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The effect of the perception of financial risk on intention to use digital payment platforms

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Abstract

The aims of this research are to identify the factors shaping consumers' financial risk perceptions regarding the use of digital payment platforms and to analyze the relationship between financial risk perceptions and consumers' intentions to use digital payment platforms in Merauke Regency. This study employs a qualitative approach. The subjects consist of consumers who currently use or are potential users of digital payment platforms, local business actors offering digital payment options to consumers, and local economic observers or experts familiar with the economic and cultural contexts of Merauke Regency. Thematic analysis is used to identify the main themes from data collected through interviews and observations, supplemented by narrative analysis to construct the stories and experiences of the research subjects. The findings indicate that financial risk perceptions, particularly concerns about financial loss and fraud, remain significant barriers to the widespread adoption of digital payment platforms in Merauke Regency. The study also highlights that consumers' intentions to use digital payment platforms are influenced by their financial risk perceptions and awareness of practical benefits, which can be strengthened through educational efforts and increased financial literacy.

JEL classifications: M30, M31

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1. Introduction

The development of digital technology has led to significant changes in various aspects of people's lives, including the way transactions are conducted (Ardianto et al., 2024; Siringo-ringo, 2023). This transformation is evidenced by the emergence of various digital solutions that replace conventional methods, making the transaction process faster and easier (Munawar et al., 2022). These technological advancements enable the integration of various services and devices, creating a more efficient and secure ecosystem for users. Digital payment platforms are one of the key innovations in this field. These platforms allow users to conduct financial transactions easily through electronic devices such as smartphones or computers (Fauzi et al., 2023).

The ease of access and use makes digital payment platforms popular, both for personal and business purposes. Additionally, the various features offered, such as QR code payments, instant interbank transfers, and digital wallet services, further strengthen the position of these platforms in daily life. The convenience and efficiency provided by digital payment platforms benefit not only consumers but also business operators (Richard et al., 2024). With these platforms, business operators can reduce operational costs related to cash management and enhance the speed and security of transaction processes. As a result, transactions become more transparent and easily traceable, reducing the risk of errors and fraud (Arwani & Priyadi, 2024).

In Indonesia, the use of digital payment platforms has increased rapidly alongside the development of technological infrastructure and growing public awareness of the convenience offered by digital solutions. The payment system, one of the main pillars of financial system stability, has undergone a significant evolution. Initially reliant solely on cash, it has now advanced toward digital payment systems, commonly known as electronic money (e-money) (Tarantang et al., 2019). This phenomenon has been driven by the rise in internet penetration and the widespread use of smartphones, as well as government support through various initiatives and regulations promoting the digital economy (Zulkifli et al., 2023). Additionally, the COVID-19 pandemic acted as a catalyst, accelerating the adoption of digital payments as a safe and hygienic alternative to cash transactions (Azzahra et al., 2023). However, the adoption of digital payment technology across different regions in Indonesia shows significant variation, reflecting differences in infrastructure development, education, and technological readiness.

Urban areas like Jakarta and Surabaya experience higher adoption rates due to better access to the internet and digital devices, as well as higher levels of digital literacy among their populations (Mohammad & Maulidiyah, 2023; Puspitaningrum et al., 2023). Conversely, rural or remote areas often face challenges related to internet access and device availability, which can hinder the adoption of digital payment technology (Ayustia et al., 2023). One example of a region with unique characteristics in terms of demographics and consumer behavior is Merauke Regency. Located in the easternmost part of Indonesia, Merauke Regency has a heterogeneous population with varying levels of technological access. Factors such as uneven technological infrastructure (Balagaise et al., 2023), limited internet access (Irawan & Tristanto, 2022), and low digital literacy (Richard et al., 2024) among certain community groups are major challenges in promoting digital payment platforms. Despite these challenges, there is potential for growth, especially if efforts are made to improve infrastructure and educational programs aimed at enhancing digital literacy in the region.

Many studies have focused on this issue, with several suggesting that the ease and speed of transactions are key factors driving the adoption of digital payment technology (Mahyuni & Setiawan, 2021; Shintiya & Nasution, 2023). Additionally, the unified theory of acceptance and use of technology (UTAUT) (Sarfaraz, 2017; Williams et al., 2015) highlights the roles of performance expectancy and effort expectancy in technology use, while the technology acceptance model (TAM) indicates that technology acceptance is influenced by perceived ease of use and perceived usefulness (Syawali et al., 2023). The theory of perceived risk emphasizes that perceived risk, including financial risk, is an important factor in consumer decision-making (Mujitahid, 2022; Oktavia et al., 2024). However, in practice, especially in areas with inadequate technological access like Merauke Regency, other factors, such as perceptions of financial risk, can play a crucial role in people's intentions to use digital payment platforms. This indicates a gap between existing theories and real-world conditions that have not been widely explored.

Previous research has predominantly focused on the factors of the ease and usefulness of technology in the adoption of digital payments (Widowati & Khusaini, 2022; Yulianti & Kuntag, 2023), along with the perceived benefits (Qibtiyana & Ali, 2024), innovations (Badri, 2020), implementation acceleration (Sholihah & Nurhapsari, 2023), financial sustainability (Irianto & Adiatma, 2023), and acceptance associated with digital payments (Pangestu, 2022). However, few studies have deeply examined how perceptions of financial risk affect consumer intentions, especially in remote areas like Merauke Regency. This creates a significant research gap, which this study aims to address by exploring in depth how perceptions of financial risk—including the risk of losing money, privacy risks, and security risks—affect consumer intentions to use digital payment platforms in Merauke Regency. This study is expected to provide new contributions to the literature by adding perspectives from areas less reached by modern technology.

The objectives of this research are to identify the factors shaping consumers' perceptions of financial risk regarding the use of digital payment platforms and to analyze the relationship between financial risk perception and consumer intention to use digital payment platforms in Merauke Regency. The findings are intended to provide recommendations to digital payment service providers on strategies that can be implemented to reduce perceptions of financial risk and increase technology adoption in Merauke Regency.

2. Literature review

2.1. Digital payments

Digital payment platforms such as GoPay, OVO, and DANA have become an integral part of modern life and have transformed the way people conduct financial transactions (Maghfiroh et al., 2023). Digital payments include various technologies and services that enable transactions to be carried out electronically. These include mobile payments, which allow users to make payments via mobile devices, and mobile wallets, which store credit or debit card information digitally to facilitate transactions (De Luna et al., 2019). An essential aspect of digital payments is the security and convenience they offer, leading many people to switch from traditional payment methods (Fachruddin & Saputri, 2023).

Mobile banking and electronic banking are two main components of the digital payment ecosystem. Mobile banking allows users to access banking services via applications on mobile devices, including fund transfers, bill payments, and balance checks (Sari et al., 2021). Electronic banking, or e-banking, encompasses all types of banking transactions conducted electronically, whether through mobile devices or computers (Lailani & Regina, 2021). the terms, "internet banking" and "online banking," which are often used interchangeably, refer to banking services that are accessed via the internet and allow users to manage their accounts, transfer funds, and pay bills online. All these services provide greater convenience and flexibility compared to traditional banking methods.

One of the latest innovations in digital payments in Indonesia is the Quick Response Code Indonesian Standard (QRIS), which simplifies payments using QR codes. The QRIS allows consumers to make payments easily and quickly by simply scanning the QR code available at a merchant (Ihsan & Siregar, 2024). This is part of the overall effort to enhance financial inclusion and digitize Indonesia's economy. Electronic payments, or e-payments, which are also becoming increasingly popular, encompass various payment methods such as credit cards, bank transfers, and digital wallets. With the growing adoption of these digital payment technologies, people now have more options to conduct transactions safely, quickly, and efficiently.

2.2. Behavioral intention

Understanding consumer behavior is a key step for management in adapting and improving products and services to meet consumer expectations and desires. Consumer behavior is influenced not only by personal preferences but also by considerations about actions that might be taken when choosing and using certain products or services (Parapaga et al., 2024). According to Kotler and Keller (2016), consumer behavior involves analyzing how individuals make decisions related to the use, purchase, or disposal of goods, services, ideas, or experiences to meet their needs. Essentially, this behavior reflects individuals' responses to specific stimuli or situations. This analysis aids the general understanding of how factors such as preferences, values, and experiences influence consumer behavior in various contexts of purchasing and using products or services (Novita & Husna, 2020).

Consumers' behavioral intentions towards products and services are influenced by how satisfied they are with the products and services they receive from providers. A consumer's satisfaction with these products and services can affect whether consumers will have positive or negative intentions toward the product or service. In this context, high satisfaction tends to increase the likelihood that consumers will intend to use the product or service again in the future, while low satisfaction can reduce the motivation to repurchase or reuse the same product or service (Ratnasari et al., 2020).

Behavioral intention, as defined by Mowen (2002), encompasses consumers' willingness to take specific actions regarding product ownership, disposal, and utilization. This includes seeking additional information, sharing product experiences, making specific purchases, or selecting disposal methods. In essence, it reflects consumers' plans and inclinations when interacting with considered or utilized products or services, and it indicates their level of engagement with and trust in a company, thereby potentially enhancing personal satisfaction levels (Ratnasari et al., 2021). A user's intention to adopt digital payment platforms is influenced by their satisfaction with service provisions (Harfian & Jadmiko, 2024) and their familiarity with transaction security and platform features (Farhan & Shifa, 2023). Enhanced satisfaction with usability, security features, and service availability fosters user loyalty, while suboptimal experiences may prevent repeat usage. Effective education enables users to grasp platform advantages, bolstering their intent to sustain usage; conversely, insufficient education may impede satisfaction and user motivation. Thus, a comprehensive understanding of factors impacting user satisfaction and education is crucial for the effective development and sustainable marketing of digital payment platforms.

2.3. Perceived risk

Perceived risk refers to the level of uncertainty and potential loss that consumers feel when considering whether to purchase a product or service (Mandatra & Sutarso, 2019). This concept is important in consumer behavior studies because it influences purchase decisions and consumer attitudes toward products or services. According to Bauer (1960), perceived risk can be divided into several dimensions, including functional, financial, social, psychological, and physical risks (Putranti, 2020). Each dimension reflects different aspects of uncertainty that consumers might face, ranging from concerns about product performance to potential negative impacts on their social status or health.

In the context of digital payments, perceived risk is a crucial factor influencing technology adoption by consumers. Many consumers worry about the security of their personal and financial data, which can lead to hesitation in using digital payment platforms (Amanah et al., 2021). Research indicates that this perceived risk can be mitigated through education and increased trust in technology and service providers. For instance, security features such as data encryption, two-factor authentication, and consumer protection guarantees can help reduce user concerns and encourage broader adoption. Additionally, transparency in privacy policies and data handling also contributes to lowering perceived risk.

Other factors influencing perceived risk include previous experiences with the technology (Mandatra & Sutarso, 2019), digital literacy (Tiffani, 2023), and recommendations from third parties such as friends or online reviews (social influence) (Watmah et al., 2020). Consumers who have had positive experiences with digital payment technology or have received positive recommendations tend to have lower perceived risk. Conversely, consumers with negative experiences or who hear about security incidents tend to have higher perceived risk. Therefore, it is important for service providers to not only enhance the technical aspects of security but also build trust through effective communication and continuous education.

3. Research methods

This study examined the perception of financial risk regarding the intention to use digital payment platforms in Merauke Regency using a qualitative approach. The research subjects included consumers who use or have the potential to use digital payment platforms, local business operators who offer digital payment options to consumers, and local economic experts who understand the economic and cultural context of Merauke Regency. Data collection techniques included in-depth interviews to determine individual perceptions and experiences, along with participant observations to directly observe consumer and business behavior.

The instruments used for data collection included semi-structured interview guides with flexible main questions and observation notes so that important findings could be recorded during the participant observation process. The data analysis methods employed were thematic analysis (to identify the main themes from the data collected through interviews and observations) and narrative analysis (to construct stories and experiences from the subjects), which provided an in-depth picture of financial risk perception and the intention to use digital payment platforms.

The data analysis technique involved transcribing interview data to ensure accuracy and coding data to identify themes and sub-themes by thoroughly rereading the data and labeling relevant sections. Qualitative analysis software, NVivo, was used to organize and systematically analyze the data. Data triangulation was performed using various data sources to ensure the validity and reliability of the findings, and member checking was applied to confirm the findings with several research subjects, ensuring that the researcher's interpretations were accurate and consistent with the subjects' experiences. This approach enabled a comprehensive and detailed exploration of the factors influencing consumer behavior in the local context.

4. Results and discussion

4.1. Thematic analysis

The thematic analysis involved several key steps: coding, grouping themes, and conducting narrative analysis. Data from in-depth interviews and observations were systematically coded to identify the main themes related to financial risk perception and digital payment platform adoption intentions. The coding process began with transcribing interviews and recording observations, followed by thoroughly reading, highlighting, and coding relevant sections. These codes labeled data segments describing specific ideas or concepts. After all data were coded, the codes were grouped into broader themes through the identification of patterns or relationships. This study identified two main themes: "Perception of Financial

Risk” and “Intention to Use Digital Payment Platforms,” and each theme was further broken down into specific sub-themes, as depicted in Figure 1.

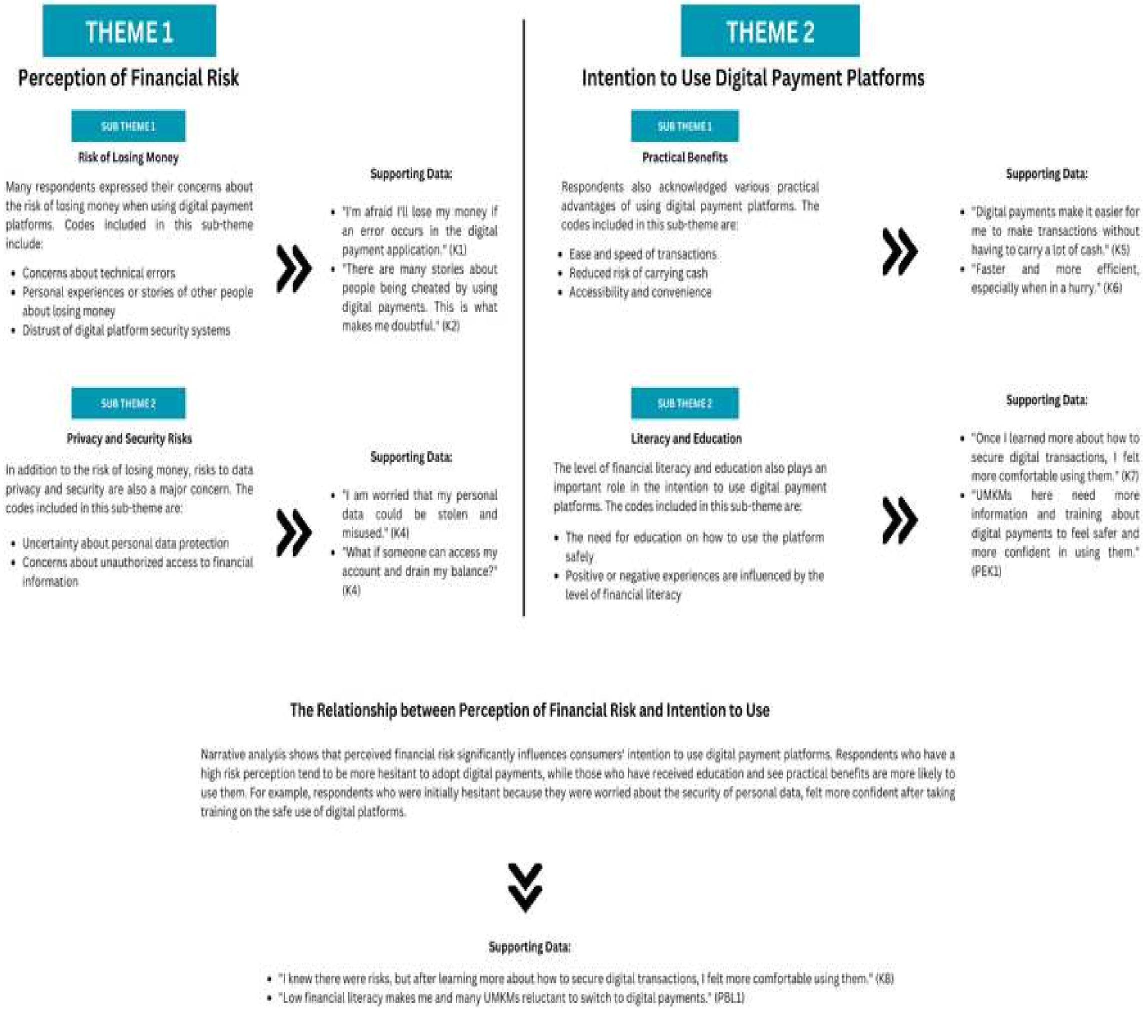

Figure 1. Thematic analysis

4.2. Findings

4.2.1. Perception of financial risk

Various aspects of perceived financial risk were identified from the qualitative data. Respondents expressed major concerns related to the risk of losing money and fraud. The following statement made during the interviews with different research subjects, supported by observational findings, exemplifies this concern. “I’m afraid my money will be lost if there’s an error in the digital payment app. I’ve heard stories from my neighbors who lost their money due to system errors” (K1). Observations in traditional markets showed that respondents preferred using cash for small transactions because they felt it was safer and free from technical risks. As a private sector employee stated, "There are many stories about people being scammed when using digital payments. This makes me hesitant. But I know I need to learn more about securing my transactions" (K2). Observations indicated that respondents often checked their account balances through banking apps and avoided making large transactions through digital payment platforms, signifying high financial security caution.

"I think digital payments could help my business, but I'm worried about data security and the possibility of fraud. I've heard of fraud cases among my business friends." (PBL1). In the respondent's store, it was observed that most transactions were completed in cash, with EDC machines rarely used, with exceptions made for regular, known customers. As one student (consumer) revealed, "Digital payments are convenient, but I'm always worried about the possibility of my data being stolen. Some of my friends have had these issues, and they're very concerned" (K3). The observations showed that respondents used digital payment apps for small purchases like snacks or drinks but avoided them for large purchases or money transfers.

As a local economic observer explained, "The risk of losing money and fraud is indeed a major issue we found in the community. However, with proper education, people can be more confident in using digital payment platforms" (PEK1). During financial education sessions held by the respondents, there was noticeable enthusiasm among the community to understand how digital payments work and how security is ensured, although many questions about risks remained. Observations at various locations such as markets, shopping centers, and financial education sessions indicated that many consumers still preferred using cash to avoid financial risks. However, better education and financial literacy can increase consumers' confidence in using digital payment platforms. More educated large business operators appeared more confident in using digital payments, while small and medium-sized enterprises (SMEs) still required further support and information to reduce their perceived risks.

The study confirms that perceived financial risk, particularly concerns about loss of money and fraud, impedes the widespread adoption of digital payment platforms in Merauke Regency. Yet, education and financial literacy improvements can mitigate these barriers and boost technology adoption intentions.

4.2.2. Intention to use digital payment platforms

The findings regarding consumers' intentions to use digital payment platforms indicate that despite concerns about financial risks, there is a strong drive to adopt this technology due to its practical benefits. This is supported by the interview results from different research subjects, as well as by the observational findings. One consumer stated, "I see digital payments as an inevitable step forward, although I'm still somewhat worried about their security" (K4). Observations of consumers showed that although respondents have not fully transitioned to digital payments, they have started using them for small transactions like purchasing phone credits and paying electricity bills, indicating increased trust over time.

"For my business, using digital payments has made transactions easier and reduced cash handling issues" (PBL2). Observations in the respondent's store showed that customers frequently used digital payments, especially on busy days, which helped reduce the size of queues and speed up the payment process. This indicates that despite concerns, the practical benefits of using digital payments are highly appreciated.

One private sector employee shared, "I am getting used to using digital payments because it's more practical and I don't need to carry a lot of cash" (K5). Observations at the respondent's workplace showed that many of their colleagues also used digital payments to order lunch and buy daily necessities, indicating that a supportive work environment can enhance adoption intentions. As one student revealed, "Digital payments are very helpful, especially when I need to pay for something quickly and don't have cash" (K6). Observations on campus showed that students frequently used digital payments in cafeterias and bookstores, which added convenience and efficiency to their daily lives. As a local economic observer explained, "Although there are concerns about risks, I see more people starting to use digital payments due to the education we provide" (K7). Observations during financial education sessions showed that participants began trying out digital payment apps directly after the sessions, indicating that improved financial literacy can significantly increase the intention to adopt this technology.

Overall, observations across markets, shopping centers, offices, campuses, and financial education sessions indicate increasing consumer recognition of digital payments' benefits alongside efforts to address financial risk concerns. However, adoption rates vary between large businesses and SMEs, with larger enterprises generally being more likely to adopt digital payments compared to SMEs, which are hindered by financial literacy gaps and limited education on digital payment advantages. Thus, this study underscores that intention to use digital payment platforms depends on the management of perceived risks and an enhanced awareness of practical benefits through education and improved financial literacy.

4.2.3. The relationship between perception of financial risk and intention to use

The analysis shows that the perception of financial risk significantly influences consumers' intentions to use digital payment platforms. Respondents with high perceived risk tend to be more hesitant about adopting digital payments, whereas those who see the practical benefits and have received adequate education are more likely to use this technology. The interview results from three different research subjects, supported by observational findings, indicate this. One homemaker stated, "I know there are risks, but after learning more about securing digital transactions, I feel more comfortable using them" (K8). Observations of consumers showed that after attending several financial education sessions, respondents began using digital payment apps for various needs such as paying utility bills, demonstrating increased confidence and comfort in using this technology.

"SMEs here need more information and training on digital payments to feel safer and more confident in using them" (PBL3). Observations made at the business premises showed that after training on digital security and how to use payment apps, the respondent and some of their business colleagues started accepting digital payments from customers. Despite initial doubts, financial literacy helped alleviate their concerns about risks. As one private sector employee shared, "I used to worry a lot about fraud, but after learning how to secure my account and seeing friends who are already using it, I feel more confident in trying it out" (K8). Observations in the workplace showed that after several colleagues shared their positive experiences with digital payments and provided security tips, the respondent began using payment apps for daily purchases, indicating that social influence and education can reduce risk perception.

In general, observations across households, businesses, and workplaces underscore the role of education and improved financial literacy in lowering risk perception and boosting digital payment adoption intentions. Educated consumers who are knowledgeable about securing digital transactions demonstrate greater comfort and confidence in adopting this technology than uneducated consumers. These findings emphasize the ongoing need for education initiatives and effective information dissemination to overcome barriers related to risk perception and encourage digital payment adoption in Merauke Regency.

4.3. Discussion

4.3.1. Perception of financial risk

This research demonstrates that the perception of financial risk significantly influences consumers' intentions to use digital payment platforms. The theory of digital payments underscores the importance of security and convenience offered by this technology (De Luna et al., 2019). The concept of perceived risk, which encompasses financial, functional, social, psychological, and physical risks (Mandatra & Sutarso, 2019), plays a crucial role in shaping consumers' attitudes toward and adoption of digital payment technology. Although this technology offers many practical benefits, high perceived risks can hinder consumers' intentions to adopt it.

The current findings are consistent with previous research indicating that perceived risks can impede the adoption of digital payment technology. Amanah et al. (2021) found that concerns about the security of personal and financial data are major barriers to using digital payment platforms. This research also supports Putranti's (2020) findings that education and increasing digital literacy can reduce perceived risks and enhance consumer confidence in new technologies. Additionally, studies by Fachruddin and Saputri (2023) emphasize that security features such as data encryption and two-factor authentication can help alleviate consumers' concerns and promote wider adoption (Amanah et al., 2021; Fachruddin & Saputri, 2023; Putranti, 2020).

The findings of this study are highly relevant given local challenges such as uneven technological infrastructure and varying levels of financial literacy in Merauke Regency. Uneven infrastructure and negative experiences with digital fraud increase risk perceptions among the population. Observations across various locations such as businesses, workplaces, and consumers indicate that adequate education and financial literacy can mitigate these concerns and increase the intention to use digital payments. Initiatives such as the QRIS, which facilitates payments via QR codes, can help enhance financial inclusion and digitalize the local economy (Ihsan & Siregar, 2024).

Theoretically, this study reinforces the importance of understanding risk perception in adopting digital payment technologies, highlighting the need to integrate perceived risk theory into digital payment theory to create a more holistic and inclusive technology adoption model. Practically, the findings underscore the necessity of sustained financial education and literacy programs in Merauke Regency to reduce risk perceptions and foster digital payment adoption, which can be facilitated through collaboration among the local government, service providers, and financial institutions to provide clear information, digital security training, and adequate technological infrastructure.

4.3.2. Intention to use digital payment platforms

Consumer intention to use digital payment platforms is influenced by two main factors: risk perception and awareness of practical benefits. Consumer behavioral intention refers to the desire of consumers to perform specific actions related to the ownership, disposal, and use of products or services (Rumondang et al., 2020). User satisfaction with the services provided by providers (Harfian & Jadmiko, 2024) and the level of education regarding features and transaction security (Farhan & Shifa, 2023) greatly affect this intention. High satisfaction with ease of use, security, and feature availability can enhance user loyalty, while unsatisfactory experiences may reduce consumers' motivation to reuse a platform.

The findings of this research are consistent with previous studies examining digital payment adoption, such as research indicating that while risk perception can hinder the intention to use digital payments, perceived practical benefits can encourage adoption (Athaya, 2022). Observations of the increasing use of digital payments among students and employees (consumers) indicate that supportive environments and increased financial literacy can drive the adoption of this technology. Despite concerns about financial risks, many consumers are beginning to see the practical benefits of digital payments and are attempting to address their concerns. Uneven technological infrastructure and low levels of financial literacy are unique factors influencing digital payment adoption in this region. However, the observational results indicate that intensive education and effective financial literacy programs can help reduce risk perceptions and increase consumers' confidence in this technology.

Theoretically, this study enriches the consumer behavior literature by integrating risk perception into the analysis, emphasizing the importance of considering risk factors in understanding consumers' intentions and behaviors in adopting digital payment technologies. The study highlights the need for a more holistic technology adoption model that addresses not only the benefits and user-friendliness of these technologies but also factors that may cause concerns among users. Practically, the research underscores the necessity of comprehensive financial education and literacy programs to enhance digital payment adoption in Merauke Regency. Collaboration between the local government and digital payment service providers is essential to providing clear and accessible information on secure technology usage. Improved technological infrastructure is also crucial to ensure equal access to digital payment services for all consumers.

4.3.3. The relationship between perception of financial risk and intention to use

This research reinforces the idea that financial risk perception significantly impacts the intention to use digital payment platforms, consistent with the theory of planned behavior (TPB) and research on technology adoption in the context of digital payments. TPB emphasizes that attitudes toward behavior, subjective norms, and perceived behavioral control influence the intention to use technology (Bangun et al., 2023). In this case, risk perception acts as a major barrier that can be overcome by education that enhances people's financial literacy and knowledge of digital security.

These findings support previous research indicating that risk perception can hinder digital payment adoption. A study by Sitorus and Vania (2022) found that negative risk perceptions significantly affect technology adoption intentions. Additionally, research by Farhan and Shifa (2023) showed that education on digital security can alleviate consumers' concerns and increase their intentions to use digital payments. These findings are also aligned with Rahman et al. (2023), who highlighted the crucial role of trust and risk perception in e-commerce adoption, which is relevant to the context of digital payments (Farhan & Shifa, 2023; Rahman et al., 2023; Sitorus & Vania, 2022).

This research is highly relevant in the context of Merauke Regency, given the variation in financial literacy levels and uneven technological infrastructure. Unique factors such as limited internet access, a poor understanding of technology, and negative experiences with digital fraud increase risk perception among the community. Observations in households, businesses, and workplaces indicate that adequate education and financial literacy can reduce these concerns and increase people's intentions to use digital payments. After participating in financial education sessions, many respondents demonstrated increased confidence in using digital payment apps for everyday transactions.

Theoretically, this research emphasizes integrating risk perception into digital technology adoption analysis to enhance models like the TPB, stressing its importance alongside perceived usefulness and ease of use in shaping adoption intentions. Developing a comprehensive technology adoption model is essential to addressing the complexities of digital technology adoption. Practically, this study underscores the need for continuous education and financial literacy programs to mitigate perceived risk and boost digital payment adoption in Merauke Regency. Collaboration among local governments, digital payment providers, and financial institutions is crucial to delivering clear information, cybersecurity training, and sufficient technological infrastructure. Improving internet accessibility and educating the public on securing digital transactions will foster consumers' confidence in and utilization of digital payment platforms, potentially advancing financial inclusion and local economic development.

5. Conclusion

This study confirms that: 1) financial risk perception, especially concerns about money loss and fraud, remains a significant barrier to the widespread adoption of digital payment platforms in Merauke Regency. However, adequate education and increased financial literacy can help overcome these barriers and enhance the intention to use this technology, 2) the intention to use digital payment platforms is influenced by a combination of risk perception and an awareness of their practical benefits, which can be enhanced through education and improved financial literacy, and 3) financial risk perception significantly influences consumers' intentions to use digital payment platforms.

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