THE IMPACT OF DIGITAL AND ISLAMIC FINANCIAL LITERACY ON PAYLATER USAGE DECISION IN SERANG DISTRICT: TRUST IN FINANCIAL INSTITUTIONS AS A MEDIATING VARIABLE

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ABSTRACT: This study aims to examine the influence of digital literacy and Islamic financial literacy on the decision to use paylater, with trust in financial institutions as a mediating variable. The method used in this study is a quantitative approach with a survey involving 228 respondents selected by the purposive sampling method with certain criteria. Data analysis was carried out using Structural Equation Modelling (SEM) with SmartPLS software. The results of the study show that digital culture and trust in financial institutions have a significant effect on the decision to use paylater services partially with the probability value of each prob. 0.000 and prob. 0.046. Meanwhile, digital ethics and digital skills did not have a significant effect on the decision to use paylater (prob. > value 0.05). In addition, Islamic finance skills (prob. 0.000) and Islamic financial knowledge (prob. 0.000) affect trust in Islamic financial institutions. In terms of moderation effect, this study found that only Islamic finance skills moderated the influence of trust in Islamic financial institutions on paylater usage decisions (prob. 0.048), while digital safety and digital skills did not show a significant moderation effect.
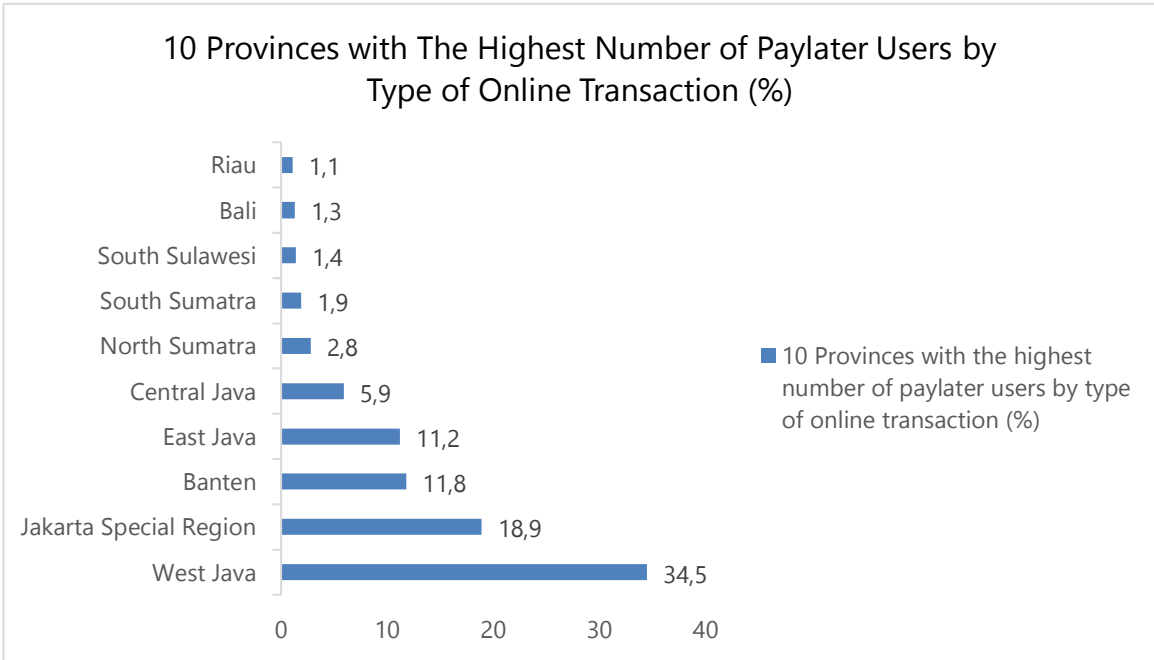
Keyword: Digital Literacy, Islamic Financial Literacy, Paylater, Trust In Financial Institutions

INTRODUCTION

The global payment system has experienced very rapid progress due to the advancement of technology in the financial sector as known as financial technology. This provides an opportunity to accelerate the digital payment system, one of which is the service feature that has also begun to be embedded in various e-commerce applications

and other types of online transactions, namely Buy Now Pay Later (BNLP) or often known as paylater. The use of the paylater feature has increased rapidly because it is considered to provide convenience for its users to make purchases with deferred payments (Fernandi et al., 2023). Paylater users or debtors reached around 13 million debtors until the first semester of 2023 (OJK, 2023). In Indonesia, four provinces, namely West Java, DKI Jakarta, Banten, and East Java, even accounted for more than 75% of online paylater transactions in Indonesia (Santika, 2024).

Figure 1. Province with the Highest Number of Online Paylater Users

10 Provinces with The Highest Number of Paylater Users by Type of Online Transaction (%)

Province	Value
Riau	1,1
Bali	1,3
South Sulawesi	1,4
South Sumatra	1,9
North Sumatra	2,8
Central Java	5,9
East Java	11,2
Banten	11,8
Jakarta Special Region	18,9
West Java	34,5

Source: Katadata Insight Center, 2025

In addition, it was recorded that from 2019 to 2023, the increase in the use of the paylater service multiplied 17 times from 4.63 to 79.92 million of financing, with a remarkable increase occurring during the Covid-19 pandemic in 2020 to 2021 (Yonatan, 2024). Although this system offers payment flexibility, the convenience of the paylater feature also has side effects on consumer behavior and money management because they make purchase transactions without having the adequate resource to pay. These side effects also include the involvement of riba (usury), which is an important issue, especially for Muslims (Aji et al., 2024).

Figure 2. Growth of Paylater Usage in Indonesia (2019-2023)
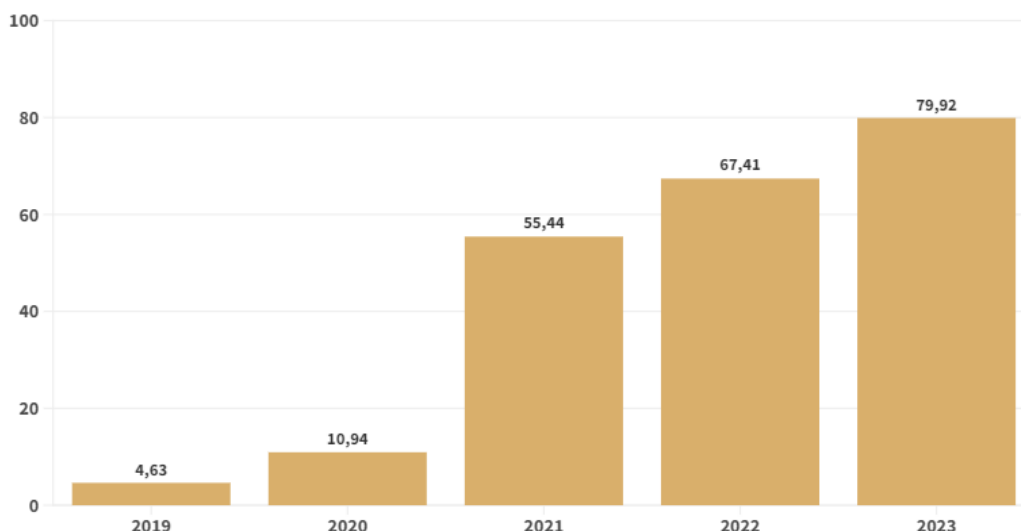
Source: Goodstats.id, 2025

The increasing use of BNPL features is often associated with low financial literacy, which is a factor for users to make impulsive purchases that are not followed by sufficient financial capabilities and the potential financial instability in the future (Berlianti & Suwaidi, 2023). In OJK Regulation Number 3 Year of 2023, financial literacy is defined as knowledge, skills, and trust, which are the basis for decision-making regarding financial management to achieve financial well-being (Otoritas Jasa Keuangan RI, 2023). In relation to finance that pays attention to Islamic law (syariah), decision-making is based on knowledge, skills, and trust regarding Islamic laws that regulate financial transaction activities (*muamalah*).

By having sufficient Islamic financial literacy, users have the ability to distinguish between permissible and prohibited transactions, trust in sharia-compliant institutions, and awareness of halal financial practices also play a role in Muslim users' decisions to use BNPL services. According to the study, traditional BNPL offerings have serious ethical issues, especially in terms of riba (interest), late fees, and lack of transparency, all of which are contrary to the principles of maqashid syariah (Firdaus, et al., 2024); (Obaid, 2024).

Furthermore, these BNPL services risk encouraging consumerism behaviour that is not in accordance with Islamic ethics, despite their increasing popularity. For example, a study of Gen Z users in Indonesia revealed that although the majority have college degrees and moderate levels of financial literacy, the simplicity and user interface of the Paylater application continue to encourage excessive consumption without fully appreciating its impact (Tamara & Agustina, 2024); (Surjandy, et al., 2024). These dangers are exacerbated by a lack of knowledge about data privacy, digital security, and exploitative interest provisions.

Self-control, risk perception, and digital financial literacy influence the tendency to overconsume when using BNPL services (Juita, Pujani, Rahim, & Rahayu, 2023). In this case, the way users assess and engage with digital credit systems is greatly influenced by digital literacy, which according to the Ministry of Communication and Information of the Republic of Indonesia (now the Ministry of Komdigi) includes not only technical skills but also knowledge (digital skills), ethics (digital ethics), digital culture, and awareness of safety in digital activities (digital safety) (Kementerian Komunikasi dan Informasi Republi Indonesia, 2022).

To overcome the problems above, this study aims to examine how digital service users' decisions to use Paylater services are influenced by digital literacy (skills, culture, ethics and safety) and Islamic financial literacy (knowledge, trust and skills). To encourage the development of ethical financial technology, foster financial education initiatives, and ensure consumer protection in a digitally savvy society that adheres to Islamic religious rules, it is critical to understand this relationship.

RESEARCH METHODS

This study is a research with a quantitative method to measure variables, test hypotheses, and identify relationships between variables (Sciberras & Dingli, 2023). This study uses primary data, which is collected directly by the researcher through questionnaire instruments distributed to respondents who meet the criteria or using the purposive sampling method (Andrade, 2021). The number of respondents collected amounted to 228 people who have the minimum age criteria of 17 years old or married. The selection of the age of 17 years in the study with purposive sampling is based on the fact that at this age individuals are in an important transition from adolescence to young adulthood, which is related to psychological, educational, and social developments that are relevant to the focus of the study. The age of 17 years is also the minimum age limit for someone to have a self-identity and can have a bank account and other financial accounts such as paylater. The second respondent criterion is having experience using digital financial services. The third criterion is being domiciled in Serang Regency, Banten.

Data analysis used Structural Equation Modeling (SEM) with a Partial Least Squares (PLS) approach. SEM-PLS was chosen for its ability to handle quite complex research models (Sarstedt et al., 2022). The first step in the analysis of research data is a data quality test which includes validity tests used to ensure that the research instrument actually measures constructs or is in accordance with the research objectives (Savitri et al., 2021). The validity test using Smart PLS consists of two types, namely the convergent validity test and the discriminant validity test (Murniati et al., 2013). In addition, the data quality test also includes a reliability test that aims to measure the internal consistency of each indicator used in the research. The second step is the evaluation of the structural

model consisting of two tests, namely the R Square test to measure how much the independent variable contributes to the dependent variable in the tested model and the Effect Size test to measure the strength of the influence of an independent variable on the dependent variable. The third step is a hypothesis test with a path coefficient for the interpretation of the hypothesis test. The fourth step is to test the mediation effect with specific indirect effects. The fifth step is the Goodness of Fit (GoF) Test which is used to measure the extent to which the built model can represent empirical data. The GoF test combines the fit size of the structural model and the measurement of the measurement model (Weiser, 2020).

RESULTS OF RESEARCH AND DISCUSSION
1. Statistics Descriptive

Descriptive statistics aim to collect, present, and analyze data. In this study, descriptive statistics were aimed at the respondent profile (Savitri et al., 2021). The following are the descriptive statistics of respondents based on age:

Table 1. Respondent Age Statistics

Age	Number of Respondents
17-21	170
22-26	22
27-31	10
32-36	12
37-41	2
42-46	5
47-51	4
52-56	1
57-61	0
62-66	1
67-71	1
Total	228

Source: Primary data processed, 2025

Based on the table in the respondents' age statistics above, it can be seen that the age of 17 to 21 years old dominates. Then the second order is respondents aged 22 to 26 years. Therefore, the majority of respondents are gen z who are the digitally literate generation. Furthermore, the results of descriptive statistics by gender can be shown in the following pie chart:

Figure 3. Pie Chart of Respondents by Gender
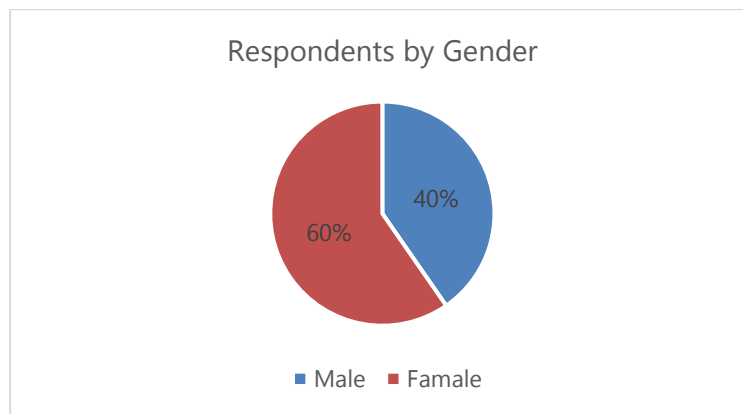
Based on the circle diagram above, it can be seen that female respondents are 60% of the total respondents, namely 136 respondents, and male respondents are 40% of the total respondents, namely 92 people. Next are the results of the descriptive analysis of the respondents based on their last education as shown from the following bar chart image:
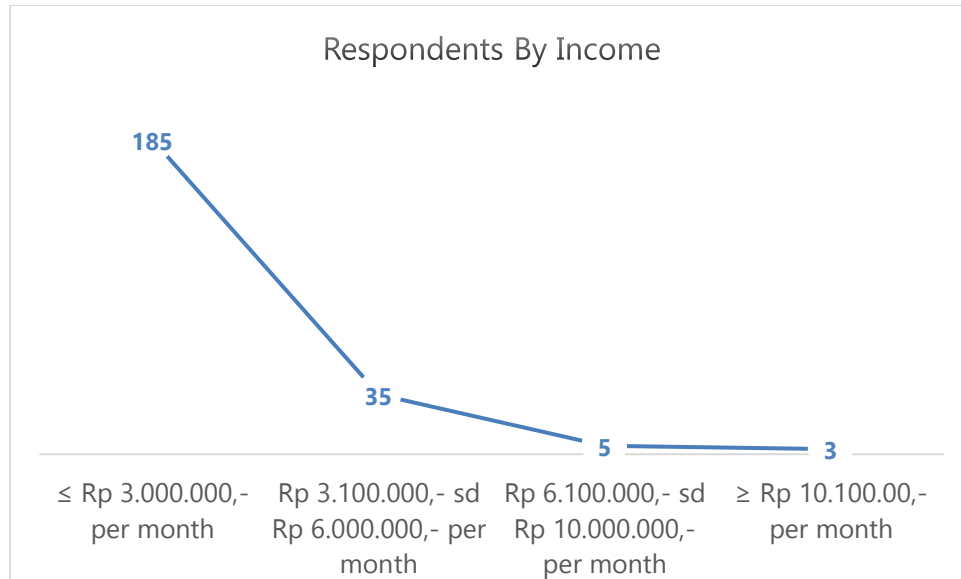
Figure 4. Respondent Bar Chart Based on Last Education
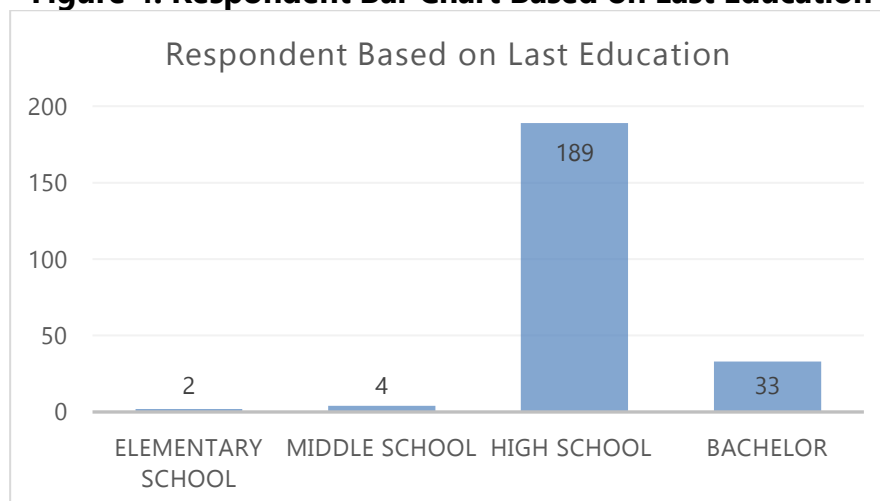
Based on the gamabar bar bar chart of respondents based on the last education, it is known that most of the respondents have a high school education or equivalent, which is as many as 189 people, then the second place is the respondents with a bachelor education as many as 33 people. Next are the results of the descriptive analysis of the respondents based on income:

Figure 5. Respondent Line Chart by Income

Respondents By Income

185

35

5

3

≤ Rp 3.000.000,- per month | Rp 3.100.000,- sd Rp 6.000.000,- per month | Rp 6.100.000,- sd Rp 10.000.000,- per month | ≥ Rp 10.100.00,- per month

Source: Primary data processed, 2025

Based on the bar chart of respondents based on income, it is known that most respondents have an income below 3 million per month, this figure is below the amount of the UMR of Serang Regency, which is Rp 4,857,353. So it can be described that the people of Serang Regency are classified as poor because the income generated is below the local UMR. Next are the results of the descriptive analysis of respondents based on work:

Figure 6. Respondent Bar Chart by Occupation


Respondents by Occupation
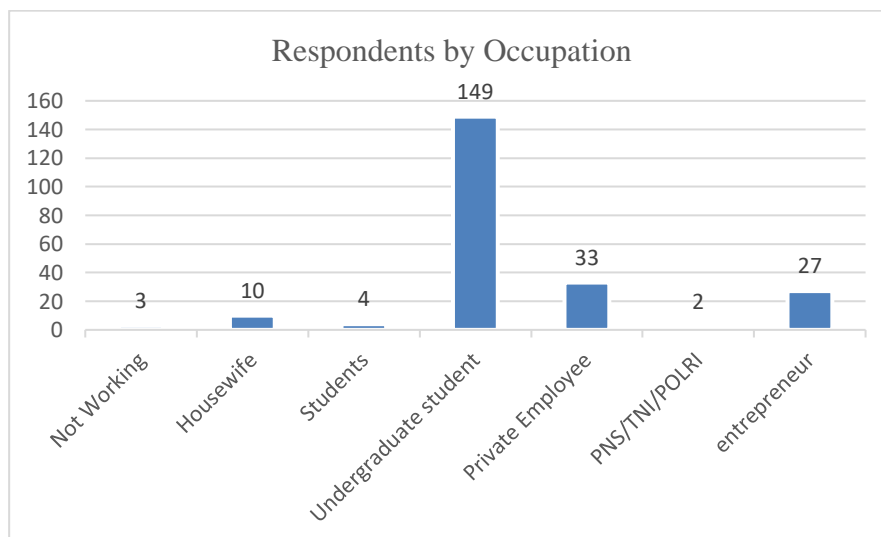
Source: Primary data processed, 2025

Based on the bar chart image of respondents based on work, it is known that most of the respondents are still students, namely 149 people. Then in second place are private employees as many as 33 people.

2. Data Quality Test

The first data quality test is a convergent validity test which is used to ensure that the research instrument correctly measures the research construct (Savitri et al., 2021). The following are the results of the convergent validity test:

Figure 7. Convergent Validity Test Results
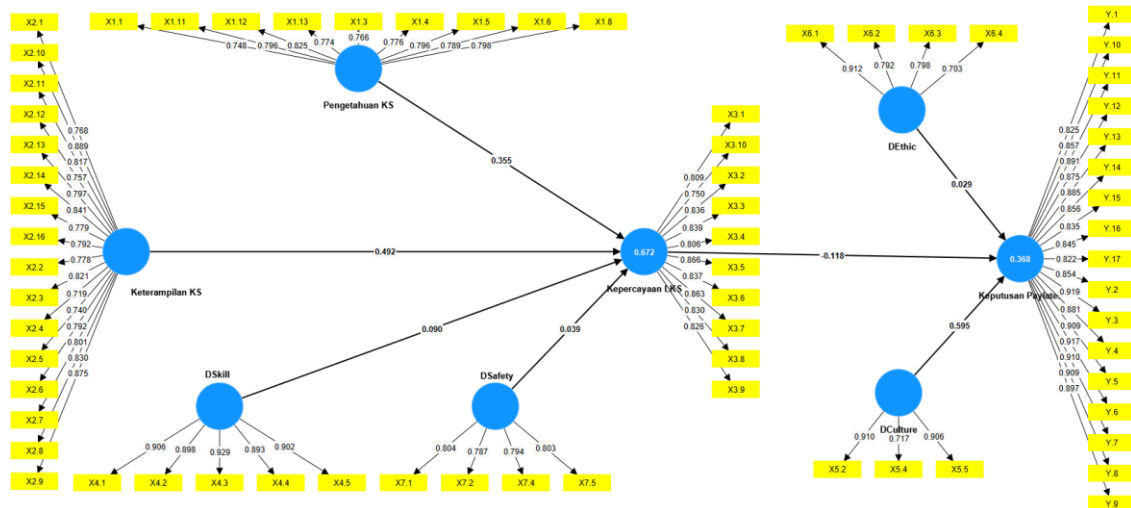
Source: Primary data processed, 2025

Based on the results of the construct validity test, it can be seen that *the loading factor* value is above 0.7 so that all question items in the table above can be said to be convergently valid Hamid & Anwar, (2019). In addition to the convergent validity test, there is a discriminant validity test that can be indicated by *the Average Variance Extracted* (AVE) value. The following are the results of the discriminant validity test:

Table 2. Results of the Discriminant Validity Test

	DCulture	DEthic	DSafety	DSkill	IFS Trust	Paylater Decision	IF Skills	IF Knowledge
DCulture	**0.849**							
DEthic	0.638	**0.805**						
DSafety	0.557	0.802	**0.797**					
DSkill	0.748	0.506	0.449	**0.906**				
IFS Trust	0.144	0.326	0.366	0.169	**0.827**			
Paylater Decision	0.597	0.37	0.278	0.598	-0.023	**0.876**		
IF Skills	0.117	0.287	0.376	0.072	0.775	-0.132	**0.801**	
IF Knowledge	0.087	0.269	0.286	0.073	0.735	-0.183	0.736	**0.786**

Source: Primary data processed, 2025

Based on the table above and based on the *Larcker formell* parameter, it can be seen that the root value of each variable (denoted in bold) is greater than the correlation value between the construct and other constructs, so it can be concluded that all variables are declared valid discriminatory. This is in accordance with the theory conveyed by Haryono, (2016). The next data quality test is a reliability test that is used to measure the

accuracy of the data. The following are the results of the reliability test:

Table 3. Reliability Test

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
DCulture	0.81	0.879	0.884	0.721
DEthic	0.863	1.394	0.879	0.648
DSafety	0.811	0.822	0.875	0.635
DSkill	0.946	0.97	0.958	0.82
IFS Trust	0.948	0.95	0.956	0.683
Paylater Decision	0.981	0.985	0.982	0.768
Skills IF	0.962	0.963	0.966	0.642
Knowledge IF	0.922	0.925	0.936	0.617

Source: Primary data processed, 2025

Based on the results of the reliability test measured by *Cronbach's Alpha parameter,* all variables are above 0.6, which means that all variables are reliable.

3. Structural Model Evaluation Test (*Inner Model*)

The evaluation of the structural model consists of two tests, namely *the R Square test* and *the Effect Size test*. Here are the results of *the R Square* test:

Table 4. Test *R Square*

Variable	R-Square	R-Square Adjusted
IFS Trust	0.672	0.666
Paylater Decision	0.368	0.36

Source: Primary data processed, 2025

The interpretation of the data is seen from the *R Square value of the model*. The *R Square criterion of a model* with a value of 0.7 and above indicates a strong model. A model with a value of 0.50-0.70 indicates a moderate model. and models with a value of 0.25-0.50 indicate a weak model (Savitri et al., 2021). Based on the table above, the *R-Square Adjusted value* of the trust variable of Islamic financial institutions is 0.666. This indicates that the variables of Islamic financial knowledge (X1), the variables of financial skills (X2), *digital skills* (X4), and *digital safety* (X7) are able to explain the confidence variables of Islamic financial institutions by 66.6%. So, it can be concluded that the model is moderate. Meanwhile, the *R-Square Adjusted* value of the paylater decision variable is 0.36. This shows that the variables of Islamic financial knowledge (X1), financial skills (X2), trust of Islamic financial institutions (X3), *digital skills* (X4), *digital culture* (X5), *digital ethic* (X6), and *digital safety* (X7) are able to explain the variable of paylater decisions by 36%. It can therefore be concluded that this model is also weak.

In addition to *the R square* test, there is *an effect size* test that is measured based on the criteria *of an effect size* value above 0.35 is considered strong. *An effect size* value above 0.15-0.34 is considered moderate. An *effect size value* above 0.02-0.15 is considered weak (Savitri et al., 2021). Berikut hasil uji *effect size*:

Tabel 5. Uji Effect Size

	IFS Trust	Paylater Decision
DCulture		0.33
DEthic		0.001
DSafety	0.003	
DSkill	0.02	
IFS Trust		0.019
IF Skills	0.313	
IF Knowledge	0.176	

Source: Primary data processed, 2025

Based on the table above, the explanation of the table is:

a. The influence *of digital culture* on paylater decisions is 0.33.

b. The influence of *digital ethic* on paylater decisions is 0.001.

c. The effect of *digital safety* on the service trust of Islamic financial institutions is 0.003. Therefore, the influence of *digital safety* on the service trust of Islamic financial institutions is weak.

d. The influence of *digital skills* on the service trust of Islamic financial institutions is 0.02. Therefore, the influence of *digital skills* on the service trust of Islamic financial institutions is weak.

e. The effect of trust in Islamic financial institution services on paylater decisions was 0.019. Therefore, the influence of trust in Islamic financial institution services on paylater decisions is weak.

f. The effect of Islamic finance skills on the service trust of Islamic financial institutions was 0.313. Therefore, the influence of Islamic finance skills on the service trust of Islamic financial institutions is moderate.

g. The effect of Islamic financial knowledge on the service trust of Islamic financial institutions was 0.176. Therefore, the influence of Islamic financial knowledge on the service trust of Islamic financial institutions is moderate.

4. Hypothesis Test

Hypothesis test interpretation, *the p-value* must be less than 0.05. The following are the results of the *path coefficient test*.

Table 6. Path *Coefficient Test Results*

	Original sample	Sample mean	Standard deviation (STDEV)	T statistics	P values
DCulture -> Paylater Decision	0.595	0.595	0.062	9.627	0.000
DEthic -> Paylater Decision	0.029	0.034	0.063	0.456	0.648
DSafety -> IFS Trust	0.039	0.041	0.063	0.617	0.537
DSkill -> IFS Trust	0.09	0.095	0.049	1.829	0.067
IFS Trust -> Paylater Decision	-0.118	-0.118	0.059	1.994	0.046
IF Skills -> IFS Trust	0.492	0.486	0.066	7.452	0.000
IF Knowledge -> IFS Trust	0.355	0.358	0.069	5.121	0.000

Source: Primary data processed, 2025

Based on the results of the *path coefficient test* , it is known that:

a. The *digital culture* => paylater decision path obtained a *p value* of 0.000 < 0.05, then H1 is accepted. This means that *digital culture* affects paylater decisions.

b. The *digital ethic* path => the paylater decision obtained *a p value* of 0.648 > 0.05, then H2 was rejected. This means that *digital ethics* have no effect on paylater decisions.

c. The *digital safety* path => trust in Islamic financial services obtained a *p value* of 0.537 > 0.05, then H3 was rejected. This means that *digital safety* has no effect on the trust of Islamic financial services.

d. The *digital skill* path => trust in Islamic financial services obtained a *p value* of 0.067 > 0.05, then H4 was rejected. This means that *digital skills* do not affect the trust of Islamic financial services.

e. Trust Line of Islamic financial services => Paylater's decision obtained a P Value value of 0.046 < 0.05, then H5 was accepted. This means that the trust of Islamic financial services has an effect on paylater decisions.

f. Islamic finance skills path => Trust in Islamic financial services obtained a P Value of 0.000 < 0.05, then H6 is accepted. This means that Islamic finance skills affect the trust of Islamic financial services.

g. Islamic finance knowledge path => Trust in Islamic financial services obtained a P Value of 0.000 < 0.05, then H7 is accepted. This means that Islamic financial knowledge affects the trust of Islamic financial services.

5. Test the Effects of Mediation with *Specific Indirect Effects*

For the interpretation of the mediation effect test with *specific indirect effects*, the p value must be less than 0.05. The following are the results of *the specific indirect effects* test:

Table 7. Specific Indirect Effects Test Results

	Original sample	Sample mean	Standard deviation (STDEV)	T statistics	P values
DSafety -> IFS Trust -> Paylater Decision	-0.005	-0.005	0.009	0.518	0.604
DSkill -> IFS Trust -> Paylater Decision	-0.011	-0.011	0.008	1.349	0.177
FS Skill -> IFS Trust -> Paylater Decision	-0.058	-0.057	0.029	1.98	0.048
FS Knowledge -> IFS Trust -> Paylater Decision	-0.042	-0.043	0.024	1.731	0.084

Source: Primary data processed, 2025

Based on the results of table 7 above, the effect of moderation can be interpreted as:

a. The *digital safety* path => trust in Islamic financial services => the paylater decision obtained a P Value of 0.604 > 0.05, then H8 was rejected. This means

that *digital safety* has no effect on paylater decisions with the trust variable of Islamic financial services as mediation.

b. Digital *skill* path => Islamic financial services trust => paylater decision obtained a P Value of 0.177 > 0.05, then H9 was rejected. This means that *digital skills* have no effect on paylater decisions with the trust variable of Islamic financial services as mediation.

c. Sharia financial skills path => Islamic financial service trust => paylater decision obtained a P Value of 0.048 < 0.05, then H10 was accepted. This means that sharia financial skills affect paylater decisions with the variable of trust in Islamic financial services as mediation.

d. Islamic financial knowledge path => trust in Islamic financial services => the paylater decision obtained a P Value of 0.084 > 0.05, then H11 was rejected. This means that Islamic finance knowledge has no effect on paylater decisions with the trust variable of Islamic financial services as mediation.

6. Goodness of Fit *(GOF)* Test Results

The *Goodness of Fit test* is produced from the following formula:

GoF Value = $\sqrt{Average\ AVE\ x\ Average\ R\ Square}$

The GoF standard itself consists of 0.1, which means that GoF is small. A GoF value of 0.25 means a moderate GoF, a GoF value of 0.36 means a large GoF (Haryono, 2016). The following are the results of the interpretation of *the Goodness of Fit* test:

Table 8. Goodness *of Fit Test Results*

Variable	Average Variance Extracted (AVE)	R Square
DCulture	0.721	
DEthic	0.648	
DSafety	0.635	
DSkill	0.82	
IFS Trust	0.683	
Paylater Decision	0.768	
IF Skills	0.642	0.672
IF Knowledge	0.617	0.368
Average	5,534	0,52

Source: Primary data processed, 2025

Value GoF = $\sqrt{Average\ AVE\ x\ Average\ R\ Square}$
Value GoF = $\sqrt{5,534\ x\ 0,52}$
Value GoF = $\sqrt{2,87768}$
Value GoF = 1,6963726

Based on the results of the calculation, the results were obtained that the GoF value was 1.6963726, meaning that the GoF value was large.

Discussion

The results of the study related to the influence of *digital culture* on paylater decisions were obtained with a P Value of 0.000 < 0.05, then H1 was accepted. This means that *digital culture* affects paylater decisions. This is in line with research from Chen et al., (2025) That said, the culture of Confucianism encourages digital transformation by increasing awareness of risk and technological capital, which indirectly influences financial decisions. This research is also in line with the research Sheng & Fauzi, (2023) which says that digital culture characterized by the widespread use of digital devices and online services creates an environment that makes consumers more comfortable and familiar with digital payment methods.

The results of research related to *digital ethics* on paylater decisions obtained a P Value of 0.648 > 0.05, so H2 was rejected. This means that digital ethics have no effect on paylater decisions. Although digital ethics play an important role in many technology and fintech contexts, the results of this study show that in the decision to use paylater services, digital ethics do not have a significant impact. This is in contrast to research conducted by Tsai, (2021) That said, digital ethics emphasizes the importance of transparency in how customer data is used, stored, and protected by financial firms. This transparency is important to build trust with customers, which is important for the implementation of financial services, but according to the author's analysis, the focus of the decision to use paylater is more inclined towards the more practical, easy, fast, and flexible nature of paylater than the ethical aspect of digital.

The results of the research related to digital safety on trust in Islamic financial services obtained a P Value of 0.537 > 0.05, so H3 was rejected. This means that digital safety has no effect on trust in Islamic financial services. These findings indicate that although digital security is one of the important aspects in the world of digital transactions, in the context of Islamic financial services, it is not the main factor that affects user trust because there are other factors such as education, transparency, and user experience. The results of this study contradict previous research from Nguyen et al., (2020) which says that information security directly affects the perception of ease of use and the perception of risk, which in turn affects trust and intention to use digital banking services.

The results of the study related to the influence of *digital skills* on the trust of Islamic financial services obtained a *p value* of 0.067 > 0.05, so H4 was rejected. This means that *digital skills* do not affect the trust of Islamic financial services. This research contradicts previous research conducted by Ghofar et al., (2024) which says that better digital skills can improve users' ability to engage with financial platforms, thereby increasing their trust in the system.

The results of the research related to the trust of Islamic financial services in the

paylater decision obtained a P Value of 0.046 < 0.05, then H5 was accepted. This means that the trust of Islamic financial services has an effect on paylater decisions. This research supports previous research conducted by Mukti et al., (2022) which says that there is an influence between perceptions of institutional trust on decisions to use financial products.

The results of the research related to Islamic finance skills to the trust of Islamic financial services were obtained with a P Value of 0.000 < 0.05, then H6 was accepted. This means that Islamic finance skills affect the trust of Islamic financial services. This research supports research conducted by Mahmoud et al., (2025) Which says that higher levels of financial literacy increase trust and perception of benefits in Islamic fintech.

The results of the research related to Islamic financial knowledge on the trust of Islamic financial services obtained a P Value of 0.000 < 0.05, then H7 was accepted. This means that Islamic financial knowledge affects the trust of Islamic financial services. The results of this study support previous research conducted by Majid et al., (2023) who said that Islamic financial knowledge has a positive effect on financial inclusion in Aceh Province, Indonesia.

The results of the study related to the role of Islamic financial service trust in mediating the influence of *digital safety* on paylater decisions obtained a P Value of 0.604 > 0.05, so H8 was rejected. This means that *digital safety* has no effect on paylater decisions with the trust variable of Islamic financial services as mediation. The results of this study are supported by previous research from Abaji et al., (2020) who say that trust in adherence to Sharia principles can mediate the relationship between perceived risk and intention to use financial services.

The results of the study related to the role of Islamic financial service trust in mediating the influence of *digital skills* on paylater decisions obtained a P Value of 0.177 > 0.05, so H9 was rejected. This means that *digital skills* have no effect on paylater decisions with the trust variable of Islamic financial services as mediation. This research contradicts previous research from Irimia-Diéguez et al., (2024) which explains that trust has a significant effect on the intention to use Paytech services in the context of Islamic banking. High trust in Islamic financial services increases users' intention to adopt digital payment technology. Research from Okello Candiya Bongomin & Ntayi, (2020) It also explains that trusts can serve as mediators in the relationship between the adoption of digital financial technology and financial inclusion. Trust increases the adoption and use of digital financial technology, which in turn increases financial inclusion.

The results of the study showed that the role of Islamic financial service trust in mediating the influence of sharia financial skills on paylater decisions obtained a P Value of 0.048 < 0.05, then H10 was accepted. This means that Islamic finance skills affect paylater decisions with the trust variable of Islamic financial services as mediation.

The results of the study showed that the role of Islamic financial service trust in mediating the influence of Islamic financial knowledge on paylater decisions obtained a P Value of 0.084 > 0.05, so H11 was rejected. This means that Islamic finance knowledge has no effect on paylater decisions with the trust variable of Islamic financial services as mediation. This is contrary to research from Ristiana & Widyastuti, (2022) which says that the variable of trust in the institution can be a mediator of financial knowledge against the interest of students using probability sentences.

CONCLUSION

This study concludes that digital literacy and Islamic financial literacy have an important role in the decision to use paylater services, especially through the influence mediated by trust in Islamic financial institutions. The influence of digital culture on the decision to use paylater shows that consumer awareness and comfort with the use of technology in financial transactions are decisive. Trust in Islamic financial institutions is shown to influence the decision to use paylater, while Islamic financial skills and Islamic financial knowledge also have a significant effect on trust. However, digital ethics and digital skills did not show a significant influence on the decision to use paylater.

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