

Buy Now Pay Later

In demand, on the rise and ready to scale

Buy Now Pay Later (BNPL) is continuing to gain popularity as a flexible way to pay. In 2020 global installments grew by \$78B.¹ While growth is phenomenal, still fewer than 21% of U.S. adults have used BNPL², leaving a global installments opportunity of \$1.6T.¹



Visa's network approach

Enabling BNPL since 2017



Tools, programs and partnerships to power growth

Visa Installment Solutions

Visa provides the underlying technology to add BNPL options to existing credit accounts. Banks can let consumers pay with installments on the cards they already have – and merchants can serve offers before, during or after the shopping experience.

Since 2019, Visa Installment Solutions has expanded to Canada, Malaysia, the U.S. and Australia.

- No new cards or credit application needed
- Suite of APIs to enable merchants to display installment plans that card issuers make available to eligible cardholders
- Flexible installment plans created by card issuer
- Visa's increasing network of participating merchants
- Consistent checkout experience across multiple channels and markets



Visa Fintech Programs

Since 2017, Visa's fintech programs have helped companies like Klarna, Affirm and Afterpay fuel demand and expand global adoption of BNPL through:

- Digital and virtual credentials
- Security and risk layers
- APIs



The next evolution of payments

BNPL is joining credit, debit and digital methods as a preferred way to pay.

There are three basic types of installments that use the cardholder's existing line of credit to divide a purchase into equal payments over time. With Visa Installments Solutions, there are no new credit approvals, fees or forms.



Pre-purchase

Shoppers get pre-approved access to funds so they can plan for purchases



During-purchase

Offered for eligible cardholders and purchases at checkout in-store or online



Post-purchase

A purchase is converted into installments immediately after the transaction

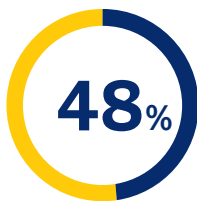
Choice and convenience with installment plans

Acquisition



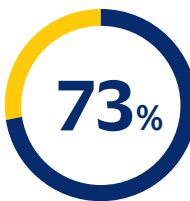
of U.S. consumers say they are likely to consider using installment plans offered from a credit card they own or could apply for³

Usage



of U.S. consumers surveyed say they would use installment plans in the future if offered by their bank or a brand they trust⁴

Retention



of adults surveyed in the U.S. made one or more purchases in the last 6 months using an installment plan⁵

Trending with Gen Z and Millennials

40%

of the Gen Z and Millennials segment



50%

of the Gen Z and Millennials segment would use installment plans in the future if offered by their bank or a brand they trust⁷



81%

of the Gen Z and Millennials segment in the U.S. made one or more purchases in the last 6 months using an installment⁸



BNPL provides flexibility and control

64%

of consumers surveyed in the U.S. agree that installment plans are more flexible than other payment options⁹



62%

of consumers surveyed in the U.S. agree that installment plans give them more control of their finances¹⁰



For questions or more information, contact your Visa Account Rep.

³Visa commissioned Euromonitor report, September 2021 | ⁴Visa commissioned Omnibus survey performed by GFK October 2022, Base-1,022 participants; U.S. adults; Survey Question: Before today, which of the following best describes your level of awareness of installment plans offered from each of these sources? (Assuming all else is equal in terms of interest/fees, length of plan, frequency of payments, etc.). Users share on a five-point scale level of likelihood: Selected [somewhat likely] and [very likely] | ⁵Visa commissioned Omnibus survey performed by GFK October 2022, Base-1,022 participants; U.S. adults; Survey Question: What, if anything, would make you consider using installment plans in the future? Selected [my bank offered it] and [offered by a brand I trust] | ⁶Visa commissioned Omnibus survey performed by GFK October 2022, Base-513 participants; U.S. Gen Z and Millennials; Survey Question: How likely would you be to consider using installment plans offered from each of these sources? (Assuming all else is equal in terms of interest/fees, length of plan, frequency of payments, etc.). Users share on a five-point scale level of likelihood: Selected [somewhat likely] and [very likely] | ⁷Visa commissioned Omnibus survey performed by GFK October 2022, Base-437 participants; U.S. Gen Z and Millennials; Survey Question: What, if anything, would make you consider using installment plans in the future? Selected [my bank offered it] and [offered by a brand I trust] | ⁸Visa commissioned Omnibus survey performed by GFK October 2022, Base-96 participants; U.S. Gen Z and Millennial previous BNPL Users; Survey Question: You mentioned you are currently using or have used installment plans in the past. For how many individual purchases transactions have you used an installment plan in the last 6 months? | ⁹Visa commissioned Omnibus survey performed by GFK October 2022, Base-1,022 participants; U.S. adult previous BNPL users; Survey Question: Considering what you know about installment plans how much do you agree or disagree with the following statements? Users share on a five-point scale whether they agree or disagree with a series of statements: Selected [completely agree] and [somewhat agree] | ¹⁰Visa commissioned Omnibus survey performed by GFK October 2022, Base-1,022 participants; U.S. adult previous BNPL users; Survey Question: Considering what you know about installment plans how much do you agree or disagree with the following statements? Users share on a five-point scale whether they agree or disagree with a series of statements: Selected [completely agree] and [somewhat agree] © 2022 Visa. All rights reserved.