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Investment Trend on Millennials and Fintech Fraud Mitigation

Tifa Noer Amelia[a,c†], Andi Gazly Satrya Amal[b,c]

[a]*Faculty Member, Department of Management, Faculty of Economics and Business, Perbanas Institute, Indonesia*
[b]*Indonesian National Police-Interpol Section, Indonesia*
[c]*Postdoc Fellow, Northern Illinois University, United States of America*

A B S T R A C T

Purpose: This study analyzed the effect of financial literacy, social media, risk perception, and investment willingness on millennials in Jakarta, Indonesia quantitatively. This paper also discusses fraud mitigation qualitatively about the investment trend among millennials.
Design/methodology/approach: This type of research is a mixed method between a quantitative approach to see the investment trend, and a qualitative approach to see how to mitigate fraud in the use of fintech. The population in this study are millennials residing in Jakarta with social media accounts and interest in investment in conventional and Sharia capital markets, and how fintech fraud can be anticipated.
Findings: This research proves that in the different research groups but the same demography, the independent variable (financial literacy, social media exposure, and risk perception) simultaneously has an influence on millennials' Intention to invest, but does not partially affect it. Fraud in fintech can be prevented through technology, education, and regulation that are continuously reviewed and improved to provide higher relevancy.
Research limitations/implications: This research is limited to the investment trend and fintech fraud mitigation on millennials in Jakarta, the capital city of Indonesia. Future research requires a wider age range and demographic of respondents.
Originality/value: Investment trends among millennials have a high potential for fraud. To prevent fraud, the association, regulator, and society must be aware of the fraud practice, and technological advancement, evaluating continuously the rewards and punishments of the fintech service.

Keywords: Financial Literacy, Social Media Exposure, Risk Perception, Intention to Invest, Fraud Mitigation

I. Introduction

The number of Indonesian capital market investors each year shows significant growth. The dominance of investors who enter the Z generation and millennials causes a lack of experience and tends to ignore risks. This generation also tends to use social media to find information. It seems that the dominance of Generation Z investors in the Indonesian capital market is not accompanied by good financial literacy (Gianie, 2023). The results of the 2022 Indonesia Financial Services Authority (OJK) research show that the Indonesian people's financial literacy index is 49.68 percent, an increase compared to 2019 which was only 38.03 percent. Meanwhile, this year's financial inclusion index reached 85.10 percent, an increase compared to the previous report in 2019, namely 76.19 percent. This shows that the gap

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† Corresponding author: Tifa Noer Amelia
E-mail: tifanoer@perbanas.id

between the literacy level and the inclusion level is decreasing, from 38.16 percent in 2019 to 35.42 percent in 2022. Financial literacy combines indicators of knowledge, and skills, which influence attitudes and behavior. Meanwhile, financial inclusion is the availability of access for the community to utilize financial products and/or services in formal financial institutions following the community's needs and abilities to realize prosperity (OJK, 2022). Therefore, the purpose of this research is to find out the effect of investment experience, risk tolerance, and social media on investment decisions by millennials. Thus, the research variable formulation is to see the relationship between Financial Literacy, Social Media Exposure, and Risk Perception to Investment willingness in conventional and Sharia capital markets. Apart from looking at investment trends, the results of this research are expected to be a good input for universities in preparing their curricula, especially universities with a financial and banking field. Investment management is part of a fintech product that has many potentials for fraud.

By having a large number of millennial and youngster that has an interest in investing, we have to see the fraud potential that may come up such as scam investment, gambling, fake online domain, pay-later, online loan, robot trading, skimming, back-door, phishing, or hacking. Fraud in finance is the manipulation or falsification of financial matters (du Toit, 2023). In other terms, fraud is also a way to siphon money by intruding into other party accounts by means (Akinbowale, Klingelhöfer, & Zerihun, 2022).

Fraud hat related to the investment trend that emerged lately is related to the digital asset, Sam Bankman-Fried who faces up to 115 years in prison, facing eight charges, including financial fraud (Setyowati, 2022). Pay-later installment payment service offered by e-commerce platform. Some loopholes allow some individuals to commit fraud. As a result, many PayLater users have become victims. If you are a PayLater user, there is fraud that we should be wary of (Kompas, 2023). Recently, there have been many scams involving phishing links via the messenger chat application. The target is to steal personal data and drain the victim's account. The Indonesian Ministry of Communication and Information together with the National Digital Literacy Movement stated the dangers of privacy data stealing to user financial data (Iskandar, 2023). The Indonesian Ministry of Communication and Information confirmed that there are plenty of fintech applications that had been closed due to abuse, where the application was registered as e-commerce but instead committed fraud. This application went viral on social media with complaints that many people were deceived. There is also a video showing a lot of applications that are suspected of being Ponzi (Damayanti, 2023). QR code or quick response code that makes financial transactions easier now. QRIS (Quick Response Code Indonesian Standard) has become a common payment method everywhere. Unfortunately, there is also fraud potential in this system, this practical technology is exploited by criminals by diverting the QR of other accounts (Aprilia, 2023). Many victims of fraudulent investment fraud were deceived up to billions of rupiah in Indonesia by fraudulent investment scams (Purwodianto, 2023). The rise in stories about investment losses has led to an increase in crime rates, depression, changes in people's social behavior in looking for solutions to their finances, and even suicide (BI, 2022; CNBN, 2023; Detik, 2022; Kontan, 2023; Republika, 2022). Based on the fact that fraud is getting easier to disrupt investment willingness and customer financial transactions, this research is important to conduct.

This research purpose are to compares the two models where the independent variables use financial literacy, social media exposure, and risk perception. Different results shown in Sharia or conventional financial products such as Sharia-compliant companies have much higher brand equity than companies that are not Sharia-compliant, and one of them has higher or lower performance (Ben Rejeb & Arfaoui, 2019; Hati, Prasetyo, & Hendranastiti, 2023; Jabeen & Kausar, 2022). While the variables are differentiated into investment willingness in the conventional capital market and the Sharia capital market. In general, this conventional capital market is a market intended to trade bonds, stocks, and other securities using securities brokerage services. In the Islamic capital market, instruments sold or traded may not contain prohibited activities such as usury, gambling, the production of food containing pork, and others. Thus, the notion of the Islamic capital market is an activity concerned with public offerings and trading of securities, public companies related to the securities issued, and institutions and professions related to securities that carry out their activities following Islamic principles. The research does not examine Fiqh (understanding of the divine Islamic law as revealed in the Quran and the Sunnah) aspects and classifies conventional capital markets based on Law Number 8 of 1995 concerning Capital Markets and Islamic capital markets based on the study of the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) regarding fatwas directly related to the Shariah capital market, namely Fatwa Numbers 20/DSN-MUI/IV/2001 and 40/DSN-MUI/X/2003 (MUI, 2003).

II. Literature Review

The pandemic that has hit the world for two years is one of the driving moments for Indonesian people to be more aware of the importance of having financial planning, including emergency funds, health insurance, and investment. The Ministry of Investment noted that investment realization in Indonesia reached IDR 328.9 trillion in the first quarter of 2023. This achievement grew 16.5% annually (year-on-year/yoy). Meanwhile, investment realization in the first quarter of 2023 outside Java reached IDR 172.9 trillion (52.6%), and in Java IDR 156 trillion (47.4%). Indonesian people have a better awareness of investing. The majority of respondents said that they had started investing, especially among the millennial generation. This figure has increased compared to 2021. The investment trends chosen by the majority revolve around mutual funds, gold jewelry, shares, precious metals, deposits, property, crypto, and other digital assets (Aulivia, 2022).

The term market in this research is usually used in the terms exchange, exchange, and market. Meanwhile, for the term capital, the terms securities, securities, and stock are often used. Capital Market is an activity related to Public Offering and Securities trading, Public Companies related to the Securities it issues, as well as institutions and professions related to Securities. The capital market in general is a meeting place for sellers and buyers to conduct transactions to obtain capital. Sellers in the capital market are companies that sell securities in the capital market, which are called issuers, while buyers are called investors (Nugroho, 2022). The capital market according to the contract is divided into conventional capital markets and Islamic capital markets. The Sharia capital market itself can simply be interpreted as a capital market that applies Islamic principles in economic transaction activities. The Islamic capital market is a capital market concept that stays away from things that are prohibited by Islam such as usury, gambling, exploitation, and speculation. So, both conventional and sharia capital market is interesting to be compared.

Choosing to invest using the capital market or capital market, does not only provide opportunities for the public to gain profits. However, it also plays an active role in improving domestic economic conditions. The capital market is an activity related to public offerings and securities trading, public companies related to the securities they issue, as well as institutions and professions related to securities. The capital market acts as a liaison between investors companies and government agencies through trading in long-term instruments such as bonds, stocks, and others. Investment decision can come from firm earnings, dividend policy, fundamental performance of the company, micro/micro situation, and other economic indicator (Kim, Lee, Rhim, & Kang, 2006; Trang & Khuong, 2017).

A high number of financial transaction through investment increase the fraud potential where the act could be a violation of information disclosure, data manipulation, or other misleading action toward financial transaction (Sun & Ren, 2017). Financial literacy plays a vital role in the financial decision-making. Financial literacy is one's knowledge and skills regarding the world of finance, both its products, institutions, and regulations. Financial literacy can also be explained as a set of people's knowledge and skills in making effective decisions and policies by utilizing all the financial resources they have. Dimensions of financial literation are general personal financial knowledge, saving and borrowing, insurance, investment, personal financial opinion, decision, and discussion (Chen & Volpe, 1998). Social media exposure consists of the exchange of knowledge, user engagement, and education indicators (Yanto, Ismail, Kiswanto, Rahim, & Baroroh, 2021). Risk perception is defined into idiosyncratic volatility, systematic risk, and total Risk (Hasan & Cheung, 2023). Willingness to invest as a dependent variable consists of attitude, subjective norms and perceived behavioral control, and favorable, and performing indicators (Palacios-González & Chamorro-Mera, 2018).

Research related to the variable mentioned is described as follows. Research on social media has negatively impacted social life (Rambaree, Mousavi, Magnusson, & Willmer, 2020). Social media has a positive impact on financial efficiency (Parveen, Jaafar, & Ainin, 2016). Kurnia, Sitasari, & Safitri, (2020) stated that millennials are highly dependent on internet technology. Lately, social media can influence consumer behaviors such as investment efficiency (Yang, Cao, Andrikopoulos, Yang, & Bass, 2020). Lastly, research on perceived risk has not been influenced by online social network adoption (Haque, Qian, Hoque, & Lucky, 2022).

This study compares the two models where the independent variables use financial literacy, social media exposure, and risk perception. while the variables are differentiated into investment willingness in the conventional capital market and Sharia capital market. Each variable has the same indicator, bur distributed in different research groups.

Figure 2 is the first model that sees the relationship of financial literacy, social media exposure, and risk perception to the willingness to invest in the conventional capital market. Figure 3 is the first model that sees the relationship of financial literacy, social media exposure, and risk perception to the willingness

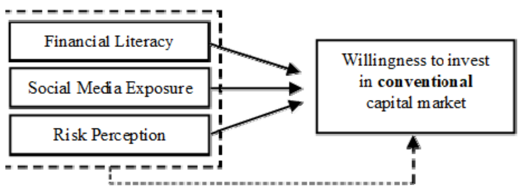

Figure 2. Model 1

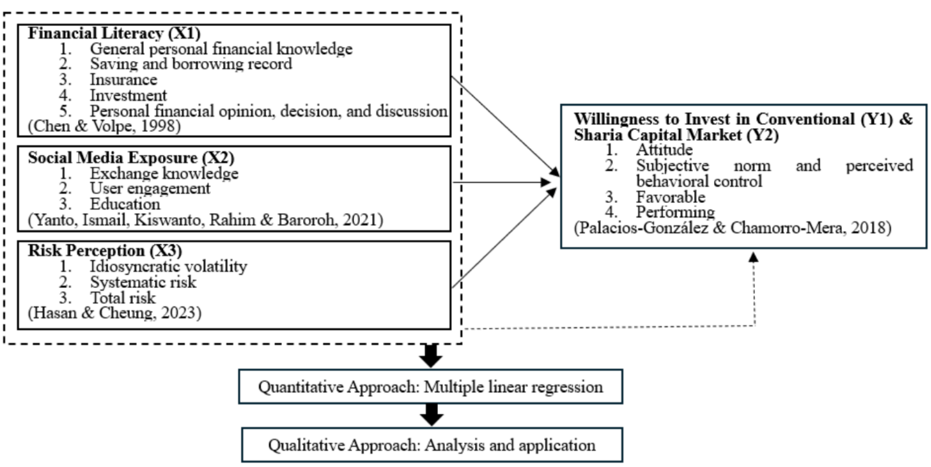

Figure 1. Research framework

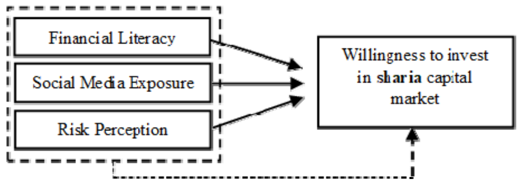

Figure 3. Model 2

to invest in the Sharia capital market.

The research model compares the capital market investment willingness that separates the Sharia and conventional segments. This research hypothesis formulation consists of the following:

H1: Financial literacy affects willingness to invest in the capital market.
H2: Social media exposure affects willingness to invest in the capital market.
H3: Risk perception affects willingness to invest in the capital market.
H4: Financial literacy, social media exposure, and risk perception simultaneously affect willingness to invest in the capital market.

III. Method

The method used for sampling in this study is the purposive sampling technique. The data retrieval technique uses a questionnaire distributed to research objects with a Likert scale of 1-5. Data analysis techniques using multivariate linear regression with the SPSS application. The research population in this research is millennials in Jakarta, the capital city of Indonesia. The age range of the respondent are between 24 and 41 years old, added by Gen Z that already university student and has an identity card that age between 17 and 23 years old. This is to cover the youth of Jakarta and to increase the generalization of the research result. The first model respondent number is 103, and the second model respondent number is 120. 223 respondents in total. This paper is analyzed by using two approaches, quantitative to see the youth's willingness to invest. Then, the qualitative approach in the discussion section looks for the cause of fraud and how to mitigate it. Data validation and interpretation are conducted during field assessment and interviews (Creswell, 2022). This research is limited to investment trends on millennials in Jakarta and fintech fraud that might appear within the easiness of investment by using digital advancement of conventional investment through banks and other financial institutions.

IV. Result

The research results are structured as the demography of the respondent, which covers domicile (Jakarta has five administrative areas), gender, age, and occupation, then continues with the statistical test result. Statistical tests use regression tests that cover validity, reliability, classical, regression equation, t-test, f-test, and coefficient determination test. In the discussion section, subchapter 5 is a qualitative approach to the factors that affect investment and fraud potential that might come up.

Table 1 is the respondent demography explanation of the first and second models. Table 2 describes the statistical test result using regression and SPSS software.

Each model has a valid and reliable data set. This means that the data gathered can predict the dependent and independent variables employed. In the first model, financial literacy is positively significant to investment willingness, social media exposure, and risk perception are not significantly correlated to investment willingness. Simultaneously, financial literacy, social media exposure and risk perception can predict investment willingness in the conventional capital market.

In the second model, financial literacy is positively significant to investment willingness, social media exposure is not significantly correlated to investment

Table 1. Respondent demography

No	Statistical test	Model 1	Model 2
1.	Validity (defined as a measure of how accurately a measuring instrument performs its measuring function).	Data is valid based on r value that higher than r table according to the value of N and the significance level used. As well as using measurement under 0.05 significant level.	Data is valid based on r value that higher than r table according to the value of N and the significance level used. As well as using measurement under 0.05 significant level.
2.	Reliability (The instruments used in research to obtain the information used can be trusted as data collection tools and are able to reveal actual information in the field).	Data is reliable, measured by using Cronbach alpha score over 0.60.	Data is reliable, measured by using Cronbach alpha score over 0.60.
3.	Classical Assumption (The classical assumption test is a statistical requirement that must be met in multiple linear regression analysis).	Data is normal below 0.05 significant level KS (Normality test), data is linear straight line and deviation linearity score above 0.05 (Linearity test), between independent data is not causal to each other proved by VIF below 10 (Multicollinearity test), the data sample group also not forming specific pattern in Scatterplot (Heteroskedasticity test).	Data is normal below 0.05 significant level KS (Normality test), data is linear straight line and deviation linearity score above 0.05 (Linearity test), between independent data is not causal to each other proved by VIF below 10 (Multicollinearity test), the data sample group also not forming specific pattern in Scatterplot (Heteroskedasticity test).
4.	Regression formula (A study of the relationships between variables).	Y = 13,192 + 0,429X1 + 0,113X2 - 0.027X3	Y = 4,177 + 0,263X1 − 0,014X2 + 0.557X3
5.	T-test (partial test, namely to test how each independent variable individually influences the dependent variable)	Significant score accepted are below 0.05. The sig score of 0,000 for financial literacy (t-value 4,860>1.984 t-table); 0,129 for social media exposure (t-value 1,532 < 1,984 t-table), and 0,690 for risk perception (t-value -0,400 < 1,984 t-table).	Significant score accepted are below 0.05. The Sig score 0,000 for financial literacy (t-value 4,297>1,980 t-table); 0,851 for social media exposure (t-value −0,188 <1,980 t-table), and 0,000 for risk perception (t-value 6,311>1,980 t-table).
6..	F-test (simultant test, namely to test how all independent variable simultaneously influences the dependent variable)	The calculated F-value is greater than the F-table value (19.442 > 2.696) and the significance value of 0.000 is smaller than the significant level of 0.05 which means that financial literacy, social media exposure and risk perception simultaneously influence investment willingness.	The calculated F-value is greater than the F-table value (55,201 > 2.68) and the significance value of 0.000 is smaller than the significant level of 0.05 which means that financial literacy, social media exposure and risk perception simultaneously influence investment willingness.
7.	Coefficient Determination (The coefficient of determination test is carried out to determine how much endogenous variables are simultaneously able to explain exogenous variables).	The R-Squared is 0.371 or 37.1 %.	The R-Squared is 0.588 or 58.8 %.

Table 2. Statistical test result

No.	Demography	Model 1	Model 2
1.	Domicile	18.4% reside in central Jakarta 20.4% reside in south Jakarta 18.4% reside in west Jakarta 42.7% reside in east Jakarta 0% reside in Seribu island Jakarta	20% reside in central Jakarta 20.8% reside in south Jakarta 15% reside in west Jakarta 43.8% reside in east Jakarta 0.8% reside in Seribu island Jakarta
2.	Gender	40.8% male 59.2% female	45% male 55% female
3.	Age	1.9% 17-21 years 9.7% 22-26 years 21.4% 27-31 years 40.8% 32-36 years 26.2% 37-41 years	42.2% 17-21 years 54.2% 22-26 years 0.8% 27-31 years 20% 32-36 years 25% 37-41 years
4.	Occupation	9% student 78% employee 11% entrepreneur 2% others	55% student 25% employee 5% entrepreneur 15% others

willingness, and risk perception is positively significant to investment willingness. Simultaneously, financial literacy, social media exposure, and risk perception can predict investment willingness in the Sharia capital market.

According to Chin, the R square value is 0.67 (strong), 0.33 (moderate), and 0.19 (weak) (Chin, 1998). The first model has 37.1% of the independent variable can predict the dependent variable. Means that 37.1% financial literacy, social media exposure, and risk perception can explain investment willingness in conventional capital market. The second model has 58.8% of independent variable can predict the dependent variable. Means that 58.8% financial literacy, social media exposure, and risk perception can explain investment willingness in sharia capital market. The value strength in both model is considered as moderate. So, the research result must be continuously periodically. Other percentage of the coefficient correlation are explained by other factors such as classic factor like financial performance of the company, popularity of the merchant, or current factors such as corporate social responsibility, commitment to sustainability, ethical practice, and other relevant factors.

Financial literacy provided will works well if equipped with exposure from social media, and understanding on risk in doing investment. Social media exposure is not significant enough, and understanding on risk perception only happen in sharia investment. This can be come from scepticism and circumspection in doing sharia investment. Scientism in making sure that the investment run based on Islamic value, and circumspection on unlawful business practice. This quantitative approach weaknesses are the research generalization expected valid for short term and the respondent on each model are different, so in the next research must be conducted in the same respondent group.

Millennials willingness to invest made easier by digitalization of transactions era. Rising wealth, in convergence with technological innovation, have made Millennials the great disrupters of the global consumer landscape and invest more than the boomers (GSAM, 2018). Digitalization towards economic development is a state of the economic system that has the characteristics of being a space at all levels of social strata in society that can make changes to the economic activities of society and business by utilizing the massive power of technology development. The development of technology and the digital world has changed the behaviour of global society in making transactions or shopping. Consumers no longer only make conventional transactions face to face with traders. Technological advances provide alternative ways of making transactions that are easier, faster, more comfortable and safer without having to meet physically. So, it has both positive and negative impacts.

As the Indonesian population, especially Jakarta's millennials, continues to grow, their engagement with digitalization will also experience development. Social media trends and the digitalization of the economy are very popular among millennials,

Table 3. Hypothesis result

Hypothesis Model 1 (conventional capital market)	H	H	Hypothesis Model 2 (sharia capital market)
Financial literacy partially affects investment willingness in conventional capital market	v +	v +	Financial literacy partially affects investment willingness in sharia capital market
Social media exposure partially affects investment willingness in conventional capital market	x	x	Social media exposure partially affects investment willingness in sharia capital market
Risk perception exposure partially affects investment willingness in conventional capital market	x	v +	Risk perception exposure partially affects investment willingness in sharia capital market
Financial literacy, social media exposure, and risk perception simultaneously affect investment willingness in conventional	v	v	Financial literacy, social media exposure, and risk perception simultaneously affect investment willingness in sharia

*H=Hypothesis result

something that digital business players consider a positive phenomenon that presents great opportunities in serving digitally connected consumers. Millennials are the main target for digital investment development because they have a fairly large market potential for digital business actors who attract investment with easy and fast realization of transactions. A high willingness to invest in a low digital literacy makes millennials experience and target of fraud.

V. Discussion

A. Investment Interest Among Millennials

From the research results, we can see that millennial in Jakarta has high interest in making investing, both in the conventional and sharia sectors. At the same time, when millennials have a high interest in investment, there is a large disadvantage if making investment in Indonesia, called as fraud. Especially during the pandemic in 2020-2023, people are trying to generating more income to fulfil their daily needs because of people experience on having single revenue stream during crisis is hard. People's financial literation is increase, awareness on asset and income management are rising, and the investment product are increasingly varied.

Investment cases in the last five years have resulted in a total loss of IDR 123.5 trillion. In 2018, the value of losses experienced by the community was IDR 1.4 trillion, in 2019 it reached IDR 4 trillion. Then in 2020 it was IDR 5.9 trillion, in 2021 it was 2.54 trillion and in 2022 the most was IDR 109.67 trillion (Annur, 2023b). Beside investment realization on the island of Java by more than 50% of Indonesian trend, the Financial Services Authority (OJK) report shows that the number of fintech lending or online loans in Indonesia reached IDR 17.29 trillion in April 2023. North Kalimantan is the province with the lowest online loan distribution nationally. Meanwhile, Jakarta is among the highest after West Java (Annur, 2023a). when there is demand on assets or investment management, there will be higher fintech provider that offer their product, and potential on fraud also increase as it goes on.

Throughout 2022, Financial Services Authority of Indonesia has received 53,851 complaints, including 53,263 complaints related to illegal online loans and 588 investment fraud. Borrowing and fraudulent investments are detrimental and burdensome because they set high interest rates with large fees and unlimited fines, access all data on cellophanes, and use intimidation when collecting. This fraud begins by offering something very fast, easy, but if there it late on instalment payment, debt collector will come, phonebook contacts will be contacted, and even slandered. The rise of financial crimes that occur in various regions against various groups of society, one of which is investment fraud which also targets many students. It is because student need to finance personal goals, declining on society purchasing power, or as an alternative income because people need to have more than one source of income to defeat future inflation.

B. Technology Advancement Ease Access

In this research context, exposure from social media toward awareness in investment is not significant, as well as the perception of investment in conventional capital market's risk among millennials in Jakarta. So, higher education, banking, and financial institution must elevate their effort in educate and inform the millennials about the investment product, preventing investment fraud, how to secure their identity and transaction.

Promoting investment product is easier trough digital platform is easier due to the social media algorithm can expose more information, compared to the personal approach, org promoting product using conventional media. Both fraud offender or millennial has easy access, one to broke the other protection system. Fraud happen can be in form of scam, skimming, getting data illegally, access illegally, or inserting information to attract millennials to invest or to make financial transaction. Privacy protection is at risk. Millennials literation on data protection and safety need to improve. The proposed internal control to protect millennials digital activity is from COSO Framework (Sheppey & McGill, 2007). That consisted of authorization, verification, reconciliation, physical access, and supervision for any transaction related to technology.

Proactive on the checking the legal matter of the platform or product offered also required since digital platform are easy to access, such as in https://cek legalitas.bappebti.go.id/ for Futures Broker, Prospective Crypto Asset Physical Traders, and Digital Gold Physical Trader. Information regarding to the Digital Financial Innovation there is a database https://www.ojk.go.id/GESIT/More/Fintech/0. Information about capital market company there is https://ojk.go.id/id/kanal/pasar-modal/Pages/Daftar-Perusahaan-Pasar-Modal.aspx. Information about securities company, and other fintech organizing company such as securities products (securities) or banking products, Insurance, Financing Institutions, Pension Funds, Special Financial Services Institutions, Microfinance Institutions, IKNB Support Services, Sharia IKNB, or other Fintech services there is database that can be accessed in the https://ojk.go.id/id/kanal/pasar-modal/data-dan-statistik/data-perusahaan-efek/default.aspx. Database for cooperative company products under Ministry of Cooperatives and SMEs can be accessed in the https://nik.depkop.go.id/.

C. Weak Enforcement and Legal Sanctions

Operational permits for financial and banking institutions to run their business are regulated under Indonesian Ministry of Communication and Information Technology, and Indonesia Financial Services Authority (Kominfo, 2020; OJK, 2018, 2019). Problem come when the growth of fintech is increase, but the company that eligible with the regulation is limited. Small or start-up fintech will facing limitation on the minimum capital deposit requirement, when this is happened, venture capital, angle investor, or even their business partner will offer sum of money to develop their business. If not examine carefully, fintech provider can be trapped in to scam and entangled in debt. So that, role of regulator, association, and incubator is crucial to protect, educate, and distribute information about safe practice of fintech.

The offender of a fraudulent investment is any person who with the intention of benefiting himself or another person unlawfully by using a false name or false position, using deception or a series of false words, inducing someone to hand over an item, giving a debt, making a confession of debt, or writing off receivables. Individuals who commit fraudulent investments can face the threat of a prison sentence. Offenders of fraudulent investments can be punished for fraud with a maximum prison sentence of four years as regulated in Indonesian law Article 378 of the Criminal Code. Fines for fraud offenders based on Indonesian regulation article 492 of Law Number 1 of 2023, offenders of fraudulent investments can be punished for fraud with a maximum prison sentence of four years or a maximum fine of category V. As further explanation, the category V fine is stated in Article 79 of Law Number 1 of 2023, where for this category it is set at five hundred million rupiah (KSPLAW, 2023). If it causes unrest and loss in society, penalties and fines should be able to be evaluated periodically and allow victims to provide input through formal channels or fast channels, e.g., call service 24/7, interactive report in the official web of Indonesian Financial Service Authority, or Indonesian Fintech Association give constant socialization on the loss of the fraud practice.

VI. Conclusion

Based on a business perspective, the fintech sector currently has several functions. As payment and liquidation functions, electronic money and blockchain technology; direct or indirect financing, P2P and crowd-funding functions; market infrastructure functions which include big data, cloud computing, electronic identity authentication, e-aggregators, smart contracts, and so on, and investment management functions which include robotic investment consultants, automated electronic trading in capital markets (S. BI, 2017). Teoritical implication of this research are Financial Literacy, Social Media Exposure, and Risk Perception partially and simultaneously affect Millennials Intention to Invest in the conventional and sharia Capital Market. The unique in this research result are social media exposure effect negatively on willingness to invest in sharia capital market, while the other has positive effect. This paper proposing recommendation as the part of practical implication as follow:

1. Investment education still needs to be improved even though respondents feel they have quite high literacy regarding investment and other financial products. A good proposal for policy maker in distributing information about investment, and input to society trough digital media, conventional media, and education institution.
2. The ease of setting up a fintech raises other problems. Higher demand, higher fraud potential. This cause scam easily promoted trough digital platform, privacy protection is threatened, while millennials literacy is another challenge to improve.
3. High sanction of offender expected to reduce their willingness to conduct fraud. Fintech fraud punishment in Indonesia is need to be evaluated continuously, and open opportunity for victim to make immediate report and response.

The social implication of this research are investment interest among millennial is happen to finance personal goals, declining on society purchasing power, or as an alternative income because people need to have more than one source of income to defeat future inflation.

Technology advancement to ease access are when financial technology used will make easier to access digital platform, and at the same time easier for offender to promote illegal investment product. So, the business regulator, supervisor, and player must be aware of the dynamic and fraud potential.

Law enforcement and legal sanctions where implementation on the law enforcement and legal sanction increase the fraud potential in between the police, court, and judiciary must be cooperate to reach a strong and fair sanction for the fraud offender.

In the future, this research respondents are in the same group and use the same questionnaire to make sure the model is robust enough. Research discussion and conclusion are elaborated in the final manuscript.

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