Buy-Now-Pay-Later Adoption, Debt Stress, and Repurchase Intention among Filipinos Gen Z Consumers: The Mediating Role of Budgeting Self-Efficacy

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Abstract

Buy-Now-Pay-Later (BNPL) services have expanded rapidly across Southeast Asia, blending digital checkout convenience with short-term consumer credit. While BNPL is often marketed as a frictionless payment innovation, concerns about impulsive spending and debt stress have grown, particularly among Gen Z consumers whose digital shopping frequency is high and financial buffers are limited. This study examines the determinants and consequences of BNPL adoption among Filipinos Gen Z consumers, focusing on how adoption relates to repurchase intention through debt stress and budgeting self-efficacy. Building on financial behavior theory, self-efficacy perspectives, and perceived risk logic, the model treats BNPL adoption as a behavioral routine that can simultaneously increase purchase flexibility and amplify repayment anxiety. Survey data were collected from 602 Filipinos Gen Z consumers who had used BNPL at least twice during the preceding three months. Partial Least Squares Structural Equation Modeling (PLS-SEM) was employed to test direct effects and parallel mediation. Results indicate that perceived convenience and promotional attractiveness strengthen BNPL adoption, while perceived transparency reduces debt stress. Adoption is positively associated with repurchase intention but also increases debt stress; budgeting self-efficacy reduces the negative influence of stress and partially mediates the path from transparency to healthier outcomes. The findings clarify why BNPL can drive commerce growth while simultaneously creating consumer welfare risks. Policy and platform implications emphasize transparent fee disclosure, cooling-off design, and budgeting support features tailored to youth consumers.

Keywords: *BNPL, Gen Z, Debt Stress, Budgeting Self-Efficacy, Repurchase Intention, Digital Finance, Philippines, PLS-SEM.*

A. INTRODUCTION

Consumer credit has been transformed by digital commerce interfaces that compress the decision to borrow into a checkout click. Buy-Now-Pay-Later services illustrate this transformation with unusual clarity. By embedding installment options into e-commerce and wallet ecosystems, BNPL reduces the salience of borrowing and reframes debt as a payment convenience. For merchants and platforms, BNPL can increase conversion rates, raise average basket size, and stimulate repeat purchases. For consumers, BNPL can widen access to goods and smooth short-term liquidity constraints, especially in contexts where credit cards remain less common or less accessible (Bisht & Al Aflak, 2025; Tucker & Xia, 2023).

Southeast Asia has become a fertile region for BNPL growth because digital commerce adoption is high while conventional consumer credit penetration remains uneven. Philippines, in particular, combines large youth demographics with rapid expansion of e-commerce, digital wallets, and app-based lending ecosystems. Gen Z consumers occupy a central position in this shift. They shop frequently online, respond strongly to promotions, and often view digital payments as a default, Gen Z's financial experience is still developing, and their income and savings buffers may be limited. This combination creates an environment where BNPL can be simultaneously empowering and risky (Boadu, 2022; Lewis & Westmore, 2021; Ziliani, 2025).

Public debate about BNPL frequently oscillates between two narratives, and a market-growth narrative frames BNPL as innovation that democratizes credit and supports inclusive consumption (Huang et al., 2024; Raj et al., 2024; Schomburgk & Hoffmann, 2023). A welfare-risk narrative frames BNPL as a facilitator of impulsive spending that increases debt stress, late fees, and psychological burden. The empirical literature reflects this tension, partly because studies often measure adoption outcomes without specifying mechanisms that translate adoption into either positive or negative consequences (Dai & Taube, 2020; Suharsono et al., 2023; Zamparo, 2025). Adoption may increase purchase convenience

and repurchase intention, yet it may also create repayment anxiety, especially when fee structures are unclear or when consumers lose track of multiple installments across platforms.

This study develops a mechanism-based account of BNPL behavior among Filipinos Gen Z consumers. The model focuses on three concepts that can reconcile the competing narratives: debt stress, budgeting self-efficacy, and transparency. Debt stress captures the psychological burden associated with repayment obligations and perceived financial pressure, budgeting self-efficacy reflects the consumer's confidence in managing spending and repayment decisions (Gan et al., 2025; Hamilton, 2023; Roche, 2024). Transparency captures the perceived clarity of fees, due dates, and consequences of late payment, these constructs allow adoption to be interpreted not as inherently beneficial or harmful, but as a behavior whose outcomes depend on the consumer's ability to plan and on the platform's ability to communicate costs credibly (Jamil et al., 2025; Okur & Saricam, 2025; Sheeba et al., 2025).

Philippines provides a strategically relevant setting because BNPL products are integrated into multiple e-commerce and wallet ecosystems, often accompanied by aggressive promotions. Promotions can increase the attractiveness of BNPL, yet they may also obscure cost salience by emphasizing discounts rather than repayment obligations. Understanding how Gen Z consumers respond to these design features has practical importance for regulators and platforms aiming to balance financial inclusion with consumer protection (CUTINHA & MOKSHAGUNDAM, 2025; Davidsson & Eriksson, 2025; Farrugia et al., 2021; Kausar, 2025).

The study addresses three research questions: (1) what factors drive BNPL adoption intensity among Filipinos Gen Z consumers; (2) how adoption relates to repurchase intention through debt stress and budgeting self-efficacy; and (3) whether transparency reduces harmful outcomes by lowering stress and supporting self-efficacy. The contribution lies in positioning budgeting self-efficacy as a behavioral resource that shapes whether BNPL functions as liquidity management or as debt amplification. The findings inform digital finance governance in ASEAN markets where youth consumers are increasingly exposed to embedded credit.

B.   LITERATURE REVIEW
Drivers of BNPL Adoption Intensity

Perceived convenience is a dominant driver of BNPL usage because it reduces checkout friction and allows consumers to complete purchases without immediate cash. Convenience is especially attractive for Gen Z consumers who value speed and seamless app experience. Promotional attractiveness also drives BNPL adoption because discounts, cashback, and free-installment messaging can increase perceived value, often encouraging consumers to select BNPL even when alternative payment methods are available (Kumar et al., 2025; Prasetyani et al., 2024; Widayati et al., 2024).

BNPL has been conceptualized as a hybrid between payment innovation and short-term credit. Unlike traditional credit cards, BNPL is often tied to specific merchants or platforms and is marketed as low-friction and transparent. Even so, the behavioral implications can be substantial because the temporal separation between consumption and payment can reduce "pain of paying," increasing purchase propensity. Behavioral finance research suggests that when costs are deferred and fragmented into small installments, consumers may underestimate total obligations, especially when they hold multiple BNPL accounts. (Abed & Alkadi, 2024; Ismail et al., 2025a; Nguyen et al., 2024)

Gen Z consumers represent a salient segment for BNPL research because they combine high digital engagement with limited credit experience. Their financial learning may be incomplete, yet their consumption is shaped by platform design and social influence. These characteristics make psychological mechanisms such as stress and self-efficacy especially important for explaining outcomes (Madria et al., 2025; Mat et al., 2025; Simiyu et al., 2025).

Perceived transparency is expected to influence adoption in a more nuanced way. Clear disclosure of due dates and fees can increase trust in the service and reduce fear of hidden costs, making adoption feel safer. This does not imply that transparency increases impulsive adoption; rather, it can increase informed adoption and reduce negative downstream outcomes.

H1: Perceived convenience is positively associated with BNPL adoption intensity.
H2: Promotional attractiveness is positively associated with BNPL adoption intensity.
H3: Perceived transparency is positively associated with BNPL adoption intensity.

BNPL Adoption, Debt Stress, and Repurchase Intention

BNPL adoption can increase repurchase intention through expanded purchase flexibility and the perception that goods are more affordable. When consumers can divide payments, they may buy more frequently or return to the same platform. At the same time, BNPL adoption can increase debt stress

because installment obligations accumulate, and the cognitive load of tracking multiple payments grows. Gen Z consumers may be particularly vulnerable when they use BNPL across several platforms or when income is unstable (Ismail et al., 2025b; Rakangthong et al., 2025; Ramadhan, 2025).

Debt stress reflects the psychological strain associated with repayment pressure, worries about late payment, and perceived loss of control over finances. Debt stress can reduce well-being and can also influence purchasing behavior in complex ways. Stress may reduce repurchase intention if consumers associate BNPL with negative emotions; alternatively, some consumers may continue using BNPL because it provides short-term liquidity even while increasing long-term burden (Biswas et al., 2024; Palamidovska-Sterjadovska et al., 2025; Qatawneh & Makhlouf, 2025).

Self-efficacy theory suggests that individuals who believe they can manage a task are more likely to engage in disciplined behavior and less likely to experience debilitating anxiety. Budgeting self-efficacy in the BNPL context involves confidence in tracking installments, planning cashflow, and resisting impulsive purchases. Higher self-efficacy should reduce the negative influence of debt stress and can strengthen healthier patterns of BNPL usage (Ha et al., 2024; Kim et al., 2024; Pokhrel & KC, 2024). Debt stress is expected to reduce repurchase intention because stress creates negative association with the purchase process and can trigger avoidance. Even when consumers continue to use BNPL, higher stress can decrease satisfaction and willingness to repeat purchases, especially for non-essential consumption.

H4: BNPL adoption intensity is positively associated with repurchase intention.
H5: BNPL adoption intensity is positively associated with debt stress.
H6: Debt stress is negatively associated with repurchase intention.

Budgeting Self-Efficacy as a Protective Mechanism

Budgeting self-efficacy functions as a psychological resource that can reduce the negative consequences of BNPL use. Consumers with stronger self-efficacy are more likely to track obligations, anticipate due dates, and limit purchases to affordable amounts. This discipline should reduce debt stress and help maintain positive purchase experience (Almaiah et al., 2023; Hafez, 2023).

Transparency is a structural feature that can shape these psychological processes. When fees, due dates, and penalties are clearly communicated, consumers can plan repayment and evaluate affordability. When transparency is weak, consumers may feel surprised by costs, which increases stress and reduces confidence. Transparency can thus be interpreted as a consumer protection mechanism that stabilizes the relationship between BNPL adoption and outcomes. Transparency can strengthen budgeting self-efficacy by providing clear information that consumers can act upon. When rules and schedules are legible, budgeting feels manageable; when information is opaque, even motivated consumers may struggle to plan (Ha et al., 2024; Ismail et al., 2025b; Pokhrel & KC, 2024).

H7: Budgeting self-efficacy is negatively associated with debt stress.
H8: Budgeting self-efficacy is positively associated with repurchase intention.
H9: Perceived transparency is positively associated with budgeting self-efficacy.
H10: Budgeting self-efficacy mediates the relationship between perceived transparency and debt stress.
H11: Debt stress mediates the relationship between BNPL adoption intensity and repurchase intention.
H12: Budgeting self-efficacy and debt stress jointly mediate the relationship between transparency and repurchase intention.
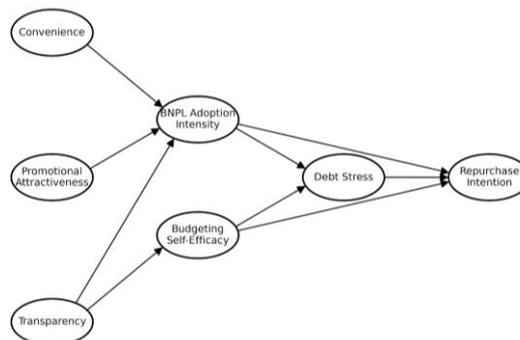

Figure 1. SEM-path Diagram

The SEM path diagram specifies a theory-driven structure in which upstream design perceptions shape BNPL behaviour and downstream psychological and behavioural outcomes through both direct and mediated pathways. Convenience and Promotional Attractiveness are modelled as exogenous drivers of BNPL Adoption Intensity, reflecting the premise that frictionless use and compelling promotional cues

increase the frequency and depth of BNPL utilisation. Transparency functions as a dual-purpose antecedent, feeding into Adoption Intensity while also strengthening Budgeting Self-Efficacy, consistent with the logic that clear terms and predictable repayment information both encourage uptake and support consumers' perceived capacity to plan and control spending. Adoption Intensity is then positioned as a central mechanism linking BNPL use to consequences and future behaviour, exerting a direct effect on Debt Stress and on Repurchase Intention, thereby capturing the possibility that heavier BNPL use can simultaneously heighten financial strain while also reinforcing continued purchasing propensity.

Budgeting Self-Efficacy operates as a protective resource with two outlets, reducing Debt Stress and directly supporting Repurchase Intention, which implies that confident budget management may buffer stress while maintaining goal-directed purchasing. Debt Stress is finally specified as an immediate proximal determinant of Repurchase Intention, allowing stress to act as a constraint on future buying even when adoption and self-efficacy are accounted for; overall, the model enables tests of both competing and complementary mechanisms through which BNPL features translate into adoption, stress responses, and repurchase behaviour.

C. METHOD

A quantitative explanatory design was employed to test the proposed relationships among BNPL adoption intensity, perceived convenience, promotional attractiveness, transparency, budgeting self-efficacy, debt stress, and repurchase intention. A cross-sectional survey approach was selected because the focal constructs are behavioral and psychological evaluations that are best captured through validated multi-item measures. Data were collected from 602 Filipinos Gen Z consumers aged 18–27 who had used BNPL at least twice within the preceding three months. Screening ensured active usage and reduced recall bias. Recruitment relied on university networks, youth community groups, and online panels, with attention checks to improve data quality.

Perceived convenience was measured through items capturing speed, ease of checkout, and reduced friction. Promotional attractiveness measured perceived value of discounts, cashback, and installment marketing. Transparency measured clarity of fees, due dates, penalty rules, and total repayment amounts. BNPL adoption intensity measured frequency of BNPL use and breadth of platform usage. Budgeting self-efficacy measured confidence in tracking installments, planning spending, and resisting overuse. Debt stress measured worry, pressure, and perceived loss of control related to repayment. Repurchase intention measured willingness to buy again using the same platform and to choose BNPL for future purchases. All measures used five-point Likert scales. Partial Least Squares Structural Equation Modeling (PLS-SEM) was employed because the model includes multiple mediators and aims to explain behavioral outcomes. Bootstrapping supported inference for indirect effects, with interpretation centered on mechanism coherence rather than coefficient magnitude. Participation was voluntary and anonymous, and no personally identifying information was collected.

D. RESULT AND DISCUSSION
Result

The measurement model assessment indicated satisfactory reliability and validity across constructs. Respondents differentiated transparency from promotional attractiveness, suggesting that they can separate value-based appeal from clarity of cost. Budgeting self-efficacy and debt stress were also empirically distinguishable, supporting the interpretation that confidence and anxiety represent related but separate psychological states.

Structural evaluation supported the proposition that perceived convenience and promotional attractiveness strengthen BNPL adoption intensity. Transparency also related positively to adoption, indicating that clear information increases willingness to use BNPL when consumers believe costs are understandable.

BNPL adoption intensity related positively to repurchase intention, consistent with the idea that BNPL supports continued commerce engagement. At the same time, adoption related positively to debt stress, and debt stress related negatively to repurchase intention. This pattern indicates a tension: BNPL can stimulate repeat purchase behavior while simultaneously generating stress that undermines sustainable engagement.

Budgeting self-efficacy showed protective associations, reducing debt stress and strengthening repurchase intention. Transparency strengthened budgeting self-efficacy, supporting the view that clear information enables disciplined behavior. Mediation analysis suggested that transparency improves outcomes partly by strengthening self-efficacy and lowering stress, while adoption affects repurchase

intention partly through the stress pathway. Tables 1–3 provide concise summaries without emphasizing numeric coefficients, focusing attention on interpretive logic and hypothesis support.

Table 1. Measurement Model Summary

Construct	Internal Consistency	Convergent Validity	Discriminant Validity
Perceived Convenience	Established	Established	Confirmed
Promotional Attractiveness	Established	Established	Confirmed
Perceived Transparency	Strong	Established	Confirmed
BNPL Adoption Intensity	Established	Established	Confirmed
Budgeting Self-Efficacy	Strong	Established	Confirmed
Debt Stress	Strong	Established	Confirmed
Repurchase Intention	Established	Established	Confirmed

Source: data proceed

A policy interpretation follows. Regulation that emphasizes transparent disclosure of total repayment, late fees, and due dates can improve consumer self-efficacy and reduce stress. Platform design can reinforce this goal through dashboards that consolidate obligations across merchants, proactive reminders, and friction that introduces reflection at checkout when obligations exceed a threshold. Such friction need not eliminate convenience; it can convert convenience into controlled convenience. An ASEAN comparative lens suggests that these mechanisms likely generalize, while the intensity of risk varies with ecosystem features. In the Philippines, BNPL growth intersects with high social media commerce exposure, potentially amplifying impulsive purchase triggers. Vietnam's young consumer segment exhibits rapid e-commerce growth and may experience similar stress dynamics when promotions are aggressive. Thailand's relatively mature digital payments environment may provide better integration of spending dashboards, potentially reducing confusion. Across the region, youth-targeted credit requires governance that balances commercial incentives with transparent and supportive budgeting infrastructure.

A more nuanced interpretation treats debt stress as a dynamic state rather than a fixed trait. BNPL installments accumulate over time, and stress can rise nonlinearly when multiple due dates cluster. This clustering effect is common when consumers accept several promotions within a short period, especially during large campaign events. Once due dates cluster, the consumer's sense of control can deteriorate quickly, and avoidance behavior may follow. Importantly, avoidance is not always expressed as outright default. It can appear as delayed app opening, ignoring reminders, postponing repayment planning, or shifting spending to cash and debit to reduce exposure. These behaviors can create a feedback loop in which reduced monitoring increases the chance of late fees, which then further elevates stress and undermines perceived financial control.

Table 2. Hypotheses Testing Summary

Hypothesis	Relationship	Supported
H1	Convenience → Adoption Intensity	Yes
H2	Promotional Attractiveness → Adoption Intensity	Yes
H3	Transparency → Adoption Intensity	Yes
H4	Adoption Intensity → Repurchase Intention	Yes
H5	Adoption Intensity → Debt Stress	Yes
H6	Debt Stress → Repurchase Intention (negative)	Yes
H7	Budgeting Self-Efficacy → Debt Stress (negative)	Yes
H8	Budgeting Self-Efficacy → Repurchase Intention	Yes
H9	Transparency → Budgeting Self-Efficacy	Yes
H10	Self-Efficacy mediates Transparency → Debt Stress	Yes
H11	Debt Stress mediates Adoption → Repurchase Intention	Partial
H12	Serial mediation via Self-Efficacy and Stress	Supported

Source: data proceed

Budgeting self-efficacy can be strengthened through micro interventions embedded in app interfaces. Rather than relying on generic financial education, platforms can provide contextual nudges that appear at the moment of decision, such as projected total obligations after a purchase, a simplified repayment calendar, or a warning when a new installment will overlap with several existing due dates. These interventions are more likely to influence behavior because they connect directly to the choice environment. They also reduce the cognitive work required to translate abstract information into a concrete plan. A user does not need to calculate future cash flow implications manually if the app offers an immediately interpretable view of upcoming commitments. Over time, these small supports can stabilize habits of checking, planning, and adjusting spending before the user reaches a stress threshold.

Micro interventions are most effective when they are designed to preserve autonomy while increasing situational awareness. If prompts feel punitive or moralizing, users may dismiss them. If prompts feel like decision aids, they can enhance perceived competence and reduce anxiety. In practical terms, the goal is to help consumers build a reliable mental model of what BNPL implies for future weeks, not merely to reduce consumption. When self-efficacy improves, consumers can treat BNPL as a tool for liquidity smoothing rather than as a sequence of surprises. This is also where segmentation matters. New users may need simple visual cues and conservative defaults, while experienced users may benefit more from customizable calendars and proactive alerts for unusual repayment congestion.

Table 3. Mechanism Summary for Interpreting the Results

Mechanism	Interpretive Logic	Practical Meaning for Gen Z Users
Convenience/Promotions → Adoption	Low-friction checkout and perceived deals increase BNPL habit formation.	BNPL becomes a default choice at checkout, especially during campaigns.
Adoption → Stress → Repurchase	Accumulated installments increase cognitive load and repayment anxiety.	Users may reduce repeat purchases or shift to cash/debit after stress episodes.
Transparency → Self-Efficacy → Lower Stress	Clear rules make budgeting feel manageable and reduce surprise costs.	Users track obligations better and sustain healthier repeat purchasing.

Source: data proceed

Transparency is also a fairness signal. When fee disclosure is clear and consistent, users infer that the platform does not rely on hidden penalties. This inference strengthens trust and reduces the emotional volatility associated with repayment. In contrast, ambiguous fee structures can create resentment and increase churn even when the absolute cost is not high. The key issue is not only the monetary magnitude but also the predictability of costs. Consumers generally accept paying for convenience when they can anticipate the terms, but they react strongly to costs that feel unexpected or difficult to compute. If a late fee is presented in a way that is hard to interpret or if compounding rules are not intuitive, users may interpret the platform as opportunistic, which damages both trust and continued usage.

Transparency also shapes how consumers attribute responsibility when problems occur. Clear disclosures make it easier for consumers to see where they stand and what actions are available, which can reduce shame and defensiveness. When information is unclear, consumers may blame themselves for

not understanding, or blame the platform for being deceptive. Both responses elevate stress, but the second response is more likely to generate anger and disengagement. In this sense, transparency functions as a stabilizer of emotional reactions. It can prevent small repayment disruptions from escalating into broader distrust and abandonment. The practical implication is that transparency should focus on comprehension rather than mere disclosure, using summaries that foreground total repayment amounts, due date clustering risks, and the consequences of late payment in plain, consistent formats.

Discussion

The findings clarify why BNPL can be simultaneously growth-enhancing and welfare-challenging in youth segments. Convenience and promotions encourage adoption, supporting platform conversion and repurchase intention. The same features can reduce cost salience and encourage frequent use, increasing installment accumulation. When obligations accumulate, debt stress rises, introducing a negative affective pathway that undermines sustainable repurchase behavior.

The positive adoption–repurchase relationship suggests that BNPL functions as a commerce accelerator, enabling consumers to buy when liquidity is temporarily tight. This mechanism is economically meaningful in Philippines, where young consumers may face irregular income and rely on short-term smoothing. Even so, the concurrent increase in debt stress indicates that liquidity smoothing can become psychological burden when repayment planning is weak or when multiple BNPL accounts are used. Budgeting self-efficacy emerges as a protective resource. Consumers who believe they can track installments and manage spending experience lower stress and show stronger repurchase intention. This pattern supports self-efficacy theory and highlights that consumer welfare is not determined by product design alone; it is shaped by the consumer's cognitive resources and confidence. Importantly, transparency strengthens self-efficacy, indicating that platform communication can enable healthier behavior rather than merely shifting responsibility onto users.
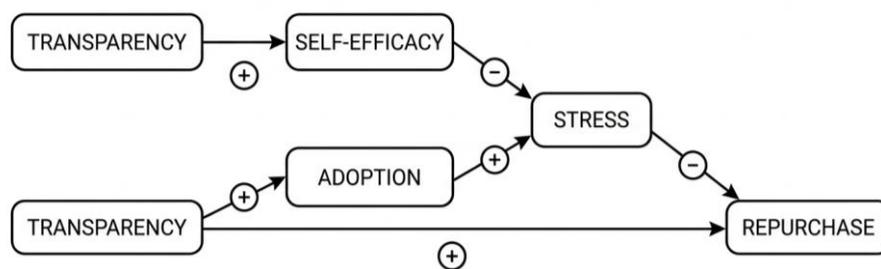

Figure 2. A Mediation Model of the Dual Pathways Between BNPL Adoption Intensity and Repurchase Intention: The Roles of Debt Stress, Transparency, and Budgeting Self-Efficacy

The mediation model provides a nuanced account of the psychological tension embedded in consumers' engagement with Buy Now, Pay Later (BNPL) services and comparable fintech products. Central to the model is the proposition that BNPL Adoption Intensity is not a uniformly beneficial driver of relationship continuity; instead, it operates as a dual-function mechanism that can simultaneously strengthen repurchase propensity while increasing psychological strain. This duality is represented through two competing routes that ultimately shape whether users sustain usage over time or withdraw as financial pressure accumulates. The first route captures the direct positive association between Adoption Intensity and Repurchase Intention. This pathway reflects the value proposition of "frictionless" consumption, where repeated use reinforces perceived convenience, utility, and immediate gratification, making BNPL a default payment option in everyday transactions. Under this logic, deeper integration of BNPL into purchasing routines is expected to increase retention, aligning with platform strategies that prioritise adoption as the primary engine of growth.

The second route highlights the model's critical counterbalance: Adoption Intensity also elevates Debt Stress, which in turn reduces Repurchase Intention. As BNPL use intensifies, repayment obligations may accumulate across multiple instalment plans, creating what can be understood as a persistent repayment burden that manifests as anxiety, cognitive load, and perceived loss of financial control. In this framework, Debt Stress acts as a corrosive psychological mechanism, weakening the willingness to repurchase and potentially producing churn even among high-adoption users. The model thus implies that adoption-driven growth, when unmanaged, can become self-limiting because the same behaviour that increases short-term transactions may generate longer-term avoidance through stress. A key theoretical contribution is the positioning of Transparency as an active strategic lever rather than a

passive disclosure practice. Transparency is modelled to increase Budgeting Self-Efficacy, suggesting that clearer information on repayment schedules, total obligations, and cost implications can enhance consumers' confidence in their ability to plan, monitor, and regulate spending. This shift matters because Budgeting Self-Efficacy functions as a stress buffer: higher self-efficacy is associated with lower Debt Stress, indicating that informed and confident users experience the same financial commitments as more manageable and less psychologically threatening.

Transparency indirectly protects Repurchase Intention by reducing the stress pathway that would otherwise undermine continued use. In practical terms, transparent systems can transform repayment from an ambiguous and overwhelming obligation into a structured task that consumers feel capable of managing, thereby preserving the relationship even under sustained adoption. The model also suggests a broader reframing of customer success metrics: long-term sustainability depends not only on transaction volume, but on maintaining consumer psychological stability. When adoption is accelerated without adequate transparency and support, firms may be effectively trading future loyalty for current growth, as elevated Debt Stress predicts reduced repurchase. The model implies that sustainable repurchase behaviour is supported by consumer agency. By strengthening Transparency and Budgeting Self-Efficacy, platforms can weaken the adverse psychological consequences of high adoption and sustain repurchase intentions without relying solely on aggressive adoption strategies. In this configuration, the consumer is positioned not merely as a payer with obligations, but as an informed participant whose confidence and wellbeing become integral to durable platform loyalty.

Seen through this lens, debt stress should be interpreted as a time dependent process shaped by the rhythm of obligations rather than the total amount alone. Two consumers may carry the same overall BNPL balance, but the one facing tightly clustered repayments experiences higher perceived pressure because the short-term liquidity demand is sharper. Platforms may unintentionally intensify this pressure when promotional campaigns encourage repeated purchases without making the evolving repayment calendar salient. When consumers learn about their true repayment congestion only after multiple transactions have accumulated, they may feel surprised or trapped, which is psychologically costly and can erode trust. This implies that debt stress has a structural component produced by timing design, not only a behavioral component produced by overspending (Schomburgk & Hoffmann, 2023; Widayati et al., 2024).

From an ASEAN policy standpoint, the expansion of BNPL raises questions about the boundary between payment services and consumer credit regulation. Regulatory approaches that focus exclusively on interest rates may overlook the behavioral role of promotions and user interface design. Standards for total cost display, late fee caps, and cooling off features can reduce stress without suppressing legitimate liquidity smoothing benefits. If policy treats BNPL purely as a pricing issue, it may miss the mechanisms that drive harm, such as repayment congestion, poorly timed reminders, and opaque penalty structures. A more behaviorally informed approach would evaluate how product design interacts with consumer attention and planning limits, especially among young users who are highly responsive to promotions but may have limited experience managing multiple short-term obligations (Ismail et al., 2025a; Mat et al., 2025).

Interoperability and data governance are also relevant at the regional level because BNPL often operates across merchants, wallets, and platform ecosystems. When data flows are fragmented, consumers may not see a consolidated view of obligations, increasing the risk of due date clustering and missed payments. Policy frameworks that encourage standardized reporting of BNPL obligations, or that promote consumer access to a unified repayment dashboard, could improve situational awareness and reduce stress. At the same time, such approaches must be balanced with privacy safeguards so that improved visibility does not come at the cost of excessive data sharing. This trade off highlights why consumer protection in BNPL is as much about information design and accountability as it is about credit pricing (Qatawneh & Makhlouf, 2025; Ramadhan, 2025; Simiyu et al., 2025).

Future research could explore heterogeneity across income stability. Gen Z consumers with stable salaries may experience BNPL as convenient smoothing, while those with irregular income may face higher stress from clustered dues. Multi group modeling could test whether self-efficacy is more protective for one group than the other, and whether transparency has stronger marginal effects among lower experience users. Beyond income stability, heterogeneity may also appear across employment types, household responsibilities, and financial support networks. Consumers with family backstops may tolerate temporary congestion, while those without buffers may experience the same payment schedule as far more threatening. Research could also examine whether stress effects are driven more by objective repayment load or by perceived unpredictability, which would clarify whether interventions should prioritize lowering costs, smoothing schedules, or improving planning tools.

Additional research opportunities include exploring longitudinal dynamics rather than cross sectional snapshots. Because debt stress evolves as obligations accumulate, panel data or transaction level traces could identify the tipping points at which consumers shift from confident usage to avoidance. Such designs could test whether micro interventions delay or prevent these tipping points, and whether transparency reduces churn by stabilizing perceptions after minor repayment disruptions. Researchers could also test whether merchants and campaign intensity amplify clustering effects, especially during large regional shopping festivals, and whether opt in cooling off features reduce regret and subsequent disengagement (Ha et al., 2024; Kim et al., 2024).

The refined interpretation is that BNPL outcomes hinge on timing, comprehension, and control. Debt stress emerges when timing design creates short-term congestion and when consumers lack tools to translate commitments into manageable plans. Budgeting self-efficacy mitigates this risk when platforms embed decision aids that make future obligations salient at the point of purchase. Transparency mitigates the emotional and trust costs of repayment by making fees and penalties predictable and interpretable, functioning as a fairness signal rather than merely a disclosure practice. ASEAN level policy can reinforce these mechanisms by focusing on total cost visibility, penalty constraints, and interface related consumer protections that address behavioral pathways of harm while preserving the legitimate convenience benefits that make BNPL attractive.

Managerial implications emphasize that long-term customer value depends on reducing stress-driven churn. Platforms and merchants benefit when customers continue using BNPL responsibly rather than cycling through overuse and avoidance. Features that improve transparency and self-efficacy—clear total cost display, repayment calendar integration, and personalized nudges—can protect retention and brand trust. Limitations suggest future research directions. Cross-sectional design restricts temporal inference, and longitudinal tracking could observe whether stress accumulates and triggers discontinuance. Objective transaction data could va lidate self-reported adoption intensity. Future studies could also examine how financial literacy, parental financial socialization, and peer influence interact with promotions to shape BNPL overuse risk.

E. CONCLUSION

This study demonstrates that BNPL adoption among Filipinos Gen Z consumers is driven by convenience and promotional attractiveness, while transparency supports informed adoption. Adoption strengthens repurchase intention but also increases debt stress, revealing a dual-edged dynamic. Budgeting self-efficacy reduces stress and supports healthier repurchase behavior, and transparency strengthens self-efficacy. These findings suggest that BNPL can contribute to digital commerce growth when supported by credible disclosure and budgeting infrastructure that reduces psychological burden. For policymakers and platforms, the evidence highlights the importance of transparent cost presentation and youth-oriented budgeting support. As ASEAN digital finance ecosystems deepen, embedded credit products should be designed with consumer capability development in mind, ensuring that growth does not depend on hidden stress accumulation.

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