



# Trends and Outlook for BNPL

August 2022

Table of Contents

## INTRODUCTION

Scope

Key findings

## BNPL BASICS AND OVERVIEW

Buy now, pay later has a long history that is now undergoing seismic change

What types of stakeholders and BNPL models exist?

When/where does the BNPL transaction take place?

Important considerations: Exploring benefits and costs of BNPL for commercial stakeholders

Consumer considerations in a new era of BNPL

Where does BNPL stand today?

## GEOGRAPHIC BNPL BREAKDOWN

Consumer lending in North America overview

PayPal extends its offerings beyond the four payment model

Consumer lending in Latin America overview

Consumer lending in Asia Pacific and Australasia overview

Afterpay enters the BNPL space early, later acquired by payments processor Square

Pix Parcelado combines the convenience of instant payments with BNPL practices

Southeast Asian Grab offers BNPL in superapp environment

Consumer lending in Middle East and Africa overview

Tashlumim instalments in Israel predate BNPL craze and offer retail POS example

Consumer lending in Europe overview

Poland's Allegro Pay offers an e-commerce platform native experience

Sweden's Klarna sets the fintech BNPL example in western markets

## INDUSTRY/UNIQUE APPLICATIONS

Mobile devices enable and advertise the BNPL offering

Apple Pay Later arrives late, but enjoys a considerable userbase advantage

Airlines move to extend BNPL to the travel environment

BNPL use for travel picking up with companies such as India's MakeMytrip

H&M partners with Klarna for clothing payments

BNPL for daily necessities, a lifeline or a worrying phenomenon?

B2B payments offer a vast opportunity for BNPL providers

In-store BNPL grows through providers such as Australia's Humm

## THE FUTURE OF BNPL

As more mature BNPL markets grow, a wave of consolidation is cresting

Central bankers turn the screws on interest rates, raising existential questions for BNPL

Regulatory developments

Credit scoring/loan seasoning

Potential impact on cards

## CONCLUSION

BNPL is to here to stay, both influenced as well as influencing the future of credit markets

Data points coming in next edition

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