

Digital Gharar in Buy Now Pay Later (BNPL) and Consumer FinTech Services in Saudi Arabia: A Maqasid-Based Assessment Framework

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Abstract: *Consumer financial technology platforms can satisfy contractual requirements while presenting payment obligations through interfaces and automated decisions that complicate informed consent. Existing discussions of contractual uncertainty provide limited guidance for assessing these technologically mediated risks within Saudi Arabian deferred payment services. This paper develops an objectives-based framework for evaluating digital gharar in buy now pay later and consumer financial technology services. It uses conceptual theory synthesis and a critical reading of Islamic commercial jurisprudence, objectives of Islamic law, information asymmetry, consumer protection scholarship, and Saudi regulatory materials. No consumer sample or statistical analysis is employed. The analysis identifies four complementary dimensions: information transparency, behavioral fairness, algorithmic accountability, and Shariah compliance. These dimensions are elaborated through twenty conceptual indicators addressing disclosures, consumer autonomy, decision traceability, and alignment with the protection of wealth. The framework distinguishes digital uncertainty that merits further scrutiny from a definitive finding of legally prohibited gharar and specifies propositions for subsequent testing. Its contribution is an integrated assessment architecture connecting contractual analysis with the governance of digital interfaces and automated processes. The framework offers regulators and Shariah supervisory bodies a basis for platform reviews and future empirical validation.*

Keywords: Digital gharar; Buy now pay later; Consumer financial technology; Saudi Arabia; Maqasid al-Shariah; Shariah governance.

1. Introduction

Consumer lending increasingly reaches households through payment options embedded in electronic commerce. A consumer may accept a deferred-payment offer within a few screens, without separately visiting a lender or reading a conventional financing document. Such convenience can increase access while also placing important contractual information behind interface design choices. Scholarship on financial technology establishes that digital channels change how financial services are delivered, but technological efficiency alone does not establish that consumers understand the obligations they assume (Gomber et al., 2018). Consumer protection authorities have accordingly identified disclosure

problems, intensive collection of transaction data and the possibility of overextension in buy now pay later lending (Consumer Financial Protection Bureau, 2022).

These questions acquire a further normative dimension in Islamic finance. The prohibition of gharar concerns legally consequential uncertainty in exchange transactions, including uncertainty relating to contractual subject matter and performance; it does not mean that every commercial risk or instance of unfamiliar technology is prohibited (El-Gamal, 2006). In a digital environment, however, essential terms might be formally stated yet obscured by an interface, or the consumer might face a decision shaped by algorithmic personalization and poorly explained prompts. An adequate analytical approach therefore needs to distinguish contractual uncertainty from uncertainty generated or amplified by the channels through which contractual choices are presented.

Saudi Arabia offers a well-defined setting for this inquiry. The Saudi Central Bank's Rules for Regulating Buy-Now-Pay-Later Companies govern licensed providers and specify obligations concerning consumer disclosures, creditworthiness, advertising, confidentiality and contractual terms (Saudi Central Bank, 2023). The accompanying Financial Consumer Protection Principles and Rules require clear information and fair treatment across the customer relationship (Saudi Central Bank, 2022). These requirements establish a relevant regulatory baseline, but their existence does not settle the separate jurisprudential question of when technologically mediated opacity amounts to legally material gharar. Prior research on Islamic financial technology has discussed technological risk, financial inclusion and Shariah-compliant innovation. For example, Alsaghir (2025) distinguishes types of digital risk in Islamic finance and advocates risk-sensitive responses. Studies of algorithmic ethics have independently addressed explainability, responsibility and the consequences of automated decisions (Mittelstadt et al., 2016). The remaining analytical problem is how to translate these different concerns into a coherent assessment of technology-mediated uncertainty without assuming that all unfair design is itself gharar or that compliance with formal disclosures guarantees meaningful consent.

This paper asks: How can digital gharar be conceptualized and assessed in Saudi buy now pay later and consumer financial technology services through classical gharar principles, the objectives of Islamic law, information asymmetry and consumer protection? It develops the Digital Gharar Assessment Framework (DGAF) as a conceptual assessment architecture consisting of four dimensions and twenty indicators. Its contributions are to articulate the boundary between digital uncertainty and a legal conclusion of prohibited gharar, to explain how technology-mediated risks interact with the objectives of Islamic financial transactions, and to suggest traceable questions for Shariah governance and consumer protection assessment. The proposed model is theoretical; neither its indicators nor its proposed relationships have been empirically validated.

2. Theoretical Foundations and Critical Literature Synthesis

2.1 Classical gharar and the limits of contractual analysis

Gharar denotes uncertainty of a kind that can compromise the legitimacy or fairness of a transaction under Islamic commercial jurisprudence. Its legal relevance depends on such matters as the nature of the subject matter, clarity of essential obligations, deliverability, the extent of uncertainty and the transaction's purpose. Legal assessment therefore differentiates material uncertainty from ordinary commercial exposure; the mere presence of risk is not sufficient to determine impermissibility (Kamali, 2008). This distinction is crucial for emerging financial technology. A credit-scoring algorithm may be opaque to a consumer without making the purchase price, amount owed or timing

of performance legally uncertain. Conversely, a confusing digital display may prevent the consumer from appreciating an essential financial obligation although the lender's standard contract contains the term.

A contract-centred analysis remains indispensable but becomes incomplete when it ignores the steps through which a consumer encounters, interprets and accepts the contractual terms. The relevant unit of analysis is therefore not only the contractual document but also the consumer-facing transaction journey. A digital gharar assessment should examine whether the uncertainty affects an essential element of the transaction, whether it is material rather than incidental, and whether reasonable disclosure or governance can resolve it. These tests preserve the classical threshold instead of creating a new blanket prohibition against complicated technology.

2.2 Objectives of Islamic law as evaluative orientation

Maqasid al-Shariah provides an orientation towards the purposes of Islamic law, including justice and preservation of wealth. Auda (2008) argues for a multidimensional and purposive analysis that considers how legal means relate to their intended outcomes. For consumer finance, protection of wealth is not limited to ensuring that a contract contains formally valid clauses. It also encourages attention to whether a user can understand financial exposure, avoid preventable harm and exercise meaningful choice. The objectives-based approach must nevertheless complement rather than bypass the rules governing contracts. A harmful interface does not automatically invalidate the underlying transaction; nor does an apparent social benefit permit an otherwise prohibited financing structure. In DGAF, Maqasid informs what an evaluator should consider and why a given uncertainty matters. The legal classification of gharar remains a separate determination that requires identifying the specific uncertainty and considering its materiality under appropriate jurisprudential standards.

2.3 Information asymmetry and effective disclosure

Information asymmetry explains the consequences of unequal access to relevant transaction information. Akerlof (1970) demonstrates that imperfect information can undermine exchange outcomes when market participants cannot reliably judge relevant attributes. In digital consumer finance, the provider often knows more than the user about repayment logic, automated decisions, interface testing and data practices. The resulting imbalance is not identical to gharar, but it provides a mechanism through which uncertainty can emerge. Disclosure quality must therefore be assessed in context. A term may be technically available while effectively inaccessible because of timing, placement, language, competing visual prompts or ambiguous terminology. A consumer may see an instalment amount yet remain uncertain about cancellation procedures, late-payment consequences or how several obligations aggregate. The financial consumer protection principles developed by the Organisation for Economic Co-operation and Development address transparency, fair treatment and responsible conduct in a digitised environment (Organisation for Economic Co-operation and Development, 2022). The lesson for DGAF is that visibility, comprehensibility and the point at which information reaches the consumer are analytically distinct.

2.4 Consumer protection, behavioural design and autonomy

Digital interfaces structure choice. Defaults, urgency cues, payment-option ordering and frictionless confirmation steps can influence whether consumers deliberate before accepting credit. Evidence on the psychological determinants of buy now pay later use supports closer scrutiny of the behavioural influences accompanying payment decisions (Relja et al., 2024). Such mechanisms may sometimes

simplify a legitimate transaction; their existence alone should not be described as manipulation or a Shariah breach. The relevant question is whether platform design predictably conceals important obligations, steers consumers against their expressed interests or obstructs a considered choice. Consumer protection literature offers concrete criteria for this analysis: a clear account of relevant costs, accessible complaint processes, honest communications and proportionate treatment of vulnerable users. The World Bank (2017) treats responsible product design and disclosure as parts of effective protection rather than as interchangeable safeguards. DGAF accordingly assigns behavioural fairness a distinct role alongside transparency, while recognising that alleged psychological harm requires empirical corroboration rather than inference from interface features alone.

2.5 Algorithmic accountability and Shariah governance

Automated recommendations and credit assessments can determine which offers a user receives, the order in which they appear and whether financing is approved. Mittelstadt et al. (2016) identify opacity and responsibility as core ethical problems of algorithm-mediated decisions. These issues become relevant to digital gharar when automation makes the existence, consequences or contestability of financial obligations difficult to understand. By contrast, the technical inability to explain every internal model parameter is not necessarily equivalent to material contractual uncertainty. Responsible governance requires answerability at the level needed by consumers, auditors and supervisors. Floridi et al. (2018) emphasise explainability, justice and accountability within the governance of artificial intelligence. Contemporary work in Islamic finance has also begun to connect Shariah governance to the development and operational lifecycle of automated systems (Zafar & Ali, 2026). This literature establishes that DGAF is not the first attempt to relate digital risks and Islamic ethics. Its narrower contribution is to organise four sources of uncertainty around the jurisprudential question of gharar in consumer financing interfaces.

2.6 Integrated analytical gap

The four bodies of theory contribute different elements: Islamic jurisprudence supplies the threshold of material contractual uncertainty; Maqasid clarifies the protective purpose; information asymmetry explains unequal knowledge; and consumer protection and algorithmic governance identify operational mechanisms that shape user understanding. None can substitute for the others. Treating all digital inconvenience as gharar would overextend the concept, while treating signed electronic terms as sufficient would overlook how they were actually presented. DGAF addresses this tension through an integrated set of questions rather than an asserted universal metric. Table I. Theoretical contributions to the Digital Gharar Assessment Framework

Theoretical lens	Primary analytical question	Framework relevance
Classical gharar	Is uncertainty material to an essential transaction obligation?	Legal boundary and classification
Maqasid al-Shariah	What protected interests and justice considerations are affected?	Normative purpose and protection of wealth
Information asymmetry	What does the provider know that the consumer cannot reasonably know?	Disclosure, access and comprehension

Theoretical lens	Primary analytical question	Framework relevance
Consumer and algorithmic governance	How do interface and automated processes influence or obscure a decision?	Choice architecture, auditability and redress

3. Conceptual Research Methodology

3.1 Research design and material

The study adopts a conceptual, theory-synthesis design. It does not report a survey, interviews, platform experiment, statistical estimates or systematic review. Instead, it connects the constructs contained in the manuscript's core jurisprudential, financial technology, consumer protection and algorithmic governance literature with publicly available Saudi regulatory rules. Jaakkola (2020) identifies theory synthesis and model development as legitimate approaches to conceptual scholarship provided the analytical role of each theoretical input is explicit. Accordingly, the paper presents its reasoning as a structured argument and does not claim that source searching, article screening or independent coders were used when no such research record is available.

The material comprises foundational scholarship on gharar and Maqasid, work on information asymmetry, published conceptual and analytical research on financial technology and algorithmic governance, international consumer protection guidance, and the Saudi Central Bank's published consumer protection and deferred-payment regulations. Sources are used because they supply concepts, governance requirements or contextual constraints that bear directly on the framework. This purposive synthesis is not a census of literature; it cannot support quantitative claims about the prevalence of research gaps or the frequency of particular platform practices.

3.2 Analytical procedure

Three linked steps structure the framework. First, concept specification distinguishes legally relevant uncertainty from adjacent concerns such as general cybersecurity risk, low financial literacy or algorithmic complexity. It identifies the transaction-level questions: what essential information may be unknown, to whom, and with what potential legal or welfare consequence? Second, theoretical integration maps candidate mechanisms to normative principles, grouping related concerns under transparency, behaviour, accountability and Shariah compliance. Third, framework construction translates these groupings into observable assessment prompts that can guide subsequent document reviews, platform walk-throughs, interviews and audit protocols. The dimension selection follows a logic of non-substitutability. Transparency examines what consumers can know; behavioural fairness considers how choice is shaped; algorithmic accountability examines the traceability and contestability of digital decisions; and Shariah compliance determines whether identified issues matter within the underlying legal and ethical framework. Each dimension contributes a different perspective, although a single practice may implicate several dimensions. The indicator labels and definitions are presented in Section 4, allowing readers to trace the conceptual basis of the model and identify potential overlap.

3.3 Table II. Conceptual framework construction sequence

Stage	Analytical operation	Output
Concept specification	Distinguish material transaction uncertainty from adjacent digital risks	Digital gharar definition and assessment boundary
Theory integration	Map jurisprudence, objectives, information asymmetry and consumer protection	Four conceptually distinct assessment dimensions
Framework construction	Translate mechanisms into diagnostic questions and propositions	Twenty indicators and five untested propositions

3.3 Scope, interpretation and limits

The model's direct setting is Saudi buy now pay later and closely related consumer financial technology services involving deferred payment or digital financing. Other consumer technologies may raise similar issues, but their legal and operational characteristics must be assessed separately. The Saudi Central Bank's rules provide a contextual benchmark, not evidence that any named provider complies or breaches them. No individual platform was audited, no consumer decision was observed and no authoritative Shariah ruling on a specific financial product is issued in this paper. These limits define what the analytical findings can support.

4. Digital Gharar Assessment Framework**4.1 Conceptual definition and unit of analysis**

For this study, digital gharar refers to potentially material uncertainty concerning a digitally mediated financial transaction when platform disclosures, interface design or automated decisions impair the consumer's reasonable understanding of essential terms, obligations or performance. It is an analytical extension of gharar assessment to the digital transaction journey, not a new autonomous prohibition. The definition deliberately distinguishes a suspected source of uncertainty from the legal judgment that the degree of uncertainty is prohibited. Such a judgment depends on the relevant contractual facts and qualified jurisprudential assessment. The unit of assessment is a specific consumer transaction journey: the offer as displayed, disclosures available before agreement, decision rules affecting access and the records through which terms and grievances can be reviewed. A provider-level policy may supply supporting evidence, but governance statements alone do not show what an individual consumer actually encounters. The framework therefore examines the interaction of written contracts, user interfaces and the operating processes behind them.

4.2 Four assessment dimensions and twenty indicators

Information Transparency asks whether a reasonable consumer can recognise and understand the financing commitment before accepting it. Its five indicators are clarity of financial terms (IT1), visibility of fees and charges (IT2), accessibility of contractual information (IT3), comprehensibility of disclosures (IT4) and transparency of repayment or other obligations (IT5). Relevant assessment evidence may include pre-acceptance screens, repayment schedules, product terms, cancellation instructions and comprehension testing. For the Saudi setting, the financing contract requirements in Article 26 offer a concrete point of comparison (Saudi Central Bank, 2023). Behavioral Fairness asks

whether the platform preserves a meaningful opportunity to choose. Its indicators are absence of manipulative design (BF1), responsible use of behavioural prompts (BF2), consumer decision autonomy (BF3), safeguards against impulsive borrowing (BF4) and fair presentation of financing alternatives (BF5). Evaluation should consider the cumulative effect of choices, not individual screen features out of context. For instance, a brief confirmation flow may be appropriate for a straightforward repayment schedule, whereas repeated urgency prompts alongside hard-to-find obligations merit scrutiny. These are proposed diagnostic examples rather than findings about actual Saudi applications.

Algorithmic Accountability asks whether decisions affecting the financing journey can be explained, checked and contested at an appropriate level. Its indicators are explainability of automated decisions (AA1), transparency of recommendation systems (AA2), intelligibility of data governance (AA3), auditability of decision processes (AA4) and access to consumer review or appeal (AA5). The focus is not source-code disclosure to every customer. Instead, reviewers should ask whether material outcomes can be reconstructed, whether reasons can be communicated and whether a consumer can challenge a potentially incorrect decision. This specification acknowledges that algorithmic fairness cannot be reduced to a single technical measure detached from legal and institutional context (Wachter et al., 2021).

Shariah Compliance evaluates how the transaction and its digital operation relate to Islamic legal requirements and Maqasid. Its five indicators are avoidance of excessive uncertainty (SC1), protection of wealth (SC2), promotion of justice and fairness (SC3), consistency with consumer protection (SC4) and alignment with Maqasid al-Shariah (SC5). Assessment requires identifying the applicable financing structure, the particular uncertainty alleged, its materiality and any remedial possibilities. A favourable score on interface transparency must not override a substantive contractual violation; conversely, opaque technology does not establish a violation without considering its connection to essential legal obligations. This dimension interprets the other three rather than simply adding a fourth independent consumer satisfaction score.

Table III. Digital Gharar Assessment Framework dimensions and conceptual indicators

Dimension	Indicators	Suggested evidence
Information Transparency	IT1 Terms; IT2 Fees; IT3 Contract access; IT4 Disclosure comprehension; IT5 Obligations	Screens, agreements, schedules
Behavioral Fairness	BF1 Manipulation; BF2 Prompts; BF3 Autonomy; BF4 Impulse safeguards; BF5 Choice presentation	Choice-flow records and user testing
Algorithmic Accountability	AA1 Explanations; AA2 Recommendations; AA3 Data governance; AA4 Audit trail; AA5 Appeal	Decision records and review procedures
Shariah Compliance	SC1 Excessive uncertainty; SC2 Wealth; SC3 Justice; SC4 Consumer protection; SC5 Maqasid	Contractual and qualified Shariah assessment

4.3 Framework relations and assessment sequence

The dimensions are interdependent but not interchangeable. Inadequate disclosure can amplify the influence of behavioural prompts, and unexplained automated decisions may compound a consumer's inability to identify available options. Shariah analysis examines whether these conditions create material uncertainty or other identifiable legal and ethical concerns. The conceptual path is displayed in Figure 1. It is a diagnostic sequence, not a statistically estimated causal model and not a scale whose thresholds have been calibrated.

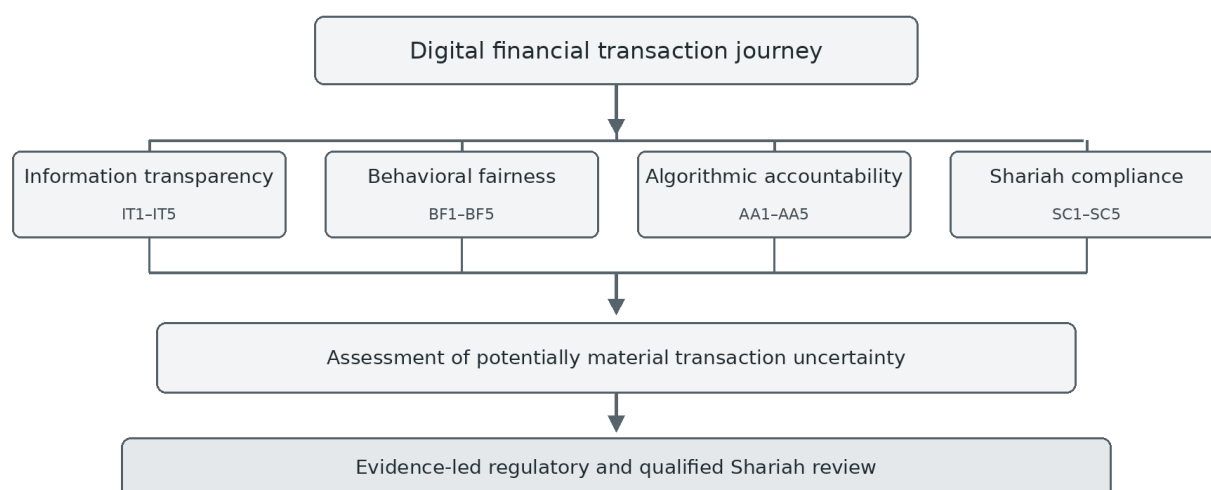


Figure 1. Conceptual assessment pathway: four diagnostic dimensions inform evidence-led analysis, not a validated numerical score.

A future audit could apply DGAF in five steps. The assessor would first identify the actual contract and payment journey; second, document the evidence available for each indicator; third, distinguish observed opacity from demonstrated misunderstanding; fourth, determine whether the identified uncertainty concerns an essential transaction element and is material; and fifth, record necessary corrective actions and unresolved questions for competent supervisory or Shariah review. At each step, documentary evidence and the assessor's interpretation should be retained separately. This sequence discourages an unsupported move from a weak user interface directly to a verdict of prohibited gharar. The framework does not assign numerical weights or define low, moderate and high gharar categories. Those decisions would require justification of item definitions, measurement properties, decision thresholds and the legal implications of aggregation. Until such work is completed, DGAF is best treated as a structured diagnostic guide rather than a validated risk index.

4.4 Research propositions

Five propositions make the argument open to subsequent empirical assessment. Proposition 1: lower effective transparency of essential obligations is associated with greater consumer uncertainty about financing commitments. Proposition 2: design practices that impair autonomous deliberation are associated with reduced comprehension of repayment decisions. Proposition 3: lower accountability of automated decisions is associated with greater difficulty in explaining or contesting materially relevant outcomes. Proposition 4: stronger substantively implemented Shariah governance is associated with improved identification and remediation of material uncertainty. Proposition 5: the combined four-dimensional assessment identifies transaction-level concerns that a document-only

contractual review may miss. These propositions are theoretically derived and do not report tested relationships.

5. Discussion and Implications

5.1 Implications for gharar theory

The central argument is that the medium of contracting can affect what parties reasonably know about the transaction. A digital interface may contain contractual text without presenting it at the point of decision in an intelligible manner. This observation does not replace classical gharar analysis; it refines the evidence that should be considered when applying it. The framework contributes an interface-aware perspective while keeping the legal question of material uncertainty explicit. The differentiation matters because uncertainty about a recommendation algorithm and uncertainty about the amount actually owed may be ethically connected but legally distinct. The argument also qualifies novelty claims. Existing Islamic financial technology scholarship already connects technological risks with gharar and the purposes of Islamic law (Alsaghir, 2025). What DGAF adds is a transaction-focused organisation of informational, behavioural, algorithmic and Shariah-governance questions into one assessment procedure. Its value should therefore be judged by conceptual clarity, evaluative usefulness and subsequent testing rather than by asserting priority over all previous scholarship.

5.2 Maqasid, autonomy and consumer welfare

A Maqasid perspective asks whether governance practices protect interests that the legal rules are meant to serve. Protection of wealth is particularly relevant when repeated small instalments obscure aggregate obligations or when the consequences of default are not presented intelligibly. Fair treatment further calls for attention to user choice and the accessibility of complaint and redress procedures. Yet neither consumer satisfaction nor welfare alone decides Shariah validity. The framework's value lies in bringing outcome-oriented scrutiny into dialogue with transaction-specific jurisprudence. The four dimensions support a useful distinction between preventable informational harm and unavoidable uncertainty. Risk inherent in an otherwise legitimate sale cannot necessarily be eliminated. By contrast, unclear repayment dates, contradictory platform messaging, hidden cancellation procedures and inadequate records are operational problems that governance can address. Directing attention to remediable practices avoids portraying technology itself as suspect.

5.3 Saudi regulatory relevance

The Saudi framework creates particularly concrete opportunities for assessing DGAF's operational relevance. Article 19 of the Rules for Regulating Buy-Now-Pay-Later Companies addresses creditworthiness procedures and pre-dealing acknowledgments; Article 23 restricts misleading or excessively persuasive advertising; and Articles 25 and 26 address disclosures and comprehensible financing contracts (Saudi Central Bank, 2023). The model's transparency and behavioural dimensions can therefore be mapped to existing regulatory expectations without suggesting that the regulator has adopted DGAF or its terminology. The Financial Consumer Protection Principles and Rules also establish expectations of fair treatment and clarity, including material financial risks and customer rights (Saudi Central Bank, 2022). Their practical relevance is that evaluators can differentiate clear regulatory compliance questions from questions requiring additional Shariah interpretation. A misleading digital interface may warrant supervisory attention independently of

whether jurists conclude that it constitutes excessive gharar. Conversely, a technical compliance review may not exhaust the ethical analysis of the full consumer journey.

For platform operators, DGAF provides a way to organise product-review discussions across legal, design, risk and Shariah functions. The informational indicators can guide examination of contract screens; behavioural indicators can prompt review of default choices and advertising; algorithmic indicators can assist in documenting decision explanations and appeal processes; and the Shariah indicators can direct qualified review of material uncertainty. These are potential applications, not demonstrated improvements in consumer outcomes or regulatory compliance.

5.4 Implications for research and governance

Methodologically, the framework illustrates how a classical legal category can be examined through contemporary operational mechanisms while preserving boundaries between the category and related ethical concerns. It also provides a testable agenda. Expert panels could first assess content validity and the distinction between indicators. Consumer studies could then examine whether observed design features change comprehension or choices, while independent platform audits could assess the feasibility of obtaining the necessary evidence. Comparative analysis could establish whether the four dimensions generalise beyond Saudi deferred-payment services. Governance implications must be applied proportionately. A simple transparent service and a complex adaptive platform should not be presumed to create equal uncertainties. Nor should every model detail be required for consumer explanation if the decision can be meaningfully justified in terms of relevant factors and contestation rights. In this respect, DGAF provides a discipline for asking precise questions rather than a predetermined condemnation of digital financing technologies.

6. Conclusion, Limitations and Future Research

This paper develops a Maqasid-oriented framework for identifying possible digital gharar in buy now pay later and consumer financial technology services in Saudi Arabia. The synthesis establishes four related assessment dimensions information transparency, behavioural fairness, algorithmic accountability and Shariah compliance expressed through twenty conceptual indicators. The framework connects the assessment of contractual uncertainty to the interfaces and operating processes through which consumers encounter financial obligations, while preserving the distinction between possible material uncertainty and a conclusive jurisprudential ruling. The study is limited by its conceptual design. It neither reviews a representative sample of platforms nor reports interviews, consumer outcomes or statistical validation. The selection of theoretical and regulatory materials is purposive, and the indicators have not been tested for reliability, discriminant validity or predictive usefulness. It follows that DGAF cannot presently establish the prevalence of digital gharar, rank individual providers or assign calibrated severity categories. Future work should subject the framework to expert and Shariah-scholar assessment, transaction-level interface audits, consumer comprehension experiments and cross-jurisdictional comparisons. Such evaluation would show where the proposed questions aid lawful, understandable and accountable consumer finance and where the framework requires refinement.

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