The
PYMNTS
INTELLIGENCE
Framework Series

March 2025

Pay Later Revolution:
Redefining the Credit Economy

The PYMNTS INTELLIGENCE Framework Series

Pay Later Revolution:
Redefining the Credit Economy

Table of Contents

Pay Later Revolution: Redefining the Credit Economy is a PYMNTS Intelligence exclusive eBook. PYMNTS Intelligence retains full editorial control over the following findings, methodology and data analysis.

Forward

Credit powers economic growth by allowing consumers to literally buy now and pay later. Roughly 70% of GDP in the United States is driven by the personal consumption of goods and services, and credit is an important cornerstone of that activity.

Today's Pay Later ecosystem is being reshaped by changing consumer preferences for more predictability about aligning spending and borrowing. New providers with innovative business models have proven the value that all consumers place, regardless of their credit standing, on the certainty of a payoff over a specific period of time for the products and services they want to buy. A whole new cohort of consumers, not just those with thin, no or damaged credit, is now able to participate in the Pay Later ecosystem alongside those with four credit cards and five-figure credit limits. Alternative credit providers, with their innovative underwriting and lending models and small-dollar, short-term loans, have been able to simultaneously manage their risk and open their credit aperture without compromising their businesses. For many consumers, this has been the difference between being able to buy and pay for essentials and having to seek more predatory options to provide necessary items for themselves and their families.

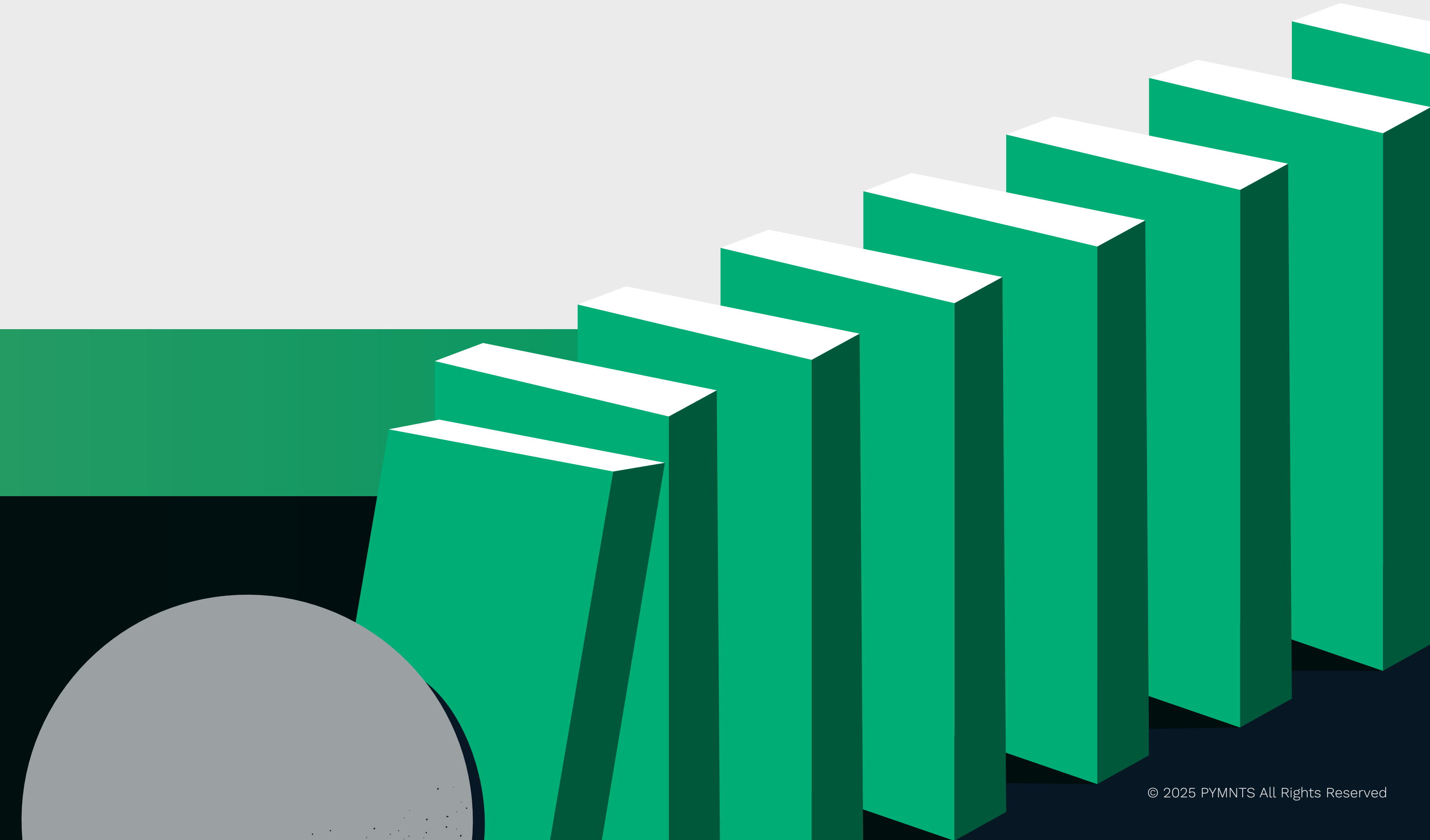
Over the last 12 months, 128 million adult Americans have used a Pay Later product from at least one alternative credit provider, with the vast majority having paid back their loans in full, PYMNTS Intelligence data shows.

Traditional banks—once the undisputed titans of consumer lending—are now exploring several ways to adapt their legacy infrastructure to meet evolving customer expectations. These established financial institutions are rapidly developing their own predictable installment options while simultaneously forging strategic partnerships with nimble Pay Later alternatives. This sense of urgency reflects their recognition that consumers are increasingly gravitating toward flexible payment solutions outside traditional banking channels. For them, the stakes couldn't be higher—their massive customer bases and centuries of financial dominance provide advantages of scale, but consumer loyalty is no longer guaranteed. Each customer lost to a fintech alternative represents not just a single transaction but potentially a lifetime of banking relationships.

By blending their considerable resources with the innovation of pure play providers, these institutions are working to ensure they remain central to their customers' financial lives rather than watching from the sidelines as payment preferences continue to evolve beyond their control.

As the Pay Later ecosystem matures, we're witnessing not only innovation but also the early signs of consolidation—a natural evolution for an industry where scale and data are paramount. The fundamental economics are clear: Payments businesses require significant transaction volume to achieve profitability, while credit operations demand robust risk assessment capabilities built on extensive customer data. This dual reality is driving both traditional financial institutions and fintech disruptors toward strategic partnerships and acquisitions.

For consumers and merchants alike, this inevitable consolidation promises more integrated experiences and potentially better credit terms, as providers compete not just on price but on seamless customer journeys across the entire payment and credit spectrum. The future of Pay Later belongs to those who can masterfully balance scale, risk and customer experience in this rapidly evolving landscape.



Introduction

Digital payments are the arteries and veins of the U.S. economy, with millions of consumers tapping and swiping daily to buy everything from groceries and online fashion to porcelain veneers and cruises. In a paradox, these instant transactions that create a sale feature time delays for people who choose to pay through credit.

This Pay Later industry, where consumers purchase and receive goods or services at the point of purchase while paying for them over time, is a fast-evolving ecosystem of traditional banks, nonbank lenders and fintech startups competing—and collaborating—to offer financing options for an expanding array of goods and services. From the early 20th century's metal charge cards to today's digital mix of revolving credit, hybrid installment solutions and new Buy Now Pay Later (BNPL) models, this complex industry is altering the way millions of Americans spend and consume—and reshaping the consumption economy.

This report examines the spectrum of providers, business models and consumer use cases that characterize the modern Pay Later market. It focuses on the evolution of traditional credit cards with established credit lines, BNPL products that underwrite consumer credit at the point of sale (POS) and hybrid models that give shoppers the option to turn their credit card purchases into installment payments after they make their purchase.

Traditional credit cards, which are issued by financial institutions, have currently authorized more than $5 trillion in credit for U.S. consumers, according to the latest Federal Reserve data. As of the last three months of 2024, $1.2 trillion of that credit was unused, leaving $3.8 trillion available for consumers to spend. Consumers have several options to repay those balances, in full or over time with interest.

More recently, non-bank lenders offer credit products with balances due in predictable payments over specified periods of time. BNPL transactions in the U.S. now total $175 billion, according to data from a forthcoming PYMNTS Intelligence study for Splitit, a BNPL provider. While that is a relatively small portion of the more than $7 trillion in total retail spending each year, it is nearly 88 times bigger than the roughly $2 billion in BNPL spending in 2019. The rapid growth is a sign of the credit option's importance in the market as consumers across all income levels take to an easy way to pay in predictable monthly installments with interest and fees significantly below those offered by traditional credit cards. The explosive and rapid growth underscores the payment method's significance in a changing consumer landscape where shoppers across all income levels are opting for a quick way to pay in monthly installments, with interest charges and fees often significantly below those of traditional credit cards.

Amid technological innovations fueled by artificial intelligence, the surge in mobile and eCommerce and growing competition—and collaboration—between traditional banks and nonbank lenders to capture the Pay Later opportunity, five key themes are emerging for 2025:

Key takeaways

01 The predictability of paying for purchases over time in fixed monthly installments is increasingly appealing to consumers who value the ability to manage their personal cash flows.

02 The popularity of modern Pay Later models is forcing traditional banks to rethink how they integrate installment options into their more traditional credit lineups, and to do so as part of the shopping journey, rather than as a post-purchase experience.

03 A “Pay in X number of days and installments” landscape is emerging among pure play BNPL providers. Shorter-term, small-dollar “Pay in 3” and “Pay in 4” providers are moving into more extended credit products. Longer-term, higher-dollar BNPL providers are moving into shorter-term, small-dollar loans.

04 BNPL business models look more like traditional credit card models, with consumer fees (including interest/APR, late fees and subscription/membership fees) driving the bulk of revenue for many pure play providers.

05 There is a coming convergence of traditional credit and pure play BNPL providers, as choice and payment optionality are increasingly regarded as table stakes and Pay Later options become embedded into the checkout experience.

From Stone Steles to Digital Wallets

The expansion of the Pay Later industry swelled in the early 1900s, when General Motors rolled out financing options for buyers of Oldsmobiles, Buicks and Chevrolets. Oil companies began issuing paper credit cards for gasoline, and department stores debuted metal "charge plates." By 1934, American Airlines brought out its Air Travel Card, allowing travelers to buy a plane ticket on the spot and pay for it against their credit line.

Some Pay Later products didn't always allow a consumer the immediate joy of taking home right away, say, a new dress or refrigerator before paying in full. For example, starting in the years preceding the Great Depression, many merchants offered layaway plans that allowed shoppers to reserve an item by putting down a deposit, paying for it in chunks over months, typically with no interest, then finally carting it home once they had paid in full. By contrast, other retailers rolled out installment plans for upfront purchases. Around 1912, Sears Roebuck introduced such plans for prefabricated houses, with a 33% down payment and 6% interest for a 5-year loan.

A major development came in 1950 with the emergence of the Diners Club Card, the first multi-merchant payment network that enabled consumers to use a single credit card at multiple merchants and retailers. That innovation led in 1958 to the rise of paper cards from American Express and BankAmericard (rebranded nearly two decades later to Visa), and Master Charge (in 1966 later rebranded to MasterCard), establishing the global credit card industry. Plastic replaced paper starting in 1959, allowing merchants with a manual "zip-zap machine" to imprint a customer's card information on carbon-paper slips. Cards with a magnetic stripe debuted in the early 1960s, allowing shoppers to make POS purchases at terminals with a simple swipe and ushering in the era of digital payments.

PYMNTS INTELLIGENCE

Historical Evolution
of Consumer Credit and BNPL

Early 1900s:
Department stores and oil and gas companies **introduce paper cards and metal charge plates** for selected customers.

Diners Club launches the first multi-merchant payment network, allowing consumers to use a single credit card at different merchants.

American Express introduces a paper-based American Express credit card.

BankAmericard (later Visa) is introduced.

Master Charge (later Mastercard), debuts to compete with the recently introduced BankAmericard.

70s:
Consumers, banks, merchants and payment networks are increasingly interconnected.

80s:
Point-of-sale (POS) terminals and electronic card readers for credit cards with magnetic stripes flourish.

BillMeLater
(later renamed PayPal Credit, after its 2008 acquisition by PayPal) debuts, pioneering nonbank POS credit.

Klarna introduces installment-based checkout financing in Sweden, a big leap for **buy now, pay later**.

2008:
BillMeLater rebranded as PayPal Credit after its acquisition by PayPal.

2010s:
Nascent BNPL providers offering **short-term, interest-free installment plans** become a popular alternative to conventional credit cards. The lenders typically use **cash flow-based underwriting** instead of traditional credit scores.

2020s:
Banks, the traditional issuers of credit cards, **respond to BNPL's growth** by offering consumers more flexibility in making payments.

1900 1950 1958 1966 1970 1980 2000 2005 2010 2020 2025

From Charge Cards to BNPL:
A Century of Evolution in Consumer Credit

The Golden Age of Credit Cards

The birth of that four-party card network model in the second half of the 20th century revolutionized spending by connecting shoppers with a credit card, issued by their bank, to retailers, restaurants and other merchants that accepted the cards. Banks, and later, credit unions, plugged merchants into the infrastructure and system, or rails, that allow those financial institutions to authorize a shopper's transaction and report back immediately to the merchant whether the purchase was approved or declined.

What's known as card issuer processors, which consist of in-house bank operations and third-party companies, help banks get the cards into consumers' wallets and manage the recordkeeping and billing associated with transactions. The card networks provide the clearing and settlement networks to keep merchant and issuer accounts reconciled. For that they are paid a network fee.

The card network provides incentives, known as a merchant discount or interchange fee discount, for bank issuers to open and use accounts for credit-worthy consumers. That fee is paid by the merchant to the card issuer, who uses it to finance rewards and offer other features designed to make the card appealing to consumers. The merchant derives value from the system by getting a card-holding consumer to buy a specific good or service that they otherwise might not purchase. Often, such sales are of a higher dollar value than they would have been if the consumer had been using only cash on hand to buy.

In another incentive, retailers can use promotional financing for cardholding consumers to pay for larger purchases at their brick-and-mortar or online stores in equal monthly payments over time, with no interest. But interest charges and late fees are triggered if consumers are late—even by a day—and often assessed retroactively if monthly payments are missed. Lenders provide the funds to the retailers for those consumer purchases and underwrite the risk. Some retailers also use cards co-branded with retailers such as Gap to provide 12-month, no-interest, same-as-cash deals for shoppers, with the added perk that consumers can sometimes use their cards at other retailers.

The early innovations institutionalized the interconnected roles of consumers, banks, merchants and payment networks. In the process, they spawned the technological, clearing and settlement infrastructure that powers today's electronic payments. Card-issuing banks benefited from interest and fees paid by consumers. Merchants benefited from higher sales and larger transactions. Consumers benefited by being able to buy on credit, making pay-it-later a standard tool for American shoppers.

Digital Credit

As the shift to digital technologies accelerated in the 21st century, credit cards evolved beyond the physical, with issuers introducing virtual cards and digital wallets and paving the way for modern alternative financing models.

PayPal burst onto the scene in 1999 with an electronic payments system for consumers and ignited the eBay marketplace by making it easier for buyers and sellers to transact using a payment “alias” that shielded sensitive checking account and, later, credit and debit card information from sellers. In 2000, BillMeLater (later renamed PayPal Credit, after its 2008 acquisition by PayPal) pioneered nonbank POS credit. In 2011, Google introduced Google Wallet, later Google Pay, allowing consumers to store and access credit and debit cards on their mobile phones and use them for payment at the point of sale, along with tickets and digital ID credentials. It wasn’t until 2014 with the launch of Apple Pay that consumers could have a truly digital wallet. The Apple Pay wallet introduced the market to tokenized credentials (personal data that is randomly encrypted), paving the way for secure provisioning of physical card credentials in digital form. Today, four in five eCommerce merchants accept some form of digital wallet for payments.

In the 2010s, non-bank startups focused on financial technology emerged to offer consumers an alternative to traditional cards and credit lines when making purchases at POS. With those BNPL products, purchases amounts were typically small—between $100 and $400—and paid over a 6-to-8-week period through what’s known as Pay in 3 or Pay in 4 plans. Affirm, now the largest BNPL lender in the U.S., opened for business in the U.S. in 2012, and Sweden’s Klarna, which introduced a similar model in the Nordic country in 2005, launched in the U.S. in 2015. Afterpay, acquired by Block in 2022, launched in Australia in 2014. The BNPL industry got its real footing in the U.S. following COVID-19, when Americans who had gotten used to buying online during the pandemic unleashed their spending and embraced an alternative form of credit with a predictable payback amount and term.

Today's Pay Later Ecosystem

Pay Later Stakeholders

Today's Pay Later ecosystem comprises a diverse network of stakeholders, including traditional card issuers, each playing a unique and vital role in enabling deferred payment solutions.

At the heart of this expanded ecosystem Pay Later are the **consumers**, who generally fall into one of two distinct categories. The first group consists of individuals with limited financial means who rely on non-bank Pay Later options as a necessity due to limited credit alternatives. The second group includes more affluent consumers who strategically use these non-bank providers to optimize their finances, viewing them as a sophisticated money management tool rather than as a necessity. As Pay Later solution providers expand their products to include everyday spend, consumers who once used bank-issued credit and debit products are widening their use of non-bank Pay Later solution providers to manage their overall buying.

Merchants form another crucial component of the ecosystem. eCommerce retailers and service providers in sectors such as travel, healthcare and home improvement were the initial points of entry for non-bank providers. While these businesses incur fees from BNPL providers, they view such costs as an investment in driving higher sales volumes and increasing average order values. Larger merchants often leverage their scale to negotiate more favorable terms and may even subsidize consumer interest rates to offer promotional benefits.

More recently, the Pay Later ecosystem has expanded to include **pure play BNPL providers** such as Affirm, Klarna, Sezzle, Zip and Afterpay. These companies specialize exclusively in originating and servicing BNPL loans for individual transactions. Although their business models vary, they generate revenue through a combination of merchant fees, consumer fees and interest on extended-term loans. Their business model often includes innovative features like loyalty programs, shopping apps and exclusive merchant partnerships.

Traditional financial institutions also play significant roles, but in varied capacities. Credit and debit card issuers compete with BNPL providers by offering installment plans tied to existing credit cards, leveraging established consumer relationships, existing credit lines and extensive merchant networks.

Sponsor banks provide critical infrastructure by onboarding BNPL providers, holding deposits and enabling card issuing using their bank identification numbers printed on cards. Credit facilities ensure the system's liquidity by providing capital for BNPL loans and facilitating risk-based funding models.

The **technology infrastructure of the ecosystem** is supported by several specialized entities. Payment gateways like Stripe, Adyen and PayPal facilitate payment processing and enable merchant integration of BNPL solutions. Pay Later orchestrators such as Splitit and Chargeafter provide application programming interfaces (API) and other software solutions for embedding BNPL options into checkout flows.

Underwriting and servicing firms supply the technology for credit risk assessment, underwriting algorithms and loan servicing, often integrated with fraud detection and compliance systems.

Oversight and enhancement of the ecosystem come **from regulators, policymakers and supporting platforms.** Regulators ensure compliance with consumer protection laws, requiring clear disclosures about fees, repayment terms and credit impact.

The payment networks provide the fundamental infrastructure that enables BNPL transactions, offering the debit rails and integration capabilities at POS. This technological backbone ensures smooth transaction processing and helps standardize the payment experience across different providers and merchants.

Types of Pay Later Solutions

The Pay Later ecosystem encompasses several distinct models, each serving different consumer needs and use cases:

Traditional Credit Cards remain the foundation of consumer credit and are issued by banks through major networks like Visa and Mastercard. These products offer flexible payment options with interest accruing on unpaid balances. They typically include reward programs, with premium cards offering enhanced benefits for annual fees. While they provide maximum flexibility, they also carry higher interest rates for revolving balances.

More than 173 million Americans have unpaid balances on their credit cards, the foundation of consumer credit, PYMNTS Intelligence estimates. In January, revolving credit balances, meaning the amount people don't pay off monthly, for all types of credit including credit cards surged 8.2% on the prior year after spiking 18.5% in December, Federal Reserve data shows. The jump reflects higher interest rates and incomes crimped by inflation and means that cardholders incur more interest charges and late fees. Total revolving credit balances were nearly $1.3 trillion in January, Fed data shows. Just over half of all credit card accounts revolve, meaning consumers do not pay off the full amount of their purchases each month and incur interest and potential late fees, PYMTS Intelligence estimates.

Pay-in-Full Programs require full payment within a specified period, usually 30 days, similar to traditional charge cards. They often target higher credit quality consumers and may include rewards or benefits without charging interest. This model typically generates revenue through merchant fees rather than consumer interest charges, and through co-branded and affiliate programs and annual membership fees.

Short-Term Transactional Credit/Installment Plans includes the popular "Pay in 3" and "Pay in 4" models that have become synonymous with the BNPL industry. These plans typically split purchases into equal payments over six to 12 weeks with no interest if paid on time. They serve both necessity-based and convenience-based consumers, with revenue primarily from merchant fees and late or failed payment charges. Some programs offer subscriptions and shopping ecosystems for which they are paid affiliate fees

Long-Term Installment Options are solutions that offer extended payment terms, usually six to 36 months, for larger purchases. They may carry interest charges or promotional rates and are often used for significant expenses like furniture, electronics and travel. This category includes both merchant-specific financing and general-purpose installment options.

Promotional Installments are payment plans offered directly by merchants, often for high-ticket items like electronics, furniture or appliances. They provide interest-reduced or interest-free options for promotional periods (e.g., six to 24 months). They are generally tied to a store-branded credit card or financing program and are typically used for large purchases where the retailer offers favorable terms.

Rent-to-Own is a payment option where consumers rent an item (e.g., furniture, appliances, electronics) with the option to purchase it after completing all payments. It is provided by specialty retailers including Aaron's and Rent-A-Center and come without credit checks, making it accessible to a broader audience and those with low credit scores. Payments are spread over a longer time (e.g., one to two years) but have higher overall costs compared to outright purchase.

BNPL's Core Innovation

At its beginning, BNPL's unique twist was the underwriting of a purchase at the moment of buying for younger, thin-file customers with limited or no credit history for whom traditional credit options were inaccessible.

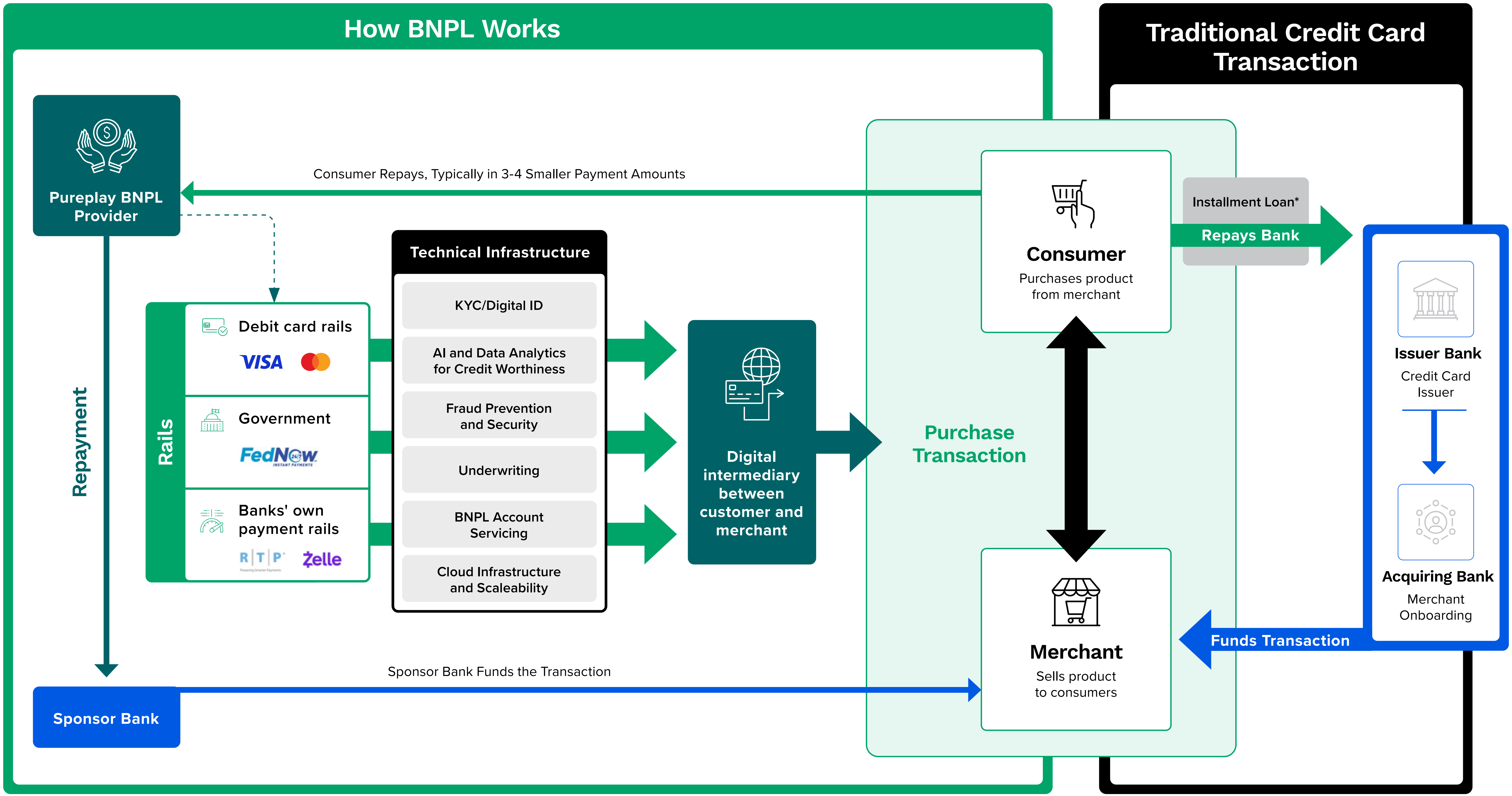
The payment method early on tapped into the desire of younger shoppers who have never known a world without the Internet to spend roughly $100-$400 on the spot. Gen Z and millennials find these payment products attractive since their thin or no credit files make them an unappealing customer target for most traditional credit products. With BNPL, stores found a new set of customers who could buy more using credit than they could by simply relying on cash on hand. Nearly one in two, or 46%, of Gen Z and 47% of millennials have used BNPL within the past year, according to a recent PYMNTS Intelligence report, highlighting its growing popularity among this younger generation of digital-first shoppers.

More recently, BNPL has gone high-end, with luxury retailers including Gucci and Bergdorf Goodman offering it and others providing options for spreading out spending on healthcare, travel and auto repairs. Meanwhile, businesses are leveraging BNPL options to finance their inventories, operational costs and supplier payments, improving cash flow management.

Toward the end of 2024, more than one in three of all American consumers, or 38%, used BNPL, up from 24% in the prior year, PYMNTS Intelligence data shows. Just over three in four reported high satisfaction with the experience. BNPL usage was roughly the same as that of used general-purpose credit cards, whose usage did not increase year-on-year. The signal: Consumers like the predictability of payment periods tied to set payoff amounts, and BNPL is no longer a one-off phenomenon. More than six in 10 U.S. BNPL users hold multiple active BNPL loans simultaneously, reflecting an increasing dependence on installment-based credit.

Pay Later Ecosystem

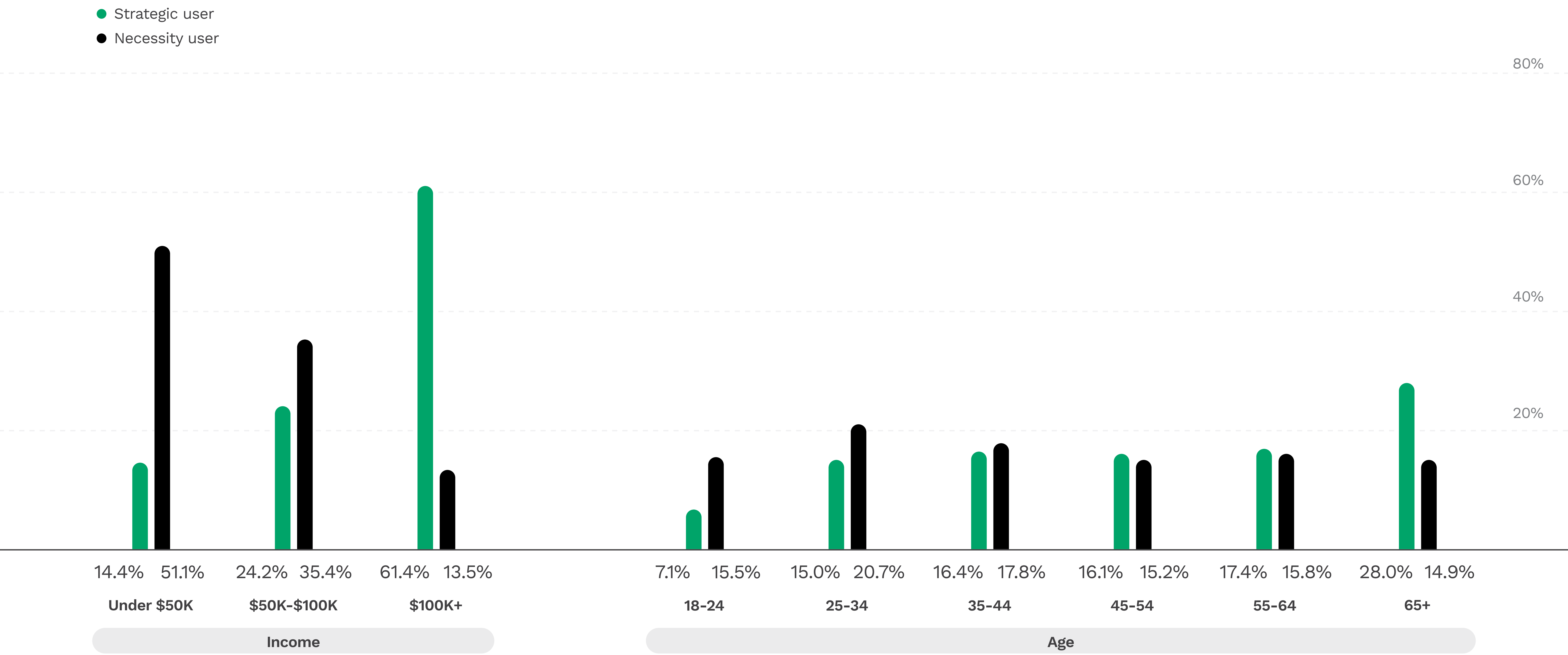
PYMNTS INTELLIGENCE



*In the installment loan, the consumer completes the transaction payment using their credit card as normal. Then after the transaction is complete, the consumer asks the issuing bank to convert the specific transaction into an installment loan.

FIGURE 1

Share of U.S. Consumers With Active BNPL Accounts



Source: PYMNTS Intelligence
Pay Later Plans Could Boost Holiday Sales If Shown Before Checkout, November 2024
N = 5,248: Whole sample, fielded Sep. 30, 2024 to Oct. 5, 2024

While there's often no interest charged on BNPL purchases, borrowers who miss payments face late fees and charges ranging from a couple of dollars to up to 25% of the total purchase price from some providers. The total cost can add up quickly, especially if their payment is linked to a debit card or bank account with insufficient funds. Customers who default on repayments can see their negative standing sent to credit scoring agencies and find their history and scores dented.

Estimated U.S. Market Share, by BNPL Provider

Klarna.	26.2%
afterpay	21.9%
affirm	19.3%
PayPal	12.3%
zip	6.5%
sezzle	3.4%
Kafene	2.5%
Zebit	1.8%
Other	2.2%

Source: PYMNTS Intelligence
N = Respondents using BNPL in the last 30 days, fielded Dec. 2, 2021, to Dec. 23, 2024

Data from a forthcoming PYMNTS Intelligence study provides rough estimates for individual lender share of the $175 billion U.S. market.[1]

These estimates are based on the payment methods consumers indicated they used in their most recent transaction. Because BNPL is a relatively small portion of overall spending, the sample of consumers using BNPL is relatively low, leaving larger margins of estimation error. While these estimates are subject to sample variance, we can confidently identify the top players in the US market.

[1] These estimates are based on PYMNTS Intelligence studies about the way consumers paid for their most recent transactions and on our estimates of total BNPL spending for 2024. Because BNPL is still a relatively small portion of total consumer spending, the sample size and resulting sample variance are larger, in the range of +- 5%.

Pure Play BNPL Providers

The BNPL ecosystem's **core operators include pure play providers** such as Affirm, Klarna, Sezzle, Zip and Afterpay. These companies specialize exclusively in originating and servicing BNPL loans for consumer transactions. They generate revenue through a combination of merchant fees, consumer fees and interest on extended-term loans. Their business model often includes innovative features like loyalty programs, shopping apps and exclusive partnerships with merchants.

Klarna has established itself as a comprehensive shopping ecosystem that extends beyond simple payment processing. Its platform serves as a discovery engine for retailers, offering cashback rewards and price drop notifications. Its "Pay in 4" model has been supplemented with longer-term financing options for larger purchases, and the company has developed particularly strong partnerships within the fashion retail sector. Klarna filed to become a publicly traded company on the New York Stock Exchange on March 14, 2025.

Affirm has positioned itself as a more flexible financing solution, offering "Pay in X" terms ranging from six weeks to 36 months. Its initial strategy focused on higher-ticket merchants in categories such as electronics, home furnishings and travel. Recently, the company has evolved to include more everyday purchase items of smaller dollar-value and shorter payback terms. Affirm's pricing model eliminates late fees in favor of interest charges. The company has embedded its BNPL options in major marketplaces including Amazon and Shopify, as well as in payment options like Apple Pay and Google Pay and, more recently, Visa Flex Credential. Affirm's Debit+ product, launched in 2023, offers cardholders the opportunity to turn a debit purchase into a BNPL loan and has 1.7 million active users, according to the firm's recent securities filings.

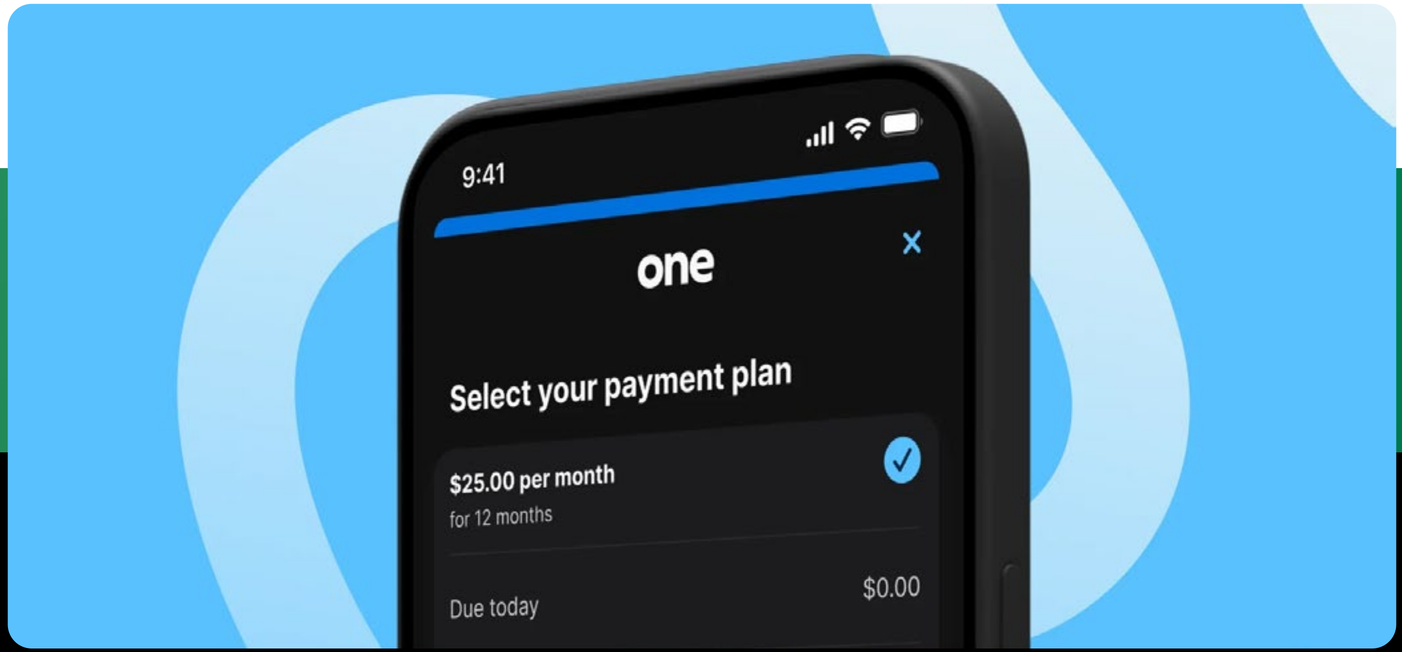
Afterpay launched in 2014 as an alternative to debit card purchases for Gen Z and Millennials. It has grown that base through strategic partnerships with popular retail brands including Urban Outfitters and Old Navy. Their model emphasizes zero interest and transparent late fees, with revenue primarily derived from merchant fees. The company's integration with Block (formerly Square) has created opportunities for in-store and online payment expansion through Square's merchant network and as an embedded payment option in CashApp.

Sezzle was founded in 2016 and launched its first BNPL credit product in 2017. The company has differentiated itself by focusing on financial empowerment and credit-building tools alongside its core BNPL offering. The company provides interest-free “Pay in 4” installments but also allows users to build credit through its Sezzle Up program. It has also launched "Money IQ," an in-app financial education platform and offered a reward program called "Payment Streaks" that gamifies on-time payments to encourage financial responsibility. Sezzle’s On Demand and Anywhere products provide a single-use virtual card for splitting payments into three or four installments for use at any merchant where Visa is accepted.

Zip (formerly Quadpay) offers a flexible BNPL model that allows users to split purchases into four installments across six weeks or extend payments over longer terms with interest. Zip also supports virtual cards for in-store payments, increasing its usability across a wide range of merchants.

PayPal offers BNPL thru PayPal Credit, tapping into its user base of [434 million global users](#) to embed BNPL into its checkout experience. PayPal users are offered a credit limit and can opt to use PayPal credit at PayPal accepting merchants. Because its "Pay in 4" installment plan is built directly into the PayPal wallet, merchants do not have to do a separate integration to offer a BNPL option for PayPal users.

Although not a mainstream player at this point, **Walmart, with One**, is [aiming to become](#) a financial services "super app," leveraging its standing as America's largest grocery chain and weekly foot traffic of 100 million shoppers. In January, the company's fintech arm, Hazel, rebranded its acquisitions of Even Responsible Finance and One Finance under the name One. The move positions Walmart to compete directly with established BNPL providers like Affirm, with which Walmart already has a partnership for BNPL for products purchased at the giant retailer. It also underscores a broader trend among major retailers to integrate financial services into their core offerings. For Walmart, the partnership highlights the company's ability to gather first-party data from consumers who shop their physical stores.

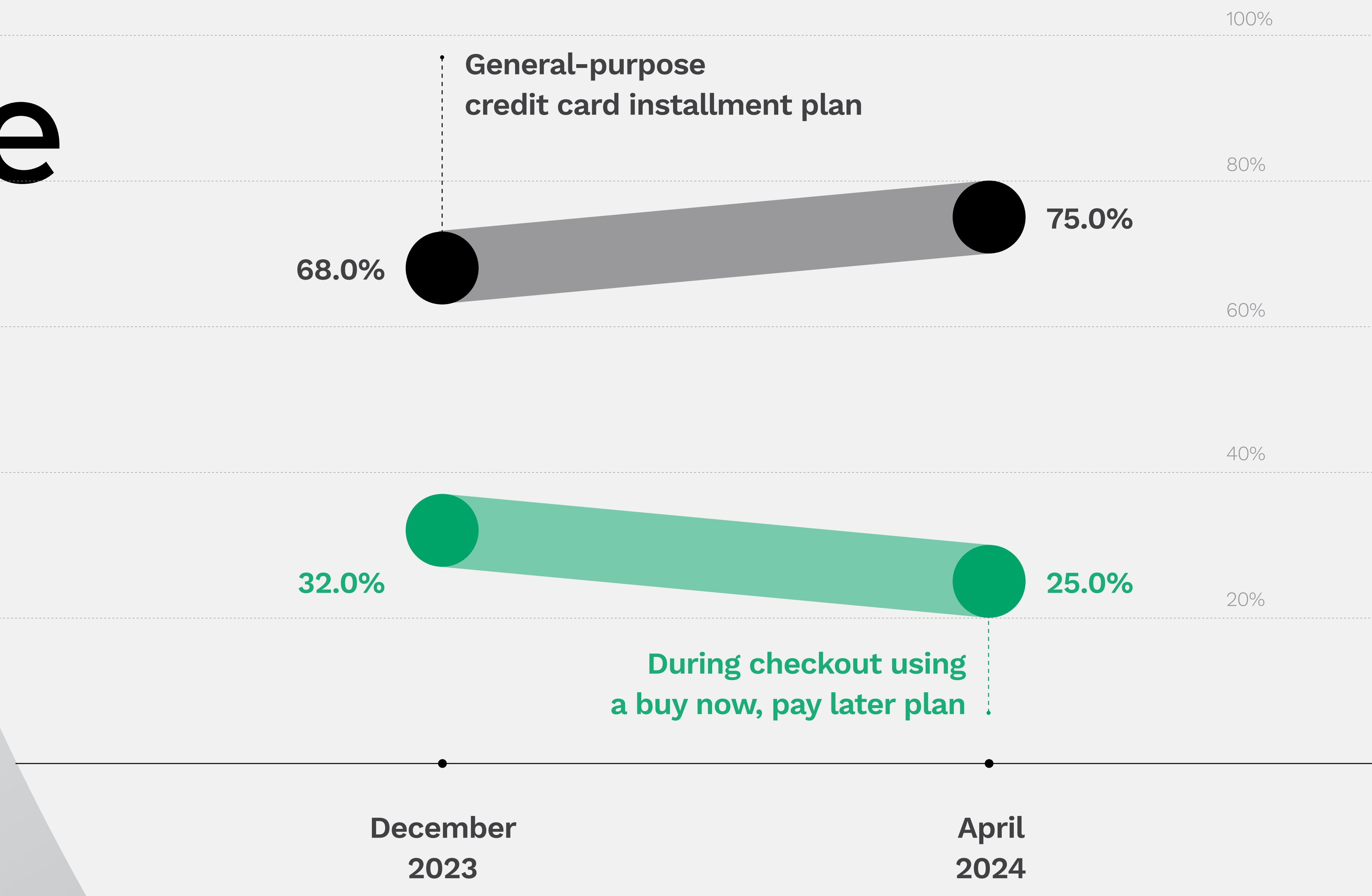


Banks to the Game

Traditional banks, which dominate the Pay Later industry today, see the consumer appeal of predictable monthly installments and are adapting their programs accordingly. For example, American Express's "Plan It", Citibank's "Flex Pay," and Chase's "My Chase Plan" allow cardholders to split their purchases into fixed monthly payments, instead of paying set monthly minimums with traditional revolving interest. U.S. Bank's "ExtendPay" lets clients move up to half of purchases of at least $100 made within their credit line to a plan with equal monthly payments with no interest during a repayment period they choose.

FIGURE 2

Which Split Payment Option do Merchants Most Prefer Customer to Use?



Source: PYMNTS Intelligence
N = 100: Complete merchant responses, fielded Dec. 7, 2023 to Mar. 28, 2024

Missed repayments get hit with a full interest rate (APR), which in late February 2025 was an average 20.1%. Amex's Plan It offers a calculator showing the fees on a $500 purchase repaid over six months, 12 months and 18 months. Citi Flex Pay, a feature of Citi's traditional credit cards, offers no fee or interest on a 3-month payment plan, though it says the offer may not be available after June 30, 2025. Goldman Sachs' Apple Pay Later offered BNPL financing within Apple Wallet until its discontinuation in June 2024.

Banks are also launching standalone BNPL-style lending options, offering structured installment financing outside traditional credit cards: For example, Wells Fargo's "Flex Loan" provides personal loan-style installment plans, mirroring BNPL but within the regulated banking framework.

Bank-branded BNPL products are now the most preferred Pay Later option among merchants, PYMNTS Intelligence data shows, in part because they are a post-purchase financing option and merchants do not have to support an additional integration to offer that. From a consumer standpoint, there is no additional underwriting, giving shoppers the confidence that a purchase made using a card-attached payment plan will be approved.

What People Buy Using BNPL Options

BNPL users favor a mix of discretionary and essential purchases, with clothing and accessories, groceries, appliances and home furnishings topping the list.

Driving BNPL's growth are eCommerce retailers which partner with BNPL providers and more shoppers seeking flexible financing alternatives to credit cards and traditional loans. Some 40% of online retailers have direct integrations with BNPL providers. In 2023, Amazon began offering BNPL to its sole proprietors in collaboration with Affirm.

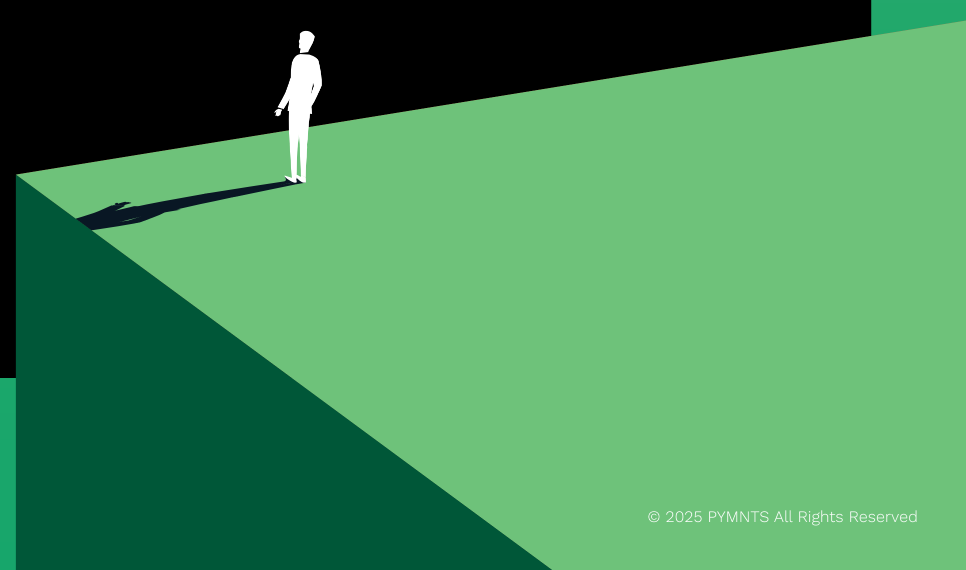
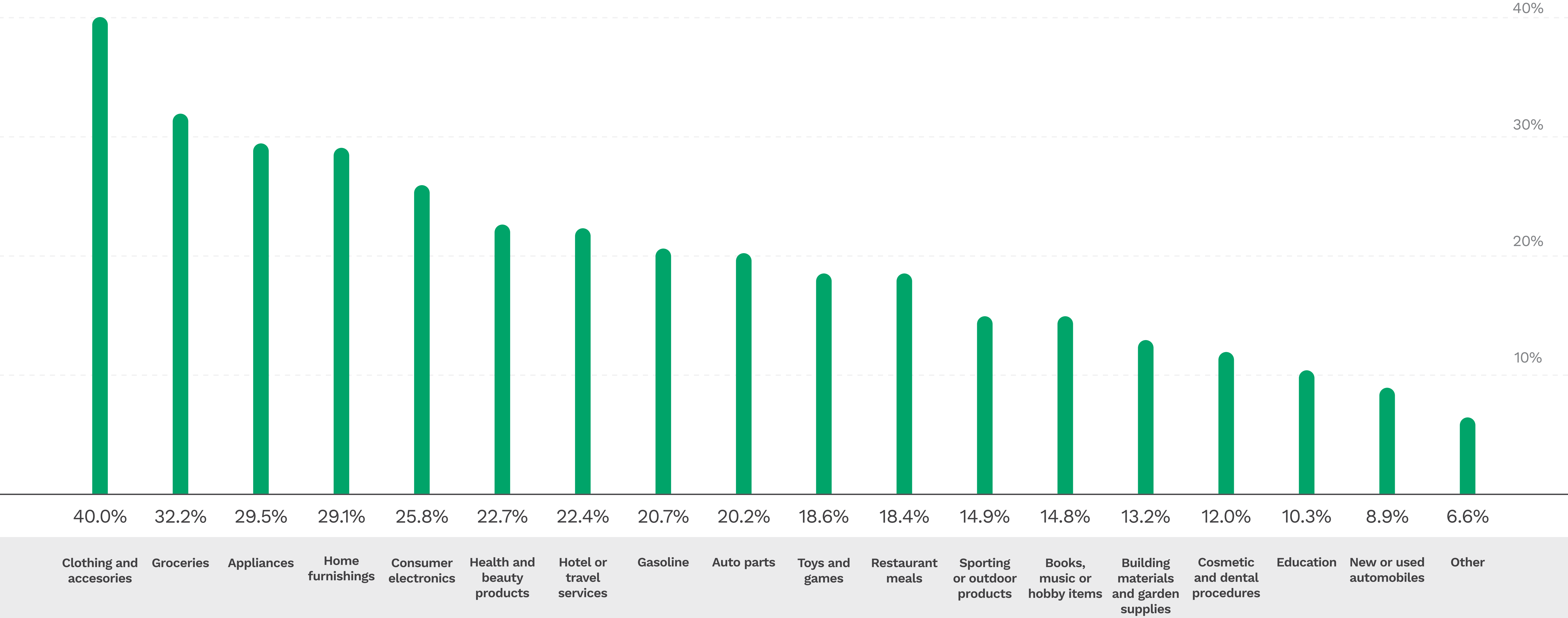


FIGURE 3

Share of U.S. Consumers With Active BNPL Accounts



Source: PYMNTS Intelligence

N = 3,701: Respondents who used Pay Later in the last 12 months, fielded Jan. 29, 2025 to Feb. 7, 2025

Who is the Pay Later Consumer?

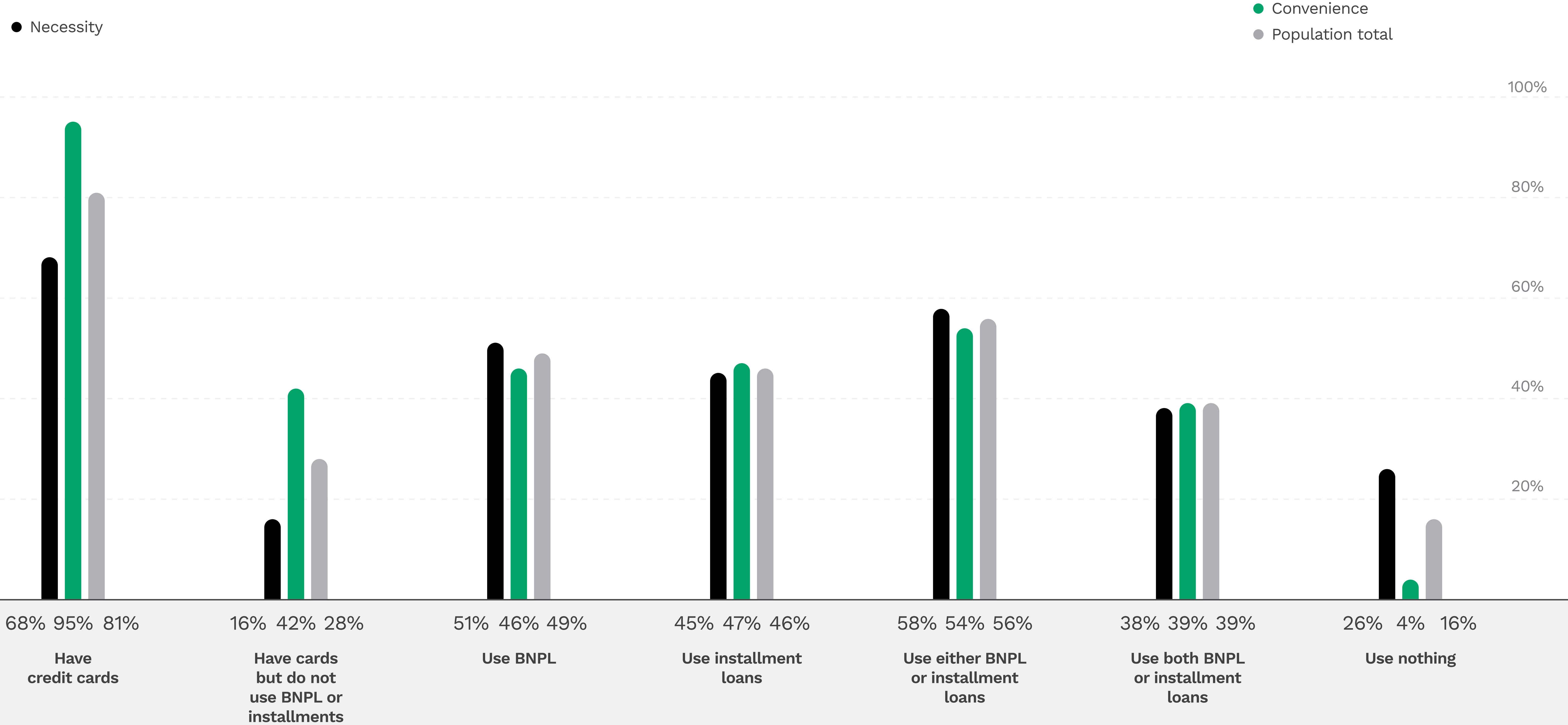
Consumers of all income levels and ages are increasingly drawn to predictable, structured payments with fees and interest rates lower than those on traditional credit cards. The reasons are varied, indicating a broad market for Pay Later Options.

More than four in 10 consumers who made BNPL purchases of essential and non-essential items would have declined to buy those goods or services without a BNPL option.

Pay Later shoppers can be classified into two key types: People who spread out payments over time out of necessity, and those who do so for convenience—for example, to preserve their credit lines for big items like home remodeling or manage cash flows that change due to other spending or one-off income streams, like a year-end bonus.

FIGURE 4

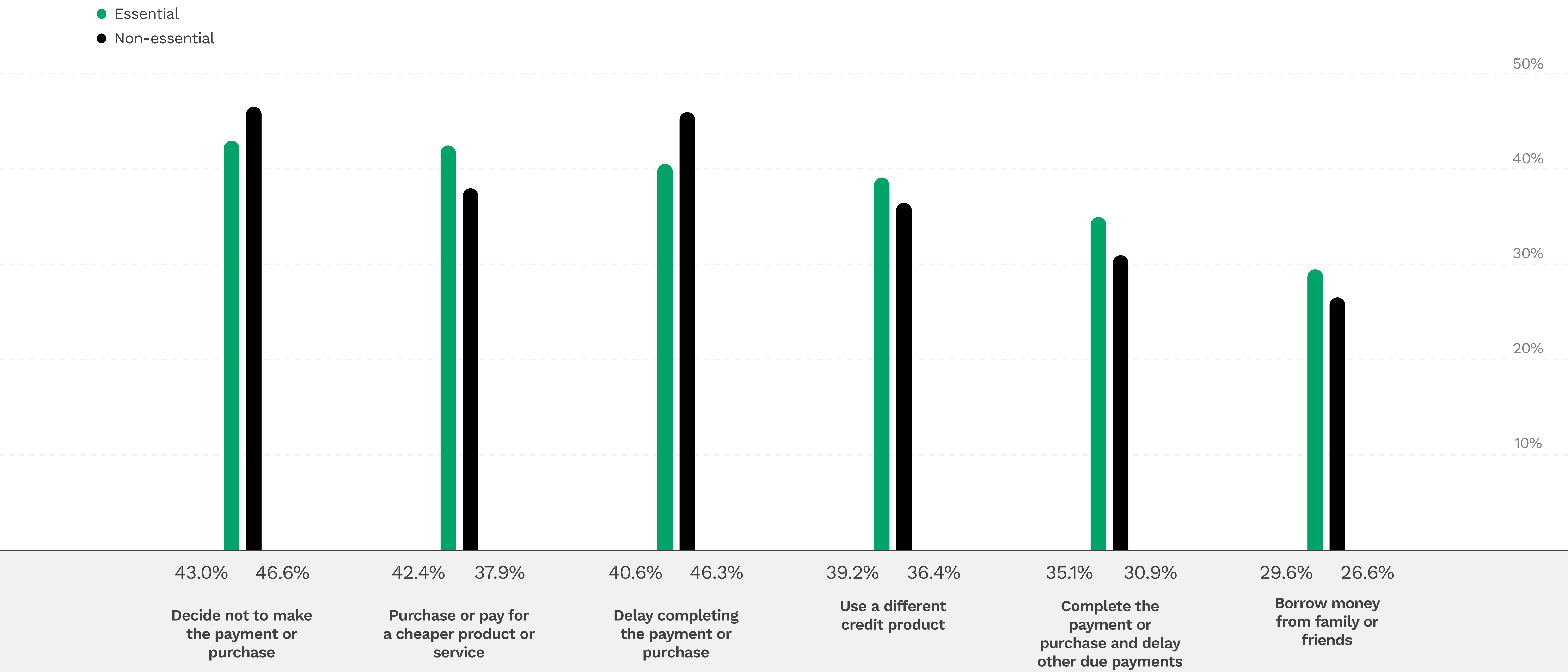
Share of Consumers, By The Pay Later Products They Use



Source: PYMNTS Intelligence
Pay Later Plans Could Boost Holiday Sales If Shown Before Checkout, November 2024
N = 5,248: Whole sample, fielded Sep. 30, 2024 to Oct. 5, 2024

FIGURE 5

What U.S. Consumers Would Do If They Hadn't Been Able to Complete Their Latest Purchase Through BNPL



Source: PYMNTS Intelligence
N = Respondents who made essential and non-essential purchases using credit, fielded Mar. 29, 2024 to Jan. 23, 2025

Borrowers Short on Cash and Credit

Necessity Users rely on BNPL products because they're short on cash and have limited access to traditional credit. Such users typically:

Have low or no credit scores, limiting their access to traditional credit cards and loans

Use BNPL to help cover everyday purchases such as groceries

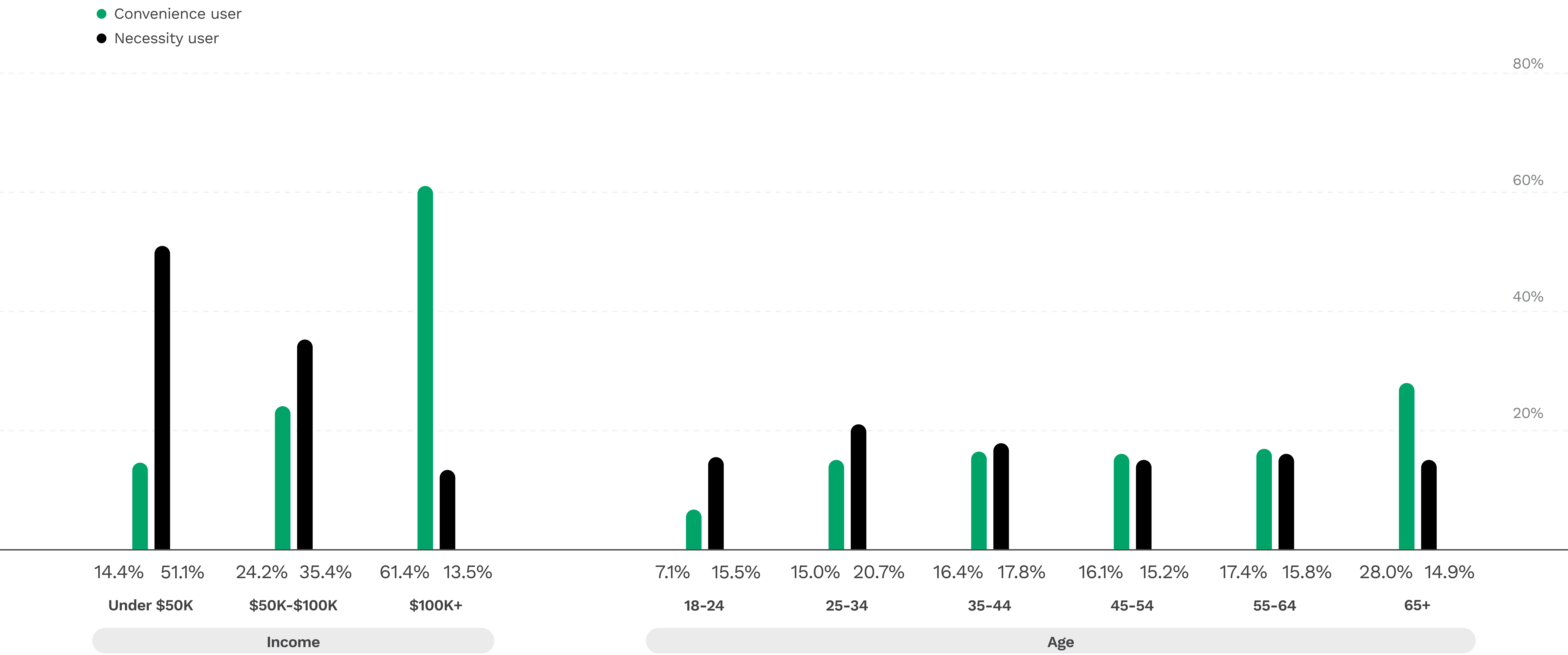
Seek to preserve their available credit on any credit card/s they might have for emergencies

More than one in two, or 51.2%, of adult American consumers using BNPL do so out of necessity—slightly more than do so out of convenience (46.1%), according to PYMNTS Intelligence data. By contrast, nearly seven in 10, or 68.2%, of consumers use their credit cards out of necessity. Consumers with more unpredictable finances are 3.5 times more likely to use BNPL, with 8.9% having used it in the past 30 days, compared to just 2.5% of consumers with a more stable financial situation, according to a recent PYMNTS Intelligence Report.

Consumers using BNPL out of necessity are most likely to be aged 25 to 34. Slightly more than one in five, or 20.7%, in that group taps the product to pay their basic bills.

FIGURE 6

Share of U.S. Consumers With Active BNPL Accounts



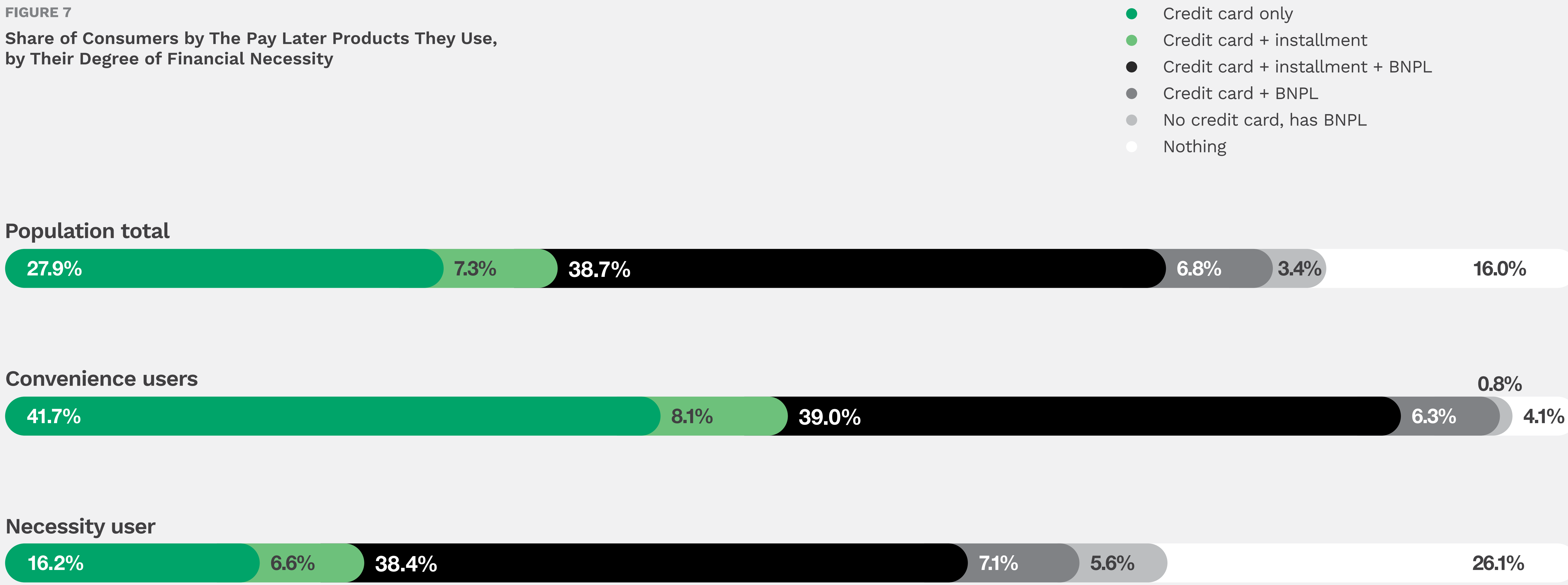
Source: PYMNTS Intelligence

Pay Later Plans Could Boost Holiday Sales If Shown Before Checkout, November 2024

N = 5,248: Whole sample, fielded Sep. 30, 2024 to Oct. 5, 2024

FIGURE 7

Share of Consumers by The Pay Later Products They Use, by Their Degree of Financial Necessity



Source: PYMNTS Intelligence
Pay Later Plans Could Boost Holiday Sales If Shown Before Checkout, November 2024
N = 5,248: Whole sample, fielded Sep. 30, 2024 to Oct. 5, 2024

Borrowers Who Like Convenience

Consumers who use credit out of convenience have strong credit profiles and often use Pay Later solutions to maximize their card rewards. Such people typically:

- **Have robust credit histories and multiple financing options**
- **Possess a credit card, with 61% paying off their balance in full each month**
- **Manage cash in their bank accounts to make large-ticket discretionary purchases for travel, electronics and luxury goods**
- **Take advantage of promotional 0% APR financing to spread out costs over time**
- **Often seek to create flexible payment options without tapping into existing credit lines**

A striking recent trend centers on the embrace of BNPL by wealthier Americans.

Just over six in 10, or 61.4%, of all U.S. consumers who use the payment method for convenience make at least $100,000 a year, the most such purchases of any income group, PYMNTS Intelligence data shows. Only 13.5% of users in that income group use the product out of necessity. The data, drawn from a PYMNTS Intelligence survey of 5,248 consumers fielded Sept. 30, 2024, to Oct. 5, 2024, also shows that the lower your income, the more likely you are to use BNPL out of need rather than for the convenience of managing cash flows.

Interestingly, convenience users are most likely to be age 65 or older, and comprise 28% of all BNPL users of all ages.

FIGURE 8

Products Purchased by Consumers With Pay Later

Source: PYMNTS Intelligence

N = Respondents who used Pay Later in the last 12 months, fielded Aug. 8, 2023 to Feb. 7, 2025

Who Pays Whom?

The Pay Later ecosystem's business model involves a complex flow of funds and monetization structures. Simply stated, Pay Later providers function as an intermediary between the consumer and the bank, moving money from the consumer's account to the merchant.

Traditional credit card issuers operate on a model combining interest income (typically 15-29% APR), fee income (annual fees, late fees and foreign transaction fees) and interchange revenue (1.5-3.5% per transaction). Issuers use their balance sheets, funded by customer deposits, to lend money to consumers.

For most pure play BNPL providers, the actual funding source is a credit facility that enables the Pay Later intermediary to extend credit to end users. This differs from traditional card models where the issuing bank serves as both intermediary and funding source. In the newer Pay Later models, the provider conducts underwriting and risk assessment, then draws on its credit facility to fund transactions, typically using virtual debit cards to transfer funds to merchants and connect consumers to the funding source.

The revenue model has evolved significantly for pure play BNPL providers. Initially, merchant funding dominated, with retailers paying higher interchange fees to get access to customers who were previously underserved by traditional credit products. But as BNPL became more pervasive, merchant resistance to these fees grew, and providers have developed diverse revenue strategies.

These strategies fall into three main categories: merchant-funded, consumer-funded and hybrid models.

PYMNTS INTELLIGENCE

BNPL Monetization Methods

Paid by Consumers

Interest on Longer-Term BNPL Loans
BNPL provider charges interest on installment loans that extend beyond the standard "Pay-in-4" model (which is typically interest-free if repaid on time).

Late Fees and Missed Payment Penalties
BNPL providers charge late fees if a consumer fails to make a scheduled payment.

Subscription or Premium Memberships
BNPL providers offer premium plans with added perks in exchange for a recurring fee. For example, "Klarna Plus" membership has exclusive deals and rewards for a monthly fee.

Foreign Transaction Fees
BNPL providers charge foreign exchange fees when users make international purchases.

Convenience Fees for Certain Payment Methods
BNPL providers charge fees for specific payment methods, such as using credit cards to repay BNPL balances.

Upselling Other Financial Products
BNPL providers cross-sell financial products such as credit cards, savings accounts or financial planning tools.

Pay Later Provider

The primary way BNPL providers make money is through transaction processing fees charged to the merchant and through interest and fees paid by consumers on late and missed payments.

Paid by Merchants

Merchant Discount/Processing
BNPL providers charge merchants a percentage of the transaction amount for enabling BNPL at checkout. This is similar to how credit card companies charge interchange fees, but higher.

Marketing and Lead Generation
BNPL providers drive traffic to merchants via their own shopping apps and charge merchants for customer referrals.

Integration and API Access
BNPL providers may charge one-time or recurring fees for merchants to integrate BNPL functionality into their checkout systems.

Set-Up Fees for In-Store Solution
BNPL providers extending their offerings to brick-and-mortar stores may charge merchants for hardware, software or POS integration.

Customization Fees
Enterprise-level merchants may require custom BNPL solutions, leading to additional charges for merchants.

Data and Analytics
BNPL providers collect consumer purchase data and may offer the merchants insights and analytics tools to optimize their sales strategies.

Chargeback and Dispute Management
Some BNPL providers charge merchants for handling disputes, chargebacks and fraud protection services.

When The Merchant Pays

The BNPL industry began with merchants offering the service to consumers free of fees and interest, as long as they paid on time. The goal of businesses accepting BNPL options was to acquire a customer base motivated to buy their goods and services if they didn't have to pay cash. Merchants paid the fees to banks when consumers bought something, just like the "swipe fees" merchants pay to banks to process a shopper's credit card transaction.

Merchant-funded revenue streams are diverse. Interchange fees typically range from 1.5% to 7% of a transaction's value, exceeding traditional credit card rates. Merchants may also pay promotional fees to offer special terms like interest-free periods and marketing fees for co-branded campaigns and enhanced visibility.

Merchants can pay additional charges for setup fees, particularly for customized solutions, access to consumer analytics and services for expedited settlement or enhanced fraud prevention.

More recently, the power is shifting, and BNPL providers have developed diverse monetization strategies that move those fees to consumers. As competition arises for merchant integration dollars and attention, BNPL providers often compete for preferred BNPL status by paying merchants marketing or promotional dollars to add their payment options to checkout. Such payments can range from hundreds of thousands to many millions of dollars, and sometimes come with checkout guarantees.

When The Consumer Pays

Consumer-funded revenue streams for BNPL providers include several fee types. Interest fees range from 0% to 30% APR based on creditworthiness and are typically applied to larger purchases or extended payments. Late payment fees are imposed when consumers miss scheduled installments, either as fixed amounts or percentages of missed payments. Failed payment fees apply when automated payments are rejected due to insufficient funds.

Additional consumer revenue sources include subscription fees for exclusive deals, convenience fees for using specific payment methods (typically 1-3% for credit card funding) and subscription/membership fees, where users pay a fee for access to premium financing options, such as extended repayment terms or lower fees.

A Combination of Both

Amid the tension between consumer-funded and merchant-funded structures, the hybrid model has emerged as the dominant approach, with most pure play providers combining both consumer and merchant revenue streams.

Klarna, for example, charges merchants 2-5% per transaction plus marketing fees while collecting late payment fees and interest from consumers. Afterpay maintains merchant fees of 4-6% while charging consumers late payment and convenience fees. Affirm's model includes variable merchant fees (2-6%) based on financing terms, plus consumer interest rates up to 30% APR for extended payment plans.

This hybrid approach reduces reliance on any single revenue source, enables flexible monetization strategies where lower merchant fees can be offset by higher consumer charges (or vice versa) and allows providers to scale while maintaining profitability.

How Pay Later Transactions Are Funded

A BNPL consumer typically pays part of the purchase price up front. But the merchant still receives full payment at the time of purchase, which means the difference must be funded. Individual BNPL providers manage that funding differently.

Balance Sheet:

Some BNPL providers provide funding directly from their balance sheets, either through cash on hand, or via lines of credit provided by credit facilities.

Credit Facilities:

Many BNPL providers rely on credit facilities to provide credit lines to fund BNPL loans.

Credit Card Networks:

A virtual card that runs over traditional card rails is generated for the exact amount of the transaction at checkout. That virtual card is used to pay the merchant instantly for the purchase and collect funds from the consumer over time, consistent with the terms of the loan.

Merchant-Supported Financing:

In some instances for large dollar purchases like furniture or dental work, the merchant may provide the funding, using third-party financing providers to underwrite and fund the loans.

Loan Sales & Securitization:

Some BNPL providers sell their loans to institutional investors or securitize them into bonds to free up cash for new lending.

Delinquencies and Defaults

In the Pay Later world, **default** occurs when a borrower fails to meet a loan's repayment terms, prompting the lender to give up on collecting and write off the losses as a charge-off 180 days or more after the account is past due. Repayment terms vary according to lender. **Delinquency** refers to overdue payments in which a borrower pays 30 days or more late but continues to make payments, incurring late fees. Such a loan hasn't escalated to default. Lenders vary in their definitions of "late," from a day to a week or more. Most BNPL providers don't report late payments to credit bureaus. Neither do they report on-time payments, making the payment method challenging as a credit-building tool for many consumers who use the product. Most BNPL providers do not turn over uncollected balances to a debt collector, given the small balances typically left on those loans, but will refuse to extend credit to them in the future.

Delinquencies Spike

New PYMNTS Intelligence data shows a recent sharp rise in BNPL delinquencies.

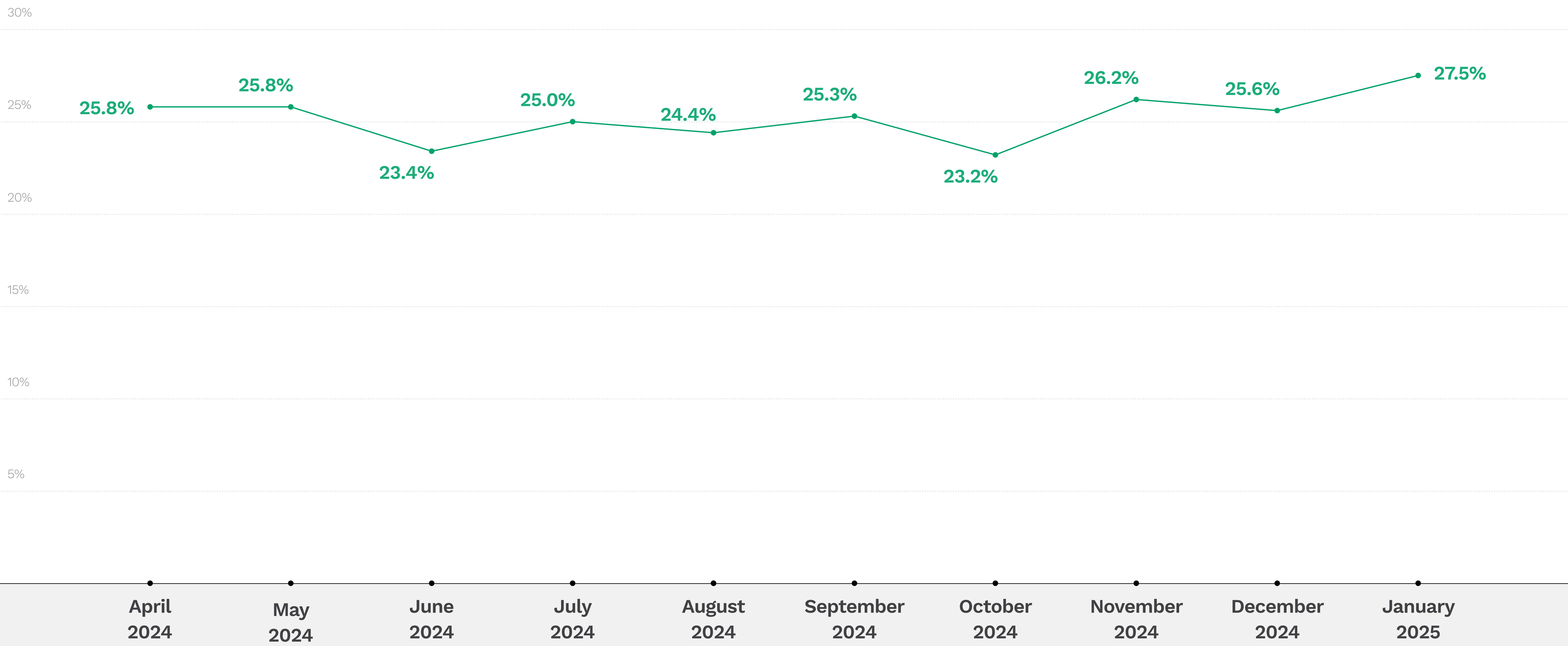
As of mid-to-late January 2025, nearly 30% of all BNPL loans were past due, a PYMNTS survey of 2,330 U.S. consumers over Jan. 14 to Jan. 23 shows. That represents a nearly 54% increase on the previous month, when 19.4% were delinquent. But it's below the 33.3% rate for November 2024. Delinquency rates vary widely from month to month, according to the data, which PYMNTS began tracking in April 2024.

FIGURE 9

Share of BNPL Users With Past Due Payments - 3 Month Rolling Average

Source: PYMNTS Intelligence

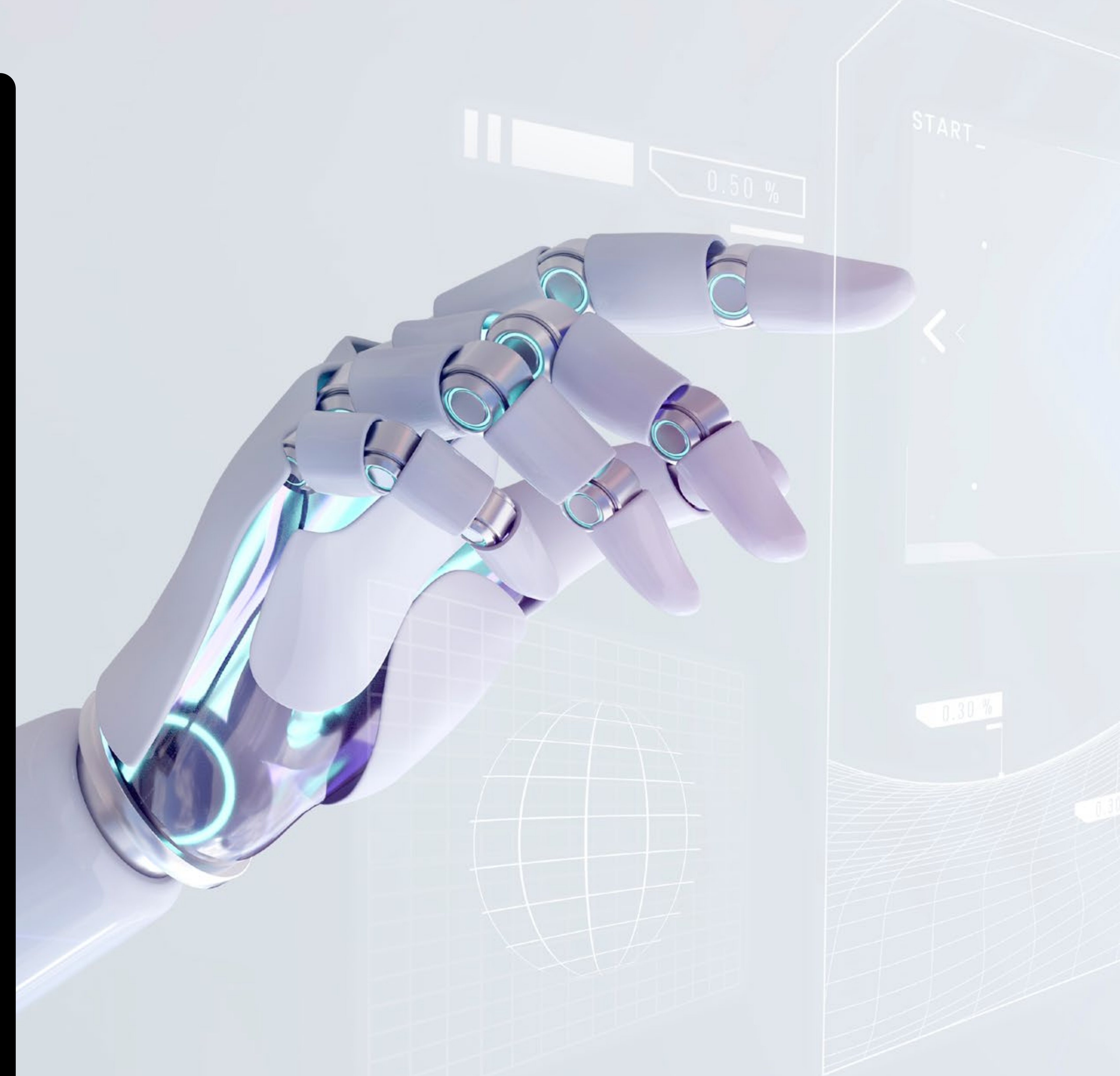
N = Buy now, pay later users, fielded fielded Mar. 29, 2024 to Jan. 23, 2025



The AI Influence

Artificial intelligence in particular is reshaping the ecosystem at an accelerated pace. The ability to process vast amounts of data instantaneously, identify patterns and automate decision-making has allowed AI-driven solutions to take over critical aspects of underwriting, fraud prevention and customer experience.

Instead of relying solely on traditional credit scores, AI models analyze a consumer's real-time financial behavior—how they spend, save and manage their cash flow. Klarna has integrated OpenAI's language model, the first global fintech to do so, in an effort to offer personalized shopping recommendations, automates customer service and improves fraud detection. Companies including **Upstart** and **Zest AI** are leveraging machine learning to analyze alternative data points such as bank transactions, utility bill payments and social behaviors. Meanwhile, firms including **Plaid** and **Finicity** (a Mastercard subsidiary) enable BNPL providers to securely access a consumer's banking transactions.



The Regulatory Factor

The BNPL industry currently operates in a regulatory environment characterized by significant uncertainty. Several key areas are in the crosshairs, and it's unclear what the outcomes will be under the Trump administration.

The potential shift in oversight from federal to state authorities is an emerging issue. Any reduction in the role of the Consumer Financial Protection (CFPB) could prompt increased state-level regulation, as state agencies step in to fill federal regulatory gaps. This change could result in a more complex compliance landscape for BNPL providers operating across multiple jurisdictions.

The industry now faces a period of adaptation where providers must balance innovation with compliance, all while operating under evolving regulatory frameworks. Card networks and sponsor banks will likely maintain their conservative approach to compliance, potentially influencing the broader BNPL ecosystem's development.

The key challenge for the industry will be navigating this uncertainty while maintaining the innovation and accessibility that have made BNPL services popular with consumers.

The regulators

Until recently, U.S. regulators had been stepping in to impose stricter oversight on BNPL providers. That's now in flux under the Trump Administration.

Since its inception in 2010, the **Consumer Financial Protection Bureau (CFPB)** has played a central role in rulemaking and policy covering alternative credit providers, focusing on consumer protection and transparency. Its oversight includes enforcement of the Truth in Lending Act, Equal Credit Opportunity Act, unfair and deceptive acts and practices and the Fair Credit Reporting Act. The agency has expressed particular concern about BNPL "loan stacking," when consumers use multiple BNPL services, and expressed a need for clear disclosures to consumers and fair lending practices. The Payday Lending rule, currently set to take effect the end of March 2025, would curtail the number of times that a lender can try to recover a missed payment, impacting lender business models and potentially increasing loss rates and tightening underwriting requirements. As of mid-March 2025, big question marks hang over the agency, its policies and its future under the new White House administration.

The Financial Crimes Enforcement Network (FinCEN)
focuses on preventing financial crimes. The agency categorizes POS credit providers as "loan or finance companies," requiring them to implement comprehensive risk-based AML programs, conduct thorough risk assessments and maintain oversight by U.S.-based compliance officers who are accessible to regulators.

The Office of the Comptroller of the Currency (OCC)
provides guidance on underwriting standards and consumer safeguards for BNPL lenders, particularly those which partner with national banks.

The Federal Deposit Insurance Corporation (FDIC),
while not directly regulating BNPL providers, influences the industry through its supervision of state-chartered banks that are often sponsor banks for the providers.

The Federal Trade Commission (FTC)
enforces consumer protection regulations that affect BNPL providers, including the Fair Debt Collection Practices Act, prohibitions against unfair or deceptive practices and truth in advertising standards. The FTC also oversees electronic fund transfers, consumer reviews and data security requirements.

The Federal Reserve
impacts Pay Later providers indirectly through its regulation of payment systems and partner banks.

The Securities and Exchange Commission (SEC)
oversees publicly traded BNPL providers.

State-level
regulation varies significantly with the potential for increased levels of state regulation if the CFPB's federal mandate is curtailed. That would further fragment the risk and compliance requirements for credit, and in particular, alternative credit providers.

Conclusion

The Pay Later ecosystem represents a dynamic market that continues to evolve through technological innovation, changing consumer preferences, and regulatory development. The blurring of the lines between traditional and non-bank providers has created opportunities for various providers to serve different market segments with specialized solutions.

Understanding the nuances of different provider types, business models and revenue streams is crucial for stakeholders navigating this complex ecosystem. As the industry matures, we can expect to see continued innovation in business models and service offerings, alongside growing regulatory oversight and evolving consumer preferences. Providers that can successfully balance these factors while delivering value to both merchants and consumers will be best positioned to thrive in this competitive landscape.

Addendum

Pay Later Revolution: Redefining the Credit Economy

Issuing Banks (Credit Funding)

Bank-backed

- Citi Flex Pay
- Chase My Plan
- Discover Bank
- Barclays
- Capital One
- US Bank Entend Pay
- AmEx Plan It
- Synchrony

Investment and Liquidity

- SoftBank
- Sequoia
- Andreessen Horowitz

FinTech banks

- Cross River
- Evolve Bank & Trust
- WebBank

Credit and Fraud Risk

Credit Bureaus

- Experian
- Equifax
- TransUnion

Alternative Credit Scoring

- Plaid
- Pagaya
- Yodle
- Zest AI
- Kount (An Equifax Company)
- Nova Credit
- H2O.ai
- Upstart
- Provenir

KYC and Identity Verification

- Socure
- Trulioo
- Jumio
- Quantifind

Fraud Prevention

- Onfido
- Feedzai
- Riskified
- SEON
- LexisNexis
- Signifyd
- Forter

BNPL Providers (Loan Originators)

Bank-backed

- citi Flex Pay
- CHASE MY PLAN
- DISCOVER Split Pay
- Capital One
- us bank Entend Pay
- AMEX PAY OVER TIME

Independent BNPL Providers

- perpay
- VIABILL
- affirm
- zip
- afterpay
- uplift
- sunbit
- sezzle
- bread pay
- Klarna.
- splitit
- PayPal
- zilch

Payment Infrastructure and Gateways

Alternative Payment Rails

- ACH Network
- Open Banking APIs

Card Networks

- DISCOVER
- Mastercard
- AMEX
- VISA
- JCB

Embedded Payments

- MARQETA
- authorize.net A Visa Solution
- Braintree A PayPal Service
- DWOLLA
- FINIX

Major Payment Gateways

- adyen
- stripe
- PayPal
- shopify payments powered by stripe
- Square
- galileo

Merchants and eCommerce

eCommerce Platform

- shopify
- Magento
- woo
- BIGCOMMERCE
- SQUARESPACE

Retailers

- COSTCO WHOLESALE
- KOHL'S
- Saks Fifth Avenue
- Nike
- Walmart
- TARGET

Marketplaces

- ebay
- Etsy
- TEMU
- Meta
- amazon

Customer Engagement

Debt Collection and Recovery

VERVENT
TrueAccord
KATABAT A Finvi company

CRM Platform

braze
HubSpot
salesforce
ITERABLE
moengage

Behavioral Analytics

Amplitude
mixpanel
twilio segment
salesforce

Customer Support and Disputes

INTERCOM
zendesk
GENESYS
Freshdesk

Cloud Infrastructure

Cloud Computing and Infrastructure

Microsoft Azure
aws
Google Cloud
IBM Cloud
ORACLE Cloud Infrastructure
Alibaba Cloud

Security Identity Management

CLOUDFLARE
okta
auth0
PingIdentity.

Database Solutions

MongoDB.
PostgreSQL
snowflake

API Orchestrators

API Gateways

MuleSoft from Salesforce
Tyk
Kong
WSO2
boomi

Middleware and Connectivity

Rapid
POSTMAN
IBM apiconnect
Amazon API Gateway
apigee

Unified API Integrators

globalpayments
Jifiti.
optty™
stripe
PAYSIMPLE
ACI Worldwide

About

PYMNTS
INTELLIGENCE

PYMNTS Intelligence is a leading global data and analytics platform that uses proprietary data and methods to provide actionable insights on what's now and what's next in payments, commerce and the digital economy. Its team of data scientists include leading economists, econometricians, survey experts, financial analysts and marketing scientists with deep experience in the application of data to the issues that define the future of the digital transformation of the global economy. This multi-lingual team has conducted original data collection and analysis in more than three dozen global markets for some of the world's leading publicly traded and privately held firms.

We are interested in your feedback on this report. If you have questions, comments or would like to subscribe, please email us at feedback@pymnts.com.

DISCLAIMER

The PYMNTS Intelligence Framework Series: Pay Later Revolution: Redefining the Credit Economy may be updated periodically. While reasonable efforts are made to keep the content accurate and up to date, PYMNTS MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, REGARDING THE CORRECTNESS, ACCURACY, COMPLETENESS, ADEQUACY, OR RELIABILITY OF OR THE USE OF OR RESULTS THAT MAY BE GENERATED FROM THE USE OF THE INFORMATION OR THAT THE CONTENT WILL SATISFY YOUR REQUIREMENTS OR EXPECTATIONS. THE CONTENT IS PROVIDED "AS IS" AND ON AN "AS AVAILABLE" BASIS. YOU EXPRESSLY AGREE THAT YOUR USE OF THE CONTENT IS AT YOUR SOLE RISK. PYMNTS SHALL HAVE NO LIABILITY FOR ANY INTERRUPTIONS IN THE CONTENT THAT IS PROVIDED AND DISCLAIMS ALL WARRANTIES WITH REGARD TO THE CONTENT, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT AND TITLE. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF CERTAIN WARRANTIES, AND, IN SUCH CASES, THE STATED EXCLUSIONS DO NOT APPLY. PYMNTS RESERVES THE RIGHT AND SHOULD NOT BE LIABLE SHOULD IT EXERCISE ITS RIGHT TO MODIFY, INTERRUPT, OR DISCONTINUE THE AVAILABILITY OF THE CONTENT OR ANY COMPONENT OF IT WITH OR WITHOUT NOTICE.

PYMNTS SHALL NOT BE LIABLE FOR ANY DAMAGES WHATSOEVER, AND, IN PARTICULAR, SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR INCIDENTAL DAMAGES, OR DAMAGES FOR LOST PROFITS, LOSS OF REVENUE, OR LOSS OF USE, ARISING OUT OF OR RELATED TO THE CONTENT, WHETHER SUCH DAMAGES ARISE IN CONTRACT, NEGLIGENCE, TORT, UNDER STATUTE, IN EQUITY, AT LAW, OR OTHERWISE, EVEN IF PYMNTS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

SOME JURISDICTIONS DO NOT ALLOW FOR THE LIMITATION OR EXCLUSION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, AND IN SUCH CASES SOME OF THE ABOVE LIMITATIONS DO NOT APPLY. THE ABOVE DISCLAIMERS AND LIMITATIONS ARE PROVIDED BY PYMNTS AND ITS PARENTS, AFFILIATED AND RELATED COMPANIES, CONTRACTORS, AND SPONSORS, AND EACH OF ITS RESPECTIVE DIRECTORS, OFFICERS, MEMBERS, EMPLOYEES, AGENTS, CONTENT COMPONENT PROVIDERS, LICENSORS, AND ADVISERS.