
SHARIA ECONOMICS ON PAYMENT METHODS PAYLATER (PAY LATER) AMONG MILLENNIALS

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Abstract

Referring to the problems and research questions, this research aims to analyze the sharia economic view of paylater payment methods and the attitude of the millennial generation in using paylater but in accordance with sharia economics. This research is descriptive research using a qualitative approach. In this research, data analysis was carried out by conducting in-depth data processing from various articles or journals related to the application of sharia economics in deferred payment methods (paylater) among millennials. Paylater is a delayed payment method that has developed in Indonesia. Based on Research and Market report data, the market value of paylater services in Indonesia has reached \$1.5 billion in 2021, and will experience growth of up to \$9.2 billion in 2028 with a CAGR of 29.2%. The advantage of using this paylater feature is buy now, pay later. These advantages are excellent for society, especially the millennial generation. The aim of this research is to analyze the sharia economic view of paylater payment methods among millennials.

Keywords: Millennial, Paylater, Payment Methods, Sharia Economics

Introduction

Along with advances in technology in all fields, one of which is in the financial sector called fintech (Financial Technology). One of the fintechs that is developing in the millennial generation is paylater (deferred payment). This payment method is familiar and even very popular among millennials. Many millennials use Paylater to buy something they want through a platform. Apart from making it easy for everyone to pay or register, Paylater also has many interesting promotions on offer.

This payment method can be said to be debt first to buy something, so how does the Islamic economy respond to this. Based on historical hierarchies, e-commerce is a new model of buying and selling transactions after bai' as-salam. In practice in everyday life, paylater and bai' as-salam are used for buying and selling activities but differ in practice. What distinguishes Bai' as-salam is a sale and purchase contract in which goods are received after an advance payment has been made. Meanwhile, Paylater is a sale and purchase contract in which goods are received first and paid for later. There are 4 (four) terms for Paylater and bai' as-salam, namely seller, buyer, medium of exchange in the form of money, and goods being bought and sold (Al-Mahbubah & Nurwakhidah, 2021).

In this case, in the view of the majority of scholars who consist of 4 (four) schools of thought, there are two opinions. The first opinion is that if the buyer only finds out the price after buying/taking the goods and wants to make payment then buying and selling is prohibited. However, buying and selling will be legal and permitted as long as there is a valid market price (as-Si'ru'l Mitsl).

Based on the problems described above, the formulation of the problem in this study is:

1. How is the paylater payment method among the millennial generation in the view of the shari'ah economy
2. What is the attitude of the millennial generation in using paylater but in accordance with the Shari'ah economy?

Research Method

Paylater (delay payment) as a payment method in the online market

Paylater is a delayed payment method that has developed in Indonesia. Based on Research and Market report data, the market value of paylater services in Indonesia has reached \$1.5 billion in 2021, and will experience growth of up to \$9.2 billion in 2028 with a CAGR of 29.2%. The advantage of using this paylater feature is buy now, pay later. These advantages are excellent for society, especially the millennial generation.

The paylater payment method is a method in which the user's initial bill payment is paid by the seller who sells goods or services, namely with a bailout after which the user pays the seller through the application

(Ah Khairul Wafa, 2020). Users must first register on a certain platform so that they can use this payment method. Many online marketplaces use this payment method to facilitate and attract consumer interest. Because of its convenience, it attracts the millennial generation to buy goods online with the paylater payment method.

The Nature of Hedonism and Purchase Addiction

The existence of the paylater payment method in the online market causes the millennial generation to buy goods and become dependent because of its convenience. This causes the millennial generation to appear hedonistic. People, especially the millennial generation, have made it easier to shop, initially offline and now everything is online. Likewise, it is also made easier with several payment methods, one of which is the paylater payment method. Payments do not have to be paid in cash. Apart from that, paylater is also widely used by the millennial generation to buy something if they don't have enough funds, in this case payments can also be made in installments. The various conveniences provided by paylater payments cause high purchasing dependency. According to Sari (2021), if we look at previously people bought things because they needed them, nowadays people buy things because they want them which are supported by easy payments via credit cards and so on (Kurniawan & Suparna, 2014). This purchasing dependence causes the millennial generation to buy goods not out of necessity but because of the desire to appear hedonistic because it is easy to buy goods in installments.

Paylater in a Millennial View

Among millennials, using the PayLater payment method is very profitable. Many people use this payment method to buy something for the reason that it is easy and can be paid in installments. Paylater law is permitted because it makes other people's troubles easier. Apart from that, registering for paylater is not difficult so many millennials use this payment method.

Paylater in Shari'ah Economic Views

From a historical perspective, paylater is a new buying and selling transaction model after bai' as-salam. In daily practice, paylater and bai' as-salam are used for buying and selling activities but are different in practice. What distinguishes Bai' as-salam is a sale and purchase contract in which goods are received after an advance payment has been made. Meanwhile, Paylater is a sale and purchase contract in which goods are received first and paid for later. There are 4 (four) Paylater and bai' as-salam requirements including sellers, buyers, instruments of exchange in the form of money, and goods that are traded (Al-Mahbubah & Nurwakhidah, 2021).

Judging from Sharia Economic law, Paylater uses a Qardh contract. According to the Law of the Republic of Indonesia Number 21 of 2008 concerning Islamic Banking, a Qardh contract is an agreement between the two parties in which the customer is given a loan and is required to return the loan in accordance with a predetermined time and in accordance with predetermined provisions. The legal basis for a qardh contract is similar to ta'awun, namely between the borrower (muqtarid) and the person given the loan (muqrid).

In terms of Islamic law, the use of Paylater is something that is recommended by Allah SWT because it provides help to fellow human beings who need funds with debts between the borrower (muqrid) and the one who is given the loan (muqtarid).

Attitudes of the Millennial Generation in Using Paylater in Accordance with Sharia Economics

Because this paylater is permissible in an Islamic economic view, young people should use this payment method appropriately or not excessively. This is as He said in Surah Al Araf verse 31. "O children and grandchildren of Adam! Wear your nice clothes every time you (enter) the mosque, eat and drink, but don't overdo it. Truly, Allah does not like people who are exaggerated. "In addition, the attitude of hedonism among millennials has many disadvantages. This is not liked by Allah SWT.

Conclusions

Paylater is a delayed payment method that has developed in Indonesia. Based on Research and Market report data, the market value of paylater services in Indonesia has reached \$1.5 billion in 2021, and will experience growth of up to \$9.2 billion in 2028 with a CAGR of 29.2%. The advantage of using this paylater feature is buy now, pay later. These advantages are excellent for society, especially the millennial generation.

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