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Beyond financial access: A criminological analysis of the debt cycle in Indonesian fintech lending

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Abstract
Fintech lending is often presented as a solution to individual financial needs, yet its effectiveness remains questionable. This study examines whether fintech lending genuinely functions as a financial solution and how the debt cycle forms when viewed through both financial and criminological lenses. Using descriptive analysis of secondary data drawn from official sources and prior research, the findings are interpreted through criminological frameworks, including Routine Activity Theory, victimology, Strain Theory, and Differential Association Theory. The results show that fintech lending, rather than serving as a financial management solution, frequently creates new problems for borrowers: high interest rates and mounting debt place borrowers under pressure and further complicate their financial circumstances. Beyond individual financial mismanagement, the debt cycle reflects a structural pattern in which financially strained borrowers, exploitative lending practices, and limited regulatory oversight converge, while coercive debt collection practices position many borrowers as victims within the system. Fintech lending appears largely ineffective at meeting people's basic living needs, trapping many borrowers in cycles of debt and, in some cases, leading to deliberate default that is socially reinforced within borrower communities. Although fintech lending offers quick access to funds, its current implementation has yet to support sustainable financial well-being. Addressing this will require greater financial literacy, stronger risk management practices, more robust consumer protection, and stricter regulatory oversight.

Keywords: Fintech, lenders, fintech lending, loans, debts, debt cycle, criminology, victimology, routine activity theory, financial victimization

Introduction

Information Technology-Based Collaborative Funding Services (LPBBTI), or peer-to-peer (P2P) lending, better known as fintech lending, are financial services that connect lenders and borrowers to lend and borrow funds in rupiah through an online electronic system (Otoritas Jasa Keuangan [OJK], 2025b) [18]. Based on data from the Financial Services Authority (OJK), the number of active fintech lending borrowers in Indonesia continues to increase until 2024. Compared to October 2023, when there were around 19-20 million users, the number of borrowers grew by 8-10%. Moreover, total outstanding loans averaged 60 trillion rupiah, indicating an increase in fintech lending use compared to last year (OJK, 2025d). This increase shows that fintech lending is considered a financial solution for the community, especially for meeting basic living needs, such as consumption expenditures, education, and health. From a financial perspective, fintech lending can simplify access to credit, unlike conventional bank loans, which have a more complicated process (Auliya, 2025) [5]. Fintech lending is considered the easiest alternative for individuals who want to get loans faster and more easily. They offer more options and are easily accessible by simply downloading the application and providing information, such as personal data, for the initial step; the funds are then disbursed immediately (Azhim *et al*., 2025) [6].

However, it is important to realize that while fintech lending is designed to meet urgent needs, many borrowers use it repeatedly to cover consumer expenses and prior loan obligations. Fintech lending often comes with relatively high interest rates, undisclosed additional fees, and hefty late payment fees. These conditions can trap borrowers in a cycle of debt that becomes increasingly difficult to escape (Auliani *et al*., 2025) [4].

This phenomenon can be understood not only as a financial issue but also as a criminological one. According to Routine Activity Theory, crime or victimization tends to occur when three elements converge in time and space: a suitable target, a motivated offender, and the absence of a capable guardian (Cohen & Felson, 1979) [8]. Within this framework, financially strained individuals seeking urgent funds can be seen as suitable targets, lending practices that exploit information asymmetry through high interest, undisclosed fees, and aggressive penalties can be seen as the motivated offender element, and the still limited regulatory oversight together with low financial literacy among borrowers can be seen as the absence of a capable guardian. Borrowers who fall into repeated cycles of debt may therefore be regarded not merely as defaulting debtors, but as victims positioned within a structure that enables exploitation to occur.

This condition is further reflected in cases of illegal debt collection, in which some fintech lending providers or their agents use intimidation, threats, and unauthorized disclosure of borrowers' personal data to force repayment. Empirical findings show that victims of illegal online loans often did not initially realize that the application they used was unlicensed, and that delays in repayment tend to provoke perpetrators into committing further offenses against the borrower, including harassment and threats conveyed through calls or messages (Putri & Rinaldi, 2022) [20]. Such practices point to the presence of victimization patterns that are structurally embedded in the fintech lending ecosystem rather than incidental to it.

In addition, Merton's Strain Theory offers a complementary explanation for why individuals continue to turn to fintech lending despite its risks. The theory argues that when society emphasizes certain success goals, such as financial stability or the ability to meet basic needs, while access to legitimate means of achieving them remains limited, individuals experience strain that can push them toward alternative, often riskier, means of adaptation (Merton, 1938) [14]. Fintech lending, in this sense, functions as one such alternative means, and repeated borrowing to cover both consumptions needs and prior debt can be read as an adaptive response to that structural pressure rather than simply an individual failure of financial planning.
Situating the debt cycle within this criminological lens therefore allows for a more comprehensive analysis, one that considers not only the economic mechanisms of fintech lending, but also the structural conditions, power asymmetries, and patterns of victimization that enable the cycle of debt to persist.

Results

1. Literature Review

1.1 Concept of Fintech Lending

Fintech lending is a credit facility that differs from traditional loans. This service allows for fast disbursement of funds through a digital platform, with a variety of loan terms, both short-term and long-term. However, for longer-term loans, fintech lenders generally charge higher interest rates than traditional financial institutions (Serfes *et al*., 2025) [21]. Fintech lending is considered a solution to expand financial access, especially for individuals and businesses that are not yet covered by formal financial services, including micro, small, and medium enterprises (MSMEs). Through fintech lending, borrowers can access and receive funds more easily than by meeting in person. From a social perspective, online lending can reduce economic disparities, particularly for marginalized groups such as women, small business owners, and communities in remote areas, by providing better access to business capital. Therefore, fintech lending can be seen as an instrument that plays a significant role in promoting social and economic inclusion (Alfiana *et al*., 2025 [3], pp. 1081-1082).

1.2 Planned Behavior Theory

The Theory of Planned Behavior explains that an individual's intention to perform a behavior is the primary motivational factor influencing that behavior. The stronger an individual's intention, the more likely the behavior will be performed. This theory suggests three main factors that shape behavior: the individual's attitude toward the behavior (the assessment of whether the action is beneficial or not), subjective norms related to social pressure from the surrounding environment, and perceived behavioral control, which refers to the extent to which the individual is capable of performing the behavior, including the risks they may face later (Ajzen, 1991 [2], pp. 181-188).

1.3 Behavior Finance Theory

Behavioral finance is a modern field of study in finance that integrates theories of behavioral and cognitive psychology with conventional economics and finance. This approach aims to explain how and why individuals make financial decisions, whether they are rational or not entirely rational (Kumar, 2017) [11]. Behavioral finance is a new school of thought that explores the influence of psychological factors on the behavior of financial actors. This school of thought explains how psychological biases and specific behavioral characteristics can influence financial decision-making. Behavioral finance theory explains that the limitations of human rationality and psychological factors can lead to errors in decision-making, ultimately affecting the performance and dynamics of financial markets (Handbook of Research on Behavioral Finance and Investment Strategies, n.d.). Financial behavior is shaped by a combination of internal capacities, such as financial literacy and self-control, and external factors, including environmental pressures that shape lifestyle and social expectations. Based on previous research, individual decisions regarding financial behavior are influenced not only by financial knowledge but also by habits developed within the digital ecosystem (Zahroh *et al*., 2025) [28].

1.4 Using Fintech Lending to Fulfill Lifestyle Needs

The development of fintech lending services in the digital era has brought significant changes to people's financial behavior, particularly in how individuals manage, use, and make decisions regarding their personal finances. The ease of access offered by fintech lending services makes them a readily available financing option for meeting individual financial needs. Many users of these services use loans to meet their lifestyle needs. While access is perceived as making things easier for people, particularly through fintech lending, it has actually led to significant changes in consumption patterns and lifestyles. People's desire to meet modern lifestyle expectations, combined with easy access to fintech lending, has increasingly encouraged consumptive and impulsive behavior without considering financial capabilities (Kusumawati *et al*., 2025) [13]. However, despite this convenience, using fintech lending also carries significant risks, particularly in unplanned financial decisions that can lead to financial problems later. Fintech lending carries risks beyond interest; some are legal, while others are illegal. According to data from the Financial Services Authority (OJK), there are several differences between legal and illegal fintech lending.

Table 1: The difference between legal and illegal lenders (OJK, 2025a) [3]

Legal lenders	Illegal lenders
Loans supervised by the OJK have registered and licensed organizers.	Does not have an official organizer.
The organizer is required to provide borrowers with information on the maximum interest rate and fines, with a loan fee of 0.8% per day.	The fines imposed are huge and not transparent.
Organizers must comply with applicable regulations and have at least 1 year of experience in the Financial Services Industry.	There is no experience standard to meet.
Organizers must comply with regulations and have at least 1 year of experience in the Financial Services Industry.	Collecting debts in a rude, threatening, inhumane, and unlawful manner.
Organizers must be members of the Indonesian Joint Funding Fintech	The organizer has no association.

Association and appointed by the association.	
The office location must be clearly registered and surveyed by the OJK and easily found on Google.	The office location is unclear.
Organizers must have legal status according to PJOK.	Has legal status but is a target of the Investment Alert Task Force (SWI) together with Kominfo, Google Indonesia, and the National Police Cybercrime Directorate.
The organizer is required to provide the borrower with information on the maximum interest and fines, including a 0.8% per-day loan fee.	The organizer does not require any training.
The Board of Directors is required to participate in AFPI certification.	The organizer does not require any training.
Organizers are only allowed to access the camera, microphone, and location on the user's mobile phone.	The organizer will request access to all of the borrower's personal data, which will then be misused to collect debts.
The organizer charges all cross-funding fees to the borrower.	Organizers face a high risk of misuse of funds and non-refundable loans.
Organizers are required to establish a Data Center and a Disaster Recovery Center.	The organizers did not comply with the rules and did not have a Disaster Recovery Center.

Based on previous research, fintech lending poses significant risks by exploiting the public's low financial literacy. This is evident in the offers of high-interest loans, a lack of transparency, and a simple disbursement process that requires only personal data. However, borrowers lack adequate protection. In the cases studied, when borrowers defaulted on payments, they were often subjected to harassment by debt collectors and the disclosure of personal data, resulting in stress and trauma. Furthermore, with illegal loans, detrimental practices often occur, such as changes in the institution's name and administrative violations. Some victims have even repaid their loans, yet their payments are not recorded in the system, leaving borrowers with no protection (Auliani *et al*., 2025) [4]. Other research also suggests that many people seek fintech lending due to the influence of consumerist culture and lifestyles, and that they seek products aligned with current trends. This leaves those who take out loans facing the risk of debt collectors due to non-payment (Abrianti *et al*., 2024) [1]. Previous research also discussed the impact of fintech lending on a borrower who used 19 illegal and five legal apps, resulting in a total debt of 64 million rupiah. In the study, the borrower experienced significant losses, was blocked by the Financial Services Authority (OJK), incurred accumulating fines and interest, and was constantly harassed by intimidating debt collectors. Furthermore, the disclosure of personal data disrupted not only the borrower but also other contacts (Wati & Syahfitri, 2022) [27]. Rather than addressing a person's financial situation, fintech lending actually increases the burden on families through late payments and revolving debt. Furthermore, many people still do not understand the difference between legal and illegal fintech lending. However, fintech lending carries high risks that can negatively impact a family's financial situation, especially when people choose the wrong loan (Triastuti *et al*., 2025) [26].

Table 2: Total borrower statistics data as of August 2025 (OJK, 2025c)

Category	Number of Active Borrower Accounts (entities)	Outstanding Loans (billion Rp)
Total Outstanding Personal Loans	25,459,352	82,941.40
– Male	12,896,638	37,562.72
– Female	12,562,714	45,378.69
– <19 years old	257,331	316.87
– 19–34 years old	15,176,196	41,074.57
– 35–54 years old	9,163,355	37,809.77
– >54 years old	861,065	3,829.06
Current Personal Loans (not yet due)	19,557,042	71,572.12
– Male	9,655,884	31,803.43
– Female	9,901,158	39,768.70
– <19 years old	167,434	237.27
– 19–34 years old	11,675,950	35,306.41
– 35–54 years old	7,048,648	32,911.96
– >54 years old	665,153	3,192.54
Special Attention Loans (up to 30 days)	2,268,441	4,354.05
– Male	1,274,363	2,250.46
– Female	994,078	2,103.59
– <19 years old	30,798	38.95
– 19–34 years old	1,359,465	2,233.53
– 35–54 years old	809,952	1,893.51
– >54 years old	68,231	201.51
Substandard Loans (30–60 days)	1,551,925	2,860.58
– Male	868,120	1,449.70
– Female	683,805	1,410.89
– <19 years old	20,809	19.84
– 19–34 years old	926,765	1,455.78
– 35–54 years old	556,323	1,251.26
– >54 years old	46,474	132.41
Non-Current Loans (60–90 days)	1,325,230	2,508.23

– Male	727,335	1,278.97
– Female	597,895	1,229.26
– <19 years old	15,596	17.46
– 19–34 years old	779,598	1,298.17
– 35–54 years old	488,253	1,071.72
– >54 years old	41,784	121.54
Defaulted Personal Loans (>90 days)	756,714	1,646.41
– Male	370,936	780.16
– Female	385,778	866.25
– <19 years old	22,694	3.35
– 19–34 years old	434,418	780.68
– 35–54 years old	260,179	681.33
– >54 years old	39,423	181.05

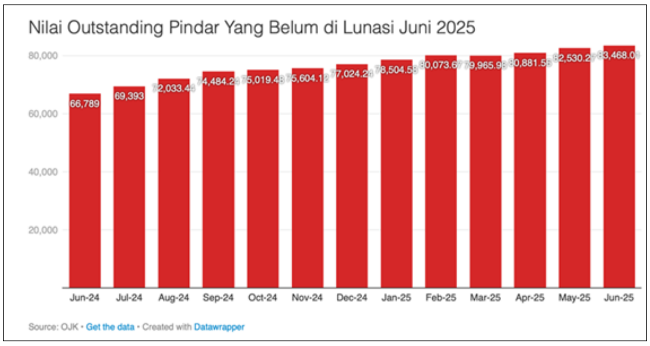

Fig 1: Total Borrowers Outstanding as of June 2025 (CNBC Indonesia, 2025) [5]

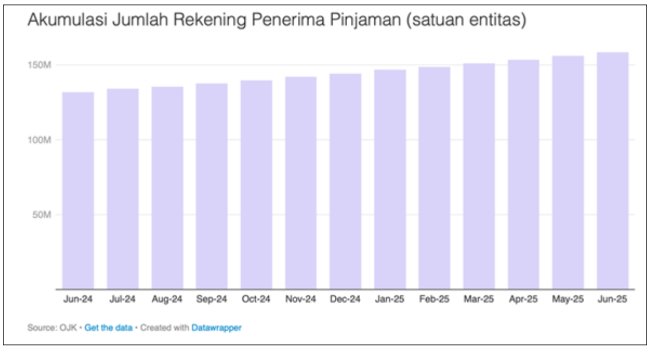

Fig 2: Total Online Loan Borrowers by June 2025 (CNBC Indonesia, 2025) [5]

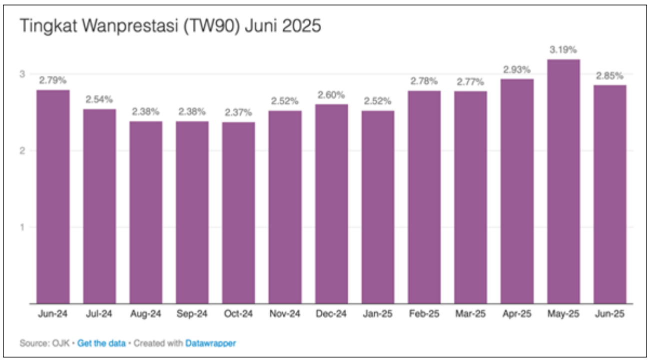

Fig 3: Total Online Loan Defaults by June 2025 (CNBC Indonesia, 2025) [5]

Based on data from the Financial Services Authority (OJK), Indonesian people's debt from fintech lending is increasing, with total public debt as of June 2025 [5] reaching IDR 83.52 trillion, up 25.06% from the previous year (Kumparan Bisnis, 2025) [12]. The presence of public fintech lending facilities often backfires on borrowers. In addition to the risk of rising interest rates, borrowers also face pressure from debt collectors. In some extreme cases, this condition even drives borrowers to end their lives because they are unable to repay their debts. Many reports indicate that the inability to pay on the due date encourages borrowers to use other loans. This practice digs a hole to cover a hole and actually increases debt. This situation is further exacerbated when debt collectors contact people around the borrower, which can cause psychological pressure and severe embarrassment (Nuraini & Zaky, 2023) [15]. The most significant impact on the public, especially those who choose fintech lending as a financial solution, is that it leads to bigger problems. The high interest rates and fines charged by both legal and illegal providers create a recurring debt cycle, as many borrowers end up digging a hole to cover their previous obligations. This condition leads to unhealthy financial management due to the accumulation of interest, fines, and outstanding loans. Furthermore, psychological pressure resulting from terror and intimidation from debt collectors also impacts the mental health of borrowers. It leads to a worsening credit score in the Financial Information Services System (SLIK) of the Financial Services Authority (OJK) (IdScore, 2024). The burden of public debt repayment obligations has triggered default, a condition in which borrowers are unable to repay their obligations and leave their debts outstanding. This phenomenon has even developed into collective behavior, where individuals experiencing default often encourage others to do the same. This practice is often displayed openly on social media, especially by borrowers who use fintech lending solely to meet living expenses due to limited income (Susanto & Chawa, 2021) [22]. The phenomenon of default arises from the difficult economic conditions of borrowers, so some deliberately choose not to pay their obligations and even invite others to do the same, considering this action normal. However, the practice of default carries legal risks for borrowers and can lead to the accumulation of increasingly high interest and fines (Suwandono *et al*., 2025) [24].

1.1. Criminological Perspective on the Debt Cycle

The data and findings presented in the previous sections can also be read through a criminological lens, which offers a complementary explanation for why the debt cycle forms and persists among fintech lending borrowers. According to Routine Activity Theory, victimization is likely to occur when a suitable target, a motivated offender, and the absence of a capable guardian converge in the same setting (Cohen & Felson, 1979) [8]. In the context of fintech lending, borrowers with limited financial literacy and urgent liquidity needs represent the suitable target, lenders who impose undisclosed fees and aggressive penalties represent the motivated offender, and the still-developing regulatory oversight illustrated in Table 1, particularly the contrast between the strict requirements imposed on legal lenders and the near total absence of standards among illegal ones, represents the absence of a capable guardian. This convergence helps explain why the number of active borrowers and outstanding loans continues to rise, as shown in Table 2 and Figures 1 to 3, even as the risks of predatory practices are increasingly well documented.

The harassment, intimidation, and unauthorized disclosure of personal data experienced by borrowers, as discussed in relation to Auliani *et al.* (2025), Wati and Syahfitri (2022), and Nuraini and Zaky (2023) [4, 15, 27], further situate borrowers within a victimological framework. Empirical findings from illegal online lending cases in Indonesia show that many borrowers were unaware their lender was unlicensed at the time of borrowing, and that repayment delays tend to provoke further coercive action from lenders rather than a resolution of the underlying financial problem (Putri & Rinaldi, 2022) [20]. Understanding borrowers as victims within a structurally enabling system, rather than solely as debtors who fail to meet their obligations, allows the psychological and social harms described earlier, including stress, trauma, and in extreme cases suicide, to be recognized as consequences of victimization rather than as purely private financial failures.

At the same time, Merton's Strain Theory helps explain the persistence of borrowing behavior despite these risks. When individuals face a gap between socially expected living standards, including lifestyle expectations discussed in Section 2.1.4, and the limited legitimate means available to meet them, they experience strain that can push them toward alternative means of adaptation, including repeated or high-risk borrowing (Merton, 1938) [14]. Fintech lending, in this sense, functions as an accessible but ultimately precarious substitute for legitimate financial means, particularly among borrowers who use it to fulfill lifestyle needs rather than urgent necessities.

Finally, the collective default behavior described in relation to Susanto and Chawa (2021) [22], in which borrowers who default openly encourage others on social media to do the same, can be understood through Differential Association Theory. This theory argues that criminal or deviant behavior, including definitions favorable toward violating financial and legal obligations, is learned through interaction within social groups, rather than being an isolated individual decision (Sutherland, 1947) [23]. When default is normalized and even actively promoted within online borrower communities, an excess of definitions favorable to non-repayment over definitions favorable to compliance can emerge, making default appear socially acceptable rather than a legal and financial risk, as later emphasized by Suwandono *et al.* (2025) [24]. Taken together, these four perspectives, Routine Activity Theory, victimology, Strain Theory, and Differential Association Theory, provide a criminological framework for understanding the debt cycle not merely as an outcome of individual financial mismanagement, but as a phenomenon shaped by structural opportunity, victimization, socioeconomic pressure, and socially learned behavior.

Discussion

The current boom in online lending is often perceived as a solution to personal needs. While the initial purpose of fintech lending was to facilitate access to business capital, its use has expanded to meet a variety of needs, both urgent and non-urgent. Based on previous research and statistical data from the Financial Services Authority (OJK), which shows an increase in the number of borrowers and accumulated debt, it can be concluded that fintech lending is not yet a fully effective financial solution for people in meeting their living needs. This is due to poor financial management practices, the long-term impact of which individuals often ignore, leading them to resort to fintech lending to quickly meet lifestyle needs. Motivation is influenced by external factors, such as social pressure and lifestyle needs, exacerbated by people's desire to follow trends in their environment, regardless of their financial means. Fintech lending, which should facilitate meeting living needs, actually creates new problems, such as high interest rates, becoming trapped in a cycle of debt, and difficulty managing finances. In fact, some borrowers deliberately default because they used the loan funds for personal needs but are unable to repay their obligations due to inadequate economic conditions. However, previous research has not discussed in depth the urgency or needs that underlie someone taking out a fintech loan, nor has it analyzed the motivations for borrowing, thereby limiting the effectiveness of loan use and its alignment with an individual's financial capabilities.

This gap is precisely where a criminological reading of the debt cycle becomes useful, since financial and behavioral explanations alone tend to frame the problem as a matter of individual mismanagement, without accounting for the structural conditions and social dynamics that make repeated borrowing, victimization, and even deliberate default more likely to occur. Viewed through Routine Activity Theory, the debt cycle described above is not simply the result of poor personal financial planning, but the outcome of a recurring convergence between financially strained borrowers, lending practices that profit from information asymmetry and undisclosed fees, and a regulatory environment that, despite improvements, still leaves considerable room for illegal or predatory actors to operate (Cohen & Felson, 1979) [8]. This helps explain why the increase in borrowers and outstanding loans discussed earlier persists even as the risks of fintech lending become more widely known: the opportunity structure that sustains the debt cycle has not been meaningfully disrupted, only documented.

At the same time, framing borrowers solely as financially undisciplined individuals' risks overlooking their position as victims within that structure. The intimidation, harassment, and misuse of personal data experienced by defaulting borrowers, as reflected in earlier findings, are consistent with patterns identified in victimological research on illegal online lending in Indonesia, where borrowers frequently did not realize their lender was unlicensed until problems arose, and where repayment delays tended to trigger further coercive action rather than a resolution of the underlying debt (Putri & Rinaldi, 2022) [20]. This suggests that the psychological and social harms associated with the debt cycle, including stress, damaged relationships, and in severe cases suicidal behavior, should be understood as consequences of victimization embedded in the lending system, and not only as personal failures of the borrower.

The motivational gap identified in the discussion above, namely the lack of research into why individuals turn to fintech lending in the first place, can also be partly addressed through Merton's Strain Theory. Borrowers who use fintech lending to meet lifestyle expectations rather than urgent necessities may be responding to a broader strain between socially expected standards of living and the limited legitimate financial means available to achieve them, particularly amid social pressure to follow consumption trends (Merton, 1938) [14]. Under this pressure, fintech lending becomes an accessible, if ultimately precarious, form of adaptation, one that offers short-term relief from strain while reproducing the very conditions, namely accumulating debt and diminished financial capacity, that generate further strain over time.

Finally, the phenomenon of deliberate default noted above deserves closer criminological attention, since it points to more than a simple inability to pay. Some borrowers appear to actively justify non-repayment to themselves and to others, a pattern consistent with what Sykes and Matza (1957) [25] term techniques of neutralization, in which individuals rationalize a norm-violating act by denying injury to the lender, denying the legitimacy of the lender's claim, or shifting blame onto the lender's own predatory practices. When this rationalization is reinforced through social interaction, such as when defaulting borrowers openly encourage others to do the same on social media, it aligns with Differential Association Theory, in which definitions favorable to violating financial obligations are learned and normalized within a social group rather than arising in isolation (Sutherland, 1947) [23]. Taken together, these criminological perspectives suggest that the debt cycle documented in this study is sustained not only by financial and behavioral factors, but also by structural opportunity, patterns of victimization, socioeconomic strain, and socially learned justifications for non-repayment, factors that future research on fintech lending in Indonesia would benefit from examining more directly.

Materials and Methods

The research method used in this study is descriptive analysis using secondary data. The data were obtained from previous research, official government data, company reports, and publications to provide a comprehensive overview of fintech lending use. This approach was used to determine whether fintech lending can genuinely be a valuable solution for meeting individuals' economic needs. Analysis of secondary data shows that for the majority of people, fintech lending is not yet an effective financial solution, as evidenced by the high number of outstanding debts and numerous cases of default. This indicates that although fintech lending offers easy access to funds, many borrowers struggle to manage their financial obligations, making this solution ineffective in meeting sustainable economic needs.

In addition to descriptive financial analysis, this study incorporates a criminological lens as a complementary analytical framework to interpret the secondary data. Rather than functioning as a separate method, this framework is applied interpretively to the same body of data described above, namely OJK statistics, prior research findings, and documented cases of debt collection practices, in order to identify patterns consistent with Routine Activity Theory (Cohen & Felson, 1979) [8], victimological patterns of borrower harm (Putri & Rinaldi, 2022) [20], strain-driven borrowing motivations (Merton, 1938) [14], and socially learned justifications for non-repayment (Sutherland, 1947; Sykes & Matza, 1957) [23, 25]. This dual approach allows the data to be read both in financial terms, in relation to debt volume and default rates, and in criminological terms, in relation to opportunity structures, victimization, and normalized deviant behavior surrounding the debt cycle. Because this study relies entirely on secondary sources, no primary victim interviews or case-level legal documentation were collected; the criminological interpretations offered here are therefore analytical rather than empirically verified at the individual level, and should be read as a framework for understanding patterns in the aggregate data rather than as a causal claim about any specific borrower's behavior.

Conclusions

Fintech lending, perceived as a solution to people's economic needs, can backfire if used without careful consideration of long-term risks. High interest rates burden borrowers who are unable to control their financial behavior or motivations, and who fail to consider their ability to repay their debts. Consequently, fintech lending becomes a heavy financial burden for individuals who cannot manage their finances effectively, ultimately risking default and shirking responsibility. Therefore, fintech lending cannot be a solution to meet living needs if people are unable to assess the long-term risks of uncontrolled consumer behavior.

Beyond its financial dimensions, the debt cycle examined in this study also reflects a structural and criminological problem rather than a purely individual one. The convergence of financially vulnerable borrowers, lending practices that exploit information asymmetry, and still-limited regulatory guardianship, as explained through Routine Activity Theory, suggests that reducing the debt cycle requires more than encouraging individual financial discipline; it also requires strengthening oversight of both legal and illegal lenders. Likewise, recognizing borrowers who experience intimidation and data misuse as victims within this system, rather than solely as defaulting debtors, points to the need for stronger consumer protection enforcement and accessible reporting mechanisms for coercive debt collection practices. The strain-driven motivations behind lifestyle-related borrowing further indicate that financial literacy programs alone may be insufficient unless they also address the social pressures that drive consumptive borrowing in the first place. Finally, the normalization of deliberate default observed in online borrower communities suggests that public education efforts should not only target individual borrowers but also address the social narratives that make non-repayment appear acceptable. Taken together, these criminological considerations suggest that addressing the fintech lending debt cycle in Indonesia will require coordinated efforts across regulation, consumer protection, financial education, and public communication, rather than relying on any single intervention in isolation.

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