



Buy Now Pay Later:

A Nationally Representative Web Survey

2022 Results

Overview of Methodology

Consumer Reports fielded this Buy Now Pay Later Survey to understand Americans' experiences and opinions on Buy Now Pay Later services. These results are based on interviews conducted August 3 – August 14, 2022.

The survey was administered by SSRS through its SSRS Opinion Panel to a nationally representative sample among U.S. adults age 18 and older who use Buy Now Pay Later services. Interviews were conducted in English and in Spanish, and were administered online. SSRS interviewed 2,013 respondents by web mode, 1,933 in English and 80 in Spanish. Final data are weighted by age, gender, race and ethnicity, education, Census region, party identification, voter registration, religious affiliation, and internet use frequency to be proportionally representative of the US adult population.

Key demographic characteristics (after weighting is applied) of this sample are presented below: 55% female; median age of 40 years old; 52% white, non-Hispanic; 29% 4-year college graduates; and 26% have a household income of \$75,000 or more.

The margin of error for results based on the total sample is +/-3.0 percentage points at the 95% confidence level. Smaller subgroups will have larger error margins, and only those subgroups for which there are at least 100 unweighted cases are included.

TOPLINE RESULTS

The questions presented below were shown to respondents in this order unless otherwise noted. Where appropriate, question wording, response answer choices, or direction of scales were alphabetized, randomized, or rotated. Those instances are noted below.

Prepared by CR Survey Research Department, September 2022

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SURVEY TOPLINES

BNPL1. [RESPONDENTS WERE NOT ALLOWED TO SKIP THIS QUESTION.]

| | |
|--|--------------|
| <p>This survey is about online Buy Now Pay Later services, such as Affirm, Afterpay, and Klarna. They are sometimes called "Pay in 4" services. These services often appear as a payment option on a website or in a store and allow you to pay part of the price at the time of purchase, then pay off the rest in installments.</p> <p>How familiar are you with Buy Now Pay Later services?</p> | |
| | Total |
| | % |
| I have never heard of this type of service or seen a payment option like this | 17 |
| I have heard of this type of service, but never used it | 55 |
| I have used a Buy Now Pay Later service | 28 |
| Base: Screened sample | 6,539 |

[TO CONTINUE WITH THE SURVEY, RESPONDENTS MUST HAVE SELECTED "I HAVE USED A BNPL SERVICE." OTHER RESPONDENTS WERE SCREENED OUT HERE.]

BNPL2. [ROTATE RESPONSE OPTIONS AND CORRESPONDING TEXT IN QUESTION STEM, HOLDING 'I HAVE NOT HAD ANY BUY NOW PAY LATER EXPERIENCES' AT END.]

| | |
|---|--------------|
| <p>Overall, how satisfied or dissatisfied have you been with your Buy Now Pay Later experiences <u>in the past year</u>?</p> | |
| | Total |
| | % |
| Very satisfied | 58 |
| Somewhat satisfied | 27 |
| Somewhat dissatisfied | 6 |
| Very dissatisfied | 3 |
| I have not had any Buy Now Pay Later experiences in the past year | 6 |
| Base: All respondents | 2,013 |

BNPL3.

| You said you have used a Buy Now Pay Later service before. In total, about how many times would you say you have used a Buy Now Pay Later service? | |
|---|--------------|
| | Total |
| | % |
| Once | 16 |
| 2 to 5 times | 54 |
| 6 to 10 times | 16 |
| 11 to 20 times | 7 |
| More than 20 times | 8 |
| Base: All respondents | 2,005 |

BNPL4. [ROTATE RESPONSE OPTIONS. RESPONDENTS WHO INITIALLY SKIPPED THIS QUESTION WERE PROMPTED ONCE TO ANSWER IT.]

| How likely, if at all, are you to use Buy Now Pay Later in the future? | |
|---|--------------|
| | Total |
| | % |
| Definitely will use it again | 43 |
| Probably will use it | 45 |
| Probably will not use it | 10 |
| Definitely will not use it again | 2 |
| Base: All respondents | 2,013 |

BNPL5. [SHOW IF RESPONDENT IS AT ALL LIKELY TO USE BUY NOW PAY LATER IN THE FUTURE (BNPL4 = "DEFINITELY WILL," "PROBABLY WILL," OR "PROBABLY WILL NOT USE IT AGAIN"), OR NO RESPONSE IN BNPL4. ROTATE RESPONSE OPTIONS.]

| How often do you think you will use Buy Now Pay Later in the future? | |
|---|--------------|
| | Total |
| | % |
| Every chance I get | 10 |
| Very often | 18 |
| Sometimes | 49 |
| Rarely | 17 |
| Extremely rarely | 5 |
| Base: Respondents who might possibly use Buy Now Pay Later again | 1,966 |

INTRO1. [INTRO TEXT SHOWN TO RESPONDENTS].

For the next few questions please think about your most recent Buy Now Pay Later purchase.

BNPL6. [RANDOMIZE RESPONSE OPTIONS, HOLDING "IT WAS OFFERED...ONLINE" TOGETHER WITH "IT WAS OFFERED...IN A STORE," AND HOLDING "OTHER" AT END.]

| Thinking of your most recent Buy Now Pay Later purchase, where did you come across the Buy Now Pay Later option? | |
|--|--------------|
| | Total |
| | % |
| It was offered as a payment option when paying for something <u>online</u> | 69 |
| I have a Buy Now Pay Later app on my phone (or other mobile device) to use when shopping | 17 |
| It was offered as a payment option when paying for something <u>in a store</u> | 12 |
| Other, please specify | 2 |
| Base: All respondents | 2,013 |

BNPL7. [RESPONSE OPTIONS ARE PRESENTED IN ALPHABETICAL ORDER, HOLDING "OTHER" AT END.]

| What type of purchase was your last Buy Now Pay Later purchase? | |
|---|--------------|
| Please select the category that is the best fit, even if it is not a perfect fit. | |
| | Total |
| | % |
| Clothing | 30 |
| Electronics | 22 |
| Appliances | 11 |
| Home furnishings | 11 |
| Entertainment | 4 |
| Cosmetics | 4 |
| Leisure and hobbies | 3 |
| Automotive | 2 |
| Jewelry, accessories, and personal care | 2 |
| Travel | 2 |
| Medical or dental care | 2 |
| Groceries | 2 |
| Exercise equipment | 1 |
| Subscriptions | 1 |
| Memberships, such as a gym membership | 0 |
| Other, please specify | 2 |
| Base: All respondents | 2,012 |

BNPL8.

| What was the price range of your last Buy Now Pay Later purchase? | |
|--|--------------|
| We are interested in the total purchase price of the item, not the down payment or the amount of each installment payment. | |
| | Total |
| | % |
| Under \$20 | 2 |
| \$20 to \$49 | 10 |
| \$50 to \$99 | 17 |
| \$100 to \$249 | 29 |
| \$250 to \$499 | 18 |
| \$500 to \$999 | 12 |
| \$1,000 or more | 12 |
| Base: All respondents | 2,012 |

BNPL9. [RANDOMIZE RESPONSE OPTIONS, HOLDING 'OTHER' AT END.]

| Thinking of your last Buy Now Pay Later purchase, how were or are the payments made? | |
|--|--------------|
| Please select all that apply. | |
| | Total |
| | % |
| With a debit card | 54 |
| Directly from a bank or credit union account | 27 |
| With a credit card | 24 |
| With a prepaid card | 3 |
| With checks | 3 |
| Other, please specify | 2 |
| Base: All respondents | 2,013 |

BNPL10. [ROTATE RESPONSE OPTIONS AND CORRESPONDING TEXT IN QUESTION STEM, HOLDING "I DON'T RECALL" AT END.]

| Thinking of your last Buy Now Pay Later purchase, is (or was) it paid in automatic or manual payments? | |
|--|--------------|
| | Total |
| | % |
| Automatic payments (it gets paid automatically at the time it is due with a saved payment method) | 69 |
| Manual payments (I have to remember to make the payment each time it is due) | 29 |
| I don't recall | 2 |
| Base: All respondents | 2,013 |

BNPL11.

| How many purchases are you currently paying for in Buy Now Pay Later installments? | |
|--|--------------|
| We are asking about separate complete purchases of products or services that each have their own payment schedule (note, if multiple items were purchased together on the same Buy Now Pay Later transaction, this should be counted as one). | |
| If you are not sure of the exact number, please give your best guess. | |
| | Total |
| | % |
| None | 40 |
| One | 25 |
| Two | 17 |
| Three | 7 |
| Four | 7 |
| Five | 1 |
| Six or more | 2 |
| Base: All respondents | 2,013 |

BNPL12. [RANDOMIZE RESPONSE OPTIONS, HOLDING 'OTHER' AT END.]

| | |
|---|--------------|
| You said that you have used a Buy Now Pay Later service to pay for at least one purchase. Which, if any, of the following are reasons you decided to use this service? | |
| Please select all that apply. | |
| | Total |
| | % |
| I didn't have enough money to purchase what I wanted, so this enabled me to afford it | 45 |
| I'd rather pay in installments instead of one lump sum | 44 |
| I was curious about the service | 18 |
| I thought it would have lower interest rates than a credit card | 11 |
| I thought it would be easier than using a credit card | 11 |
| I did not have a credit card | 4 |
| Other, please specify | 4 |
| Base: All respondents | 2,013 |

BNPL13. ROTATE RESPONSE OPTIONS AND CORRESPONDING TEXT IN QUESTION STEM.]

| | |
|--|--------------|
| When you made your <u>first ever</u> Buy Now Pay Later purchase, how aware or unaware were you of the fees or other penalties for making late payments or missing payments? | |
| | Total |
| | % |
| I was <u>aware</u> of all of the possible fees and other penalties | 70 |
| I was <u>unaware</u> of at least one of the possible fees and other penalties | 30 |
| Base: All respondents | 2,006 |

BNPL14. [RANDOMIZE RESPONSE OPTIONS, KEEPING 'I MISSED A SINGLE PAYMENT' AND 'I MISSED MORE THAN ONE PAYMENT' TOGETHER, AND KEEPING 'SOMEONE I DON'T KNOW...' AND 'SOMEONE I KNOW...' TOGETHER, AND HOLDING 'OTHER' AND 'I HAVE NOT HAD ANY ISSUES' AT END. 'I HAVE NOT HAD ANY ISSUES' IS EXCLUSIVE. RESPONDENTS WHO INITIALLY SKIPPED THIS QUESTION WERE PROMPTED ONCE TO ANSWER IT.]

| Which, if any, of the following issues have you <u>ever</u> had with a Buy Now Pay Later purchase? | |
|--|--------------|
| Please select all that apply. | |
| | Total |
| | % |
| I missed a single payment | 7 |
| I was charged unexpected fees or interest | 6 |
| I had difficulty getting a refund for an item that I returned or never received | 5 |
| I missed more than one payment | 4 |
| I had difficulty stopping payments when I returned an item | 4 |
| I was overcharged for my purchase | 4 |
| I had difficulty setting up automatic payments | 3 |
| I had difficulty stopping payments for an item I never received | 3 |
| I had difficulty adjusting the amount I was charged after I made changes to a purchase | 3 |
| I used Buy Now Pay Later to buy something from what turned out to be a fraudulent company, and I did not receive the item I ordered | 2 |
| <u>Someone I know</u> made one or more purchases in my name and left me with the bill | 1 |
| <u>Someone I don't know</u> made one or more purchases in my name and left me with the bill | 1 |
| A hacker locked me out of my account | 0 |
| Other, please specify | 2 |
| I have not had any issues with a Buy Now Pay Later purchase | 72 |
| Base: All respondents | 2,013 |

BNPL15. [SHOW IF RESPONDENT HAS MISSED ONE OR MORE PAYMENTS (BNPL14 EQUAL TO "I MISSED A SINGLE PAYMENT" OR "I MISSED MORE THAN ONE PAYMENT"). RANDOMIZE RESPONSE OPTIONS, HOLDING 'NONE OF THESE' AT END.]

[INSTRUCTION TEXT SHOWN TO RESPONDENTS:]

Please keep in mind that your responses are confidential. We will never associate your name with any of your survey responses. Individual responses will be combined together with those of other respondents and only reported as a group.

| People miss payments for many reasons. Below are a few of the most common reasons why people miss payments on their Buy Now Pay Later accounts. Please indicate which, if any, of these reasons has ever been true for you when you have missed a payment. Please select all that apply. | |
|---|--------------|
| | Total |
| | % |
| I expected to have the money to make the payment, but fell short | 50 |
| I lost track of my payments and missed the deadline | 36 |
| I thought I had set up automatic payments, but the payment was not made automatically | 16 |
| I didn't think there would be a penalty for missing the payment | 13 |
| I didn't think I had a payment due | 9 |
| I thought I had canceled the transaction, but it still went through | 3 |
| None of these | 10 |
| Base: Respondents who have missed one or more payments | 203 |

BNPL16. [SHOW IF RESPONDENT HAS MISSED ONE OR MORE PAYMENTS (BNPL14 EQUAL TO "I MISSED A SINGLE PAYMENT" OR "I MISSED MORE THAN ONE PAYMENT"). RANDOMIZE RESPONSE OPTIONS, HOLDING 'OTHER,' 'NOTHING HAPPENED,' AND 'NOT SURE' AT END. 'NOTHING HAPPENED' AND 'NOT SURE' ARE EXCLUSIVE.]

| Which, if any, of the following have ever happened to you when you have missed one or more payments on a Buy Now Pay Later purchase? | |
|---|--------------|
| Please select all that apply. | |
| | Total |
| | % |
| I was charged a fee | 53 |
| I was charged interest | 28 |
| My spending limit on the service was reduced | 26 |
| My debt was sent to a collections agency | 21 |
| The missed payment appeared on my credit report | 15 |
| I was cut off from using the service again | 11 |
| Other, please specify | 2 |
| Nothing happened | 12 |
| Base: Respondents who have missed one or more payments | 203 |

BNPL17. [SHOW IF RESPONDENT EXPERIENCED CRIMINAL ACTIVITY IN BNPL (BNPL14 EQUAL TO "SOMEONE I DON'T KNOW MADE ONE OR MORE PURCHASES IN MY NAME AND LEFT ME WITH THE BILL," "SOMEONE I KNOW MADE ONE OR MORE PURCHASES IN MY NAME AND LEFT ME WITH THE BILL," "A HACKER LOCKED ME OUT OF MY ACCOUNT," OR "I USED BUY NOW PAY LATER TO BUY SOMETHING FROM WHAT TURNED OUT TO BE A FRAUDULENT COMPANY").]

| You mentioned that you had one or more of the following issues in a Buy Now Pay Later service: either someone bought something in your name and left you with the bill, or your account was hacked, or you bought something from what turned out to be a fraudulent company. Did the Buy Now Pay Later company resolve that issue to your satisfaction? | |
|--|---|
| | % |
| Yes, they resolved my issue completely | There is insufficient sample to report responses to this question. |
| They partially resolved it | |
| I connected with the company but they did not resolve it | |
| It is still ongoing, so I don't know yet if they will resolve it or not | |
| I was not able to connect with someone who could help me | |
| I have not tried to get the company to resolve it | |
| Base: Respondents who had an issue related to a crime in a Buy Now Pay Later service | |

BNPL18. [RANDOMIZE RESPONSE OPTIONS, HOLDING 'NOT SURE' AT END. 'BUY NOW PAY LATER LOANS DO NOT AFFECT MY CREDIT SCORE' AND 'NOT SURE' ARE EXCLUSIVE.]

| | |
|--|--------------|
| <p>Different Buy Now Pay Later services may affect consumers' credit scores in different ways. Which do you believe to be true of the Buy Now Pay Later service(s) you use?</p> <p>Please select all that apply.</p> | |
| | % |
| If I make all my payments on time it will strengthen my credit score | 34 |
| If I miss a payment it will lower my credit score | 30 |
| If I stop paying altogether it will lower my credit score | 28 |
| Buy Now Pay Later loans do not affect my credit score | 21 |
| Not sure | 25 |
| Base: All respondents | 2,013 |

BNPL19. [ROTATE RESPONSE OPTIONS, HOLDING 'NO OPINION' AT END.]

| | |
|---|--------------|
| <p>Credit scores are checked by lenders to help them make a decision to approve or deny someone when they apply for a credit card or for a home mortgage or car loan. The credit bureaus collect data on people's repayments of their debts and obligations, and use that information to create a credit score.</p> <p>Do you think that Buy Now Pay Later payments <u>should</u> be counted toward people's credit scores?</p> | |
| | % |
| Yes, definitely | 35 |
| Yes, probably | 34 |
| No, probably not | 12 |
| No, definitely not | 10 |
| No opinion | 9 |
| Base: All respondents | 2,008 |

INTRO2.

The next set of questions is about privacy and safety in your Buy Now Pay Later experiences.

BNPL20.

| | |
|--|--------------|
| Has a Buy Now Pay Later service ever notified you of suspicious activity on your account? | |
| | |
| | % |
| Yes | 4 |
| No | 90 |
| Not sure | 6 |
| Base: All respondents | 2,013 |

BNPL21.

| | |
|---|--------------|
| Have you ever been informed by a Buy Now Pay Later services that you were part of a data breach? | |
| | |
| | % |
| Yes | 4 |
| No | 88 |
| Not sure | 7 |
| Base: All respondents | 2,000 |

BNPL22. [ROTATE RESPONSE OPTIONS AND CORRESPONDING TEXT IN QUESTION STEM, HOLDING 'NOT SURE' AT END.]

| | |
|--|--------------|
| How likely or unlikely do you think it is that Buy Now Pay Later companies share your personal data, such as your purchase history, with other companies? | |
| | |
| | % |
| Extremely likely | 25 |
| Somewhat likely | 42 |
| Somewhat unlikely | 13 |
| Extremely unlikely | 4 |
| Not sure | 16 |
| Base: All respondents | 2,012 |

BNPL23. [ROTATE RESPONSE OPTIONS.]

| How concerned, if at all, are you about a Buy Now Pay Later company sharing your personal data (for example, with companies that want to market their products to you)? | |
|---|--------------|
| | |
| | % |
| Very concerned | 24 |
| Somewhat concerned | 44 |
| Not too concerned | 27 |
| Not concerned at all | 5 |
| Base: All respondents | 2,008 |

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