is ethical digital consumption. Digital technologies have transformed consumer markets by making products and services more accessible than ever before. However, ethical concerns arise when technological convenience encourages compulsive purchasing behavior and materialistic lifestyles. Ethical digital consumption requires consumers to exercise self-control, critical judgment, and moral responsibility when interacting with digital marketplaces. Rather than allowing technology to dictate consumption patterns, consumers should ensure that their financial decisions reflect broader values of moderation, responsibility, and social welfare.

The proposed framework extends the existing BNPL literature by moving beyond discussions of legal permissibility, financial performance, and consumer behavior toward a comprehensive ethical framework grounded in Maqasid al-Shariah. Unlike previous studies that primarily examine BNPL from regulatory, technological, or behavioral perspectives, this framework integrates Islamic ethical values into contemporary digital finance by emphasizing responsible financial decision-making, wealth preservation, and sustainable consumption. Consequently, the contribution of BNPL should be evaluated not only by its ability to increase transaction volume or expand financial access but also by its capacity to support long-term consumer welfare and the broader objectives of Islamic economics. This framework therefore represents the principal theoretical contribution of the present study and offers practical guidance for policymakers, Islamic financial institutions, fintech providers, and young consumers in promoting more responsible digital financial practices.

5. Conclusion

This study examined the phenomenon of Buy Now Pay Later (BNPL) usage among Generation Z from the perspective of Maqasid al-Shariah. The findings indicate that the rapid growth of BNPL has transformed consumer behavior by providing greater financial accessibility, payment flexibility, and convenience within the digital economy. However, the increasing adoption of BNPL among Generation Z also presents significant challenges, including impulsive buying behavior, excessive consumption, debt accumulation, and financial vulnerability. From the perspective of Maqasid al-Shariah, particularly the principles of hifz al-mal (protection of wealth) and hifz al-'aql (protection of intellect), BNPL cannot be assessed solely based on its legal permissibility or economic benefits. Rather, its evaluation should consider whether its usage supports responsible consumption, financial well-being, and long-term wealth preservation. This study proposes a Maqasid-Based Framework for Responsible Digital Consumption consisting of financial awareness, spending necessity, debt responsibility, wealth protection, and ethical digital consumption as guiding principles for BNPL users in the digital era. The study contributes to the literature by extending the discussion of BNPL beyond financial and behavioral perspectives toward a normative Islamic economic framework. Practically, the findings suggest the importance of strengthening financial literacy programs, promoting responsible borrowing practices, and encouraging greater awareness of ethical consumption among young consumers. As this study is based on library research, future studies may employ empirical approaches to examine the relationship between BNPL usage, financial behavior, and Maqasid al-Shariah among Generation Z in different socio-economic contexts.

Author Contributions

Muhamad Fuji Hakiki contributed to conceptualization, methodology, literature review, data analysis, writing the original draft, and overall project coordination. Mutia Pamikatsih contributed to literature collection, data validation, manuscript review, and editing. Fadel Mohamad Rojak contributed to theoretical framework development, interpretation of findings, and critical review of the manuscript. Musthofa Kamil contributed to data analysis, discussion development, and manuscript revision. Siti Solihatul Munfariha contributed to supervision, review and editing, and final manuscript refinement. All authors have read and approved the final version of the manuscript.

Conflict of Interest Statement

The authors declare that there is no conflict of interest regarding the research, authorship, and publication of this article. The authors affirm that the study was conducted independently and objectively without any financial, commercial, institutional, or personal relationships that could influence the results, interpretation, or conclusions presented in this manuscript.

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