

IMPACT OF BUY NOW PAY LATER

The Financial Technology Association

SEPTEMBER 2022

METHODOLOGY



This poll was conducted between September 1-September 3, 2022 among a sample of 2210 Adults. The interviews were conducted online and the data were weighted to approximate a target sample of Adults based on gender, age, race, educational attainment, and region. Results from the full survey have a margin of error of plus or minus 2 percentage points.

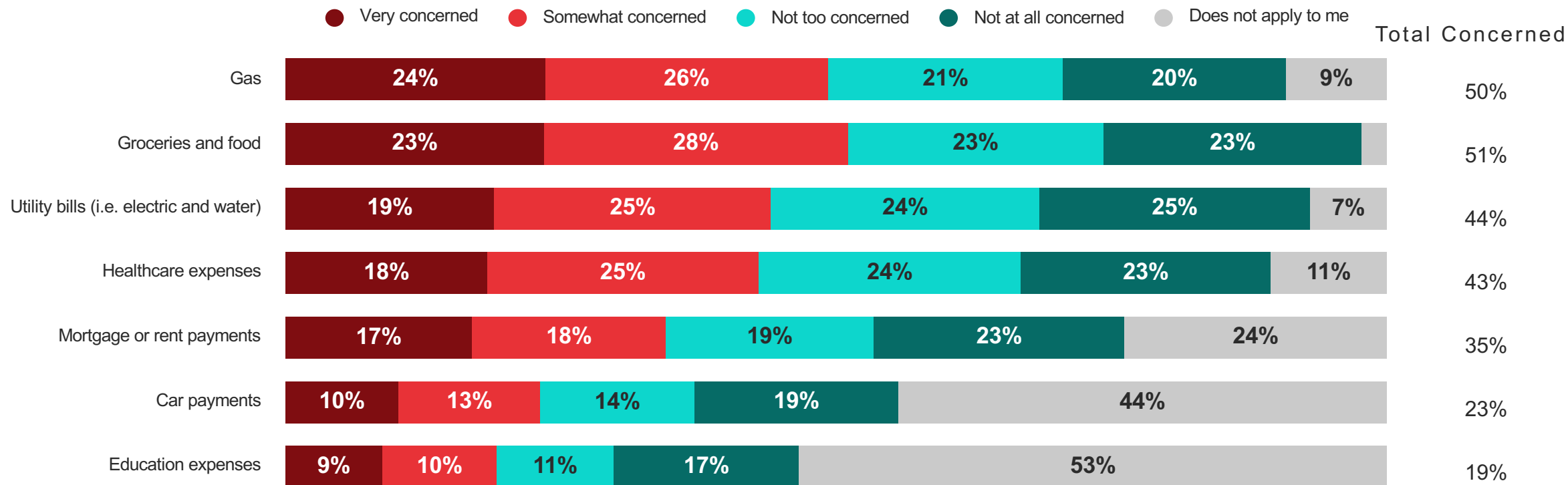
KEY FINDINGS

1. **Buy Now Pay Later (BNPL) are most used by younger and non-white adults, specifically Black adults.** BNPLs users not only have a high favorability but also trust them dramatically more than those who have never used them. This is partly due to the finding that more than three-quarters of those who used Buy Now Pay Later report having a positive experience with them.
2. **Buy Now Pay Later (BNPL) has a positive force on the financial future of its users.** Forty-three percent of those have used BNPLs reported that they felt their finances would be better off in one year while only 26% of those who have not used BNPLs reported the same.
3. **Buy Now Pay Later is seen as having clear and understandable terms and conditions of service among nearly all its users.** More than nine in ten (94%) users of BNPLs found that they could easily understand the terms and services. This finding is true across demographics.
4. **Using multiple BNPLs has made it easier for consumers to pay for their purchases.** BNPLs have helped consumers pay for items such as retail, technology, and household appliances. To this extent, adults, specifically younger and non-white adults, feel that BNPLs would be helpful to them in managing their finances and purchases.

BUY NOW PAY LATER

More than half of adults are concerned about being able to afford gas and food.

How concerned are you, if at all, about your ability to afford each of the following expenses this month?

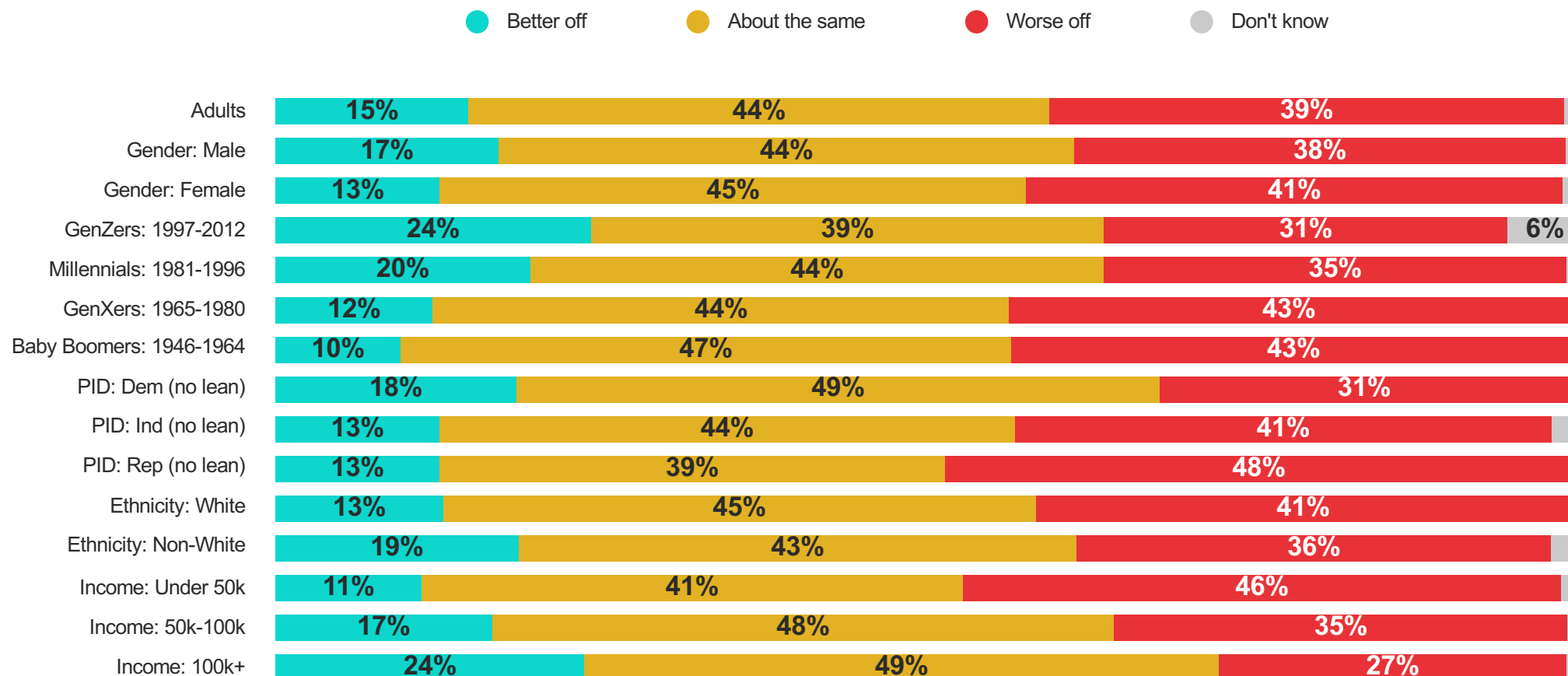


Total Concerned = Very + Somewhat concerned

BUY NOW PAY LATER

Most adults report being worse off now, financially, than they were a year ago. This is especially true among older adults and lower-income adults.

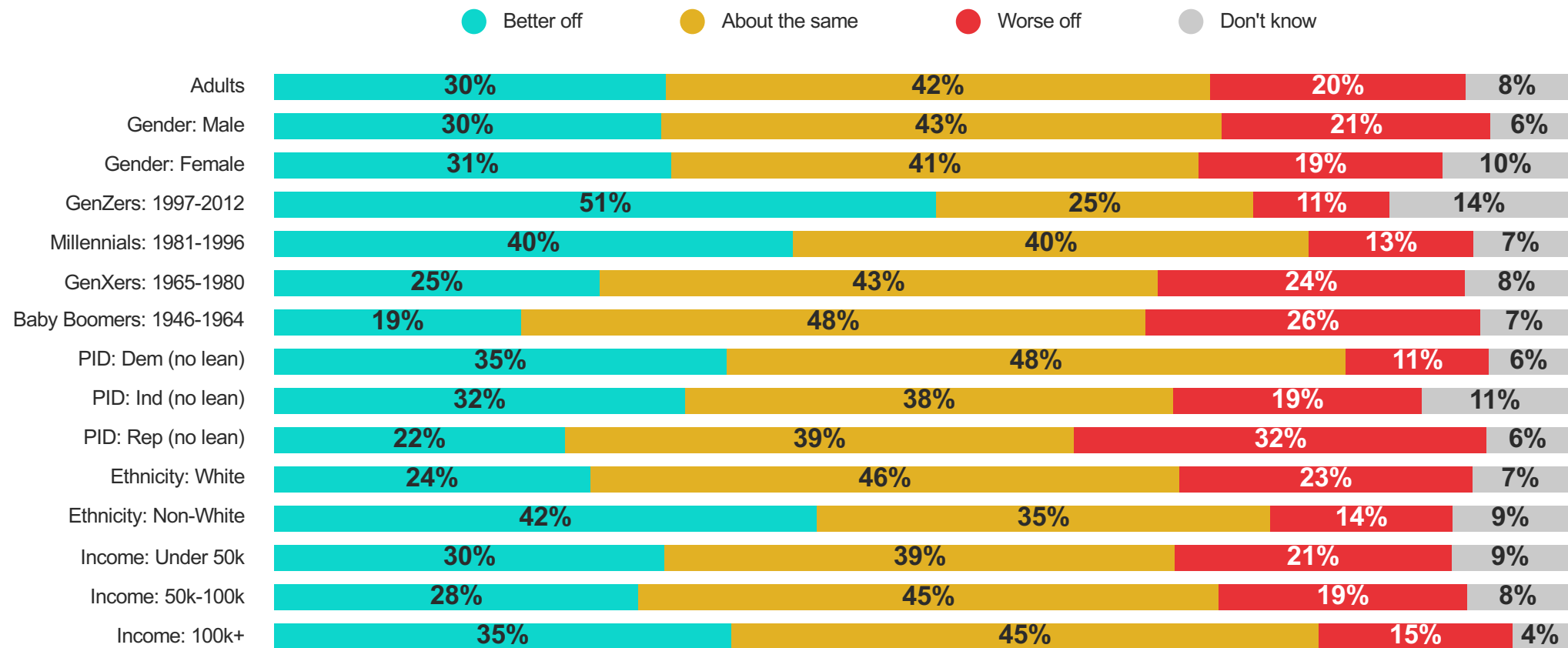
Would you say that you (and your family living with you) are better off, the same, or worse off financially than you were a year ago?



BUY NOW PAY LATER

Adults are generally optimistic about their finances over the next year. Adults are more likely to feel they will be better off in one year than worse off; this is especially true among younger adults and non-white adults.

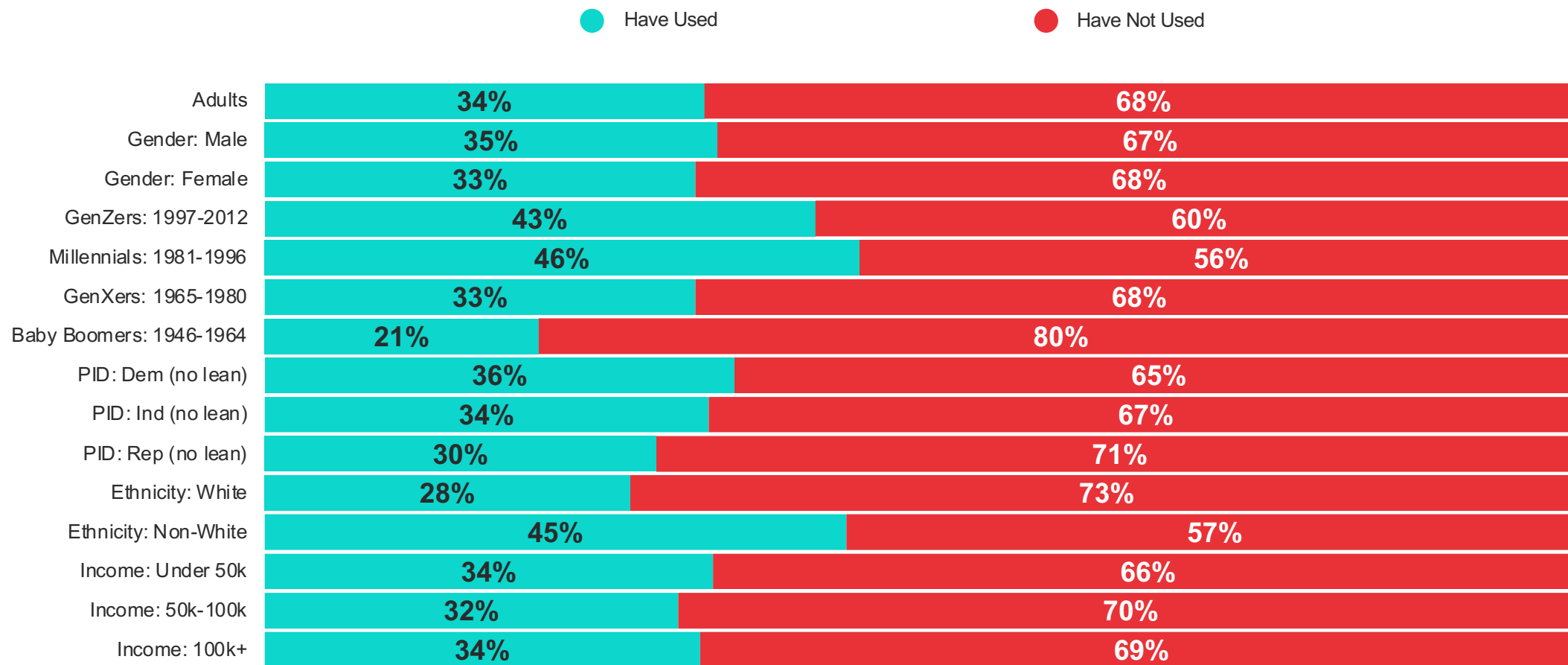
Do you (and your family living with you) expect to be better off, the same, or worse off financially than you are a year from now?



BUY NOW PAY LATER

BNPLs are dramatically more likely to be used by younger adults and non-white adults.

Have you, or anyone in your household, used any of the following short-term credit or cash flow options, or not? *Buy Now Pay Later*



BUY NOW PAY LATER

Those who have used a BNPL in the past year are dramatically more likely to feel optimistic about their finances in the future. Use of BNPL showed little difference on how adults fared in the past year.

Would you say that you (and your family living with you) are better off, the same, or worse off financially **than you were a year ago?**

■ Worse Off ■ Better Off

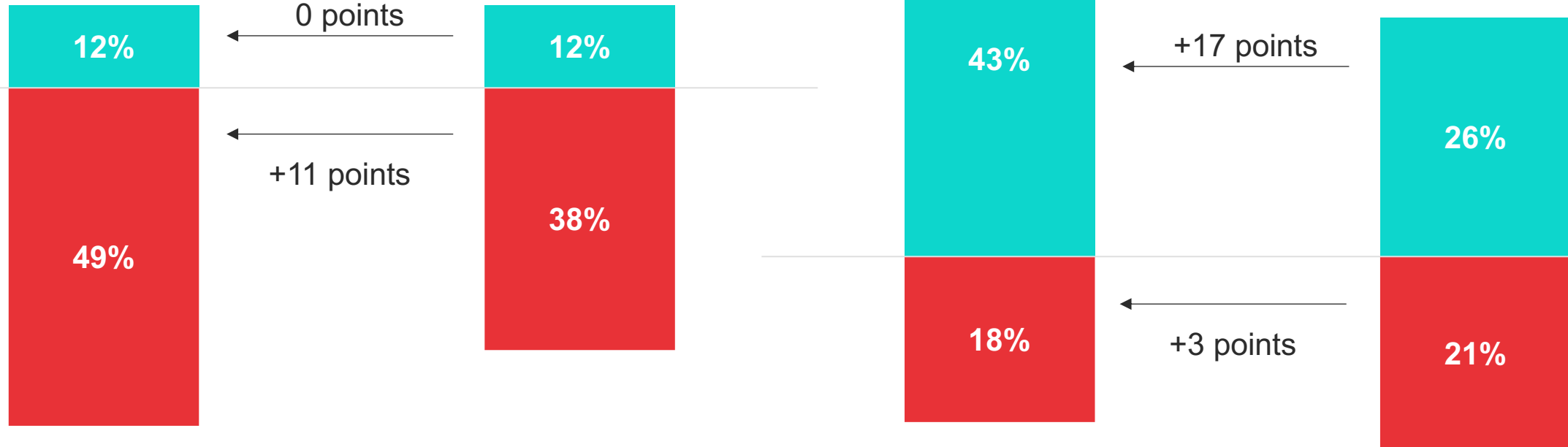
Do you (and your family living with you) expect to be better off, the same, or worse off financially **than you are a year from now?**

Have Used BNPL

Have Not Used BNPL

Have Used BNPL

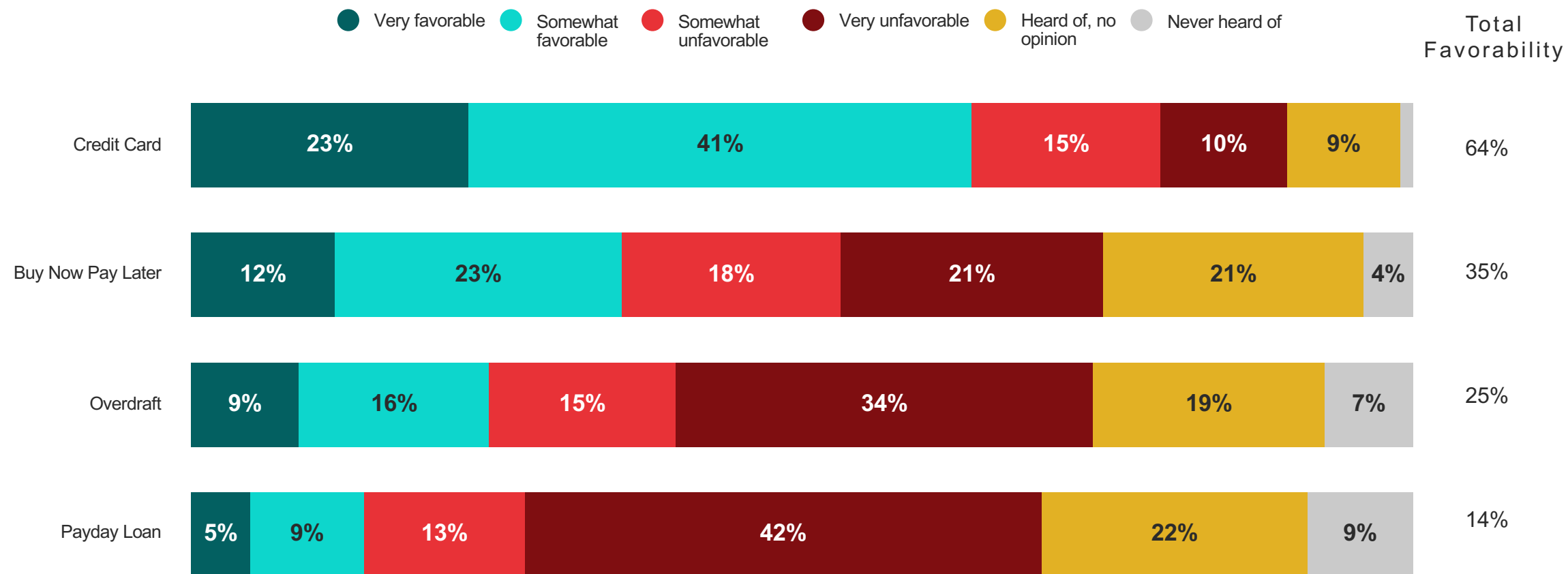
Have Not Used BNPL



BUY NOW PAY LATER

Adults are divided on their perceptions of Buy Now Pay Later loans. Thirty-five percent of adults have a favorable impression of BNPLs while 39% have an unfavorable impression.

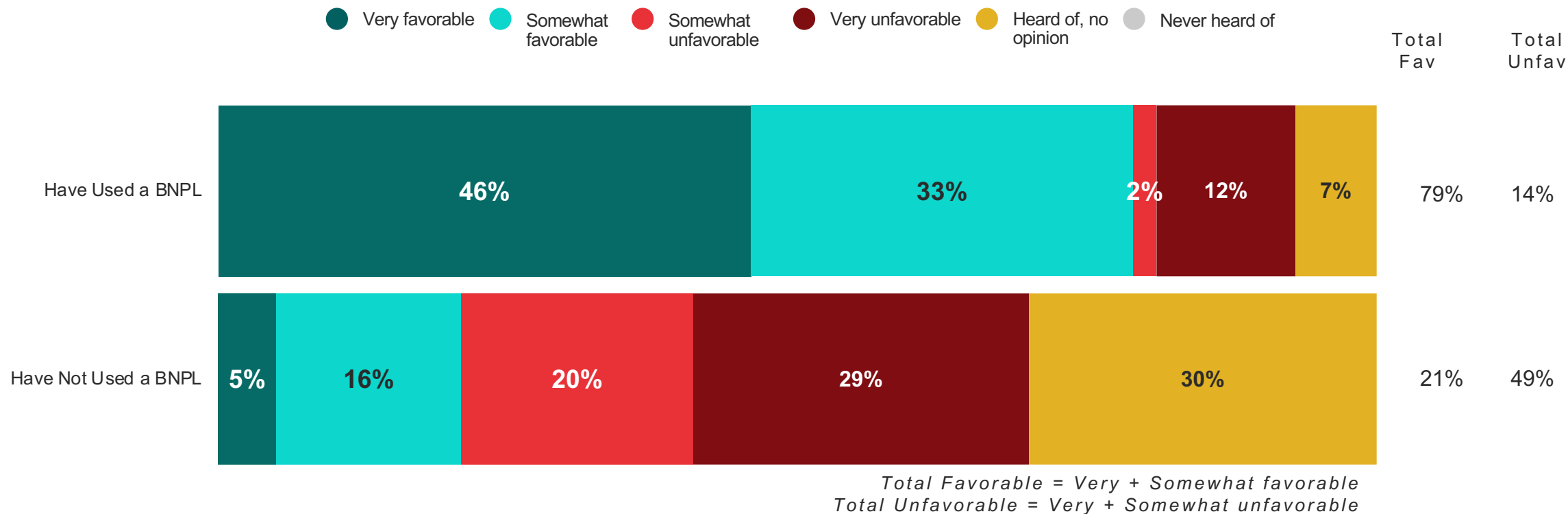
Do you have a favorable or unfavorable opinion of each of the following?



BUY NOW PAY LATER

Those who have utilized a BNPL are dramatically more likely to view them positively than those who have not.

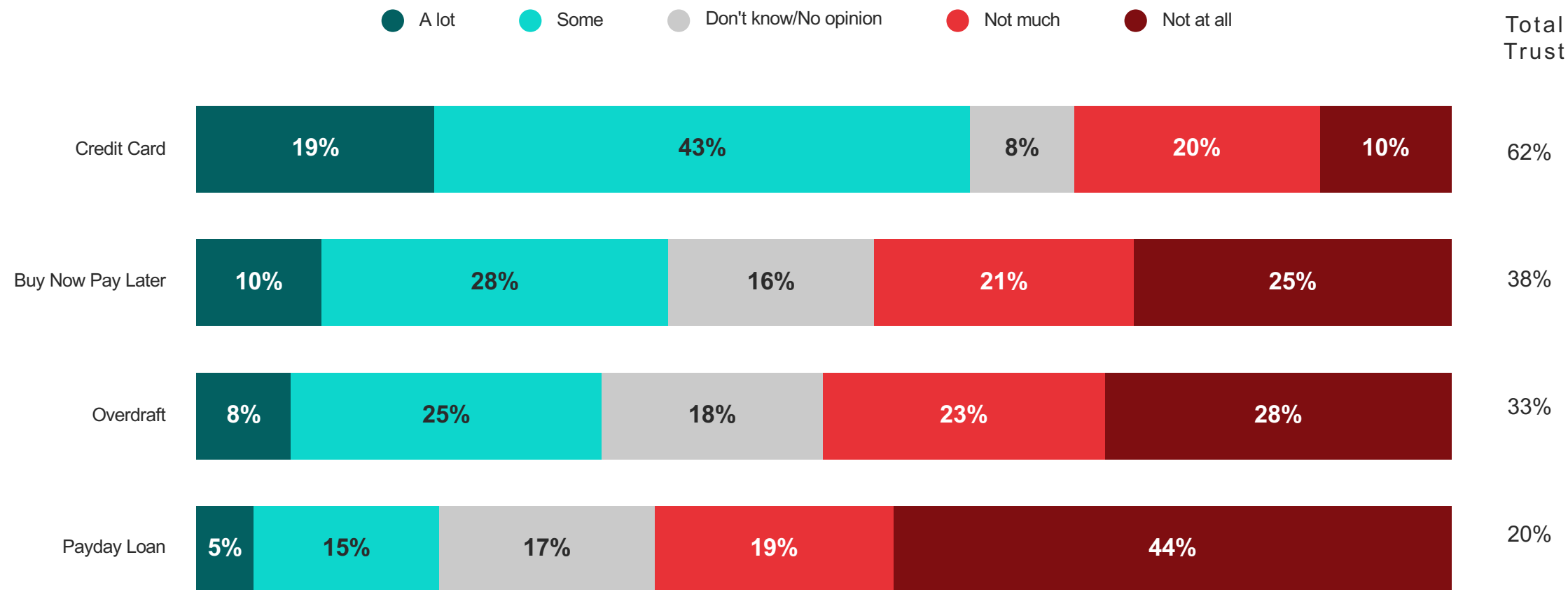
Do you have a favorable or unfavorable opinion of each of the following?: *Buy Now Pay Later*



BUY NOW PAY LATER

Adults are also divided on whether they trust Buy Now Pay Later loans.

How much do you trust, if at all, each of the following short-term credit and cash flow options to do the right thing for consumers?



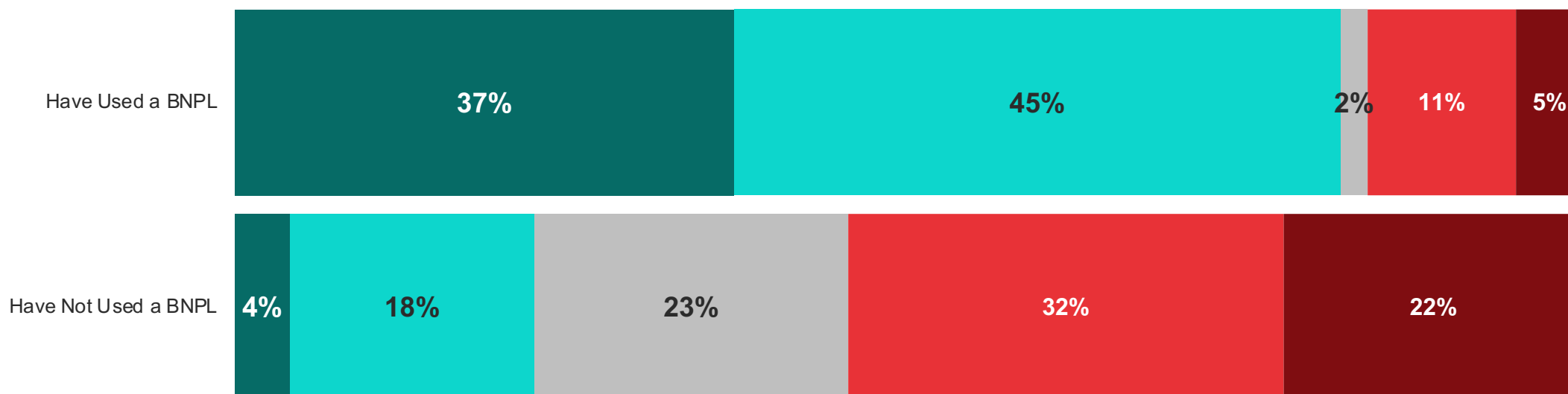
BUY NOW PAY LATER

Trust in BNPLs is significantly driven by those who have used them. Using the service helps not only build trust but also strong favorability.

How much do you trust, if at all, each of the following short-term credit and cash flow options to do the right thing for consumers?

Buy Now Pay Later

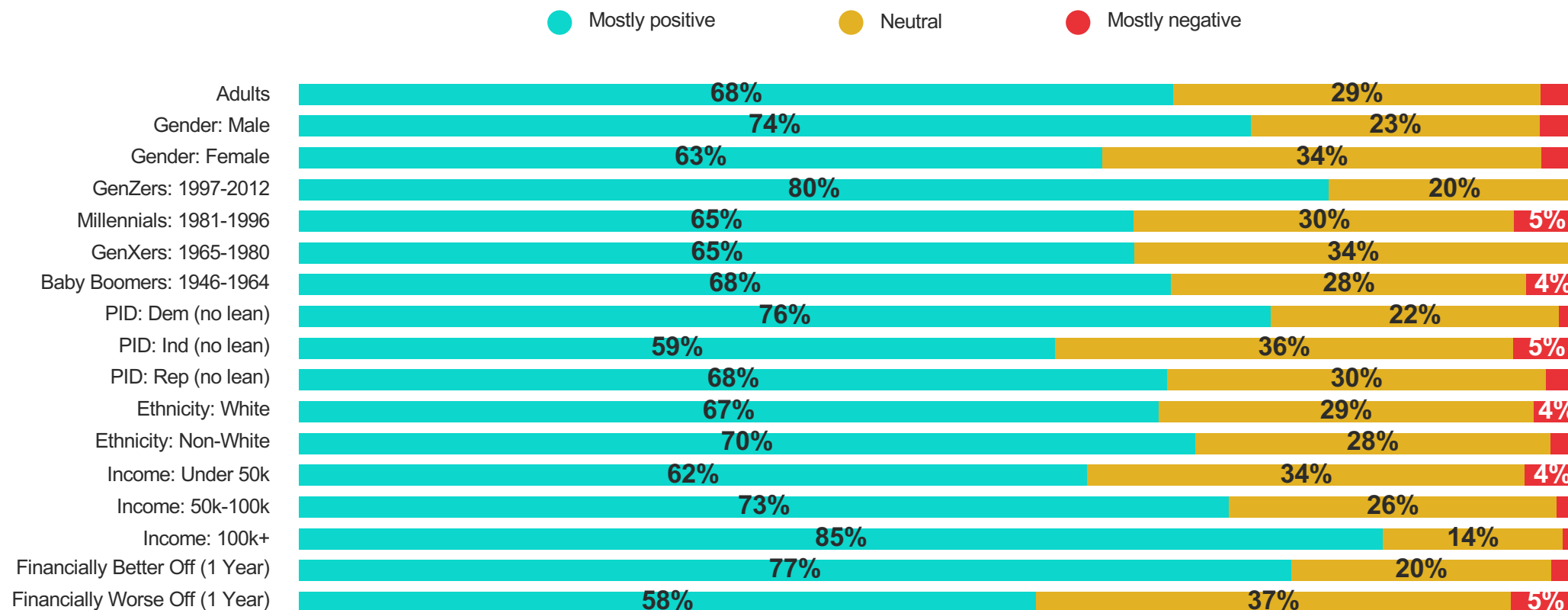
● A lot
 ● Some
 ● Don't know/No opinion
 ● Not much
 ● Not at all



BUY NOW PAY LATER

A strong majority of adults who have used BNPLs, across demographics, report their experience with them being positive. Very few adults who have used them report having a negative experience.

Previously you said you have used Buy Now Pay Later. Based on your experience, did you have a mostly positive or mostly negative experience using Buy Now Pay Later?





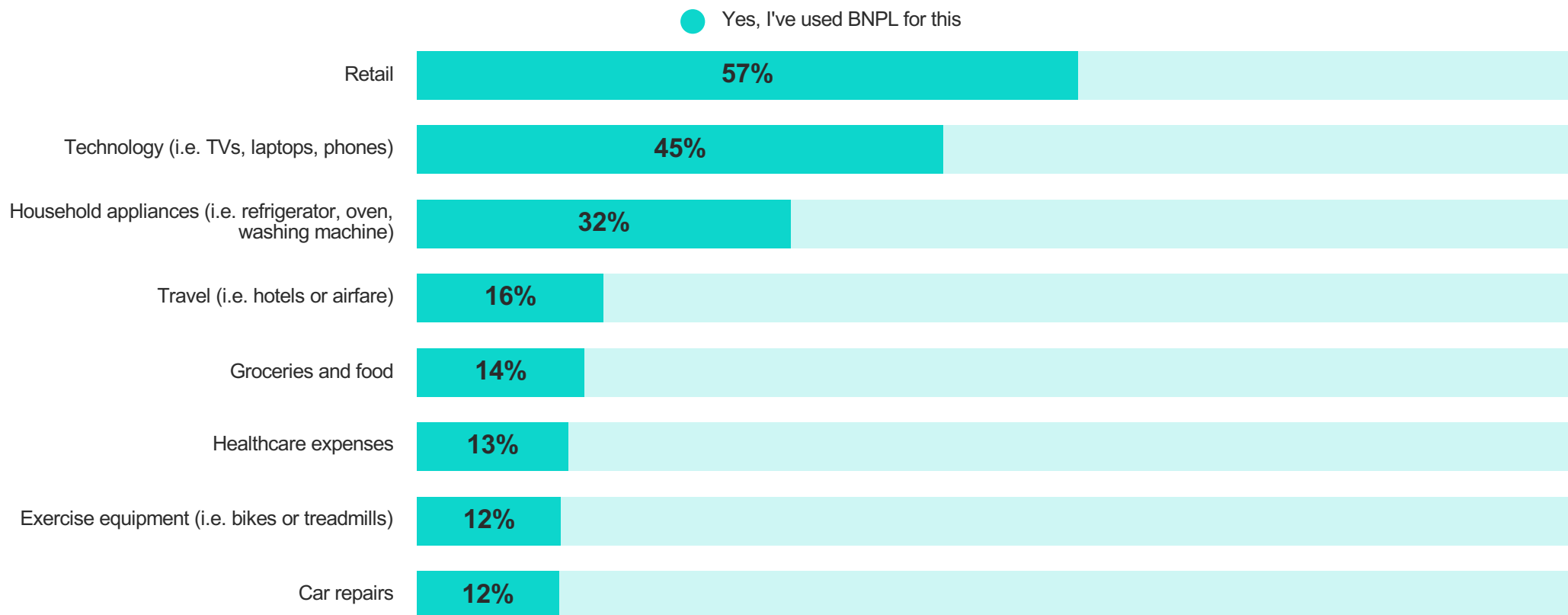
94%

of adults who have utilized BNPLs reported that they **understood** the terms and conditions when they were using the service.

BUY NOW PAY LATER

More than half of those who have used BNPLs report using them for retail while more than a third have used them for household appliances and technology.

Have you used Buy Now Pay Later (BNPL) for any of the following purposes?





77%

of adults who reported using multiple Buy Now Pay Later companies, at some point in time, made it **easier** to pay for their purchases.

40% of BNPL users reported using multiple Buy Now Pay Later (i.e. pay in four) companies

WHY BUY NOW, PAY LATER?

TOP 4 SELECTED REASONS



Adults reported the **zero to low-interest payments** of BNPLs as the most important feature.



Adults reported the **flexible payment options** of BNPLs as the most important feature.



Adults reported the **easy-to-understand terms and conditions** of BNPLs as the most important feature.



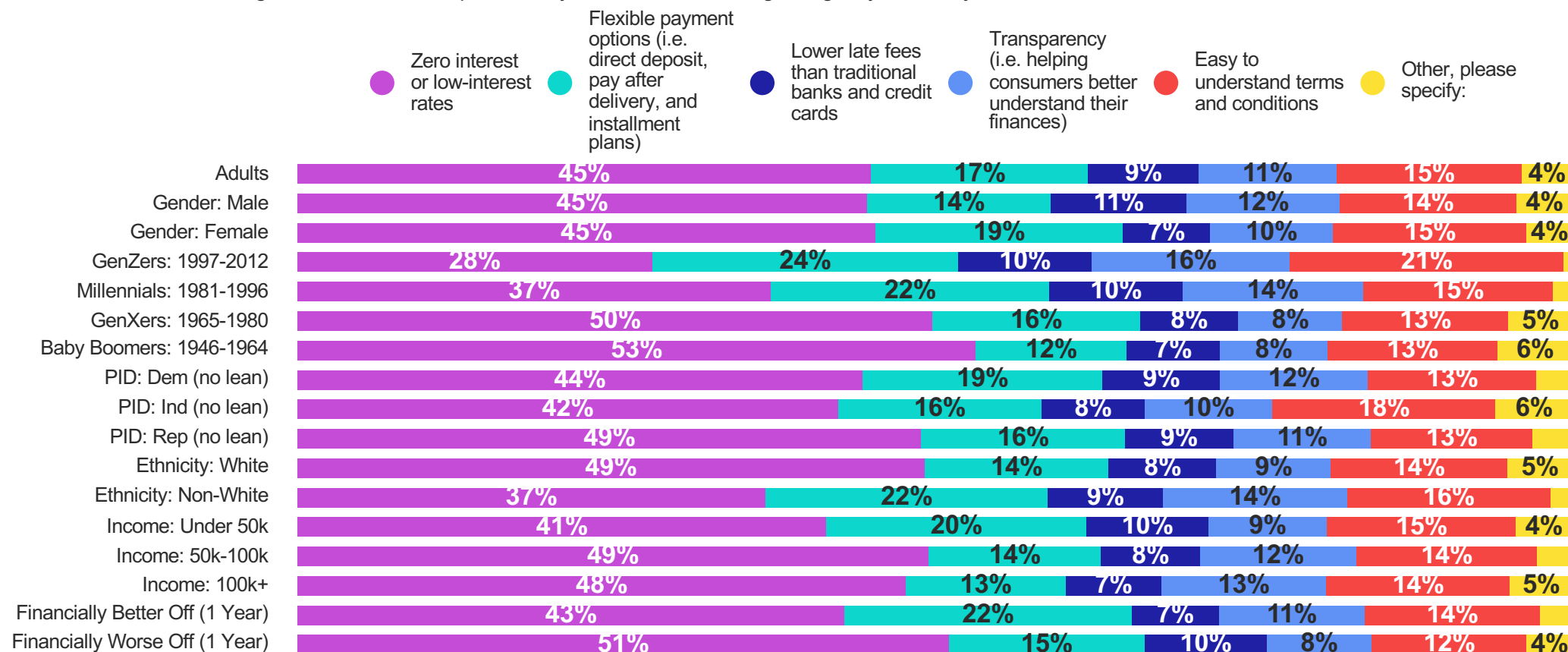
Adults reported **how transparent** BNPLs are the most important feature.

Which of the following features is most important to you when considering using Buy Now Pay Later?

BUY NOW PAY LATER

Adults find the zero to low-interest rates of BNPLs as among the most important feature when considering using them. Younger adults are split between zero to low-interest payments and flexible payment options as most important.

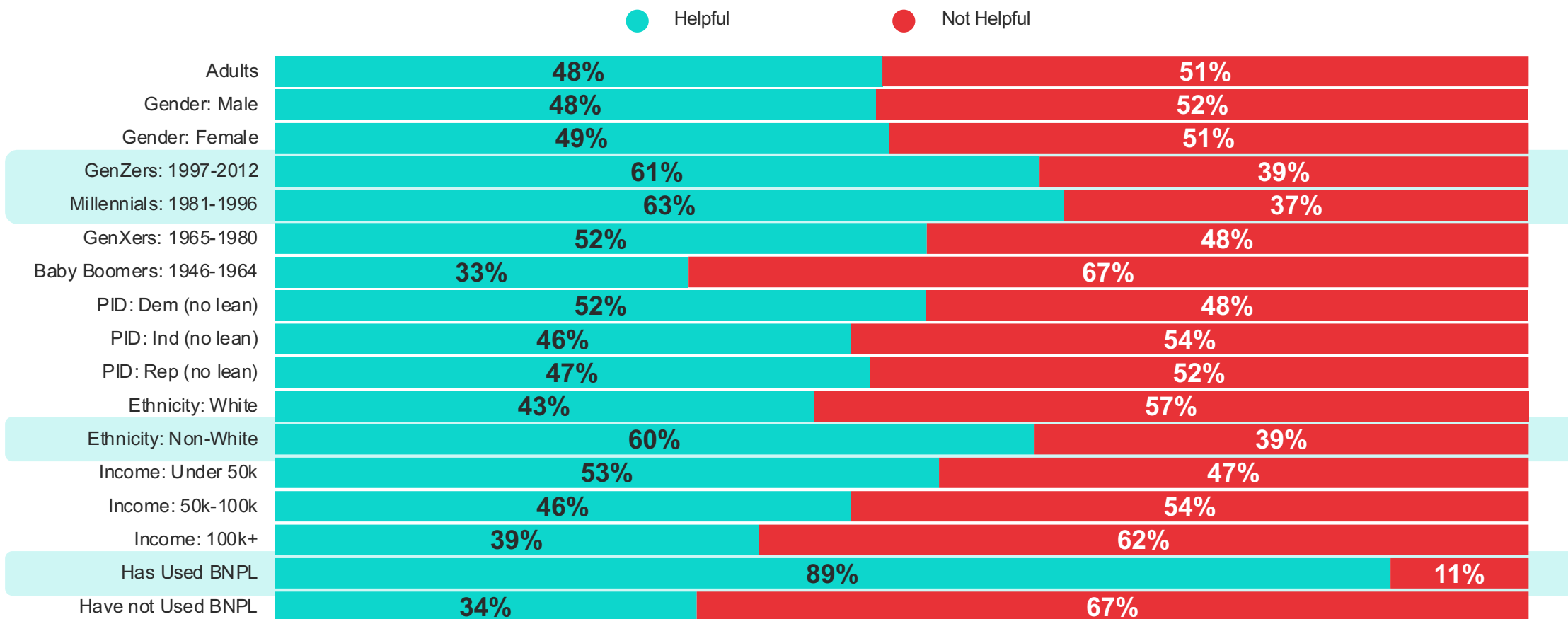
And which of the following features is most important to you when considering using Buy Now Pay Later?



BUY NOW PAY LATER

Younger adults, non-white adults, and those who have used BNPLs are dramatically more likely than other demographics to report that BNPLs would be helpful to them personally. Additionally, lower-income adults are more likely than higher-income adults to feel they would be helpful.

And how helpful, if at all, would Buy Now Pay Later options be for you, personally?

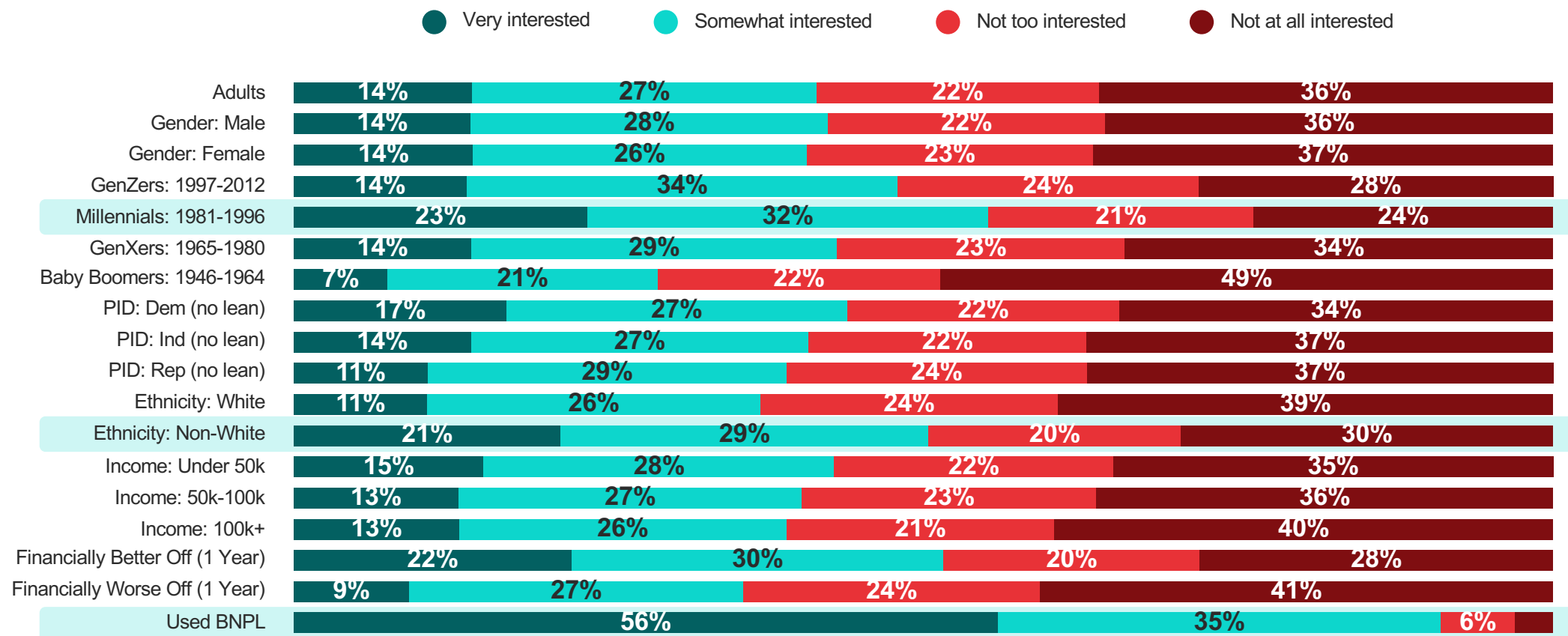


After learning more about BNPLs

BUY NOW PAY LATER

Interest in the BNPL option to help enable consumers with their cash flow is strongest among millennials, non-white adults, and those who have used BNPLs in the past year.

As you may know, Buy Now Pay Later is a payment option enabling consumers to manage their cash flow and avoid paying high interest rates and fees. The typical 'Pay-in-Four' model usually requires four installments over six to eight weeks, with no extra fees if the consumer repays on time. How interested, if at all, would you be in using an option like BNPL's Pay-in-Four model?





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