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The Influence of Financial Literacy, Ease and Risk in Transaction Using Financial Technology

Indriani Lolo Sumussang¹, Amir Jaya², Manuel A. Todingbua³

Management Study Program, Faculty of Economics and Business, Paulus Christian University of Indonesia

¹indrianylolo05@gmail.com, ²amirjaya0505@gmail.com, ³manuel_august@ukipaulus.ac.id

Abstract

This study aims to analyze the influence of financial literacy, ease of use, and risk on transactions using Financial Technology (Fintech) among students of Universitas Kristen Indonesia Paulus. This study uses a quantitative approach with a survey method and purposive sampling technique. A total of 96 respondents were sampled, and the data were analyzed using the SEM model with the help of SmartPLS. The results of the study indicate that financial literacy and ease of use do not have a significant effect on transactions using fintech. In contrast, the risk variable has a significant and positive effect. This finding indicates that students consider the risk aspect seriously before making digital transactions. This emphasizes the importance of transparency and security assurance from fintech service providers in building user trust. The implications of this study highlight the need for fintech providers and educational institutions to improve students' understanding of the risks of digital transactions and strengthen service security systems. This study contributes to the literature on fintech user behavior among the younger generation, especially in the context of higher education.

Keywords: Financial Literacy, Convenience, Risk, Transaction, Fintech, Students

1. Background

Development technology information has bring change fundamental in method man access and utilize service finance . One of the results real from digitalization in the sector finance is emergence *Financial Technology* (fintech), which has transform system transaction conventional become all digital and based applications . In Indonesia, the growth The fintech sector is recorded as very significant . The Financial Services Authority (OJK) noted more of 300 registered and supervised fintech providers by 2024 , reflecting enthusiasm and need public to service fast and practical finance .

Students as part from generation young (generation Z and millennials) are segment very active fintech users . Data from DailySocial (2023) states that 65% of users digital wallets in Indonesia are in range age 18–25 years . Generation This grow in the middle technology and have connectedness tall towards the digital world, making they are strategic targets for fintech developers . However , the phenomenon increasing the use of fintech keep more problems complex , especially related ability user in manage and understand risk from use technology digital finance in responsible answer .

A number of study show that level literacy finance generation young Indonesian still classified as low . The OJK survey (2022) noted that index literacy finance in new Indonesia reached 49.68%, with literacy student Not yet show significant improvement . This condition show existence gap between ability understand information finance with frequency use digital services . In fact , the use of fintech that is not accompanied by with understanding literacy adequate finances potential cause consequence like behavior consumptive , borrowing without calculations , as well as vulnerability to digital fraud (Mudrikah , 2021; Lestari & Erawati , 2024).

On the other hand , many study previous which is based on his study on assumptions that convenience technology is factor the main driving force fintech adoption . Classic model like *The Technology Acceptance Model* (TAM) states that perception to convenience is predictor strong from intention use technology (Davis, 1989). However , in context digital-native generation , role convenience start questioned . Nurdin and Rusli (2020) noted that convenience now No Again become differentiator main Because considered as feature expected basis from every application modern finance .

On the contrary, studies up to date show that perception risk precisely become elements that are increasingly determine in decision use of fintech. Risk in context This covering aspect personal data security, transparency transactions, credibility provider services, up to possibility abuse digital access. Ong and MN (2022) found that generation young own awareness increasing risk high and tend more selective in use fintech services, although convenience still available. This means, the risk No only obstacles, but become factor rational and active consideration in the process of taking decision.

Unfortunately, the results findings diverse empirics This indicates existence gap literature that has not been fully filled. Some studies state that literacy finance own influence positive to digital transactions (Mudrikah, 2021), while other show influence that is not significant (Solikhatun & Ridlwan, 2022). Likewise with convenience, which in a number of context own influence direct to behavior, but in other research its role start displaced by considerations risk. Inconsistency results This open room important For investigation advanced in context different locales.

Study This highlight students of the Indonesian Christian University of Paulus in Makassar, who represent group active fintech users from non-metropolitan areas. In the context this, understanding student to fintech applications still diverse, while penetration digital services increase rapidly. Therefore that's important For test repeat in a way empirical How three variable main — literacy finance, convenience, and risk — affect decision student in do transaction using fintech.

Different from approach previously, research This No only analyze the influence of each variable in a way separate, but test connection simultaneous between all three use SEM-PLS approach. Approach This allow identification structure more influence complex and revealing strength relatively each factor in influence behavior student digital transactions. This is make study This relevant in a way practical for provider fintech services and institutions education, at the same time give contribution theoretical to understanding behavior finance generation young in the digital age.

Based on above exposure, research This aiming For answer Question: To what extent does it influence? literacy finance, perception convenience, and perception risk to transaction using fintech among student? Is perception risk become factor determinant dominant, or precisely greater literacy and convenience strong influence decision usage? With answer questions this, research expected can give contribution empirical to policy improvement literacy finance and development a more fintech ecosystem inclusive and safe.

With Thus, the urgency study This lies in the need urge For bridge gap between intensity fintech usage and readiness student as user smart. Novelty studies This lies in integration three factor main in context specific local, as well as utilization approach analytic SEM based for describe complexity behavior digital financial generation young.

2. Research methods

Study This use approach quantitative with type study associative causal. Approach quantitative chosen Because capable explain connection between variable in a way objective and measurable through numeric data. Associative type causal used For know to what extent the variables independent, namely literacy finance, convenience, and risk, in general simultaneous and partial influence variable dependent that is transaction using fintech. Research design this also allows testing hypothesis through structured statistical models.

Research location was established at the Indonesian Christian University Paulus, Makassar, South Sulawesi. The election location This based on observation beginning that students in the environment the is user active fintech services in activity finance everyday, such as payment lectures, online shopping, and transportation. The university environment also represents group Generation Z and Millennials from relevant non-metropolitan urban areas For under review in context transformation digital finance.

Study implemented in period November 2024 to March 2025. Stages study covers compilation instruments, validity and reliability tests, data collection, to the analysis process. The entire process is carried out in a way systematic For ensure data integrity and validity results research. The instruments used is questionnaire closed based on 5-point Likert scale, starting from "very not agree" to "strongly agree".

Population in study This is all over student active Paulus Christian University of Indonesia, which has a total of 2,539 people. Because the population classified as large and heterogeneous, then withdrawal sample done For get proportional representation. Samples were taken use technique **purposive sampling**, namely technique determination sample based on consideration or criteria certain appropriate with objective research. The criteria used is students who have Once use fintech services minimum three month final.

Amount sample determined use Slovin's formula with level 10% error, so obtained sample as many as 96 respondents. The number This rated adequate For study quantitative based on SEM-PLS, which is statistics has fulfil minimum requirements for structural model analysis with amount indicator No too big. Respondents chosen in a way direct through approach combination between questionnaire print and online forms for facilitate the data collection process.

Instrument study developed from indicators that have been validated by research earlier, then customized with context local. Variable literacy finance measured through dimensions knowledge base finance, ability make decisions, and understanding risk. Variable convenience covers convenience use applications, accessibility, and convenience system. While variable risk covering perception to security, reliability services, and personal data protection. Variables transaction use indicator frequency, type transactions, and values transactions made using fintech.

Data collected analyzed through two stages big, namely measurement model testing (outer model) and structural model testing (inner model). Analysis done with **SmartPLS 4.0** software assistance, which was selected Because his ability handling models with complexity moderate and relatively small samples small. SmartPLS also allows analysis robust multivariate for testing validity construction and estimation connection between latent variables.

Outer model test was performed For ensure that indicator in every construct own validity convergent, validity discriminant, and good reliability. Testing criteria refers to the outer loading value > 0.7 , AVE > 0.5 , and Composite Reliability value > 0.7 . The inner model test is then done For test significance connection between variable use t-statistic and p-value values from the bootstrapping process, as well as measure the magnitude influence through R-square and f-square values.

All over hypothesis in study This tested based on bootstrapping results of 5,000 resamples. Hypothesis stated accepted If t-statistic value ≥ 1.96 and p-value ≤ 0.05 . The testing model also includes R-square value as indicator strength model predictions against variable dependent. With approach this, can known contribution relatively from each variable independent to fintech transactions.

With design method as above, research This expected No only answer formulation problem in a way statistics, but also provides description strong empirical about behavior student digital finance. Approach quantitative with instrument standardized and SEM-PLS analysis provides superiority in ensure reliability findings as well as relevance theoretical and practical from results research obtained.

3. Results and Discussion

Study This involving 96 students active at the Indonesian Christian University Paulus as selected respondents use purposive sampling technique. Characteristics Respondent covers aspect age, type gender, and experience use fintech applications. The majority Respondent aged between 19–22 years old, which reflects group age productive and adaptive to development digital technology. Based on type gender, as many as 60% of respondents is women and 40% men. All Respondent is user active fintech services such as OVO, Dana, GoPay, and ShopeePay, which are used For needs transaction daily like payment eating, transportation, and online shopping.

Data analysis was performed use Structural Equation Modeling method with Partial Least Squares (PLS-SEM) approach through application SmartPLS 4.0. Stage First is purposeful outer model testing For evaluate validity and reliability indicator to its construction. The outer loading value of the entire indicator is above 0.7 which indicates validity indicator good. The AVE (Average Variance Extracted) value of each construct is: literacy finance 0.766; convenience 0.782; risk 0.774; and transaction 0.778. The Cronbach's Alpha and Composite Reliability values for all the construct is also above 0.9 which means all indicator reliable.

After validity and reliability testing fulfilled, done inner model analysis for see strength connection between latent variables and the significance of the model. The R-square (R^2) value for variable dependent fintech transactions are of 0.540. This shows that 54% of the variation in behavior transaction can explained by literacy finance, convenience, and risk. The rest 46% is influenced by other variables outside the model. This R^2 value classified as in category currently according to Hair et al.'s (2019) classification, indicating that the model has ability quite predictive.

Effect size test or f-square done For measure big contribution every variable independent to variable dependent. The results show that literacy finance give influence small with the f-square value is 0.033, the ease is very small (0.011), while risk show influence big to transaction with The f-square value is 0.477. This means that the risk own strength dominant influence in the model compared to two variables other.

Next, testing hypothesis done use method *bootstrapping* with 5,000 resampling. Full results from the path coefficient test it can be seen in Table 1 below :

Table 1. Hypothesis Testing Results

Hypothesis	Connection Variables	Path Coefficient	T-Statistic	P-Value	Decision
H1	Literacy → Transactions	0.141	0.083	0.409	Rejected
H2	Convenience → Transaction	0.111	0.827	0.100	Rejected
H3	Risk → Transaction	0.108	5,629	0.000	Accepted

Based on the table above, only hypothesis third (H3) is accepted. Literacy finance (H1) and convenience (H2) are not show significant influence to behavior student fintech transactions, as indicated by the t- statistic value < 1.96 and p-value > 0.05. On the other hand, risk (H3) has the t- statistic value is 5.629 and the p-value is 0.000, which means influential significant and positive to use of fintech.

Findings This confirm that risk become factor consideration main student in transact using fintech. In a busy digital era will issue data security and privacy, students the more selective to fintech applications that they use. Awareness of risk push behavior more transactions be careful, no rather avoid fintech. This is strengthen findings of Ong and MN (2022) which stated that digital-native users consider risk as an integral part of the adoption process technology.

Temporary That does not its significance influence literacy finance show that although student own knowledge base finance, things the Not yet Enough push they For act in a way rational in use of fintech. Students tend to more influenced by needs practical and stylish digital life, compared consideration theoretical about management finance. Phenomenon this is also in line with research by Lestari & Erawati (2024), which states that literacy finance Not yet always internalized in behavior financial generation young.

Likewise, the perception convenience No proven significant in push fintech transactions. This is can explained by the assumption that student has consider convenience as feature standard and not Again factor differentiator. With height penetration technology, generation This Already used to with a user-friendly application interface, so that convenience No Again become the main motivator. Nurdin and Rusli's study (2020) supports findings this, that perception convenience own decreasing effect in context generation born in the digital era.

In general overall, results study This in a way clear answer question the main thing that is formulated in study, namely about factors that influence behavior fintech transactions among students. Findings show that from three variables analyzed — literacy finance, convenience, and risk — only perception proven risk own influence significant to decision student in use fintech services. This is show that in context generation young and awake technology, factors security and trust to more digital systems determine behavior transaction compared to with knowledge financial theoretical or perception convenience use application. In other words, students more moved For use fintech services are not Because how much understand they to finance or how much easy the application used, but Because how much safe they feel moment do digital transactions.

Implications from findings this is very relevant for provider fintech services and institutions education high. Fintech providers need to put security systems, personal data protection, and transparency policy as priority main For build loyalty user young. On the other hand, institutions education need designing digital literacy programs that do not only focus on understanding draft finance conventional, but also includes aspect ethics, digital security, and management risk in use technology finance. Strengthening understanding to digital risk will help student take decision transaction in a way more rational and avoidable from potential loss consequence abuse system.

Study This give contribution important empirical to understanding dynamics behavior digital finance generation young, especially from non-metropolitan contexts such as Makassar City. Most of literature previous Still dominated by studies that focus on cities big on Java Island, while representation student from area eastern Indonesia is relatively seldom under review in a way deep. Therefore that, the findings This No only enrich discourse academic related behavior fintech users in Indonesia, but also expand understanding about How context geographical and social can influence preference user to innovation digital finance.

Furthermore, studies This show that success fintech adoption is not only determined by features technology That itself, but also by perception user to possible risks they face it. In situations where trust to digital system becomes factor main, then communication honest risk, mechanism protection users, and digital literacy based on

experience become the more important For implemented . Therefore it is good industry and institution education need synergize For build an inclusive , safe and sustainable fintech ecosystem , which is capable of serve need generation young in a way comprehensive.

4. Conclusion

Study This aiming For test in a way empirical influence literacy finance , perception convenience , and perception risk to behavior transaction Paulus Christian University of Indonesia students in utilise financial technology (fintech) services . Using approach quantitative and technical Structural Equation Modeling – Partial Least Squares (SEM-PLS) analysis , research This give understanding about contribution relative to each variable in influence decision student digital finance . This model allow testing connection complex causal at a time evaluate strength and direction influence between construct. The results of data processing show that only variable perception the risk that has influence positive and significant to behavior fintech transactions . Students demonstrate trend For notice aspect security systems , personal data protection , and potential risk fraud before decide For use certain fintech applications . Findings This reflect improvement awareness student to protection digital consumers , as well as show that risk has become consideration very much considered rational in taking decision financial , especially in an era of increasing threat cyber and the rise of digital financial platforms that are not everything credible. On the contrary , the results analysis state that literacy finance and perception convenience No influential significant to intention transact . Although the respondents is at in environment academics that provide access to information financial , understanding the Not yet in a way real translated to in practice responsible use of fintech answer . This is to signify existence gap between cognition and behavior . While that , perception the convenience that has been This become variable important in the adoption model technology classic , start experience decline relevance among digital-natives. Students consider feature convenience as a basic norm from every application , not Again factor differentiator in the process of taking decision. Of the three the hypothesis proposed , two hypotheses first —which states existence influence literacy finance and convenience to behavior transaction —declined based on statistical test results . Only hypothesis the third one that was accepted , namely existence influence significant from perception risk to fintech transactions . Findings This confirm that generation young more responsive to dimensions trust and protection in ecosystem finance digital. This is strengthen importance an approach that emphasizes dimensions digital security as a key strategy in development and promotion fintech services. Implications practical from study This is that provider fintech services need more proactive in build system strong security , delivering information with transparent , and provide Features protection easy user accessible and understandable . Focus on experience safe user can strengthen trust , especially from circles students who have level awareness risk high . On the other hand , institutions education tall own role strategic in expand coverage digital literacy , especially as it relates to with understanding risk technology finance . Education No only stop at the concept management finance , but also includes aspect technical and ethical from use of digital platforms. In general theoretical , research This enrich discourse academic in field behavior digital finance , in particular with emphasize importance dimensions risk in influence adoption of fintech by generation young . This is become challenge towards adoption models technology classic such as the Technology Acceptance Model (TAM) , which emphasizes perception convenience and usability as variable main . Research This propose the need integration variable risk as core dimensions in today 's more sophisticated digital behavior models contextual and based characteristics generation user. However , research This No let go from limitations . First , the coverage Respondent only limited to one university in the Makassar area, so that results obtained Not yet can generalized in a way wide to all over population students in Indonesia. Second , the approach quantitative used nature structural and non-structural catch in a way deep aspect subjective like motivation , perception emotional , or dynamics social that is possible participate influence decision use of fintech . As a result , the understanding gained is linear and not yet describe complexity behavior in a way comprehensive. For overcome limitations said , research furthermore recommended For expand range geographical with involving student from various area and background behind different socio-economic backgrounds . The mixed methods approach , which combines quantitative and qualitative , it is also recommended to be able to catch dimensions more psychological and contextual in depth . In addition , the variables addition like influence social , loyalty user , satisfaction to service , and trust to platform providers can used For building a more fintech behavioral model comprehensive and reflective to dynamics digital life of generation today 's youth.

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