

DETERMINANTS OF OVERDUE PAYMENT BEHAVIOUR AMONG BUY NOW PAY LATER (BNPL) USERS IN TERENGGANU, MALAYSIA

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Abstract: The rapid development of technology has changed the business landscape all around the world. Previously business transactions happened physically and now it has shifted to the online transaction including paying activities. This study aims to assess the prevalence of Buy Now Pay Later (BNPL) usage in Terengganu and its determinants of the overdue payment. Furthermore, this study was conducted to examine the effects of financial literacy, impulsive buying, self-control, and financial stress on overdue repayment behaviour. A quantitative research design was employed using digital structured questionnaires distributed in Terengganu. Data was collected from 194 respondents and analyzed using descriptive statistics, Pearson correlation and Multiple Regression by the Statistical Package for the Social Sciences (SPSS). The finding revealed that 38.7% of respondents are BNPL users with 64. % facing overdue payments. Moreover, financial literacy and self-control have significant negative relationships with overdue payment behaviour, indicating that higher financial knowledge and stronger self-control reduce the likelihood of overdue repayments. In contrast, impulsive buying behaviour and financial stress demonstrated significant positive relationships with overdue payment behaviour, suggesting that individuals who frequently make impulsive purchases or experience financial stress are more likely to delay BNPL repayments. Somehow, financial stress and self-control showed the strongest relationships with overdue payment behaviour. In conclusion, repayment failures are primarily driven by internal psychological self-regulation deficits and external economic pressures, rather than financial knowledge alone. Future research is recommended to examine additional behavioural and socioeconomic factors and to extend the study to other regions of Malaysia.

Keywords: Buy Now, Pay Later (BNPL), overdue payment behaviour, financial literacy, self-control, financial stress

1. Introduction

FinTech has changed the way people live their lives. From managing and spending their money, FinTech offers a faster, easier, and more flexible payment options. One of the most popular innovations of FinTech is Buy Now, Pay Later (BNPL). Buy Now, Pay Later (BNPL) is a form of short-term financing that enables consumers to obtain goods or services

immediately and repay the purchase amount through scheduled instalments over a specified period, typically without interest charges. In addition, BNPL services only require the users to provide a minimal documentation. According to (Atome, 2023) quick approval process has made BNPL accessible to a wider range of consumers. This benefits many people who cannot have a conventional credit card. The rapid growth of e-commerce and digital payment systems has further accelerated the adoption of BNPL services worldwide.

The outbreak of Pandemic COVID-19 in late 2019 to early 2020 has caused the BNPL used in Malaysia dramatically increased. BNPL became increasingly popular on that time as more consumers shifted to online shopping. Nowadays, BNPL services in Malaysia are widely offered by providers such as Atome, Grab PayLater, and Shopee SPayLater. According to Izzul (2026), Malaysian current BNPL active holders were approximately 8 million and total loan balance under this service was RM5.3 billion at the end of March 2026. The 8 million of active users have come from individual aged below than 30 years old.

Although, BNPL makes people easily access to credit, its rapid growth has also concerned about the ability of their users to repay the debts within the stipulated time. The current overdue loans totalled RM181 million equals to 3.4% of total outstanding balance (Malay Mail, 2026). This is not a small issue and should not be ignored because the numbers are increasing over the year. Surprisingly, most of the users used this service to purchase of their low-value daily basic needs like foods, groceries, transportation and services. It is not a good sign of financial well-being among Malaysians. It explained that, even to have a basic necessity many Malaysians were depending on short term loans in order to have it. This condition is particularly worrying because if overdue BNPL payments continue to increase, more consumers may suffer financial difficulties and damage their credit records. In addition, the implementation of the Consumer Credit Act 2025 makes things worse because it requires overdue repayments to be reported to credit bureaus.

Limited research has specifically investigated the determinants of BNPL overdue payments. While existing literature predominantly focuses on the adoption and implementation drivers of BNPL services (Dadra et al., 2024; Abed & Alkadi, 2024; Syifa et al., 2025), critical knowledge gaps remain regarding post-adoption behaviour. Specifically, studies related to the reasons why consumers fail to meet their repayment schedules. Furthermore, prior studies largely overlook localized socioeconomic contexts, such as in Terengganu, Malaysia, where unique income distributions and financial environments may alter repayment vulnerabilities.

Addressing this gap is critical because the effortless nature of BNPL unknowingly creates a false sense of affordability, trapping users in debt and stress. Therefore, this study addresses these gaps through three primary objectives: first, to measure the prevalence and extent of BNPL usage among users in Terengganu; second, to examine the behavioural and cognitive determinants of overdue BNPL payments by focusing on four key dimensions—financial literacy, impulsive buying behaviour, self-control, and financial stress; and finally, to determine which of these specific factors exerts the most dominant influence on overdue payment behaviour in this demographic.

The findings of this study are expected to contribute to the growing body of knowledge on consumer financial behaviour and BNPL services. More importantly, the findings may assist policymakers, financial institutions, and BNPL providers in developing effective financial education programmes and responsible lending practices to reduce overdue payments. At the same time, the study can help consumers better understand the factors that influence their repayment behaviour and encourage more responsible use of BNPL services. In the following section will discuss more about the past studies conducted by the previous researchers.

2. Literature Review

2.1 Overdue Payment Behavior in Buy Now, Pay Later (BNPL) Systems

The rapid expansion of Buy Now, Pay Later (BNPL) services has changed consumer credit landscapes, yet it has simultaneously introduced distinct financial liabilities. At the core of this circumstance is overdue payment behaviour, a grave consequence strongly shaped by psychological impulsivity, socioeconomic constraints, and behavioural traits.

Al Maruf (2024) demonstrates that traits such as psychological impulsivity, time inconsistency, and overconfidence impair financial self-regulation, leaving consumers insufficient to prioritize future BNPL instalments over immediate retail desires. This behavioural issue is particularly disastrous among younger users. Sarifuddin (2025) emphasized that Generation Z users frequently used BNPL for impulsive gratification stoked by the fear of missing out (FOMO). Rooted in Self-Control Theory, this dynamic reliably triggers post-purchase regret as payment deadlines emerged.

Apart from psychological triggers, structural and socioeconomic fragility heavily determine repayment path. Sangwan (2020) establishes that low-income consumers carrying high outstanding balances face higher default risks. Many low-income (B40) populations replacing BNPL for traditional credit cards. Having said that, incompetent financial literacy caused daily financial stress, escalating the slide into default. Moreover, Tan (2026) reported that poor personal debt management skills promote a casual, detached "buy now, pay later" mindset among young consumers, resulting in habitual chronic payment delays. These insights are further reinforced by Hilmiyah (2026), who stressed that while financial self-efficacy reinforced repayment intentions, severe financial stress critically predicts defaults, particularly among individuals lacking basic expense-tracking mechanisms.

2.2 Determinants of BNPL Overdue Behaviors (Independent Variables)

2.2.1 Financial Literacy

Financial literacy includes the core competencies required for responsible financial management, including proactive budgeting, debt control, and risk comprehension (Kumar et al., 2023; Singh, 2014). Empirical evidence consistently shows that high financial literacy acts as a shield against default by fostering rational financial decision-making (Lu, 2024; Baidoo, 2020). By contrast, consumers lacking financial literacy struggle to monitor micro-transactions and split payments. Within the BNPL ecosystem, this shortcoming increases vulnerability to overspending, as users fail to gauge the compounding liabilities of simultaneous instalment plans (Chong, 2021).

H1: Financial literacy has a significant relationship with overdue payment behaviour among BNPL users in Terengganu

2.2.2 Impulsive Buying Behavior

Characterized by unplanned purchases driven by emotional and psychological triggers, impulsive buying accounts for a substantial share of modern retail transactions (Rasyid et al., 2026; Susanto et al., 2015). Low self-control, combined with micro-targeted digital advertising and persuasive promotional cues, significantly boosts this inclination (Wang, 2022; Nyrhinen et al., 2024). In the context of BNPL, the effortless nature of delayed payment structures

removes traditional financial barriers, transforming impulse desires into tangible financial default.

H2: Impulsive buying behaviour has a significant relationship with overdue payment behaviour among BNPL users in Terengganu

2.2.3 Self-Control

Self-control is defined as the cognitive capacity to override immediate urges in pursuit of long-term financial stability (Jiang & Shi, 2016). Contemporary digital commerce heavily exploits vulnerabilities in this situation; mobile shopping interfaces and BNPL platforms employ seamless, one-click checkout designs that systematically remove the psychological "pain of paying" (Prelec & Loewenstein, 2021). Therefore, weakened self-control strongly correlates with recurring payment errors, unmanageable debt accumulation, and an increased probability of missing scheduled BNPL instalments (Strömbäck et al., 2020).

H3: Self-control has a significant relationship with overdue payment behaviour among BNPL users in Terengganu

2.2.4 Financial Stress

Financial stress arises from adverse macroeconomic shocks, insufficient income, or mounting debt burdens, deteriorating individual well-being and cognitive capacity (Netemeyer, 2018). Macroeconomic pressures like high inflation and rising living cost was directly constrain consumer purchasing power and tactical decision-making ability. Under critical financial pressure, consumers frequently resort to BNPL micro-loans as a risky short-term coping mechanism. This dependence seriously compromises long-term expenditure tracking, exponentially raising the payment default (Consumer Financial Protection Bureau, 2022).

H4: Financial stress has a significant relationship with overdue payment behaviour among BNPL users in Terengganu

2.3 Conceptual Framework

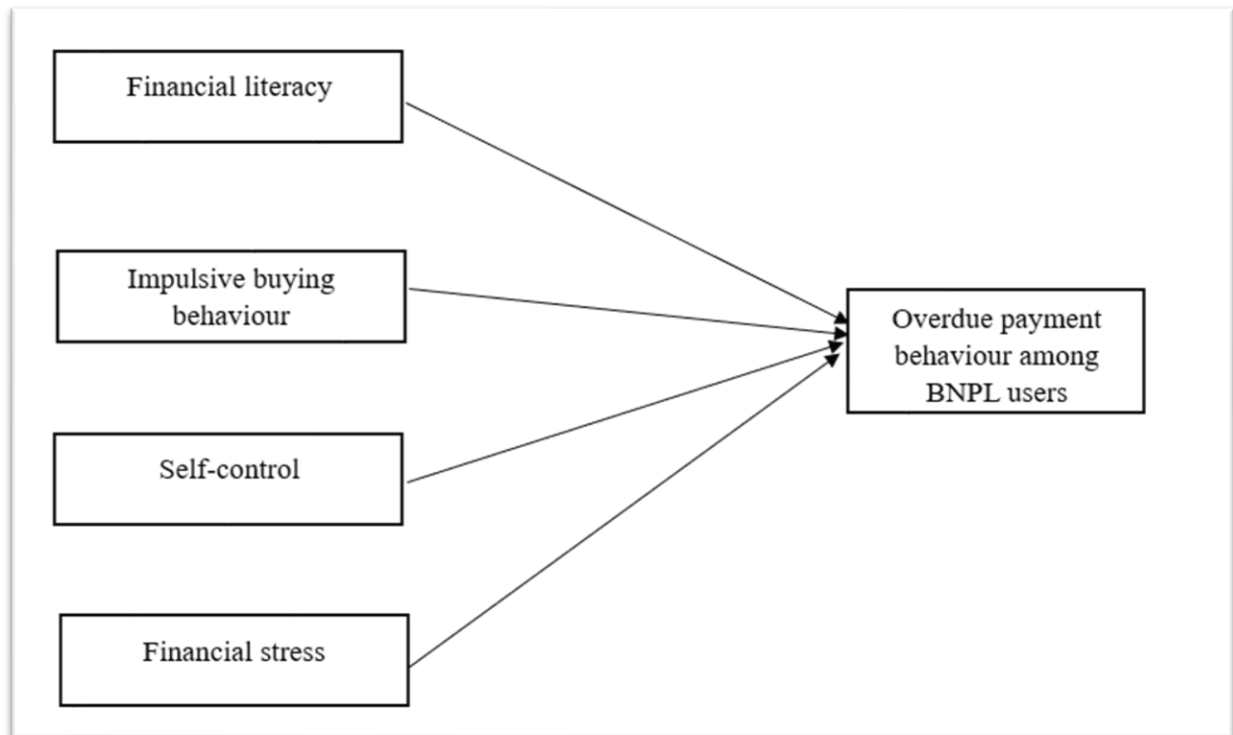


Figure 1. Conceptual framework of overdue payment behaviour among BNPL users in Terengganu

Figure 1 presents the conceptual framework of the study. This study proposes four factors that may influence overdue payment behaviour among BNPL users including financial literacy, impulsive buying behaviour, self-control, and financial stress. These variables serve as the independent variables, meanwhile overdue payment behaviour among BNPL users represents the dependent variable. The directional arrows indicate the proposed relationships between the independent variables and the dependent variable.

The framework assumes that financial literacy and self-control may shape to more responsible financial decision-making and repayment practices, thereby lowering the likelihood of overdue payments. In contrast, impulsive buying behaviour and financial stress may elevate the likelihood of overdue payments by encouraging excessive or unplanned spending and creating difficulties in meeting financial obligations. Thus, the framework provides the theoretical and empirical basis for examining whether these four factors significantly influence overdue payment behaviour among BNPL users.

2.4 Self-Control Theory

To conceptualize the behavioural mechanisms underpinning BNPL default risks, this study adopts Self-Control Theory, originally formulated by Gottfredson and Hirschi (1990). The theory proposes that individuals characterized by low self-control gravitate toward impulsive, short-term gratification behaviours, systematically discounting future consequences. In contrast, individuals with resilience self-control regulate their emotions, manage indebtedness wisely, and protect themselves from unnecessary monetary penalties (Strömbäck et al., 2017).

Self-Control Theory provides an ideal theoretical perspective for this research because modern BNPL services are structurally designed to challenge consumer self-regulation. By offering instant credit availability, minimal initial credit vetting, and streamlined digital interfaces, BNPL platforms lower the psychological threshold for spending. When free credit meets weak consumer self-control, the outcome is increased vulnerabilities to compulsive shopping, unmonitored debt accumulation, and ultimately results in chronic overdue payment behaviour among BNPL users. Next section will discuss on the methodology employed in this study.

3. Methodology

This study employed a quantitative research approach to investigate the relationship between the (dependent variable) BNPL overdue payment and the independent variables (financial literacy, impulsive buying, self-control and financial stress). A quantitative method was adopted because it facilitates the collection of numerical data that can be statistically analyzed to test hypotheses, identify relationships, and draw objective conclusions.

Furthermore, in the data collection process this study deployed a convenience sampling technique. This technique was employed in this study due to the incomplete sampling frame of BNPL users in Terengganu, as consumer data is proprietary and restricted by financial institutions. According to Saunders et al. (2019) and Sekaran and Bougie (2016), non-probability sampling techniques such as convenience sampling are appropriate and widely accepted in behavioral and consumer research when accessing the entire population is impractical due to time, cost, and structural constraints. While this technique cannot represent the entire population, it was practical for collecting early data from readily available respondents within the target region.

The participants were chosen based on their accessibility and willingness to participate in the study. A total of 194 questionnaires were distributed via an online platform using Google Forms and WhatsApp. All 194 responses were successfully collected within four-week duration from 3rd May 2026 till 30th May 2026. Due to time constraints, this 4-week duration was deemed practical and sufficient to achieve the target sample size. 194 datasets gathered presumed usable for data analysis.

According to Hair et al. (2019), a sample size ranging between 100 and 200 is generally considered adequate for providing sufficient statistical power in quantitative analyses involving multiple variables, making this dataset robust and appropriate for the study's objectives. Online distribution was chosen due to its cost-effective, time-efficient, and flexibility. The questionnaires consisted of structured questions designed using a five-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). It was used to measure respondents' perceptions and opinions regarding the variables under investigation.

Firstly, the collected data was entered into the Statistical Package for Social Sciences (SPSS) for several analyses. Descriptive statistics were the first analysis conducted to summarize the demographic characteristics of the respondents.

Secondly, Pearson's correlation analysis was conducted to explore the strength and direction of the relationship between the dependent variable (BNPL overdue payment) and the independent variables (financial literacy, impulsive buying, self-control and financial stress). The correlation coefficient (r) values closer to +1 demonstrate a strong positive relationship while (r) values closer to -1 indicate a strong negative relationship.

Finally, multiple regression analysis was executed to determine the extent to which the independent variables influence the dependent variable. This analysis recognizes the most

significant indicator(s) while controlling for the effects of the other independent variables. The results were interpreted using the standardized beta coefficients (β), coefficient of determination (R^2), F-statistic, and significance value (p-value). Next section will show the results of the analyses.

4. Discussions

4.1 Demographics Results

Table 1. Demographic Results

Variable	Category	Frequency	Percentage (%)
Gender	Male	62	32.0
	Female	132	68.0
	Total number of respondents	194	100.0
Age	18-30	121	62.4
	31-50	52	26.8
	51-60	21	10.8
	Total number of respondents	194	100.0
Employment status	Employed	83	42.8
	Self-employed	15	7.7
	Student	76	39.2
	Unemployed	20	10.3
	Total number of respondents	194	100.0
Monthly income	< RM1000	104	53.6
	RM1001-RM2000 (B40- Lower range)	21	10.8
	RM2001-RM3000 (B40- Upper range)	32	16.5
	RM3001-RM4000 (M40- Lower segment)	14	7.2
	RM4001-RM6000 (M40- Upper segment)	17	8.8
	> RM6001	6	3.1
	Total number of respondents	194	100.0
District	Besut	11	5.7
	Dungun	18	9.3
	Hulu Terengganu	8	4.1
	Kemaman	60	30.9
	Kuala Nerus	13	6.7
	Kuala Terengganu	63	32.5
	Marang	13	6.7
	Setiu	8	4.1
	Total number of respondents	194	100.0

Table 1 shows the demographic characteristics of total 194 respondents of the study including gender, age, employment status, monthly income and district. The first part of the table shows

that 68% of the respondents were female representing 132 respondents and the rest were male about 32% equal to 62 number of respondents. This indicates majority of the respondents were female which suggesting that women were more easily and willingly to participate in this study.

For age distributions of respondents shows that 62.4% of the respondents were from the age group of 18–30-year-old followed by the respondents aged 31-50 then 51-60 with 26.8% and 10.8% respectively. In short, these results indicate that the study was mainly depicted by young adults. Table 1 also shows that majority of the respondents were employed with 42.8% out of 194 respondents. Second larger group of the respondents were students who were involved in this research about 39.2 %.

Moreover, the results also portrayed that 104 respondents (53.6%) were recorded their monthly income less than RM1000. This result seems tally with the age group of the respondents that mostly students and young adult aged between 18–30-year-old. Not to mention, this study also focused all districts of Terengganu. Table 1 shows the largest proportion of respondents came from Kuala Terengganu followed by Kemaman, Dungun, Kuala Nerus, Marang, Besut, Hulu Terengganu and Setiu with percentage of 32.5%, 30.9%, 9.3%, 6.7%, 5.7% and 4.1% respectively. Therefore, this study was meant really focused on Terengganu state.

4.2 Level of BNPL Usage in Terengganu

Table 2. Usage of BNPL Services

BNPL user?	Frequency	Percentage
Yes	75	38.7
No	119	61.3
Total	194	100
Involved in overdue payment?	Frequency	Percentage
Yes	48	64
No	27	36
Total	75	100
BNPL platform usually used	Frequency	Percentage
Atome	9	12
Grab PayLater	3	4
Shopee Paylater	62	82.7
Others	1	1.3
Total	75	100

Table 2 summarizes the BNPL usage patterns among respondents in Terengganu. A number 119 (61.3%) out of 194 respondents of this study did not use BNPL in their buying activities. There were only 75 (38.7%) respondents who used BNPL in their purchasing activities.

Additionally, 48 respondents equal to 64% of BNPL users in Terengganu were involved in overdue payment. This should not be overlooked because almost two-thirds of the respondents were affected. Therefore, the BNPL overdue payments are a pervasive concern among the study participants rather than limited to a few isolated cases. According to the respondents, the most frequently utilized BNPL platforms were Shopee Paylater (82.7%) followed by others like Atome (12%), Grab Paylater (4%), Others (1.3%) respectively.

Consequently, the findings reported in Table 2 fulfill the first research objective of this study, which is to assess the prevalence of BNPL users in Terengganu."

4.3 Pearson Correlation Analysis

Table 3. Pearson Correlation Result

		OPB	FL	IMB	SC	FS
OPB	Pearson Correlation	1	-.437**	.697**	-.835**	.852**
	Sig. (2-tailed)		.000	.000	.000	.000
	Strength		Moderate	Strong	Very Strong	Very Strong
	Direction		Negative	Positive	Negative	Positive
	N	75	75	75	75	75

The Pearson correlation results presented in Table 2 address the second objective of this study, which was to examine the relationships between the independent variables (FL, IMB, SC, FS) and the dependent variable (OPB). The first variable, which is financial literacy (FL), reported moderate negative significant relationship ($r = -.437^{**}$, $p = <0.001$) with overdue payment behaviour (OPB). This was explained to the condition where the respondents with lower level of financial literacy tend to experience higher overdue BNPL payments. This finding was supported by previous research like Chong 2022; users with low financial literacy will struggle to monitor their micro-transaction and split payments. In contrast, respondents with higher financial literacy act as protection against default payments by fostering rational financial decisions (Lu, 2024; Baidoo, 2020).

The second variable; impulsive buying behaviour (IMB) showed a strong positive significant relationship ($r = .607^{**}$, $p = <0.001$) with BNPL overdue payment behaviour (OPB). This finding indicates that consumers who are commonly involved in quick, unintended, and emotionally driven purchases are significantly more likely to miss their payment deadlines on BNPL platforms. Since BNPL services offer a seamless checkout experience that creates a false sense of affordability, they heavily attract impulsive buyers who may accumulate multiple trackless installments. Consequently, this cumulative repayment burden regularly leads to missed payments, late fees, and heightened financial distress.

The third independent variable that tested on BNPL overdue payment behaviour of this study is self-control (SC). As presented in Table 3, self-control has a very strong negative relationship ($r = -.835^{**}$, $p = <0.001$) with the dependent variable. This finding explained that respondents with less self-control are substantially more likely to have overdue on BNPL payments. It is highlighting self-control is one of the most important factors associated with responsible BNPL repayment behaviour. This finding was supported by (Strömbäck et al., 2023) where weak self-control strongly correlated with payment failure, unmanageable debt accumulation, and an increased probability of missing scheduled BNPL instalments.

Finally, financial stress (FS) reported a very strong significant positive relationship ($r = .852^{**}$, $p = <0.001$) with BNPL overdue payment behaviour. These findings provide evidence that respondents who were experiencing higher level of financial stress were more likely to have the issue of BNPL overdue repayment. Moreover, financial stress can minimize an individual's ability to meet their financial obligations that indirectly causes the difficulty to repay the BNPL instalments on time (Consumer Financial Protection Bureau, 2022).

4.4 Multiple Regression Analysis

Table 4. Multiple Regression Result

Model Summary			
R		.896 ^a	
R Square		.802	
Adjusted R Square		.791	
Std. Error		.77691	
	Standardized Coefficients Beta	t-value	Significant level
(Constant)		2.999	.004
FL	.018	.293	.771
IMB	.003	.039	.969
SC	-.443	-4.228	.000
FS	.514	5.954	.000

Multiple regression analysis was conducted to address the third research objective, which was to determine the most dominant factors contributing to BNPL overdue payment behaviour. As shown in Table 3, R-value of this model is 0.896 which explained a very strong relationship between financial literacy, impulsive buying behaviour, self-control and financial stress with BNPL overdue payments.

On the other hand, R^2 value indicates that 80.2% of the variance in this study was explained by the stated independent variables. Less than 20% of the variance was explained by the other factors that were not included in this research. Additionally, the adjusted R^2 value of 79.1% of variance in this study can still be explained by the independent variables even after adjusting for the number of predictors in the model. The small difference between R^2 (0.802) and adjusted R^2 (0.791) suggests that the regression model has good explanatory power with minimal overfitting.

Based on the regression analysis, only two out of four independent variables have significantly affected the BNPL overdue payment behaviour. Contrary to initial expectations, the result shows that FL does not significantly affect BNPL overdue payment behavior. This indicates that having financial knowledge alone does not enough to prevent payment defaults in the context of digital credit. This finding is in line with Maesen & Ang (2024), who noted that BNPL and its frictionless payment environments often override an individual's rational financial knowledge. That means, even users with high financial literacy may experience late payments due to cash flow mismatches rather than a lack of financial understanding.

Moreover, impulsive buying also seems to not have an impact on BNPL overdue payment behaviour. Most frequently, IMB drives consumers to utilize deferred payment schemes for spontaneous purchases. Somehow, the occurrence of late repayment defaults is fundamentally governed by subsequent liquidity constraints and short-term cash flow management rather than the initial emotional urge of the purchase. This suggests that while consumers may buy impulsively, they often make conscious or emergency arrangements to settle BNPL installments to avoid service termination. This finding aligns with the perspective of Ansori and Nugroho (2024) and broader consumer self-regulation theories, which suggest that payment behaviors are tied to immediate financial availability at the due date rather than pre-

purchase emotional triggers. These results then conclude with the rejection of hypothesis 1 and 2.

However, both SC and FS show an impact on dependent variables (OPB). The t-value of SC is -4.228 with p-value <.001 indicates that this independent variable has a significant negative effect on BNPL overdue payments. This condition explained that respondents with lower levels of self-control were more likely to face or experience BNPL overdue payments and vice versa. Consequently, this empirical result provides empirical support for the third hypothesis. Apart from that, this study is also supported by previous research like Udiarti, Hamiyati and Zulfa (2022) who concluded their study with a higher self-control in managing finances were associated with lower debt behaviour. Fernandez, Castro, Rey and Rodeiro (2023) also came with the same idea that lack of self-control leads to the increase of indebtedness.

In addition, FS with t-value of 5.954 and p-value of <.001 reported a positive and significant effect on BNPL overdue payments. This finding then explained that respondents who are experiencing higher levels of financial stress are exposed to the difficulties to meet the repayment obligations on time. Limited cash flows, insufficient disposable income and competing financial commitments were some examples of financial stress among the respondents. This situation can minimize their ability to manage installment payments effectively and resulted in delay payment of BNPL. This result is supported by previous research like (Prawitz 2006; Joo & Grable, 2004) who revealed that financial stress related to the emotional burden which caused the inability to fulfill financial obligations. Similarly, Netemeyer et al. (2018) found that lower financial stress promotes financial well-being, which logically reduces the likelihood of payment defaults.

5. Conclusion

The rapid development of technology has changed the way people live. Compared with two or three decades ago, the buying and selling activities had happened over the counter and it involved physical cash to validate the transaction. Somehow, year by year the advancement of technology has caused the transactions now happened via online without any requirements to meet face to face whenever people want to make a purchase. BNPL is one of the results of the advancement of technology in financial institutions. Properly utilized and well-managed BNPL schemes can offer significant financial benefits to consumers. On the other hand, misused and overused of it will jeopardize the financial well-being. Therefore, this study was conducted to assess the level of Buy Now, Pay Later (BNPL) adoption among Terengganu residents and identify its key determinants. Crucially, this research aims to determine the most dominant factors driving BNPL overdue payment behavior among users in the region. Based on the findings it suggests that about two-thirds of BNPL users in Terengganu were involved in overdue payment. This finding is unsurprising, given frequent media reports highlighting a year-on-year increase in total Buy Now, Pay Later (BNPL) overdue payments. Results of this study revealed that the most dominant factors that caused the BNPL overdue payment were self-control and financial stress. Having said that, people with poor self-control tend to make compulsive purchase through BNPL services without carefully considering their financial capability to meet their future repayment obligations. This condition will cause them to be particularly involved in BNPL overdue payments.

Furthermore, the findings also explained that individuals who experienced financial stress commonly struggle in managing their financial commitments. Indirectly this caused them the difficulties to pay their BNPL repayment instalments in a stipulated time. On top of that, these findings suggest that BNPL overdue payments were not solely caused by BNPL services,

somehow these circumstances were strongly influenced by individual behaviour and financial condition. The findings suggest that alleviating financial stress and improving self-control via financial education, budgeting skills and avoiding excessive reliance on BNPL services for non-essential purchases may help diminish the risk of BNPL overdue payments.

For financial institutions and policymakers, this study suggests that promoting responsible BNPL usage through consumer education campaigns is very crucial. On the other hand, BNPL providers are encouraged to implement measures such as affordability assessments, spending limits, and timely repayment reminders to reduce the risk of overdue payments.

It is important to highlight that this study is limited to BNPL users in Terengganu only, which restricts the generalizability of the findings to other states or populations. Moreover, the data collection was bound by a specific timeframe, capturing only a cross-sectional snapshot of user behavior. Furthermore, this study examined only four determinants of overdue BNPL payment namely financial literacy, self-control, impulsive buying behavior, and financial stress. Therefore, future research is recommended to incorporate additional factors, such as financial behavior, spending habits, debt burden, and attitudes toward credit, to provide a more comprehensive understanding of BNPL defaults. Finally, future studies should consider expanding to diverse geographical locations and employing larger, more representative samples.

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