

A Study on the Current Situation and Risk Prevention and Control of Internet Consumer Credit for University Students

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Abstract: In recent years, Internet consumer credit has been developing and Internet consumer credit products have been innovated, and university students have become the mainstream consumer group of Internet consumer credit. This paper adopts a questionnaire survey to investigate and analyze the consumption concepts, consumption habits and consumption patterns of college students, to further understand the current situation of college students' Internet consumer credit, and to identify risks and put forward countermeasures and suggestions for risk prevention and control from three levels: the state, Internet consumer credit platforms and college students.

Keywords: Internet Consumer Credit; Platforms; University Students

1. Survey and Analysis of the Current Situation of Internet Consumer Credit for College Students

1.1 Distribution and collection of questionnaires

The thesis is based on the study of the current situation and risk prevention and control of Internet consumer credit among university students.

1.2 Basic information about the university students surveyed

The questionnaire was set up with control variables such as gender, year and major, and the survey population was composed of different groups of university students in Beijing universities, so it is representative and scientific to a certain extent.

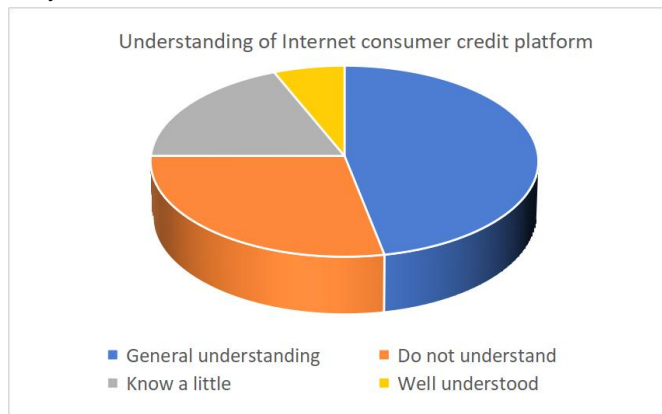
Among them, the ratio of male to female university students surveyed is about 1:2; the ratio of freshmen, sophomores and juniors is 3.13%, 18.75% and 78.13%; the majors are mainly concentrated in economics, management and engineering.

1.3 The current situation of Internet consumer credit for university students

1.3.1 College students' perception of Internet consumer credit platforms

The survey results show that the largest number of university students, 46.88%, know the operation and operation process of the Internet consumer credit platform to an average extent; the next highest proportion, 28.13%, know nothing at all about the Internet consumer credit platform; the third highest proportion, 18.75%, know a little about the Internet consumer credit platform; and the lowest proportion, 6.24%, know a lot about the Internet consumer credit platform. The proportion of university students who know a little about Internet consumer credit platforms is 18.75%, ranking third, while those who know a lot about Internet consumer credit

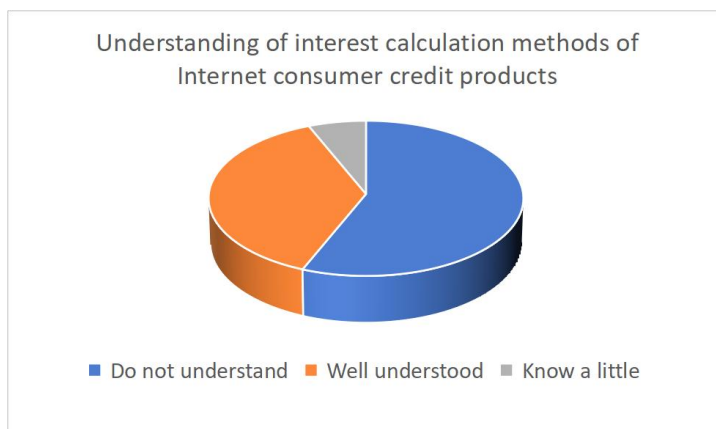
platforms are the least, at 6.24%. The fact that over 70% of university students have heard about consumer credit on the Internet shows that the media and advertisers have been very effective in promoting consumer credit, and that information on various consumer credit platforms is within reach of university students.



The highest percentage of university students chose "Antshower", 31.26%, followed by "Jingdong Baibao", 25%, and "Others", 12.5%. The percentage of university students who chose "Jingdong Baijiao" followed closely behind at 25%, while 12.5% chose "Other", ranking third. It is one of the most popular and well-known products in China, as it is often available on shopping platforms such as Taobao, Tmall, Idlefish, and Takeaway. It makes sense that the Jingdong Shopping App, a giant shopping app in China, would have such a high usage rate for its affiliate, Jingdong White Stripe. Surprisingly, the other more popular options such as Fun Installment, Instalment, You Installment, Vipshop, and Suning RenShiPaid are not the most commonly used options by university students and are far less popular than the "other" options.

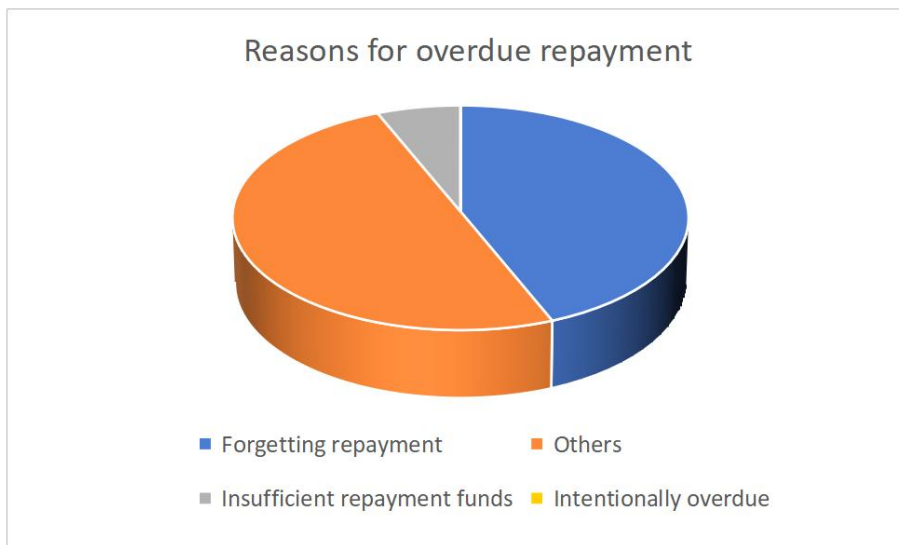
1.3.2 Late repayment of consumer credit by university students and its causes

Internet consumer credit is simple and easy to use, for example, the most widely used one, Antshower, only requires the same Alipay account to be tied up and logged in. It is the hidden costs behind the process, such as fees and interest charges, that are the risk of students not being able to repay the loan on time. Therefore, it is important to investigate whether university students understand how interest is calculated on internet consumer credit platforms. The highest percentage of students who answered this question, 56.25%, chose "don't know", followed by 37.5% who "know a little" and only 6.5% who "know a lot". The proportion of students who "know a little" is 37.5%, while the proportion of students who "know a lot" is only 6.25%. This shows that the majority of university students do not know enough about the specific operation process of the Internet consumer credit platform. Popularising the knowledge of university students in this area can effectively reduce the occurrence of risks when using consumer credit.



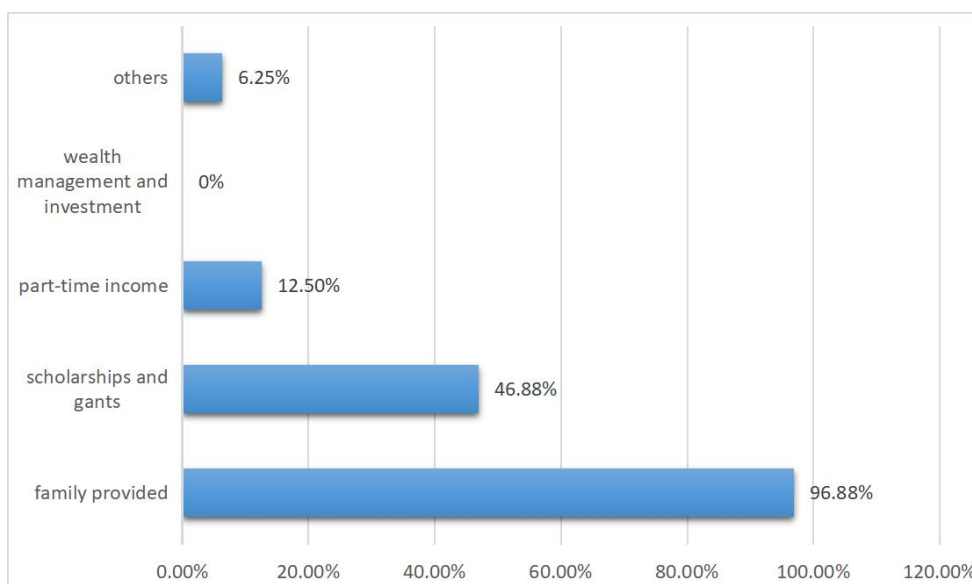
The percentage of students who had "never overdue" was 62.5%, while the percentage of students who had "occasionally overdue" was 12.5%. The percentage of students who chose "forgot to pay" was 43.76%, while only 6.26% chose "insufficient funds to pay" for "reasons for overdue repayment". "This shows that nearly half of the students overstayed their loans because they forgot to

check the platform to remind them of their repayments, so the platform should use various methods to remind the users of their repayments, and the students themselves should remember the repayment time to avoid affecting their credit.



1.3.3 The most attractive terms of consumer credit for university students

There are many advantages of consumer credit that appeal to university students. The majority of survey respondents found the most attractive advantage of consumer credit to be the ability to temporarily meet their spending needs, and the ability to split a sum of money into multiple payments, which is convenient for university students who do not have as much cash at the moment. Some 21% of students found it more attractive to use instalments to reduce the pressure of repayments, as university students mainly live on family money and with an almost fixed monthly income, paying in instalments reduces the pressure of living with a lump sum. 6.25% of students felt that consumer credit platforms are now more mature and can effectively guarantee the rights of consumers. 3.13% of students felt that using Consumer credit platforms such as Antshower, Jingdong White Strip and Fun Installment have introduced consumer-friendly credit processes that simplify the cumbersome credit steps.



2. Existing risks of Internet consumer credit for university students

2.1 Risks arising from the unregulated operation of Internet consumer credit platforms

2.1.1 Uncritical customer credit evaluation and high cost of bad debt recovery

For consumer credit platforms, they are exposed to significant credit risk. Many platforms rely on professional evaluation agencies, based on sophisticated big data technology, to analyse customers' online consumption data and count historical consumption records to classify credit levels and thus judge customers' credit limits. However, the data is usually sourced from and limited to the internet, and the offline consumption data of customers has become a scarce resource for major platforms, which results in their all-round assessment and judgment of customers. This is especially true for university students, who have no independent repayment ability. If platforms lack adequate pre-credit review work, defaults will continue to breed and the resulting bad debts will proliferate, exacerbating the platform's cost of capital and easily putting them in a whirlpool of liquidity.

2.1.2 Inadequate borrowing mechanism

Many credit platforms have simple vetting mechanisms, quick loan issuance, no security and no collateral, and unimpeded online shopping with just a click of the mobile phone, all of which have attracted numerous university students to overspend and borrow irrationally, giving them the illusion that "money comes easily". The growing desire to borrow money and the desire to get lucky may lead to a "snowballing" borrowing crisis.

2.2 Risks associated with the use of Internet consumer credit by university students

2.2.1 Information security risks

Nowadays, Internet technology has developed by leaps and bounds, the network environment is complex and volatile, the legal system of online lending in China is still not sound, and there is a vacuum in the regulation of the online lending market, the authenticity of which has to be carefully examined.^[2] The authenticity of the online loan market needs to be carefully examined. As there are many credit platforms and university students lack a certain degree of judgement, when they consume credit, university students will publish their basic information, the use of funds, credit status, etc. on the platform, so the platform has the relevant information of the customer, and the platform will monitor and reduce their credit risk after consumption, which makes the personal information of university students transparent within the platform. Even if the platform takes care to protect the personal information of university students, there may be a problem of some unscrupulous elements using technical loopholes to steal personal information, which eventually leads to the problem of information security for university students.^[3] The problem is that some unscrupulous individuals may take advantage of technical loopholes to steal personal information, ultimately exposing students to information security issues.

3. Suggestions for countermeasures to prevent and control the risks of Internet consumer credit for college students

3.1 Sound laws and regulations to protect the online rights and interests of Internet consumers

The problem of information asymmetry still exists in online transactions, where the operator is in an advantageous position compared to the consumer and the consumer is often unaware of certain information. The government should introduce relevant laws and regulations to prevent platforms from taking advantage of the information gap and relaxing the application and review of loans for university students for the platform's own benefit, so that the platform discloses the necessary information, such as the identity of the platform operator, information on consumer credit products or services, and transaction information, to prevent excessive provision of credit consumer products to consumers.

3.2 University students spend wisely, identify and prevent risks

3.2.1 School-family linkage to help students develop the right outlook on spending

In recent years, many university students have fallen into the trap of Internet consumer credit and have been defrauded of amounts ranging from a few hundred dollars to tens of thousands of dollars. Although major institutions have been promoting and disseminating relevant knowledge and information, many university students have still been defrauded. Therefore, schools should step up their efforts to promote and educate themselves on relevant Internet consumer credit. Secondly, schools should carry out guidance on Internet consumer credit to help university students use Internet consumer credit products correctly. Finally, schools should broaden the channels of help for students in difficulty and provide necessary help and support for college students who have difficulties in life.

3.2.2 Rational and moderate consumption by university students

University students have just finished their high school career and are entering society, and the temptation to start out in society is inevitable. So university students must consider their own spending power and spend in moderation. For monthly money sources, you can make a more complete plan for your spending and plan where you should spend your money. Secondly, university students must not compare themselves to each other and spend rationally. Spend according to your own needs and do not be influenced by the spending behaviour of others. The most important thing is that you should not be influenced by the spending behaviour of others.

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