SPEND AND REPEAT! YOUNG ADULT'S EXPERIENCES WITH BUY NOW PAY LATER SERVICES

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ABSTRACT

Our study investigates the usage of Buy Now Pay Later (BNPL) of young Australian adults (aged 18-25, n=308). We found females used BNPL instead of saving. Females exhibited a higher BNPL debt, but were less concerned about that debt compared with males. Self-reported financial literacy training was lower for females compared with males. Negative financial behaviours of both females and males, e.g. binge spending, were inconsistent with their long-term financial goals. We recommend that the relevance and effectiveness of financial literacy training for young adults addresses gender-specific BNPL behaviours and includes education on the psychology of overspending.

Introduction

The way young adults engage with their finances has changed drastically over the generations (Gallo Cordoba et al., 2022). Gone are the days of traditional layby schemes that required individuals to make payments towards goods prior to receiving them. Replacing those schemes are new forms of a credit-like service called "buy now pay later" (BNPL).

With BNPL services, the consumer receives the goods and/or services immediately in exchange for committing to a part payment immediately, with the outstanding balance paid off in instalments. The BNPL service provider pays the merchant for the goods (and also charges the merchant a fee for use) and at the same time the buyer agrees to pay for the goods or services in four equal payments over 30 days. Interest is not charged, but a late fee is incurred if a repayment is not made.

By not charging interest for short-term credit, BNPL providers evaded regulation under the National Consumer Credit Protection (NCCP) Act 2009 (Gerrans, Baur, and Lavagne-Slater, 2022). In May 2023, following stakeholder consultation (Australian Government, 2022), the Australian government announced that BNPL providers will now be regulated under the NCCP Act (Jones, 2023 para 46).

Consumer group investigations in Australia (e.g., CANSTAR, 2019; CHOICE, 2020) have indicated that BNPL products are potentially high-cost borrowing methods and can encourage people to overspend. However, Gilbert and Scott's (2023) study on young people in New Zealand found that 63% of BNPL users were exploiting the low-cost platform to their advantage by using it in 'savvy' ways.

Our research aims to understand how and why young adults' are using BNPL services. Young adults are reported to be the "primary target demographic" of BNPL services (Coffey et al., 2023, p. 1) which has been arguable normalised debt as a "good" payment option (as distinct from credit cards whose reputation is less favourable). We seek to understand this cohorts' perceptions during the formative stages of managing their financial independence and how this impacts their longer terms financial goals. We also have a particular interest in exploring if gender differences existed, which has had limited exploration within Australian and BNPL users.

Our objective is to use this analysis to make recommendations as to the development of financial literacy/education to support young adults in managing their financial well-being.

Background

How many young adults are using BNPL?

A comprehensive review of the BNPL sector in Australia was undertaken by the Australian Securities and Investment Commission (ASIC, 2018). Among their key findings were that approximately 60% of users were aged between 18 and 34 years old. A further study found that 18 to 24-year-olds represented 23% of BNPL users (ASIC, 2020). More recently, it was reported that young people (18-24 year olds) made up approximately 25% of all BNPL users, with 53% of young people reporting having used BNPL services (Gallo Cordoba et al.., 2022).

The substituion of traditional forms of credit/debt to BNPL

Young adults use of BNPL tools at higher levels than any other age demographic in Australia which reflects a shift in young adults perceptions and interactions with the finance sector. They are reported to have a heighted distrust of bank and are "bank-xious" (Sawatzki, Zmood and Brown, 2020, p. 20). Young adults also view other more traditional forms of consumer debt e.g. credit cards, as risky debt instruments (Deloitte Australia, 2018) and have reduced the use of credit cards in favour of BNPL services (Gerrans, Baur & Lavagna-Slater, 2022; Khadem, 2020).

BNPL as a vehicle to debt and lower wellbeing

BNPL is marketed to young people as contemporary digital finance tools aligned to supporting a consumer lifestyle but without the negative associations of traditional forms of debt and credit (Farrugia et al.., 2022). This marketing has been found to "increase spending and normalises the use of BNPL credit for that consumption" (Aalders, 2023, p. 941) facilitated by smartphone apps used by BNPL schemes (Boden, Maier & Wilken, 2020; Johnson, Rodwell & Hendry, 2021). This is a seductive combination for young adults, with BNPL encouraging impulsive consumption (Fook & McNeill, 2020) resulting in higher levels of debt which is correlated with higher levels of financial anxiety (Drentea, 2000) and mental health issues (Johnson, Rodwell & Hendry, 2021).

Bad debt levels associated with BNPL are approximately four times higher in Australia compared with Europe (Johnson, Rodwell & Hendry, 2021; Leonida & Muzzupappa, 2018). When young adults are labelled as "in debt (this) creates particularly severe implications for wellbeing, linked to anxiety, shame, and helplessness" (Coffey et al.., 2023, p. 18). Unmanageable financial debt has an impact on an individual's overall wellbeing. For example, Netemeyer et al. (2018, p. 68) reported "that perceived financial well-being is a key predictor of overall well-being …" and Johnson, Rodwell, and Hendry (2021) stated that consumer debt can cause harm when it is unmanageable. Recent findings in behavioural economics also show that financial constraints themselves lead to lower productivity and result in detrimental decreases in earnings, beyond the potential impact on health (Kaur et al. ., 2019).

Financial literacy and BNPL

Financially literate individuals have been reported to view the risks of using BNPL as being greater than any benefits (ASIC, 2018; Gerrans, Baur & Lavagna-Slater, 2022; Wilkins et al. ., 2015). However, these results are not translatable to young Australians. Young Australians aged 15–24 years old were found to have the lowest financial literacy levels except when compared to Australians in their 80s and 90s (Gerrans, Baur & Lavagna-Slater, 2022). Furthermore, examination of financial literacy among young Australians has focused on traditional finance tools and financial concepts (interest, inflation, insurance, investing, superannuation etc.) (Ali et al. ., 2014; Zwaan & West, 2022). A shortfall of research is that is that it does not address financial literacy around emerging finance tools and concepts, including BNPL.

There is advocacy to include BNPL within high school financial literacy programs to address raise financial literacy of young people and ensure that the benefits and risks of BNPL are understood (Sawatzki, Zmood and Brown, (2020). This is of particular importance for young adults who are considered to be at greater risk of getting into situations where their debt levels associated with their

BNPL purchases are unmanageable. Cook et al. (2023, p. 250) argue that BNPL services are framed more as a "way to pay rather than a form of debt" and that this is confusing. Financial literacy aimed to support young adults starting their personal finance journey should address this and underline BNPL as a financial debt so where possible young adults can understand the potential impacts of the reported negative consequences on their well-being.

Lower financial literacy among young adults is also further compounded by gender. Females have been found to have lower financial literacy rates compared with males (Preston & Wright, 2019; Preston & Wright, 2022). The gender gap in financial literacy results in differences in financial behaviours (Goyal and Kumar, 2020). This has implications as to how females and males use financial tools. Whilst there is a large literature in this area, we were not able to identify any papers that examined the impact of gender differences of young adults in BNPL use.

We have focused on the key themes in the current literature that are pertinent to a contextual understanding of the motivation of our research. The key contribution of our work is a deeper understanding of how young Australians adults engage with BNPL and how this aligns to their current financial practices and behaviours and their future and financial aspirations and financial planning. We also explored if financial practices and behaviours differed by gender. Through identification of specific practices and behaviour of this demographic cohort we are able to provide recommendations key areas in financial literacy/education that will potentially ensure its relevance and effectiveness for young Australians.

Methodology

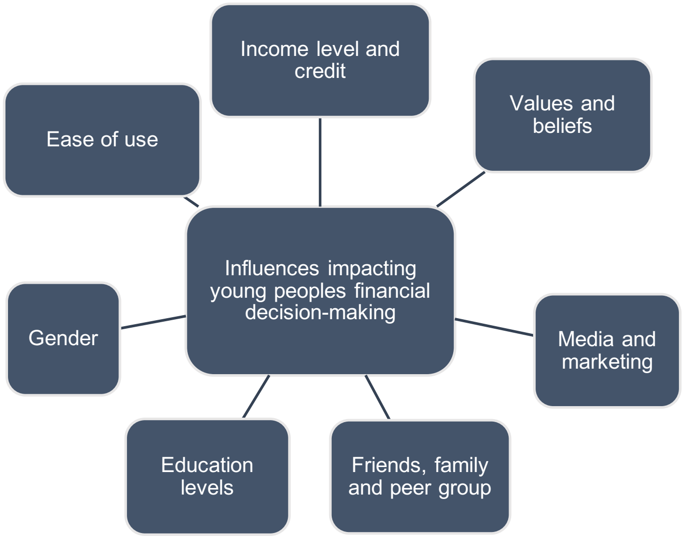
We conducted an online survey to gain insights into young adults' experiences with BNPL services. An online survey was chosen to ensure geographical reach and appeal to our target demographic.

The survey design was informed by the possible influences of financial decision-making (Blue,2016a; Blue, 2016b; Huston, 2010) and was modified to reflect the influences and motivations of financial decisions of young adults (Figure 1). This included gender (Pinto & Coulson, 2011), values and beliefs including attitudes towards credit (Guttman-Kenney, Firth & Gathergood, 2023) and ease of use of BNPL relative to traditional forms of credit (Crawford, 2023). The online survey questions also drew on the academic literature that informs personal finance surveys (e.g., Hayes, Evans & Davies, 2016; Muir et al., 2017).

An online survey was piloted (n=123) and learnings from user experience, question responses etc. were used to inform the final survey. This data was not used in the subsequent analysis.

The final survey consisted of 35 survey questions. In addition to socio-economic questions, the survey asked about the length of time respondents have been using BNPL; why they use BNPL; how many BNPL apps they have; if they have an outstanding balance; and where they learned about BNPL apps. Financial behaviours were also explored including what type of financial behaviour might negatively impact their financial situation; if they have concerns about the level of money they owe; how they rate their ability to budget, save and manage debt; and if they think about their long-term financial security.

Figure 1. Possible influences impacting the financial decision-making of young people using BNPL services (Blue, 2016a)



Survey implementation and analysis

The survey was administered through Qualtrics (a third-party company). Ethics was approved by the Queensland University of Technology (QUT) Human Research Ethics Committee (QUT ethics approval number 3523, December 2021). There was no financial incentive paid to survey respondents, however Qualtrics does offer incentives and rewards to its registered user research panellist for completing surveys.

The online survey target population was young adults aged 18–25 years living in Australia. The survey was opened during a three-week period (May 2022). Two screening questions were used to ensure the respondents were between the ages of 18 and 25 and that all respondents had experience using BNPL services.

There was a total of 366 online survey responses. Unfinished online responses (n=36) and response completed in less than 3 minutes (n=22) were removed. The final number of completed survey responses that this analysis is based on is 306.

Final survey data was analysed using R software. Socio-economic characteristics of the survey respondents are presented in Table 1. Further analysis was conducted across a number of dimensions (including the reason for using BNPL, money owed on BNPL, association of BNPL as debt, engagement in financial budgeting activities, rating of ability to budget finances, financial literacy training and consideration given to longer term financial security). These results are presented in Tables 1-6 and Figures 2-4.

Data is presented for female and male responses. The number (count) of survey responses for each survey question, sub question or attribute is given in the tables below. This is denoted as n=#. For example, where n = 256, this means that there were 256 responses to that survey question or sub question (or attribute) by that gender. The sample population was heavily skewed towards females. To address the skewness of the data female and male responses are presented as a proportion (%) of the females responses or males responses for a survey question, sub question or attribute divided by the total number of females or males that responded to the survey question sub question or attribute (denoted as n=# in the Tables showing results).

Statistical difference between female and male responses was tested for all quantitative data. The standard notation used to denoted results that are statistically significantly different between females and males, e.g. statistical significant different at 1% level (***), 5% level (**) and 10% level (*).

There was insufficient data to reliably test beyond the male and female gender categories. Non-binary survey responses and options choices "other" and "prefer not to say" were not included in the data and statistical analysis.

Open-ended questions were analysed to identify any themes or insight not captured in the survey responses.

Results and Discussion

The online survey target population was young adults, however the age category for young adults is not standardised. For example, Household, Income and Labour Dynamics in Australia (HILDA) Survey (Melbourne Institute) defines young adults as within the range of end of adolescence and the late 20s. In contrast, the Australian Bureau of Statistics defines young adults as within the age range of 18–34 years. Whilst notable studies in Australia have surveyed young Australians in the age category 18 to 24 (Walsh et al. 2021; Walsh et al. 2022), there is no consistency in the target survey population within the broader literate (e.g. Gilbert and Scott 2023) young adult survey population were aged 18-34 years old). The target population of this study was young adults aged between 18 to 25 years old living in Australia. It was sufficient that a survey participant age fell between this age range. Actual age was not recorded.

An overview of the socio-economic information of the 308 online survey respondents are presented in Table 1.

The data is skewed towards females (83%). However, it is not untypical of online surveys to receive higher response rates from females (Wu, Zhao and Fils-Aime, 2022). Furthermore, it is also reported that females are more likely than men to use BNPL (Roy Morgan, 2019) and Ministry of Business, Innovation & Employment MBIE (2021). As reported above, a screening question for this online survey was that respondents had experience using BNPL services. As no further data was collected from respondents that did not pass the screening question, it is not known if males were overrepresented in online respondents that were screened out.

Approximately, 83% of respondents were non-Indigenous, with 11% of the survey sample identifying as Aboriginal and/or Torres Strait Islander. In contrast, Aboriginal and Torres Strait Islander people represent 3.8% of the total Australian population (ABS 2021). It is not unexpected that a higher number of respondents identify as Aboriginal and/or Torres Strait Islander and is consistent with other research (non-government) surveys. For example, in Walsh et al. (2021) 7.4% of survey responders identified as Indigenous Australians.

Table 1. Socio-economic information of survey respondents

Variable	Category	Frequency	Percent (%)
Gender			
	Male	43	14
	Female	256	83.1
	Nonbinary	7	2.3
	Prefer not to say	2	0.6
Identity			
	Aboriginal	27	8.8
	Torres Strait Islander	3	0.97
	Aboriginal and Torres Strait Islander	4	1.3
	Neither Aboriginal nor Torres Strait Islander	256	83.1
	Prefer not to say	18	5.8
Employment condition			
	Full-time	103	33.4
	Part-time	92	29.9
	Casual	36	11.7
	Not currently employed	70	22.7
	Prefer not to say	6	1.9
Studying status			
	Full-time student	78	25.3
	Part-time student	71	23.1
	Not studying	156	50.6
	Prefer not to say	3	0.97
Housing			
	Living at home with parent	124	40.3
	Renting	133	43.2
	Own home with mortgage	38	12.3
	Other	8	2.6
	Prefer not to say	5	1.6
Location			
	ACT	6	1.9
	NSW	86	28.0
	NT	2	0.64
	QLD	61	19.8
	SA	34	11.0
	TAS	6	1.95
	VIC	81	26.3
	WA	31	10.1

As would be expected in this age cohort, engagement in education was high (approximately 50%). Employment (full and part time, and casual) was around 76%, which is indicative of an unemployment rate of around 24%. This is higher than the reported youth unemployment rate during the survey period, approximately 9% (ABS, 2022). In our survey, unemployment was self-determined by the survey participant and not subject to the strict measurement criteria used by the ABS. To be considered unemployed, the ABS labour survey requires respondents to be actively looking for work able to start a new job in the survey reference weeks). We would therefore expect that self-reported unemployment rate would be higher.

The total number of survey respondents by state ranked from highest to lowest (NSW, VIC, QLD, SA, WA, TAS) was consistent with Australian government reported state populations rankings (Centre for Population 2022).

It is generally reported than 50% of young Australians living at home with parents (Walsh al (2021). In contrast, the proportion of survey respondents living at home for our survey respondents was approximately 40%. However, it should be noted that COVID-19 may have inflated Walsh et al (2022) data. Across the age range 19-24, a higher proportion of young people live at home compared with 24-year-olds (Australian Institute of Family Studies (2023). As noted above, we did not ask the actual age of our survey respondents and we are therefore not able to determine if the lower percentage of our sample living at home was a result of the age distribution of survey respondents being skewed to the older end of the age range (e.g. 24year old).

Overall, the socio-economic characteristics of our sample data is a robust representation of young adult from across Australia and other comparable studies (e.g. Walsh et al 2021).

What is the attraction of BNPL?

Survey respondents were asked why they use BNPL (attraction) and were able to select any of the options that applied from a pre-populated list. The disaggregated results for males and females are presented in Table 2.

Table 2. Attraction of using BNPL

Attraction of BNPL							
			Used to spread payments	No interest payments	Way to manage money	Widely accepted	Easier than saving
Agreed with statement	Female	count	184	85*	113	66	71*
		% (n=256)	72%	33%	44%	26%	28%
	Male	Count	28	8	13	12	6
		% (n=43)	65%	19%	30%	28%	14%

The top attraction of BNPL reported by both females and males, was "used to spread payments" and "way to manage money". There was no statistical difference between the two groups. This result was not unexpected. Using BNPL as a soft financial management tool is the main attribute flagged in BNPL advertising. "No interest payments" and "easier than saving" ranked 3rd and 4th for females and were both statistically significantly different between females and males at the 10% level (p value = 0.08266 and 0.08474 respectively). That is, a higher proportion of females compared with males were more likely to use BNPL because of these attributes. There was no a priori reason why females would rank these attributes higher than males. However, this may reflect differences in financial literacy training between females and males (see Table 6) discussed later in this paper. Fook & McNeill (2020) in their study of females in the same age cohort showed a strong tenancy of females that use BNPL to impulse buy compared with females that do not use BNPL. Our results, suggest that young adult females may irrationally justify BNPL by overriding the normal signals that would stop an impulse purchase, e.g. you do not have the money (savings) to afford the purchase.

Level of BNPL debt

Survey respondents were asked "how much do they owe on BNPL?" This was considered a better indicator of the total level of "debt" that survey respondents currently had on BNPL compared with asking survey respondents to report spending on BNPL, which may have only captured their last purchase (Table 3).

Table 3.

Amount of BNPL debt ($)		
	Mean	Median
Female	$376***	$150
Male	$192	$110

Female BNPL outstanding debt was on average $376; the median was $150. Males BNPL outstanding debt was on average $192; the median was $110. The difference in indebtedness between females and males was significant at the 1% level (p value = 0.0005), meaning that female survey respondents had a significantly higher level of debt compared to males.

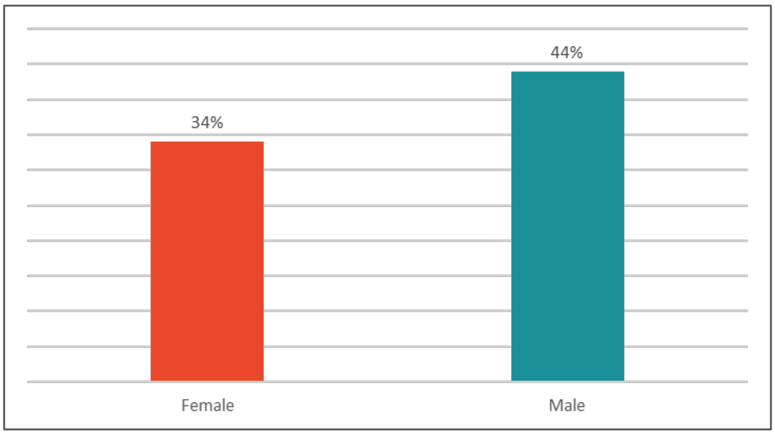
We also asked how concerned survey respondents were about their level of BNPL debt. Despite having greater BNPL debt, females were less concerned about their BNPL later debt than males. This result was significant at the 1% level, p= 0.004.

The indebtedness of females is further sharpened as females earn less that males in every age category. Whilst the gender pay gap is less pronounced in younger adult cohorts e.g. females under the age of 20 year earn approximately 2.5% less than their male counterparts, this gap increases with age. For example, the wage gap for females aged 25-34 years is 12.5% (Workplace Gender Equity Agency, 2022). The higher level of BNPL debt of females could with the fact that they are less concerned about that debt compared to the males surveyed, suggests that they are more susceptible to leaning into a BNPL debt culture which they internally justify through using BNPL as it is easier than saving (as reported above). This mindset has the potential to further exacerbate further (i) female financial disadvantage relative to males and (ii) increase the risk of financial insecurity or disadvantage in their future.

Classification of BNPL debt

Our study also explored whether young adults considered the money they owed on BNPL to be a form of debt.

Figure 2. Proportion (%) who did not consider or did not know if BNPL is a debt



Approximately 35% of females and 45% of males did not consider or were not sure if BNPL was a form of debt. There was no statistically significant difference be females and males. BNPL has been marketed as a financial tool that enable responsible consumption from non-predatory or responsible lenders (Aalders 2023). This has potentially normalised or, at best, muddied the waters around the perception of BNPL as a form of debt by young adults. It remains critical to raise debt awareness for young adult BNPL users. BNPL obligations can impact an individual's longer term financial security through informing credit rating scores and impacting (both negatively and positively) an individual's ability to secure future credit applications, including personal loans and home loans.

Engagement in financial behaviours

Survey respondents were asked about their ability to budget their finances by indicating how often they engaged in (frequently, occasionally or never) the following behaviours (i) keeping track of their spending, (ii) spending within a budget, (iii) meeting a monthly saving goal and (iv) saving for an emergency. The results are presented in Figure 3.

Figure 3. Engaged in positive financial behaviours

The responses between females and males were not statistically significantly different across all four behaviours. The highest positive financial behaviour was keeping track of spend (68% of female and 52% of male respondents). In contrast, approximately 44% of females and 60% of males occasionally met their saving goal; and 29% of females and 20% of males never met their monthly saving goal. This result was potentially driven by the fact that 45% of females and 37% of males only occasionally spent within their budget; whilst 10% of females and 12% males never spend within their budget. This suggests that the perceptions of keeping track of spending was either over-stated or that this cohort had a different understanding of what that meant in practice. Banking apps provide alerts on spending and whilst this may an individual the illusion of tracking spending, it is a passive (observational acknowledgement) of spending if not acted upon.

Self-rating of financial behaviours

Survey respondents were asked to rate their ability (high, average and low) to (1) budget their finances, (2) save money and (3) manage debt. The results are presented in Figure 4.

The responses between females and males were not statistically significantly different across the three competencies. Most survey respondents rating their ability average across the three domains between 40-60%. Approximately 20-30% of survey respondents, rank their ability to saving money and managing debt as low. These results are not inconsistent with survey respondents' responses, that, in practice, they only occasionally spend within a budget and meet their saving goals (refer back to Figure 3). This result is also well established in the financial literacy literature, i.e. that higher levels financial literacy and person's ability to better manage their finances are positively correlated (Goya and Kumar, 2020). This further supports the narrative that BNPL providers, through "soft" predatory practices (e.g. no interest payments and easier than saving payments) are able to exploit and are normalising young adults' financial skills deficits.

Figure 4. Self-rated level of financial competency

Consideration given to long term financial security

We asked surveyed respondents if they think about their long term (5 years) financial security. Our results indicate that between 85% to 94% (males and females respectively) think about their financial future. The results are presented in Table 4.

We determined that female survey respondents gave more thought to their long-term financial security than males. This was significant at the 5% level (p value = 0.003). This result is paradoxical given females' current financial behaviours (as reported above. e.g. had more BNPL debt compared with males, and are not as concerned as males with their level of BNPL debt) do not align to this

Table 4.

Do you think about your long-term financial security?		
	Yes	**Yes**
Female		
• Count	116	21
• % (n=137)	85%	15%
Male		
• Count	31	2
• % (n=33)	94%	6%

aspiration. However, it may be indicative that females are aware that their behaviours today impact their future financial security, and this result may potentially proxy a greater concern for their longer-term financial security (linked also to lower future earning potential etc. as explored above).

If survey respondents answered yes to thinking about their long-term financial security, they were asked to state the reason why. A thematic summary of qualitative responses are presented in Table 5. Financial security is the most frequently cited response (40%).

We also provided survey respondents the opportunity to tell us how the financial behaviours that they currently engaged in, both negative and positive, would impact their financial situation five years from now. Approximately 50% (n= 211) indicated that overspending (including binge spending, impulsive buying, spending or spending money on "useless"/non essentials/luxury items or "random stuff") would negatively impact that financial situation in five years' time. Approximately 10% explicitly cited BNPL as a behaviour that would negatively impact their future financial situation. Examining the empirical causation between behaviours and BNPL was beyond the scope of this research, but other studies have established that self-control and financial illiteracy are positively linked to greater use of high cost credit accessible credit options (e.g. Gathergood, 2012).

Table 5. Themes of Long-term Financial Security

Themes	% of responses (n=112)
Wealth, financial security, and a comfortable future	39%
For emergencies and for family	21%
For buying properties (either for living or investment)	19%
Saving, paying debts and other	13%
Stress and worried of debt	8%

Approximately 55% indicated that they were engaging in some level of saving (from a small amount each week to putting away 50% of their paycheck) or investing (where this was either denoted by type of investment e.g. house or the generic statement "investing"). Other studies (e.g. Walsh et al 2021, 2022), also found saving goals are prevalent positive behaviour to achieve future financial security.

Level of financial literacy training

We asked surveyed respondents if they have ever received any financial literacy training (this included how to budget, how to borrow and save money). The results are presented in Table 6.

Table 6. Financial literacy training

Financial literacy training		
	Yes	Yes
Female[1]		
• Count	49**	202
• % (n=251)	20%	80%
Male		
• Count	27	16
• % (n=43)	63%	37%

The difference between financial training of females and males was significant at the 5% level (p value = 0.01714), indicating that a larger proportion of males had financial literacy training compared to females in this survey population.

Low levels of financial literacy training is also consistent with females reporting that they used BNPL because it was easier than saving, has no interest and also had higher level of BNPL debt (all of which were statistically significant compared with males). Whilst there is a need to improve financial literacy that includes BNPL for all young adults, our results suggest the importance of targeting financial literacy training at young female adults.

Limitations

Our study had a small sample size (n=308). It was assumed that the relative proportions of BNPL by females and males are reflective of their respective practices and behaviours, noting that the sample was bias towards females. This bias was partly a reflection of the data collection tool (females are over presented in online surveys), but does align to reports that females are more likely to use BNPL compared to males. Our survey was of young Australian adults who used BNPL. Young Australian adults who did not use BNPL were screened out. We therefore cannot draw any conclusion as to if the financial practices and behaviours of BNPL users in our sample differ to non BNPL users.

Summary and implications

Our research explored why and how young people use BNPL services. Data were collected from an online survey. Responses were skewed towards females. Whilst this is common with online surveys, it also reflects that BNPL is more likely to be used by females.

The attraction of BNPL as a cash management tool (spread payments and as a way to manage money) was important to both females and males. Approximately 40% both females and males did not recognise BNPL as debt or were not sure if it was debt. These findings proved further evidence that BNPL has been cleverly marketed as a consumption tool rather than a tool for acquiring debt.

Our results also showed that the attraction of BNPL differed between females and males. Females were more likely to use BNPL because it was easier than saving and there was no interest. Given the attraction of BNPL as a substitute for savings, it was unsurprising that females also had a higher level of BNPL debt compared with males. However, despite higher debt levels, females were also less concerned about their level of BNPL debt than males. This suggest that young female adults are potentially more susceptible to lean into BNPL as a tool to facilitate consumption and this is not tempered by elevated levels of debt.

Both females' and males' engagement in positive behaviours was poor, and this was also reflected in their self-rated levels of financial competencies. These behaviours are grounded in poor financial literacy training which was more prevalent amongst females in our survey. The global gender gap in financial literacy is well established and this result prevails within Australia (e.g. Preston and Wright 2019). Similarly, lower financial literacy rates amongst young people is also well established (e.g. Ali et al., 2014; Zwaan & West, 2022). The implications of our results are that whilst there is a strong case that financial literacy training needs to improve amongst all young adults, financial literacy training around BNPL could be tailored to better reflect the gender-specific financial behaviour differences. This could potentially increase its relevance and effectiveness for this demographic.

Our results also underlined the disconnect between current financial behaviours and long-term financial security. Qualitative responses were dominated by references to binge spending over saving, and whilst this was not explicitly linked to BNPL, survey responses were exclusively BNPL users who indicated poor budgeting behaviours (in practice and self-rated). This result reinforces the call for increased education in financial literacy training, but this training needs also to be underpinned by a better understanding of the psychology of consumption to address the more subtle drivers of over -spending, which in of themselves are not resolved through improved budgeting skills alone.

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