



Buy Now, Pay Later & Its Impact on the Member Experience



BNPL from financial institutions is a preferred payment method

BNPL is a preferred payment method by consumers across the US because it provides financial flexibility. Fintechs (like Klarna, Affirm, and Afterpay, etc.) have increased the accessibility of this financing option by integrating BNPL into the shopping experience.

With BNPL available from CUs through digital banking, members can access financial flexibility wherever they incur expenses. BNPL enhances the banking experience for the entire membership, and positions CUs at all financial moments that matter.



60 %

of consumers would prefer
BNPL over credit cards

Source: PYMNTS.com



70 %

consumers would
prefer BNPL from
financial institutions

Source: PYMNTS.com

Unlocking BNPL levels up the banking experience for the entire membership

The ability to split payments for larger purchases benefits all members, across all age demographics. BNPL from financial institutions is utilized by cardholders of all income levels, with use cases ranging from everyday purchases to medical bills.

That means a member will not only find BNPL useful when they are experiencing acute financial duress, but will also use it for daily budgeting.

As an example, equipifi partner CUs have seen more of their BNPL being used in the first 30 days compared to all 3rd-party BNPL providers combined within their member base.

Members use credit union BNPL for:



BUYING A GIFT



GOING ON A TRIP



AUTO REPAIRS



VET EMERGENCIES

“BNPL is going to help your retention and make [members’] lives easier. At a fair rate and with easy payments over time, that’s what we look at as the credit union way.”

- Eilene Markus, ACU of Texas

Unique member benefits from credit union BNPL



Split payments on existing payment products (ie. the **debit card**)



Installment loans tied to **individual transactions**, made possible via automation



Smart, personalized, and continuous access to **financial flexibility**

BNPL from financial institutions has lower delinquencies with greater risk management capabilities

BNPL is more flexible for the financial institution. CUs can determine their own parameters on BNPL offers generated with equipifi. They can also set interest rates, allowed loan amount, and term lengths as it aligns with institutional strategy and risk tolerance.

CUs are also able to present BNPL offers to members based on their financial health and goals, with more favorable terms and fee structures. Leveraging account and transaction data, financial institutions can offer BNPL loans at a competitive rate, and see lower charge off rates compared to similar products.

Positioning credit unions at all the financial moments that matter

Members budget and make purchases every day, most of the time without their CU. Offering BNPL allows the CU to be embedded into their members’ financial lifecycle, centered around shopping trips and personal expenses. With this, CUs can deepen member engagement by being present at all transaction points, rather than just doing specific moments in time (ie. Signature Loans, Pay Day Alternative Loans).

