

The Legal-Ethical Risks of Paylater Promotions in Food Purchases: Consumer Protection and Wafā' bi al-'Uqūd

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Abstract

The development of Buy Now Pay Later (BNPL) services in Indonesia functions not only as a payment method but also as a promotional strategy in the consumption sector. One example is the Rp1 food voucher promotion at Mie Gacoan outlets, which requires the use of YUP PayLater. This study aims to analyze the practice from the perspectives of consumer protection law and the principle of wafā' bi al-'uqūd (fulfillment of contracts). The research employs a qualitative method with a juridical-normative and conceptual approach through library research and analysis of documented promotional materials published in online media. The findings reveal two main points. First, the promotional materials prominently display the discount value without explicitly stating that PayLater constitutes a digital financing facility that creates deferred payment obligations. Second, no concise explanation is provided regarding the contractual mechanism, potential additional charges, or consequences of late payment in the promotional media, resulting in an information imbalance between business actors and consumers. This situation indicates that transparency requirements and contractual clarity have not been optimally fulfilled. The study recommends strengthening disclosure standards in promotional practices and enhancing consumer contractual literacy in PayLater transactions.

INTRODUCTION

The development of financial technology (FinTech) has brought significant changes in people's transaction patterns, including in daily consumption activities such as food and beverage purchases.¹ One of the fast-growing FinTech innovations is the Buy Now, Pay Later (BNPL) scheme, which allows consumers to acquire goods or services first and make payments later, either in full or through installments. In Indonesia, BNPL services are widely offered through digital platforms in the form of the PayLater feature which is integrated with various applications.² In practice, BNPL not only serves as a payment method, but is also utilized as a promotional strategy to increase transaction volume and consumer appeal.

The phenomenon of BNPL use is growing along with the increasing adoption of digital technology by urban communities, especially millennials and generation Z. Various international studies show that BNPL schemes tend to encourage impulsive consumption behavior because they offer ease of access, payment flexibility, and attractive discount promotions. However, behind these conveniences, BNPL also carries risks, especially when consumers do not adequately understand the long-term consequences of deferred payment obligations.

The practice of BNPL-based promotions in the culinary sector can be seen in the case of the promotion of Mie Gacoan which offers food vouchers for Rp1 on the condition of using the PayLater YUP application. These promos are disseminated through social media and print media, but are often not accompanied by an adequate explanation that YUP is a digital credit or loan service (Consumers & Indonesia, 2025). As a result, consumers who are interested in the amount of the discount tend to immediately make transactions without realizing that the transaction is a form of credit agreement that gives rise to payment obligations in the future.³ Unclear payment mechanisms and applicable terms and conditions have the potential to cause consumer confusion and even lead to payment failures.

From a consumer protection perspective, information transparency is a fundamental right guaranteed under various regulations, including Indonesia's Consumer Protection

¹ Chusnul Maulidina Hidayat et al., "Perlindungan Konsumen Dalam Perkembangan Financial Technology Di Indonesia," *Jurnal Manuhara: Pusat Penelitian Ilmu Manajemen Dan Bisnis* 1, no. 3 (2023): 299-305, <https://doi.org/10.61132/manuhara.v1i3.228>.

² Ade Darajat Martadikusuma, "Perlindungan Hukum Bagi Konsumen Dalam Transaksi Buy Now Pay Later (BNPL) Di Indonesia: Tinjauan Regulasi Dan Praktik Bisnis," *Al-Zayn: Jurnal Ilmu Sosial & Hukum* 3, no. 2 (2025): 489-504, <https://doi.org/10.61104/alz.v3i2.1062>.

³ Arif Sugitanata, Universitas Islam, and Negeri Mataram, "Sistem Paylater Dalam Transaksi Digital Dan Implikasinya Terhadap Hukum Fikih Muamalah Kontemporer," no. 2 (2025): 43-73.

law. Consumers have the right to receive accurate, clear, and honest information regarding the goods and/or services offered, including payment methods and their associated financial consequences. When promotional materials emphasize only benefits, such as very low price or large discounts, without clarifying that the transaction is conducted through digital credit schemes, an information gap may arise that could harm consumers. Several studies also indicate that consumer protection in BNPL practices in Indonesia still faces implementation challenges and requires stronger regulation and oversight.

A number of previous studies have examined BNPL from various aspects, such as consumer behavior, financial risk, and regulatory adequacy. Research shows that BNPL use is influenced by psychological factors such as impulsivity, convenience, and fear of missing out (FoMO), which can increase consumption tendencies without careful financial planning.⁴ The rapid growth of BNPL services compared to regulatory development creates a gap in legal protection for consumers.⁵

Previous studies on BNPL have largely focused on general consumer behavior and fintech regulation. However, limited attention has been given to the framing of extreme discounts in daily consumption (food purchases) and their legal-ethical implications at the promotional stage, particularly regarding information transparency obligations and the Islamic contractual principle of *wafā' bi al- 'uqūd*. This study addresses this gap by analyzing PayLater-based food discount promotions, examining both consumer protection and Islamic contractual ethics, and providing normative recommendations to enhance information transparency and contractual fairness.

Beyond the positive legal perspective, the analysis of BNPL transactions is also relevant from an Islamic normative perspective, especially the principle of *wafā' bi al- 'uqūd* (fulfillment and fidelity to the agreement). This principle emphasizes clarity, honesty, and the balance of rights and obligations between parties in a contract. When business actors highlight only the benefits of a promotion without transparently disclosing consumer obligations, there is a potential imbalance and injustice in the contractual relationship.⁶ Extreme discount promotions may also conflict with the

⁴ Ghani Alghifari and Firman Firman, "Gaya Hidup, Literasi, Dan Konsumsi: Studi Perilaku Konsumtif Generasi Z Pengguna Shopee PayLater Di Kota Padang," *Jurnal Akuntansi, Ekonomi Dan Manajemen Bisnis* 5, no. 1 (2025): 243–60, <https://doi.org/10.55606/jaemb.v5i1.5993>.

⁵ Ade Darajat Martadikusuma, "Perlindungan Hukum Bagi Konsumen Dalam Transaksi Buy Now Pay Later (BNPL) Di Indonesia: Tinjauan Regulasi Dan Praktik Bisnis."

⁶ Made Nitya et al., "Refund Tiket Konser Musik K-Pop Dalam Perspektif Hukum Perlindungan Konsumen : Antara Kepastian Hukum Dan Keadilan," 2025, 8156–64.

objectives of maqāṣid al-shari'ah, including property protection (ḥifẓ al-māl) and safeguarding individuals from exploitative practices.⁷

The concept of branding and social media management, including in the context of digital-based promotions, emphasizes that trust and honesty in interacting with consumers are fundamental factors that must be considered. This principle aligns with wafā' bi al- 'uqūd, which demands transparency of information and a commitment to promises and agreements made in every contractual relationship.⁸

Based on the above, this study aims to analyze the practice of promoting PayLater YUP-based food discounts from the perspective of consumer protection and the principle of wafā' bi al- 'uqūd. This research uses a qualitative method with a juridical-normative and conceptual approach through library research, examining laws and regulations, jurisprudential literature, scientific journals, and other official sources. Unlike previous studies that position BNPL as a general payment method, this study specifically investigates extreme PayLater-based discounts in the culinary sector and their implications for fulfilling the principle of wafā' bi al- 'uqūd. The findings are expected to provide normative recommendations to strengthen information transparency, contractual responsibility, and consumer protection in BNPL practices within the culinary sector and digital transactions more broadly.

METHOD

This research uses a qualitative method with a juridical-normative and conceptual approach carried out through library research. The selection of this method is based on research objectives that focus on the analysis of legal norms, promotional practices, and contractual ethical principles in digital transactions, so that it does not require the collection of field data or respondents⁹. The study focuses on several objects of analysis, including:

1. Promotional materials, such as posters and social media posts from Mie Gacoan;
2. The terms and conditions of the YUP PayLater service;
3. Indonesia's Consumer Protection Law and other regulations related to electronic transactions;

⁷ Nurul Huda, "REFORMULASI HIRARKHI MAQASHID SYARIAH UNTUK KEMASLAHATAN ANAK DALAM BINGKAI PLURALISME AGAMA" 8, no. 2 (2019): 69–91.

⁸ Abdul Rasyad Arif Al Anang, Ahmad Husein, "Pendidikan Agama Sebagai Branding Di Media Sosial" 6, no. 2 (2020): 99–108.

⁹ D Deepika and B Meena, "Assessing the Impact of Buy Now , Pay Later (BNPL) Services on Digital Consumer Buying Behaviour and Online Purchasing Decisions," no. 10 (n.d.): 1–8.

4. Regulations and policies issued by the Financial Services Authority (OJK) concerning Buy Now Pay Later (BNPL); and
5. Fiqh muamalah literature on wafā' bi al- 'uqūd and contract ethics.

Data were obtained through library research, drawing on official legal texts, scholarly articles, books, and reliable online sources, including media reports and publications from consumer protection agencies. The analysis was conducted normatively and descriptively, by comparing observed promotional practices with applicable legal provisions and Islamic ethical standards for contracts. The study evaluates:

1. The manner in which PayLater-based discounts are presented in promotions;
2. The clarity and transparency of information about PayLater as a digital credit service;
3. Consumers' rights and responsibilities in BNPL transactions; and
4. The conformity of promotional practices with the principle of wafā' bi al- 'uqūd.

This method allows for a legal and ethical assessment of digital transaction practices without field data, providing recommendations to enhance transparency, contractual accountability, and consumer protection.

RESULT AND DISCUSSION

The data analyzed in this study were sourced from primary and secondary legal sources. Primary legal sources include Law Number 8 of 1999 concerning Consumer Protection, as well as the provisions of the Financial Services Authority's laws and policies governing digital financing services and the PayLater scheme. Secondary legal sources were obtained from scientific journals, textbooks, and Islamic economic law studies that discuss digital promotion practices, consumer protection, and the principle of wafa' bi al- 'uqūd. All data were analyzed qualitatively using a juridical-normative and conceptual approach, then systematized in the following analytical table.

Table 1. Analysis Of Paylater Yup-Based Food Purchase Discounts In The Perspective Of Consumer Protection And The Principles Of Wafa' Bi Al- 'uqūd

Aspect of Analysis	Consumer Protection Perspective	Principles of Wafā' bi al- 'Uqūd	Research Findings	Critical Evaluation
Transparency	Consumers must receive accurate,	Clarity of contractual obligations,	Discount promos emphasize low prices (Rp 1) but fail to clearly	Transparency is largely formal; consumers may misunderstand

	clear, and honest information	prohibition of gharar)	explain PayLater as a credit scheme	the transaction as a cash discount
Consent & informed Consent	Consent must be conscious and voluntary	Contractual obligation fulfilled with informed agreement (ridā)	Consumers rapidly accept PayLater without understanding obligations	Potential violation of informed consent principle in Islamic contract ethics
Promotional Framing & Deception	Promotions must not be misleading or manipulative	Avoidance of tadlis (misrepresentation)	Marketing emphasizes extreme discounts, encouraging impulsive, debt-based purchases	Potential violation of ethical standards in promotion
Fees and Penalties Proportionality	Fees must be reasonable and proportional	Justice and balance in contractual obligations	Late payment penalties impose financial burdens on consumers	Disproportionate financial burden; may conflict with contractual justice principles
Responsibility of Business Actors/ Platform	Business actors accountable for services offered	Moral and legal responsibility to ensure transparency and fairness	Risks are disproportionately borne by consumers	Substantive consumer protection remains weak; providers have ethical and legal responsibility

The findings demonstrate that the PayLater YUP-based food discount promotion potentially violates Articles 4, 7, and 8 of the Consumer Protection Law, particularly regarding transparency and misleading advertising. The framing of “Rp 1 payment”

without proportional disclosure of credit obligations creates information asymmetry and weakens informed consent. Responsibility is not limited to consumers but extends to both the merchant and the PayLater provider, as both participate in designing and disseminating the promotional scheme.

1. Increased Use of PayLater in Indonesia

In YUP's PayLater-based food purchase discount promotion practices, marketing narratives tend to emphasize the size of the discount without adequately explaining PayLater as a digital credit facility. This situation has the potential to create information asymmetry between businesses and consumers, where consumers lack an equal understanding of the nature of the transaction, payment consequences, and credit risks inherent in using PayLater. However, from a consumer protection law perspective, information transparency is a fundamental principle aimed at enabling consumers to make rational decisions and be aware of the consequences of their transactions.

The results of data analysis and literature studies show that Buy Now, Pay Later (BNPL) services such as PayLater, YUP and various similar services have experienced significant growth in recent years in Indonesia. Based on data from the Financial Services Authority (OJK), financing through Buy Now Pay Later (BNPL) services showed a significant increase in the 2024–2025 period, reaching a value of trillions of rupiah, indicating that people are increasingly choosing this option to complete transactions, especially in the context of daily consumption and digital lifestyles.¹⁰ The increase in BNPL usage is inextricably linked to promotional strategies that emphasize ease of access and price incentives. In YUP's PayLater-based food purchase discount promotions, the marketing narrative tends to emphasize the discount size without adequately explaining PayLater's characteristics as a digital credit facility¹¹. This increase also indicates a worrying trend in credit risk, including an increase in non-performing loans (NPF) in the BNPL sector.

Moreover, in the case of the discount promotion that was the focus of this research, namely the PayLater YUP food discount promotion at Mie Gacoan, the trend of BNPL usage was accelerated by a marketing strategy that utilized price incentives. Consumers were encouraged to use PayLater by the extreme pricing framing, such as the claim "pay Rp1," which psychologically lowers the perception of future payment risk, and the large discount amount, up to Rp 52.900, advertised in the promotional pamphlet.

¹⁰ R E N Rongcai, W U Guoxiong, and C A I Ming, *Metode Penelitian Hukum*, 2020.

¹¹ Arif Al Anang. Noorhidayah, "Hukum Islam Jurnal Re-Islamization of Land Law in Global Context : An Approach to Fight Ecological Scarcity," *Hukum Islam*, 2022, 1–24.

Picture 1. Claims listed price without credit explanation



<https://www.instagram.com/p/DHR8ffxJDJA/?igsh=MWRkbXgxemZ2ZzJvNA==>

As shown in Figure 1, the promotional material prominently displays the “Rp 1” price claim, while the credit nature of the transaction is not explicitly indicated in the main visual frame. The explanation regarding repayment obligations is either minimized or placed in less visible sections, which may create information asymmetry.

In this context, YUP PayLater service is not just a payment method, but a form of financing or short-term debt that gives birth to a legal relationship between consumers and service providers. However, in extreme discount promotion practices, PayLater's status as a credit scheme is often not explicitly displayed in promotional materials, so consumers interpret the transaction more as a regular cash discount. This condition creates information asymmetry between business actors, PayLater providers, and consumers, which has the potential to be legally detrimental to consumers because transaction decisions are made without a complete understanding of the consequences of payments in the future.

From a consumer protection perspective, this kind of promotion has the potential to violate the principle of information transparency, as consumers do not get a balanced explanation of the rights and obligations arising from the use of PayLater. In fact, in digital credit-based transactions, information about the nature of credit, repayment mechanisms, and the risk of fines are essential elements that consumers must know

before approving a transaction. This information imbalance strengthens the position of consumers as structurally weak parties in BNPL transactions¹².

2. Risk of Default and Financial Impact on Consumers

Analysis of the results of the study shows that one of the most obvious impacts of promotional policies such as Mie Gacoan is the high risk of default among consumers, especially those who do not understand the overall mechanism of the PayLater scheme. Data from Indonesia's mainstream media shows that BNPL credit pressure is increasing every year, with the increase in NPF recorded in April 2025 reaching 3.78% of total BNPL financing. This indicates an increase in non-performing loans, which are partly due to consumers not being prepared or not understanding the payment obligations that arise after using BNPL services¹³.

In addition, narratives from various sources show that consumers often feel "interested" in promos due to low prices or light installments, but once a transaction occurs, they face bills that they did not anticipate carefully. For example, late payments or ignorance of payment schedules can quickly trigger fines or debt overruns, especially if the billing system is not well understood¹⁴. Overseas consumer studies also show that most BNPL users who experience late payments don't even know their credit status, resulting in additional fees and impacts on their credit scores.

3. Consumer Financial Literacy and Credit Risk Understanding

The results show that the level of consumer financial literacy towards the BNPL mechanism is still low, which makes many users not fully understand the financial consequences of using PayLater¹⁵. Previous research in the context of BNPL noted that consumers often use BNPL without realizing that they are taking on short-term debt that has future payment obligations. This is easier when promotions highlight only the profit side (e.g. low prices) without detailed information about payment obligations, late penalties, or long-term credit impacts.

Empirical findings from other studies support this, with data showing that sales promotion through BNPL has a positive effect on purchasing decisions but has a negative relationship with consumer risk perception. This means that consumers tend to ignore

¹² mohamad Ichrom Ade Zuki Damanik, Afif Noor, "The Strategic Role Of Btn Syariah Margonda In The Realization Of A Usury-Free Murabaha Mortgage At Pt. Abc Group: Analysis Based On Islamic Law," *Istinbāth* 23, no. 2 (2024): 351–65.

¹³ Stabilitas Sektor, Jasa Keuangan, and Terjaga Di, "Sp 72/Gkpb/Ojk/v/2025," no. April (2025): 1–20.

¹⁴ Ni Nyoman and Trisna Pradewi, "Perlindungan Hukum Bagi Konsumen Shopee Paylater Dalam Menghadapi Wanprestasi," *Jurnal Hukum, Administrasi Publik Dan Negara*, no. 5 (2025): 92–106.

¹⁵ Indonesian Financial Services Authority (OJK), "Infographics of the Results of the 2022 National Survey of Financial Literacy and Inclusion," *Ojk.Go.Id*, 2022.

risk when they feel lured by a promotional offer, especially when the promotion is not accompanied by clear information about payment responsibilities and associated costs.

4. The Impact of PayLater Promotions on Consumption Behavior

The results of this study also found that PayLater promotions significantly influenced consumers' impulsive consumption behavior. Consumers who are exposed to promotions that promise very low prices or big discounts tend to make purchases without devising a mature payment strategy. This is in line with the findings of other studies that suggest that BNPL can be a moderation variable that strengthens the relationship between consumptive lifestyles and impulse purchases meaning that PayLater promotions not only influence purchasing decisions, but also make consumers more likely to delay consideration of financial obligations. The concept of fairness is not merely interpreted as formal compliance with regulations, but also as protection for those in vulnerable positions. The substantive fairness approach, as proposed by Al Anang et al., can be used to assess PayLater discount practices, particularly when promotions emphasize immediate benefits without providing adequate information regarding future payment obligations ¹⁶.

This kind of data has strong implications in the context of the case study in Mie Gacoan, where the consumption of food at a price of Rp 1 that seems very cheap becomes an impulsive experience that can trigger an increase in the use of PayLater. Although the promo may seem nominally attractive, its long-term effect on consumers' financial conditions, including the risk of default, becomes even more pronounced when consumers have difficulty understanding PayLater's payment structure.

5. Implications of the Principle of Wafa' bi al-Uqud

From the perspective of Islamic law, PayLater promotional practices that lack information transparency may undermine the fulfillment of the principle of wafā' bi al- 'uqūd, particularly when contractual agreements are formed without a comprehensive understanding of the rights and obligations of the parties involved. This principle not only requires the parties to implement the contract in accordance with the content of the agreement that has been agreed, but also requires that the contract is born from a conscious, free will, and based on a complete understanding of the rights and obligations of each party. In other words, the fulfillment of a contract in Islam cannot be separated from the quality of the process of forming a contract itself¹⁷. The principle of Wafa' bi al- 'Uqud emphasizes the importance of maintaining fairness and trust in every transaction.

¹⁶ Arif Al Anang et al., "SISTEMATISASI EPISTEMOLOGI ISTINBĀ Ṭ HUKUM DALAM MAZHAB HANAFI: Antara Teks Dan Realitas" 11, no. 01 (2025).

¹⁷ (Stuart Scott, 2025)

With the emergence of discount-based paylater models, particularly for food purchases, consumer protection must be strengthened to prevent abuse, debt traps, or uncertainty that harms both parties¹⁸.

When consumers agree to the use of PayLater in the context of food discount promotions without an adequate understanding that the transaction is a digital debt-based financing contract, the element of willingness (riḍā) as a moral legal condition of a contract becomes problematic. Consent given under conditions of unbalanced information does not fully reflect free will, but rather resembles pseudo-compliance with a persuasively framed transaction scheme through the promotion of extreme prices.

Contemporary fiqh literature of mu'āmalah emphasizes that modern contracts born from the development of financial technology remain subject to the basic principles of sharia, including justice ('adl), information disclosure (bayān), and the prohibition of all forms of ambiguity (gharar), especially gharar that comes from hidden or disguised information. In this context, gharar is not only understood as the ambiguity of the object or value of the transaction, but also includes ambiguity regarding the nature of the contract, legal consequences, and the burden of financial obligations that will arise in the future.

PayLater promotions that highlight extreme discounts, such as "pay Rp 1" claims, without a proportionate explanation of the financing mechanism, refund obligations, late fines, and the legal status of transactions as loans, have the potential to create the illusion of non-credit transactions. This kind of practice is not in line with Islamic contract ethics, which require that each party enter into a contract with sufficient knowledge and without any manipulation of perception through the framing of misleading information¹⁹.

Within the framework of wafā' bi al-'uqūd, the moral and legal responsibility to maintain the clarity of the contract is not only charged to the consumer as the party who is obliged to fulfill the payment obligation, but also to the business actor and the PayLater service provider as the party who designs, offers, and promotes the contract. Information transparency in the promotion stage is thus an integral part of the fulfillment of the contract itself, not just an administrative or formal complement obligation²⁰.

Therefore, failure to convey contract information in an honest and balanced manner can be seen as an initial failure to maintain the integrity of the contract according to

¹⁸ Arif Al Anang Iftahu Digarizki, "Epistemologi Thomas S. Kuhn: Kajian Teori Pergeseran Paradigma Dan Revolusi Ilmiah" 7, no. 1 (2020): 23–34.

¹⁹ Gunardi Lie Sarifah Ainun Jariyah, "Briefing Note Buy Now Pay Later Risks for Consumers and Regulatory And," no. November (2024).

²⁰ Nur Aina et al., "Buy Now Pay Later (BNPL) in Malaysia : A Shariah and Consumer Protection Analysis" IX, no. 2454 (2025): 5557–66, <https://doi.org/10.47772/IJRISS>.

Islamic law. A contract that is formally legally valid, but built on a misunderstanding has the potential to create substantive injustice and is contrary to the purpose of sharia (maqāsid al-sharī'ah), especially in safeguarding property (ḥifẓ al-māl) and protecting the weaker parties in the transaction.

6. Implications of Consumer Protection and Regulatory Policies

Economic practices must maintain a balance between business profits and consumer protection, so every form of promotion must be conveyed honestly, proportionally, and not misleadingly. In this case, the PayLater YUP food purchase discount, which emphasizes very low prices but lacks explanation regarding the obligation to pay later, can be categorized as a practice that obscures contractual information and potentially violates the principle of fairness in transactions²¹.

The results of the study show that the growth phenomenon of BNPL and the associated non-performing credit risk has prompted financial authorities in Indonesia to issue new stricter regulations related to PayLater services. The Financial Services Authority (OJK) recently issued OJK Regulation (POJK) Number 32 of 2025, which regulates the implementation of BNPL so that it can only be carried out by banks and licensed finance companies, as an effort to provide legal certainty as well as risk mitigation for consumers and business actors.

Normatively, the Consumer Protection Law requires that all information provided by business actors be truthful, clear, and not misleading. However, in the context of the YUP PayLater discount promotion, the overemphasis on discount benefits without a comprehensive explanation of payment obligations, potential fines, or the consequences of late payments indicates a gap between normative provisions (das sollen) and practical reality (das sein). This gap has the potential to weaken consumers' bargaining power in digital transactions.

This regulation emphasizes the need for stronger oversight of promotional materials, transparency, and credit requirements, including the obligation of service providers to provide clear information to consumers regarding payment obligations, late fines, and their impact on credit aspects. The strengthening of this rule is in response to findings showing that non-transparent promotion of credit risk can cause consumer losses, including consequences for their credit reputation.

Meanwhile, international consumer protection agencies and banking associations emphasize that the lack of proper disclosure in BNPL promotions can violate consumer protection principles, as consumers are not adequately informed to make informed

²¹ (Nurul Huda, M. Jauharul Ma'arif, Ifa Khoiria Ningrum, 2023)

financial decisions. In this context, credit service providers need to ensure that their advertising and promotional materials do not mislead consumers regarding the nature of credit and its financial consequences.

7. Long-Term Credit Risk and Its Impact on Consumer Finance

The results of this study also show that the use of PayLater in the context of promotions, including the case of Mie Gacoan, can pose long-term credit risks for consumers, especially when consumers experience delays or fail to meet payment obligations. When bills are not paid on time, the consequences are not only in the form of penalties, but can also have an impact on consumers' credit scores, affecting their ability to access credit products in the future. In fact, the OJK warns that "unwilling to pay" behavior can have an impact on job opportunities and access to other financial services due to poor records in the Financial Information Service System (SLIK).

In addition, international literature and consumer surveys show that most BNPL users tend to have recurring credit usage habits, with the proportion of users experiencing late payments also relatively high. Surveys in the United States report that many consumers have more than one BNPL loan at a time, and a large number experience late payments, which leads to additional fines and financial pressure.

These results suggest that a promo scenario that seems favorable at first can turn into a credit burden if consumers do not understand their total liabilities. The results of this study show that the practice of promoting discounts on food purchases based on PayLater YUP, as happened with the Mie Gacoan promo, cannot be separated from the dynamics of the growth of Buy Now Pay Later (BNPL) services in Indonesia. In recent years, BNPL has evolved not only as a payment alternative, but also as an aggressive marketing instrument. Extreme discounts such as "pay Rp 1" serve as a psychological trigger that encourages consumers to make transactions without careful consideration of the consequences of the next payment. These findings are in line with global research that states that BNPL is often positioned as a "covert promotional tool" that minimizes the perception of credit risk in the early stages of a transaction.

In the context of consumer protection, promotional practices that highlight very low prices without adequate explanation of the nature of transactions as digital credit raise serious problems. Consumers are basically in an unbalanced position of information (information asymmetry) compared to business actors and PayLater service providers. When information regarding the status of the YUP application as an online loan service is not explicitly conveyed in the promotional pamphlet, consumers tend to assume that the transaction is similar to a regular cash discount. This condition reinforces the findings

of previous research that stated that lack of transparency in BNPL promotion is a major factor in consumer losses, especially for new users.

This discussion also shows that consumers' focus on the nominal discount often trumps prudence in understanding payment terms and conditions. In practice, consumers are more interested in the claim of "Rp 52.900 discount" or "pay Rp 1" than in reading the details of the PayLater mechanism. This is in line with consumer behavior theory which explains that extreme price framing can distract consumers from other important information. Studies of digital consumption behavior confirm that low-price-based promotions tend to lower consumers' rational evaluation of financial risk.

The discrepancy between promotional information and the realization of discount benefits received by consumers, for example, consumers do not actually pay Rp 1, but only get a limited discount that depends on certain accounts indicates the existence of conditional promotional practices that consumers do not fully understand. From the point of view of consumer protection law, this condition has the potential to violate the principles of clarity of information and the prohibition of misleading advertising. Consumer law research in Indonesia in the last four years emphasizes that conditional promotions must still be conveyed clearly, proportionately, and not cause false perceptions among consumers.

Furthermore, the findings of this study show that consumers' failure to understand PayLater's payment procedures directly contributes to the increased risk of default. Consumers who are unaware of payment schedules, repayment methods, or the consequences of delays often only become aware of these obligations after receiving a billing notification. This is consistent with OJK reports and various economic media that show that most of the non-performing loans on PayLater services come from users who are using BNPL for the first time and have low financial literacy.

In this discussion, it is important to emphasize that payment failure is not solely caused by the financial inability of consumers, but also by promotional design and information systems that are less consumer-friendly. International studies show that BNPL is often designed to make the registration and transaction process very easy, while risk information is placed on a less prominent part. As a result, consumers do not gain a complete understanding before approving credit transactions. This pattern was also identified in the PayLater YUP promotional practices that were the object of the research.

From the perspective of the principle of wafā' bi al- 'uqūd, the findings of this study show that there are challenges in fulfilling the substance of the contract. This principle emphasizes that every agreement must be implemented in accordance with a mutually understood agreement consciously and voluntarily. When consumers agree to the use of

PayLater without understanding that the transaction is an online loan, then the full awareness (informed consent) in the contract becomes questionable. Contemporary Islamic economic law literature emphasizes that the validity of modern contract practices is highly dependent on the clarity of the objects, rights, and obligations of the parties from the beginning of the transaction.

This discussion is not intended to assess the validity of the contract normatively, but to show that there is a gap between the promotional design and the consumer's understanding of the contract being implemented. In this context, the fulfillment of the principle of wafā' bi al- 'uqūd is not only the responsibility of consumers, but also of businesses and PayLater service providers to ensure that contract information is delivered in a transparent and proportionate manner. Contemporary Islamic law research states that transparency is an ethical prerequisite in modern business contracts, especially those involving digital technologies.

The findings of this study also strengthen the argument that PayLater promotion in the food sector has different characteristics compared to the durable goods sector. Food purchases are impulsive, of relatively small value, and are often done without financial planning. When these kinds of transactions are linked to digital credit schemes, the risk of mismatches between the transaction value and the psychological burden of debt becomes even greater. Recent consumer behavior research shows that BNPL for daily needs tends to increase the frequency of small credit transactions that accumulate into a significant burden.

In the context of public policy, this discussion shows that BNPL regulations need to pay attention to aspects of cross-sector promotion, including the culinary sector. Existing regulations have focused more on licensing and risk management aspects of service providers, while the aspect of co-branding promotion between business actors and fintech has not been regulated in detail. In fact, the results of this study show that the joint promotion has a direct impact on consumer understanding and protection.

The findings are in line with developments in international policy, where a number of countries have begun to require BNPL providers to include clear risk warnings in every form of promotion. The goal is to ensure that consumers understand that BNPL is a form of credit, not just an alternative payment method. The global financial policy literature assesses that this approach is effective in lowering the rate of late payments and increasing consumer awareness.

CONCLUSION

Overall, the findings of this study demonstrate that the practice of PayLater YUP-based discount promotions at Mie Gacoan outlets reflects broader structural issues within Indonesia's fintech ecosystem and consumer protection framework. Extreme discount strategies, such as very low food price offers, are effective in attracting consumer interest; however, when such strategies are not accompanied by clear and adequate information regarding the nature of the transaction as digital credit, consumers are likely to make decisions without fully understanding the financial consequences they will face. The study reveals that the lack of clarity in promotional information contributes to impulsive consumption behavior and weakens consumers' preparedness to fulfill future payment obligations. Consumers tend to focus on short-term benefits in the form of low prices, while overlooking repayment mechanisms, administrative costs, penalties, and credit status implications. This condition increases the risk of late payment and default, which not only harms consumers but may also affect the sustainability of PayLater service providers. From a consumer protection perspective, these practices indicate that the principle of transparency in BNPL services remains inadequately implemented, particularly at the promotional stage, which should serve as the primary basis for informed decision-making. From the perspective of Islamic contractual ethics, this situation raises concerns regarding the proper implementation of the principle of *wafā' bi al-ʿuqūd*, as agreements are formed without a fully balanced and informed understanding between the parties, thereby weakening the element of genuine consent (*riḍā*) and increasing the potential for informational imbalance (*gharar*).

In light of these findings, this study recommends strengthening regulatory standards for PayLater promotional practices by requiring explicit credit labeling in all promotional materials whenever discount schemes are linked to digital financing facilities, so that consumers clearly understand that the transaction constitutes a credit or loan arrangement rather than a pure cash discount. In addition, standardized and prominent disclosure obligations regarding administrative fees, repayment schedules, late payment penalties, and potential credit reporting consequences should be integrated directly into promotional content rather than being confined to detailed terms and conditions. Greater regulatory supervision of co-branding promotional strategies between merchants and PayLater providers is also necessary to prevent misleading framing that obscures the credit nature of the transaction. At the same time, enhancing digital financial literacy initiatives is essential to ensure that consumers are capable of making conscious and responsible financial decisions. Through these measures, fintech innovations such as BNPL may continue to support transaction efficiency and economic growth, provided that they operate within a framework of transparency, proportionality, and strong

consumer protection safeguards that promote equitable and sustainable financial practices in Indonesia.

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