THE EFFECT OF FINANCIAL INCLUSION AND BANKING BEHAVIOR ON HOUSEHOLD DEBT BEHAVIOR

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Abstract

This study aims to examine the effect of financial inclusion from the dimensions of access, user, quality, wealth on bank behavior and debt behavior and the indirect influence of each dimension of financial inclusion on bank behavior and household debt behavior. With population areas and samples in the city of Pekanbaru, Riau, Indonesia. The research focused on the demand side in banking services, namely consumer credit services to households. Using a purposive sampling method with a total sample of 303 household units in the city of Pekanbaru. The analysis tool used in the study was SEM-WarpPLS version 6. From this study the authors found that access, user, quality, wealth had a positive effect on the behavior of household debt, then the authors found that access, user, quality had a positive effect on bank behavior, then found that access, user, quality, wealth had an indirect positive effect towards debt behavior through mediating bank behavior. It was concluded from this study that the behavior of banks as mediating variables can reduce the direct influence of financial inclusion on the behavior of household debt.

Keywords: *Banking Behavior, Debt Behavior, Financial Inclusion*

INTRODUCTION

The importance of conducting a study of financial inclusion, because financial inclusion has become a program applied by national and international financial institutions, talks about special financial inclusion in Riau or Indonesia generally began to fade in recent years and as if there were no problems with financial inclusion, while the existence of financial inclusion is directed as a correction of exclusive financial services that only benefit a handful of people in banking services. While on the other hand the behavior of banks has a role in carrying out financial inclusion itself, because bank behavior is a picture of their treatment to their customers, ranging from thin customers to fat customers, this is related to the positive or negative expectations of banks towards customers and the estimated risks that arise from customers. It means that if banking expectations are positive towards customers, it is assumed that the customer's business with banks can run easily while the contra conditions will occur if the banking expectations become negative.

Problems related to financial inclusion and bank behavior continue to occur until now, especially those related to consumer credit services known as household debt. Study Brown,et al (2005), Johnson and Li (2007) explained that the purpose of financial inclusion is for formal or non-formal financial institutions to provide facilities and services to be enjoyed by households, such as convenience

in procedures, requirements, competitive interest rates, fast loan disbursement process, providing debt facilities, expanding marketing networks by opening branch offices in certain areas, expand the reach of community services with ATM networks, internet banking applications, and so on. While Gamari (2011), Hannig and Stefan (2010), Cámara and Tuesta (2014) explained that financial inclusion is a comprehensive activity that aims to eliminate all obstacles to people's access to financial services by supporting their infrastructure. In theory, the concepts and programs that will be implemented will be very easy for financial institutions to implement. But in practice financial inclusion has not been able to work as expected by many people (Maryatmo, 2009) there are some obstacles to loan access services such as; procedures and requirements, high interest rates, frequency of payments, repayment period, collateral, loan amount that is not in accordance with the request. Study Budianto (2013) also supports that services and access to credit felt by households still find it difficult in terms of banking administration rules. Then the results of the survey BPS and the Ministry of Cooperatives, Small and Medium Enterprises (2013) that access to credit services is still difficult including; procedures for applying for credit, collateral, high interest rates, or rejecting proposals. For the problems shown, the researchers felt that it was necessary to analyze bank behavior and financial inclusion in a research study covering access, user, quality, wealth, then a study of financial inclusion with bank behavior is still a bit underway. On the other hand, bank behavior is rarely discussed in the general forum, as if bank behavior only applies to the bank itself in the event that the community or household has the right to know and understand banking treatment in every service they provide to the community.

Finally it can be questioned "whether financial inclusion in terms of access, user, quality, and wealth can be enjoyed by households as outlined in financial inclusion, especially in consumer credit services". "Can the maximum financial inclusion run while on the other hand banks hold firm to the principle of prudence and do not want bad credit for households to contribute high or exceed the specified threshold". Novelty that is expected from this research is the formation of a model that illustrates the influence of financial inclusion from four dimensions, namely access, user, quality and wealth to bank behavior and household debt behavior, and the influence of bank behavior on household debt behavior. In the next discussion this study was divided into several stages of discussion namely; 1) introduction, 2) review of literature and hypotheses, 3) research methods, 4) results of research 5) discussion, 6) conclusions, limitations, future research suggestions, 7) references.

LITERATURE REVIEW AND HYPOTHESES

Financial Inclusion

The World Bank states that there are four types of financial services that are considered crucial for people's lives, namely; fund storage services, credit services, payment system

services, and insurance including pension funds, The World Bank also states that the dimensions or indicators of financial inclusion can be used as a measure of financial inclusion, namely ; access, user, quality, wealth (Bank Indonesia, 2014). Furthermore, financial inclusion must be viewed from two sides, namely the supply side and demand side (Bank Indonesia, 2015). *The supply side is an effort to embrace all levels of society to use and utilize savings products, access to use of services and other banking services.* While the demand side is an effort to embrace the community to use and utilize access, the use of credit services channeled by banks. Especially in access to bank credit there are two main parts, namely ; 1) financing for the investment sector to micro-businesses, small businesses, medium-sized businesses and large businesses aimed at increasing the use of money or the value of goods, 2) financing for the consumptive sector which aims to improve the quality of life and stability of consumption of the community and households. These two elements are closely related to access, user, quality, and wealth from the services of financial institutions to the household sector with explanations namely.

Dimensi Acces

Study Jacobsen (2004), Tomaszewic (2014) explained that access is related to the provision of facilities and infrastructure in the form of physical buildings and the number of office networks of financial institutions and their supporting devices in certain regions. Whereas according to Mutezo (2014) access that can be enjoyed by households also comes

from banking expansion and administrative facilities provided for consumptive lending. By providing convenience to households to access loans from banking services, can be seen from the distribution of bank offices, administrative ease in services and loan requirements, the volume of credit provided, provide opportunities for households to enjoy consumer credit schemes from increasingly broad financial institutions so that smooth consumption will be guaranteed, based on this statement a hypothesis can be built:

H_{1a}: *Access has a positive effect on the behavior of household debt.*

Dimensi User

Study Smith, et al (2008) Maryatmoand Nyoman (2009) explain that the user is measuring the ability to use actual products and financial services, including regularity, frequency, duration of use by households, this real condition can be seen in the number of household accounts that exist in either financial or savings financial institutions (consumptif), the number of debit cards, the number of credit cards issued by financial institutions, if there is an increasing trend, it is assumed that the use of banking services by households is increasingly widespread. Consumptive credit plays an important role in encouraging differences in consumption between households at various levels of debt (Smith, et al, 2008) so that what is done by banks and non-banks is to expand the expansion of products, services and credit volumes, such as consumer credit and or increase the volume of sales of goods credit in the community (Bank Indonesia,

2014; Setiawan, 2015) with maximum profit goals.Supported by the use of technology and information on formal or non-formal financial institutions introducing their products to the community through visual media, print media, radio media, internet media and others, with the aim of stimulating household behavior to own a product through debt (Young and Mercado, 2015) so that the expansion of access from financial institutions and increasing users by households in the consumer loan sector contributes to the increase in household debt, based on this statement a hypothesis can be built :

H_{1b}: Users have a positive effect on the behavior of household debt

Dimensi Quality

Bank Indonesia (2014) explained that the quality dimension can be seen from the impact of access services and the users of the financial products and services used have met the needs and desires of the household, in other words, the consumer credit provision service in the household sector is expected to be able to improve the fulfillment of basic needs, education, health and others. Next study Reiakvam and Solheim (2013) explained that consumptive credit from banks could be allocated by households to buy food and non-food needs so as to make household consumption stable. Next study Smith, et al (2008) explained that loans in the household sector can improve the quality of life from the utilization of utilities of goods and services consumed by households maximally, the expectation of increasing the quality of life

of households with the debt from bank and non-bank financial institutions, provides a great opportunity for households to utilize the consumer credit services from these financial institutions, based on this statement a hypothesis can be built:

H_{1c}: Quality has a positive effect on the behavior of household debt

Dimensi Wealth

Study Johnson and Li (2007), Argawal (2013), Mutezo (2014) found that debts from financial institutions contribute to improving lifestyles, encouraging household life to progress and prosperity desired by households. It can be assumed that the existence of debt in household consumption has a positive contribution, namely bringing the needs closer to the goods and services needed to satisfy their desires. Study Baker (2014) also explained that it is difficult for someone to avoid debt that has an obsession with modern life, a life that is always in the shadow of grandeur and high social pressure, besides that debt facilities provided by financial institutions can be alternative income and are used as financial resources that must be utilized in household life. Next study Reiakvam and Solheim (2013) explained that households can see the risks that arise from debt actions, but for the lifestyle and style of life of modern households, these risks can be ignored or compressed into desires that must be manifested in household life, based on this statement a hypothesis can be built:

H_{1d}: Wealth has a positive effect on the behavior of household debt

Bank Behavior

The hope of households for wider access to credit from banks as a manifestation of financial inclusion is that there are still obstacles from the external side, namelybinding rules from the central bank or laws relating to national banking and internal banking policies, namely principles: 1) Know Your Customer i.e. actions taken to recognize customers that correlate with analysis 5 C; Character, Capacity, Capital, Collateral, Condition of economic. Analysis 5P; Personality, Purpose, Payment, Prospect, Protection andanalysis 3R ; Return, Repayment, Risk Bearing Ability. 2) Prudential Banking, is the precautionary principle carried out by banks to its debtors such as ;Legal Aspects, Market Aspects and Marketing, Financial Aspects, Operational / Technical Aspects, Management Aspects, Economic / Social Aspects, Environmental Impact Aspects. 3) Risk Aversion, because the bank's business is a conservative business. The tendency to be conservative, the bank is careful in carrying out its business. So that risk aversion is classified as a risk or burden borne by the household in the form of the interest rate paid.

Banks in providing credit are of course based on adequate analysis, so that loans provided by banks are not easy to become bad credit (Bank Indonesia, 2015). The actions taken by banks face two consequences, namely ; 1) activities to embrace all levels of society in accessing savings and loans as a manifestation of financial inclusion, 2) implement the bank's internal rules and policies themselves, namely recognizing customers with the precautionary principle to minimize the risks arising from the effects of

financial inclusion. It is clear that banks carry out two policies at once which can complement or contradict each other.Study Jacobsen (2004) explain that the availability of facilities and infrastructure, equipment and equipment owned by financial institutions can affect the concern, alignments and behavior of banks, so that it can facilitate access to households to use consumptive loan facilities from banks, based on this statement a hypothesis can be built :

H_{2a}: *Access has a positive effect on bank behavior*

Next study Reiakvam and Solheim (2013), Tomaszewic (2014) and Mutezo (2014) explained that the ease of administrative requirements, service expansion and competitive interest rates could increase the volume of consumer loans, explained that the ease of administrative requirements, service expansion and competitive interest rates could increase the volume of consumer loans. Openness of services, the running of external and internal rules in the banking world is an opportunity that can be used by households that use these services, based on this statement a hypothesis can be built:

H_{2b}: *Users have a positive effect on bank behavior*

Next Bank Indonesia (2014), Mutezo (2014) asserted that financial inclusion is aimed at efforts to embrace all levels of society to be able to enjoy banking services both deposit services and loan services, alleviate poverty in society so that people can enjoy a quality and just life. This means that access and user facilities used by households can directly and indirectly improve the quality

of household life, based on this statement a hypothesis can be built:

H_{2c} : *Quality has a positive effect on bank behavior*

Study Reiakvam and Solheim (2013), Tomaszewic (2014), Young and Mercado (2015) also strengthen that financial inclusion is aimed at making changes in people's lives towards a better direction than before the inclusion of banking programs, it means that the expansion of consumptive credit from banks can change the situation and pattern of household consumption towards maximum utility, the problem is how banks can run the financial inclusion program as desired by all parties, based on this statement a hypothesis can be built :

H_{2d}: *Wealth positive effect on bank behavior*

Household Debt Behavior

Consumptive credit distribution for households is related to the expectations and policies of the bank itself, namely: expectations of bank profitability for customers, customer capacity, expectations for repayment, and the value of collateral demanded from customers, household income and interest income. If these expectations and policies are positively correlated with the predictions of banking, then loans or loans channeled to the household sector are assumed to be loose. Conversely, if expectations and policies are negatively correlated with bank predictions, loans channeled to the household sector can be narrow. So banks are reluctant to give loans if their profitability deteriorates, collateral value decreases or if customers become less able to pay off their debt. Therefore, credit offers by banks

depend on positive or negative predictions on households. Increasing predictions of failures coming from households can cause banks to be more careful in providing loans to households (Jacobsen, 2004). Although there are indications that the provision of consumptive credit is attractive and tantalizing and there is an increase in the provision of consumer loans with various credit variations, especially credit cards, food and non-food credit with easy requirements, especially those offered by banks (Herispon, 2017).

The reality experienced by households in the relationship of lending and borrowing with banking is reinforced by the study (Tomaszewic, 2014) that the more households increase their debt in financial institutions, the limitation of loans related to lending will always occur, because there is a concern about the risk of bad credit coming from households. So that the demand side of consumptive credit is still a problem or obstacle that indicates that access to banking consumptive credit services is still difficult for individuals or households, based on this statement a hypothesis can be built:

H_3: *Bank behavior has a positive effect on the behavior of household debt*

Furthermore, the research model shows that bank behavior can be an intervening variable between access, user, quality and wealth to debt behavior. Sholihin and Ratmono (2013) explain that in a model there is a direct effect, indirect influence and total influence, where indirect influence can strengthen or weaken the level of significance on total effect, based on this statement, the hypothesized model can

be constructed as follows:

H_{4a}: *Access can strengthen the behavior of household debt mediated by bank behavior*

H_{4b}: *Users can strengthen the behavior of household debt mediated by bank behavior*

H_{4c}: *Quality can strengthen the behavior of household debt mediated by bank behavior*

H_{4d}: *Wealth can strengthen the behavior of household debt mediated by bank behavior*

Furthermore, the study of theory and hypothesis described earlier can be continued in a research model as follows:
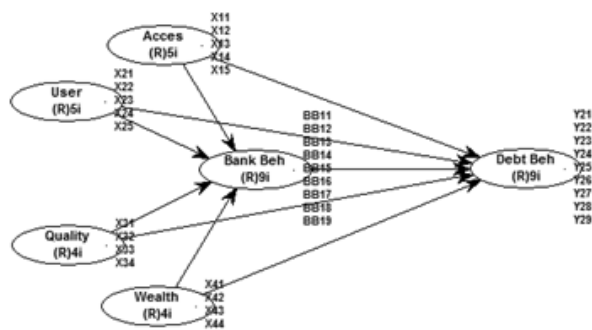

Figure 1. Research Model

RESEARCH METHODS

This research uses survey research design, purposive sampling method with a total sample of 303 household unit respondents in debt and who have ever been debited at the bank's financial institutions in Pekanbaru, Riau Indonesia. The sampling period is conducted from November 2017 to January 2018. The financial inclusion used in this study is guided by the limits issued by the World Bank, namely: *Acces, User, Quality*, dan *Wealth* (Bank Indonesia, 2014). For the dimensional bank behavior used, namely: 1) *Know Your Customer Principles* guided by (Bank Indonesia Regulation : PBI No.3/10/PBI/2001) about the Application of Know Your Customer Principles.2) *Prudential Banking* and3) *Risk Aversion Principle* guided by Law number 23 of 1999 concerning Bank Indonesia Article 25. The last is the behavior of household debt where the indicators are guided by the results of studies related to household debt.

The analysis of this study focuses on the demand side of consumer credit by households which is a great potential in lending by banks. Perceptions and opinions of respondents were measured by a Likert scale in gradations 1 through 5, which strongly disagree with the value 1, disagree with the value of 2, simply agree the value of 3, agree the value of 4, strongly agree the value of 5. In the use of this gradation do not use neutral gradations on the grounds that in domestic life there are only two choices namely debt and no debt. Modeling and analysis of dimensions *Acces, User, Quality, Wealth, Banking Behavior*, towards Household Debt Behavior using the Warp PLS SEM version 6 program, then the research model can be seen in the simultaneous equation as follows : DB = AC + US + QU + WE + BB + εaccording to Dachlan (2014) can be transformed in equations according to the rules of SEM namely : $\eta_{DB} = \gamma_{1.11} + \gamma_{1.2}\xi_2 + \gamma_{1.33} + \gamma_{1.4}\xi_4 + \beta_{1.11} + \zeta_1$ dan $\eta_{DB} = \beta_{2.1}\eta_1 + \zeta_2$.

RESULT

Empirical Evidence

Furthermore, composite reliability test (loading factor) of each instrument used in this study, the results obtained are:

Tabel 1. Items Loadings, Composite Reliability, Adjusted R-squared

Item	Acces	User	Quality	Wealth	Bank Behavior	Debt Behavior
Loading Factor ***	0.709	0.667	0.748	0.744	0.631	0.647
Composite eliability	0.834	0.820	0.837	0.837	0.857	0.869
Cronbach's Alpha	0.751	0.721	0.740	0.737	0.812	0.828
Full Collinearity VIF	1.100	3.279	1.506	1.420	3.103	1.975
R-squared					0.670	0.511
Q-squared					0.665	0.520

Results obtained for each variable such as *acces, user, quality, wealth, banking behavior*, and *debt behavior* to *loading factor* that lowest value 0.631 and highest 0.748 This shows that each indicator towards the construct contributes quite strongly to the latent construct on the boundary 0.35 (Hair et al, 2010) this condition illustrates the validity of acceptable indicators. Then the results on composite reliability are limited 0.80 means that as a condition for composite realiblity has been fulfilled. The next adjusted R-squared on the banking behavior can be explained by *acces, user, quality, wealth* of 0.67 percent where the influence occurs in the strong category. While Adjusted R-squared on debt behavior can be explained by *acces, user, quality, wealth*, and banking behavior amounting to 51.1 percent where the influence occurs in the strong category. Thus banking behavior and debt behavior can influence the pattern of demand for credit from the household, which is the stronger the household's expectations of *acces, user, quality, wealth* and bank behavior then the greater the chance of households using debt from banks.

Furthermore the analysis was carried out on the model to see the contribution of indirect effects on the total effect and mediation of each construct as follows.

Tabel 2. Path Coefficients: Direct, Indirect, Total Effects and VAF

Item	Direct Effects	Indirect Effects	Total Effcet = DE + IE	VAF	Explanation
Acces –> DB via BB	0.080	0.81 x 0.28= 0.223	0.080 + 0.223 = 0.085	0.303	Partial Mediation
User –> DB via BB	0.405	0.11 x 0.63= 0.069	0.405 + 0.069 = 0.580	0.474	Partial Mediation
Quality –> DB via BB	0.140	0.35 x 0.58= 0.203	0.140 + 0.203 = 0.162	0.343	Partial Mediation
Welath – > DB via BB	0.091	0.28 x 0.60= 0.168	0.091 + 0.168 = 0.098	0.259	Partial Mediation

After it is known that the results of the indirect effect in the model, then it is added to the total effect with the following results:

Tabel 3. Hypotesis Result

Hipotesis	Path	Total Effect			Result	Decision
		Coefficients	p-value	Effect size		
H_{1a}/H_{4a}	Acces –> DB via BB	0.085	0.07*	0.014	Significant	Supported
H_{1b}/H_{4b}	User – > DB via BB	0.580	0.001***	0.389	Significant	Supported
H_{1c}/H_{4c}	Quality –> DB via BB	0.162	0.002***	0.060	Significant	Supported
H_{1d}/H_{4d}	Wealth –> DB via BB	0.098	0.043**	0.032	Significant	Supported
H_{2a}	Acces – > BB	0.018	0.38	0.002	No Significant	Considerance
H_{2b}	User – > BB	0.772	0.001***	0.624	Significant	Supported
H_{2c}	Quality –> BB	0.104	0.034**	0.036	Significant	Supported
H_{2d}	Wealth –> BB	0.029	0.31	0.008	No Significant	Considerance
H_3	BB –> DB	0.227	0.001***	0.145	Significant	Supported

The results of the analysis show that the hypothesis H_{1a}, H_{1b}, H_{1c}, H_{1d}, H_{2b}, H_{2c}, H_3 on direct effect, hypothesis H_{4a}, H_{4b}, H_{4c}, H_{4d} on indirect effect positive and supportive effect on bank behavior and debt behavior. While the hypothesis H_{2a}, H_{2d} on the direct effect of not supporting the bank behavior, these results are still considered by looking at the results of the partial analysis, namely:
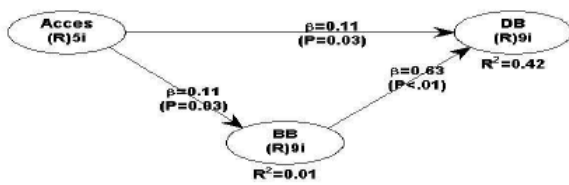
Figure 2. Indirect Effect Acces to DB via BB

The results of the partial analysis indicated by the path coefficient of access to the bank behavior remain in a state of significant positive on p-value 0.03.
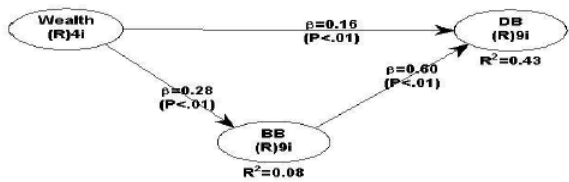

Figure 3. Indirect Effect Wealth to DB via BB

The results of the partial analysis shown by the path coefficient of wealth to bank behavior remain in a significant positive state at p-value 0.01. Thus the results of hypothesis analysis H_{2a} and H_{2d} partially acceptable. Harlow, L.L., Mulaik, S.A and Steiger, J.H (2016) explain that the influence of one variable to another variable does not always have a positive effect because of several reasons including the mediating influence of variables, meaning that mediating variables can reduce the relationship of one variable to another variable remains significant with reduced effect, then the effect increased but not significant. For the case of research with data from cross-sectional or survey research that uses the perceptions and opinions of respondents the data can be biased, outlier, unique and unpredictable, the results obtained are still considered because it is the real result (Santoso, 2014).

From table 3 the results of the analysis can be explained in the form of a formula for debt behavior and bank behavior as follows:

$$\eta_{DB} = 0.085_1 + 0.580_2 + 0.162_3 + 0.098_4 + 0.227_1 + \zeta_1$$

Acces affect the debt behavior with path coefficient 0.085means H_{1a} accepted because there is a positive trend between access and the significant debt behaviorp-value 0.069. Positive trends in access occur because of the contribution of indirect effects of 0.0046 which strengthens the total effect. ***User*** affect the debt behavior with path coefficient 0.580means H_{1b} accepted because of the positive trend between the user and the significant debt behaviorp-value 0.001. Positive trends that occur in the user occur because of the contribution of indirect effects of 0.1771 which strengthens the total effect. ***Quality*** affect the debt behavior with path coefficient 0.162means H_{1c} accepted because of the positive trend between quality and significant debt behavior onp-value 0.002. Positive trends that occur in quality occur because of the contribution of indirect effects of 0.023which strengthens the total effect. ***Wealth*** affect the debt behavior with path coefficient 0.098means H_{1d} accepted because the positive trend between wealth and debt behavior is significantp-value 0.043. Positive trends that occur in the user occur because of the contribution of indirect effects of 0.0069 which strengthens the total effect.

While the four paths of mediation effects that exist show that all pathways can be a partial mediation betweenacces, user, quality

and wealthwith debt behavior mediated by bank behavior. Next is the analysis of each variable, namely :

$$\eta_{BB} = 0.018_1 + 0.772_2 + 0.104_3 + 0.029_4 + \zeta_2$$

Acces shows the influence on the banking behavior with the path coefficient 0.018 means H_{2a}there is a positive trend between access and the banking behavior but not significant onp-value 0.377. *User* influence the banking behavior with the path coefficient 0.772 means H_{2b}accepted because the positive trend between the user and the banking behavior is significant p-value 0.001. *Quality* influence the banking behavior with the path coefficient 0.104 means H_{2c} accepted because the positive trend between quality and banking behavior is significant p-value 0.034. *Wealth* has a positive effect on the banking behavior with the path coefficient 0.029 but H_{2d}not significant onp-value 0.308.

$$\eta_{DB} = 0.227\eta_1 + \zeta_3.$$

Furthermore, banking behavior has an effect on the debt behavior of 0.23 at p-value 0.01, meaning that H_3 is accepted because there is a positive trend between the banking behavior towards the debt behavior in a significant p-value of 0.001.

DISCUSSION

From the results of the descriptive analysis it was found that access with banks was still difficult, as evidenced by the answers of 303 respondents as much as 0.805 percent agreeing. These findings are in sync with the H_{1a} hypothesis that there is a positive influence between *access* to the debt behavior, this finding corroborates the study of Young and Mercado (2015), Maryatmo and Nyoman (2009). Then the results of the H_{1a} hypothesis test are in line with the results of hypothesis testing H_{2a} that the access variable has a positive effect on the banking behavior, meaning that the access carried out by the household can be influenced by the banking behavior to deal with banking related to the facilities provided by the banking (Jacobsen, 2004). But the hypothesis H_{2a} is not positive, this can occur in access provided by banks because of limitations in the provision of facilities, geographical factors, behavior of banks in providing services so that households have difficulty relating to financial institutions (Demirguc-Kunt, et al, 2015).

Descriptive analysis of user variables is to measure the actual use of financial products and services, including regularity, frequency, duration of use, as evidenced by 303 respondents 0.70 percent agreed. These findings are synchronized with the H_{1b} hypothesis test that there is a positive influence between the *user* and the debt behavior, while this finding reinforces the study of Budianto (2013), Cámara and Tuesta (2014). Furthermore, the results of the H_{1b} hypothesis test are in line with the results of H_{2b} test that the user variable has a positive effect on banking, meaning that the user variable on debt behavior can be influenced by the banking behavior (Jacobsen, 2004; Tomaszewic, 2014).

Descriptive analysis of quality variables, namely measuring the attributes of financial products and services has met customer needs,

this is evidenced from 303 respondents as much as 0.94 percent agreed that the products and services provided by banks can meet household needs. These findings are synchronous with the H_{1c} hypothesis test that there is a positive influence between *quality* and debt behavior, this finding strengthens the study of Ekici and Dunn (2007), Baker (2014). Furthermore, the results of the H_{1c} hypothesis test are in line with the H_{2c} test results that the quality variable has a positive effect on the banking behavior, meaning that the quality variable on debt behavior can be influenced by the banking behavior (Jacobsen, 2004; Tomaszewic, 2014).

The results of the descriptive analysis of wealth variables are measuring the impact of financial services on the level of life of users of financial services, as evidenced from 303 respondents as much as 0.93 percent agreeing that banking services can affect the quality and welfare of households. These findings are synchronous with H_{1d} hypothesis testing that there is a positive influence between *wealth* and debt behavior, this finding reinforce the study of Brown, et al (2005), Bank of England (2010), Bank Indonesia (2014). Furthermore, the results of the H_{1d} hypothesis test are not in line with the results of the H_{2d} test that the wealth variable is positively correlated with the banking behavior but not statistically significant, in the Demirguc-Kunt et., al. (2015) and Tomaszewic (2014) explained that in the service user financial services can occur treatment dichotomy towards households, because the services provided by banks are related to the expected reciprocity and also

related to predictions and the risk of bad credit coming from households. Furthermore, the direct effect banking behavior towards the debt behavior is 0.23 percent in the weak category, meaning that the banking behavior towards household debt behavior kites is done very carefully because the risks are related to the risks that will arise (Tomaszewic, 2014).

CONCLUSION

This study found that, 1) financial inclusion with access, user, quality, and wealth variables positively influences the behavior of household debt which can be explained in several implications, namely; a) from access dimensions by increasing office networks, the reach of conventional and digital marketing services will be able to increase the number of customers or customers in financial institutions, b)from the dimensions of the user with the existence of internal and external banking rules, the process and administration of credit services to households is highly dependent on the positive or negative expectations of the bank towards its customers, the more negative predictions of banks on household consumptive credit and risk predictions that arise the rules, the mechanisms and procedures used for distributing consumer loans to households will remain complicated and difficult, c) from the dimensions of quality and wealth to the presence of consumer loans channeled to households can facilitate household consumption, can improve the quality and welfare of the household. Whereas on the other hand consumer credit remains a burden and obligation that must be borne by

the household with all the risks. 2) Financial inclusion has a positive effect on debt behavior by mediating bank behavior, from this analysis it was found that the behavior of household debt can be influenced by bank behavior, namely through banking treatment of households such as ;there is a dichotomy and discrimination of customers or non-customers, thin customers, fat customers, emerging risk predictions will still make banks always alert to risks and provide high consumer credit interest rates to households. 3) bank behavior has a positive effect on the behavior of household debt, that the ups and downs of the desire of households to borrow in banks are related to positive or negative predictions of banking towards households. Therefore, there will always be banking restrictions and concerns about increasing household debt in banking institutions.

From the description and implications of the research on financial inclusion and bank behavior, it can be concluded that : a) banking expectations and predictions on households depend on the loose or not expansion of consumer-to-household credit and expected profits, b) internal policies adopted by banks like the KYC principle, prudential banking, and risk aversion and bank behavior towards its customers can actually be an obstacle to financial inclusion run by banks themselves, c) the consumptive credit interest rate charged to households depends on the high or low predictions of banks on the risk of bad credit from households, ability and awareness of the behavior of paying debts from the household,

d) banks tend to channel large consumer loans to few customers, because these assumptions are based on expected risks and profits.

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