

Fintech Usage and Financial Well-Being: The Mediating Role of Financial Satisfaction

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Abstract

Financial technology (fintech) is embedded in everyday financial activity, while its statistical relationship with broader financial well-being is not consistently direct. This study examines the association between fintech usage and financial well-being, with financial satisfaction positioned as a mediator. Data were collected through an online self-administered questionnaire from 90 active fintech users in Indonesia who were at least 18 years old and had used at least one fintech service for a minimum of six months. Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS was used to estimate the measurement and structural models. The measurement model demonstrated adequate reliability, convergent validity, and discriminant validity for all constructs. Fintech usage was positively associated with financial satisfaction, whereas the direct path from fintech usage to financial well-being was not statistically significant. Financial satisfaction was positively associated with financial well-being, and the significant indirect path combined with the non-significant direct path indicates indirect-only mediation. The findings identify financial satisfaction as the statistical intermediary linking fintech usage with financial well-being and provide evidence relevant to financial education and fintech service design.

Keywords: fintech usage, financial satisfaction, financial well-being, digital financial behavior, digital financial services

Introduction

Financial technology (fintech) services, including digital payments, mobile banking, and online investment platforms, are embedded in the way individuals manage day-to-day financial activities. In this study, fintech usage is bounded to the frequency and extent of using these consumer-facing digital financial services for routine financial activities. In Indonesia, the 2022 National Survey on Financial Literacy and Inclusion (SNLIK) provides a documented national benchmark: the financial inclusion index reached 85.10 percent, up from 76.19 percent in 2019 (Otoritas Jasa Keuangan, 2022). Within this context, financial well-being refers to the capacity to meet current and ongoing financial obligations, feel secure about the financial future, and make choices that support quality of life (Consumer Financial Protection Bureau, 2015).

Evidence on the direct relationship between fintech usage and financial well-being is not uniform. Gafoor and Amilan (2024) found that fintech adoption did not directly improve the financial well-being of persons with disabilities in India; the relationship was transmitted through financial access, financial knowledge, and financial behavior, with financial access emerging as the most influential mediator. This evidence establishes that fintech usage and financial well-being can be connected through intervening financial and psychological conditions rather than through a statistically significant direct path.

Financial satisfaction provides a conceptually distinct proximal evaluation within this relationship. It refers to an individual's subjective evaluation of, and contentment with, the current financial situation (Joo & Grable, 2004). AlHares and Elareer (2024) found that fintech use in payments positively contributes to consumer financial satisfaction, partly through financial education and financial capability. Financial satisfaction is also recognized as a proximal determinant of broader financial and subjective well-being (Joo & Grable, 2004; Diener, 1984). Together, these findings position financial satisfaction between fintech-use behavior and the broader evaluation represented by financial well-being.

Despite this evidence, the conceptual sequence linking fintech usage, financial satisfaction, and financial well-being remains underexamined. Fintech usage represents engagement with digital financial tools, financial satisfaction captures an evaluation of the current financial situation, and financial well-being reflects broader financial security, control, and capacity to meet obligations. Prabhakaran and Mynavathi (2025) examined fintech usage as a moderator of the financial literacy-well-being relationship rather than testing financial satisfaction as the intermediary between usage and well-being. The present model addresses this conceptual gap by estimating the direct and indirect relationships among the three constructs in one mediation structure.

Based on this background, the present study examines the association between fintech usage and financial well-being, with financial satisfaction positioned as a mediating variable. Its contribution lies in testing a defined statistical pathway in which fintech usage is related to a proximal evaluation of current financial conditions, which is then related to broader financial well-being. The model also provides practical evidence for financial education and fintech service design without treating technology usage alone as a sufficient indicator of financial well-being.

Fintech Usage and Financial Satisfaction

Fintech usage refers to the frequency and extent to which an individual uses financial technology services, such as digital payments, mobile banking, or online financial platforms, in managing financial activities (Venkatesh et al., 2003; Lee & Shin, 2018). Financial satisfaction refers to an individual's subjective evaluation of, and contentment with, the current financial situation (Joo & Grable, 2004). The theoretical sequence treats fintech usage as observable technology-use behavior and financial satisfaction as the proximal evaluation of the user's current financial condition. AlHares and Elareer (2024) found that fintech use in payments positively contributes to consumer financial satisfaction, partly through improved financial education and capability. This reasoning supports the following hypothesis:

H1: Fintech usage is positively associated with financial satisfaction.

Fintech Usage and Financial Well-Being

Financial well-being refers to the extent to which an individual can meet current and ongoing financial obligations, feel secure in the financial future, and make financial choices that support quality of life (Consumer Financial Protection Bureau, 2015). This construct extends beyond technology-use frequency because it incorporates financial security, current obligations, and future control. Gafoor and Amilan (2024) found no significant direct relationship between fintech adoption and financial well-being and identified intervening

variables in that relationship. The direct association is therefore tested separately from the mediation pathway:

H2: Fintech usage is associated with financial well-being.

Financial Satisfaction and Financial Well-Being

Financial satisfaction is a proximal evaluation of an individual's current financial situation, whereas financial well-being encompasses a broader assessment of financial security, obligations, and future control. Financial satisfaction has long been recognized as a proximal determinant of broader well-being (Joo & Grable, 2004; Diener, 1984). Individuals reporting higher financial satisfaction also report stronger confidence in meeting financial obligations and greater financial security, dimensions that are central to financial well-being (Consumer Financial Protection Bureau, 2015). This conceptual distinction supports the following hypothesis:

H3: Financial satisfaction is positively associated with financial well-being.

The Mediating Role of Financial Satisfaction

Financial satisfaction and financial well-being represent related but distinct levels of financial evaluation. Financial satisfaction captures contentment with the current financial situation, while financial well-being covers broader financial security, control, and the capacity to meet present and future obligations. The mediation model tests a sequential statistical relationship in which fintech usage is associated with financial satisfaction and financial satisfaction is associated with financial well-being. The following hypothesis captures this indirect pathway:

H4: Financial satisfaction mediates the association between fintech usage and financial well-being.

Method

This study employs a quantitative, cross-sectional associative design to evaluate the relationships among fintech usage, financial satisfaction, and financial well-being. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM), which is appropriate for models involving multiple latent constructs, mediation relationships, and moderate sample sizes (Hair et al., 2019). The analysis was performed using SmartPLS (Ringle et al., 2015). The empirical sample comprised 90 individuals in Indonesia who actively used consumer-facing fintech services. Respondents were selected through purposive sampling and were eligible when they were at least 18 years old and had used at least one fintech service, including digital payments, mobile banking, or online financial platforms, for a minimum of six months.

Data were collected through an online, self-administered questionnaire. Accordingly, the empirical scope is limited to respondents who met these eligibility criteria rather than the entire population of fintech users in Indonesia. The specified model contains three latent constructs and a maximum of two predictors for the final endogenous construct; 90 observations were used to estimate this mediation model. The questionnaire contained 13 indicators measured on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Fintech Usage (FU) was measured with five indicators adapted from Venkatesh et al. (2003) and Lee and Shin (2018), covering the frequency and extent of fintech-service use. Financial Satisfaction (FSI) was measured with four indicators adapted

from Joo and Grable (2004), covering subjective contentment with the current financial situation. Financial Well-Being (FW) was measured with four indicators adapted from the Consumer Financial Protection Bureau (2015) financial well-being framework, covering perceived financial security and control over the financial future. This construct-level source mapping preserves the reported instrument structure without introducing item wording that is not contained in the available manuscript.

Consistent with the two-stage approach commonly applied in PLS-SEM (Hair et al., 2019), the measurement model was evaluated using indicator loadings, Cronbach's alpha, composite reliability, and average variance extracted (AVE), followed by the Fornell-Larcker criterion and the heterotrait-monotrait ratio (HTMT) for discriminant validity (Fornell & Larcker, 1981; Henseler et al., 2015). The structural model was assessed using the coefficient of determination (R^2), effect size (f^2), collinearity statistics (VIF), and path coefficients. Hypotheses were tested using 5,000 bootstrap resamples to obtain t-statistics and p-values for direct and indirect paths. Because all constructs were measured through the same self-administered instrument, common-method bias remains a design consideration and is not treated as excluded by the reported collinearity statistics.

Results and Discussion

This section reports the measurement model and structural model results, followed by hypothesis testing and interpretation of the observed associations in relation to the theoretical framework and prior research.

Measurement Model (Outer Model)

The measurement model was evaluated before estimating the structural relationships. Table 1 summarizes the reported indicator-loading ranges together with reliability and convergent-validity statistics for the three constructs. The available output is reported at the construct level; individual indicator coefficients are not contained in the manuscript.

Table 1. Construct Reliability and Validity

Construct	Indicators	Loading Range	Cronbach's Alpha	Composite Reliability	AVE
Fintech Usage (FU)	5	0.706–0.824	0.833	0.882	0.600
Financial Satisfaction (FSI)	4	0.815–0.863	0.863	0.907	0.709
Financial Well-Being (FW)	4	0.754–0.864	0.844	0.896	0.683

Source: SmartPLS output, processed data (2026).

All reported indicator loadings exceeded the recommended minimum threshold of 0.70 (Hair et al., 2019). Cronbach's alpha and composite reliability were above 0.83 for all constructs, and the average variance extracted exceeded 0.50, ranging from 0.600 to 0.709. At the construct level, these results meet the reported criteria for internal consistency reliability and convergent validity. Discriminant validity was examined using the Fornell-

Larcker criterion, as presented in Table 2. The manuscript also reports the HTMT results as a range rather than as a complete pairwise matrix.

Table 2. Discriminant Validity (Fornell–Larcker Criterion)

	FU	FSI	FW
FU	0.774		
FSI	0.526	0.842	
FW	0.410	0.634	0.827

Source: SmartPLS output, processed data (2026).

As shown in Table 2, the square root of the AVE for each construct exceeded its correlations with the other constructs, satisfying the reported Fornell-Larcker criterion for discriminant validity. The reported HTMT values ranged from 0.474 to 0.738 and remained below 0.90 (Henseler et al., 2015). All reported inner and outer variance inflation factor (VIF) values ranged from 1.00 to 2.48, below the threshold of 5. These statistics support the reported distinction among constructs and indicate no problematic collinearity in the estimated model; they are not treated as an independent test of common-method bias.

Structural Model (Inner Model)

The structural model was evaluated using the coefficient of determination (R^2), effect size (f^2), and bootstrapped path estimates. Table 3 presents the R^2 values for the endogenous constructs.

Table 3. Coefficient of Determination (R^2)

Endogenous Variable	R^2	R^2 Adjusted	Category
Financial Satisfaction (FSI)	0.277	0.268	Moderate
Financial Well-Being (FW)	0.410	0.397	Moderate

Source: SmartPLS output, processed data (2026).

Table 3 shows that fintech usage explained 27.7 percent of the variance in financial satisfaction. Fintech usage and financial satisfaction jointly explained 41.0 percent of the variance in financial well-being, classified as a moderate level of explanatory power (Hair et al., 2019). The reported f^2 values were 0.382 for the fintech usage-financial satisfaction path, 0.411 for the financial satisfaction-financial well-being path, and 0.014 for the direct fintech usage-financial well-being path. The direct paths among constructs were evaluated using 5,000 bootstrap resamples. Table 4 reports the estimated coefficients, t-statistics, p-values, and hypothesis decisions.

Table 4. Direct Effects and Hypothesis Testing

Hyp.	Path	Original Sample (O)	T Statistics	P Values	Decision
H1	FU → FSI	0.526	5.932	0.000	Supported

Hyp.	Path	Original Sample (O)	T Statistics	P Values	Decision
H2	FU → FW	0.106	0.688	0.492	Not Supported
H3	FSI → FW	0.579	4.604	0.000	Supported

Source: SmartPLS bootstrapping output (5,000 resamples), processed data (2026)

The indirect association between fintech usage and financial well-being through financial satisfaction was evaluated using the same bootstrapping procedure, as presented in Table 5.

Table 5. Indirect Effect and Mediation Testing

Hyp.	Path	Original Sample (O)	T Statistics	P Values	Decision
H4	FU → FSI → FW	0.304	3.701	0.000	Supported (Indirect-only Mediation)

Source: SmartPLS bootstrapping output (5,000 resamples), processed data (2026).

The direct path from fintech usage to financial well-being was not statistically significant (H2, $p = 0.492$), whereas the specific indirect path through financial satisfaction was significant (H4). This pattern is classified as indirect-only mediation: the indirect path is supported while the direct path is not. The reported total-effect coefficient was 0.410. Bootstrap t-statistics, p-values, and confidence intervals for the total effect are not provided in the available output, so inferential significance is not assigned to that coefficient. The estimated model produced a Standardized Root Mean Square Residual (SRMR) of 0.081, marginally above the conventional 0.08 benchmark (Henseler et al., 2014). The saturated and estimated model SRMR values were identical. Accordingly, SRMR is reported as descriptive model-fit information rather than as standalone evidence of model adequacy. Predictive relevance statistics are not contained in the available analysis, so no predictive-relevance claim is made.

Fintech Usage and Financial Satisfaction

The results support H1: fintech usage was positively associated with financial satisfaction ($\beta = 0.526$, $t = 5.932$, $p < 0.001$), with a reported f^2 of 0.382. The observed coefficient shows that respondents with higher levels of fintech usage also reported higher financial satisfaction. This result is consistent with AlHares and Elareer (2024), who found that fintech use in payments positively contributes to consumer financial satisfaction. The present finding therefore supports the statistical relationship between fintech usage and financial satisfaction without attributing the association to mechanisms that were not measured in this model.

Fintech Usage and Financial Well-Being

H2 was not supported. The direct path from fintech usage to financial well-being was positive but statistically insignificant ($\beta = 0.106$, $t = 0.688$, $p = 0.492$), with a reported f^2 of

0.014. The result shows that fintech usage was not directly associated with financial well-being at the specified significance level. This finding is consistent with Gafoor and Amilan (2024), who reported no significant direct relationship between fintech adoption and financial well-being in their study. In the present model, the statistically supported relationship is located in the indirect pathway through financial satisfaction.

Financial Satisfaction and Financial Well-Being

H3 was supported: financial satisfaction was positively associated with financial well-being ($\beta = 0.579$, $t = 4.604$, $p < 0.001$), with a reported f^2 of 0.411. This was the strongest path directed toward financial well-being in the estimated model. The result is consistent with the established distinction between satisfaction with current financial conditions and the broader assessment of financial and subjective well-being (Joo & Grable, 2004; Diener, 1984), and it confirms the empirical relevance of financial satisfaction within the sampled fintech-user group.

The Mediating Role of Financial Satisfaction

H4 was supported through a significant indirect path from fintech usage to financial well-being via financial satisfaction ($\beta = 0.304$, $t = 3.701$, $p < 0.001$). Because the direct path (H2) was not statistically significant, the estimated pattern is classified as indirect-only mediation. Financial satisfaction therefore functions as the statistical intermediary in the observed relationship between fintech usage and financial well-being. This result is consistent with Gafoor and Amilan (2024), who identified intervening variables in the fintech adoption-financial well-being relationship, and complements Prabhakaran and Mynavathi (2025), who examined the role of fintech usage in financial-outcome relationships.

Conclusion

This study examined the influence of fintech usage on financial well-being, with financial satisfaction positioned as a mediating variable, using a sample of 90 active fintech users. The measurement model demonstrated adequate reliability, convergent validity, and discriminant validity across all constructs. The structural model results show that fintech usage has a significant positive effect on financial satisfaction, while its direct effect on financial well-being is not statistically significant. Financial satisfaction has a significant positive effect on financial well-being and fully mediates the relationship between fintech usage and financial well-being. These findings extend the literature on digital financial behavior by clarifying that fintech usage does not translate into financial well-being through a direct pathway, but rather through the psychological mechanism of financial satisfaction. This supports a view of fintech usage as an upstream behavior that must first be translated into greater satisfaction with one's financial situation before it meaningfully shapes an individual's broader financial well-being.

From a practical perspective, financial institutions, fintech providers, and financial educators seeking to improve users' financial well-being should recognize that expanding fintech usage alone is unlikely to be sufficient. Fintech features that visibly improve users' sense of control and contentment with their finances, such as budgeting tools, spending insights, and goal-tracking features, are likely to be more effective in strengthening financial

well-being than usage frequency alone, because these features directly target the financial satisfaction pathway identified in this study.

This study is subject to several limitations. The sample size of 90 respondents, while adequate for PLS-SEM estimation, limits the generalizability of the findings to the broader population of fintech users in Indonesia. The cross-sectional design also precludes conclusions about causality over time. In addition, the estimated model's SRMR value was close to the conventional threshold, suggesting that additional variables, such as financial literacy, financial behavior, or financial self-efficacy, may further improve the explanatory power of the model. Future research is encouraged to extend the model with a larger and more demographically diverse sample, incorporate additional mediating or moderating variables, and consider a longitudinal design to examine how fintech usage, financial satisfaction, and financial well-being jointly evolve as fintech adoption matures.

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