

## ABSTRACT

*Financial technology (Fintech) has become an important innovation in the financial sector, providing convenience and efficiency for the public. Fintech users in Indonesia continue to increase, especially among Generation Y and Z. However, the low financial literacy rate of 49.68% by 2022 poses risks such as fraud and lack of transparency of services. However, the low level of financial literacy, which will only reach 49.68% by 2022, poses risks such as fraud and lack of service transparency. In this context, Market Discipline is an important element to increase user trust and encourage Fintech adoption.*

*This study aims to analyze the influence of Perceived Benefits, lifestyle, financial literacy, and Perceived Risk on the use of Fintech with Market Discipline as a mediating variable. The survey was conducted on 299 Generation Y and Z respondents in Indonesia using an online questionnaire. Data analysis using Structural Equation Modeling (SEM) method based on Partial Least Square (PLS).*

*The results showed that Perceived Benefits have a significant positive effect on the use of Fintech, which means that the greater the Perceived Benefits, the higher the user interest. Lifestyle also has a positive influence, especially for individuals with a modern lifestyle. Financial literacy contributes positively to maximizing the use of Fintech. In contrast, Perceived Risk has a negative effect, indicating that Perceived Risk reduces the intention to use Fintech. Market Discipline is shown to play an important role as a mediator, where this discipline mechanism increases user trust by ensuring transparency and oversight of Fintech services.*

*This research also reveals that Generation Y is more influenced by economic benefits, while Generation Z is more driven by technological convenience. This research contributes by integrating Market Discipline as a mediating variable, offering new insights for Fintech developers and policy makers to improve financial literacy and consumer protection mechanisms.*

**Keywords:** *Fintech, Lifestyle, Financial Literacy, Perceived Benefit, Perceived Risk, Market Discipline.*