

# Walmart may ditch Affirm partnership to launch BNPL product via fintech venture

Article

**The news:** Walmart reportedly plans to offer buy now, pay later (BNPL) through its majority-owned fintech venture, **ONE**, people familiar with the matter told The Information.

**Zooming out:** The BNPL product will join Walmart's other payments products, like Walmart Pay—the retailer's proprietary mobile wallet.

It's not the company's first venture into BNPL, either:

- **Walmart already offers BNPL to select customers in Canada** through a partnership with **Duo Bank of Canada**.
- It also lets customers check out using BNPL through a partnership with **Affirm**.

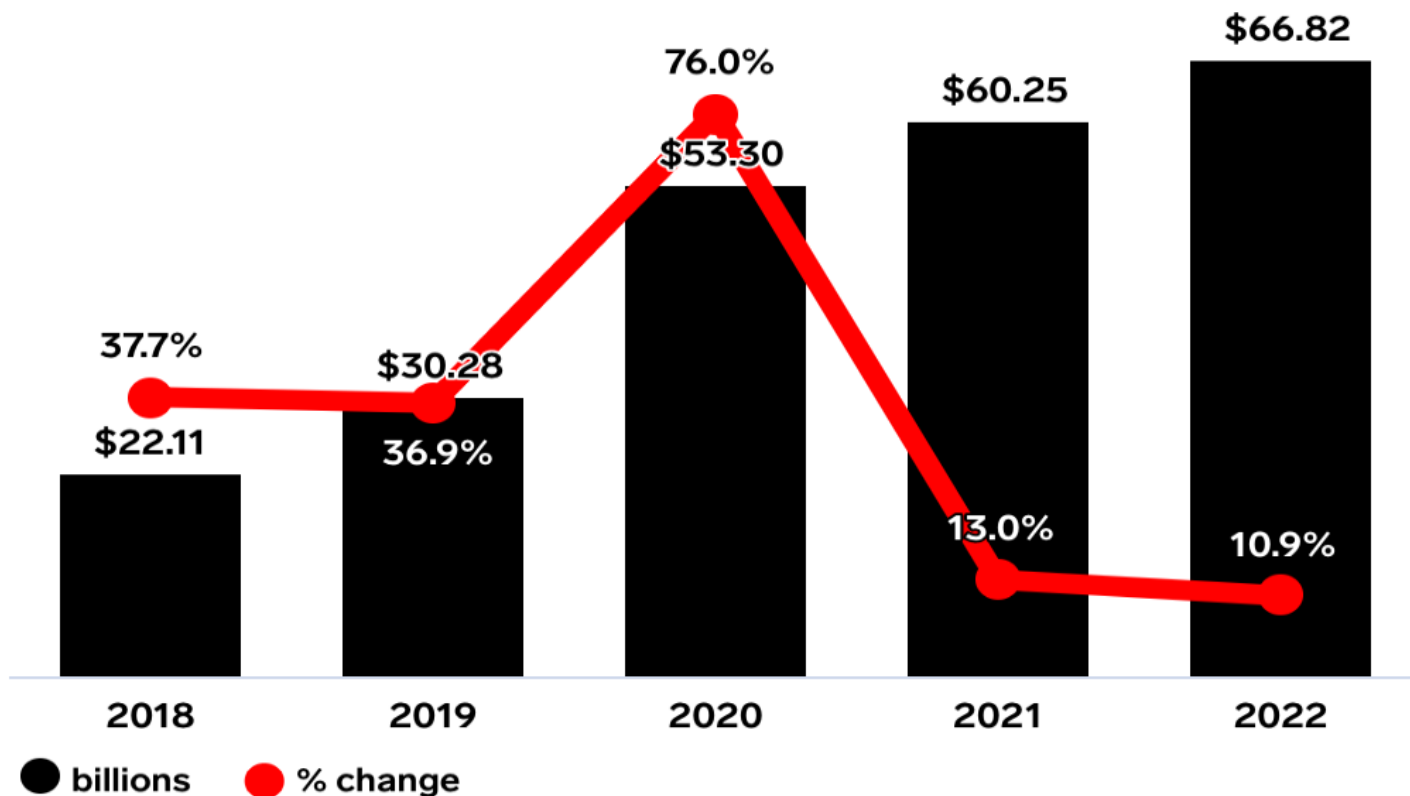
It's unclear how the new BNPL product from ONE will affect either of these.

**The opportunity:** Walmart can grab a slice of the popular US BNPL market. We forecast **total payment value will grow 25.5%** to hit **\$94.87 billion next year**. A BNPL product it has majority ownership of means it can keep more of the income from transactions rather than sharing revenues with providers like Affirm.

ONE's installment plan can encourage spending at Walmart from customers who want more payment flexibility. It might also help attract new customers who were curious about BNPL but didn't trust unfamiliar fintechs and wanted the backing of a more trusted brand like Walmart.

## Walmart Inc. Retail Ecommerce Sales

US, 2018-2022



Note: represents the gross value of products or services sold on Walmart.com (browser or app), regardless of the method of payment or fulfillment; includes retail ecommerce sales from Sam's Club and third-party sales from its marketplace; excludes travel and event tickets

Source: eMarketer, November 2022

eMarketer | InsiderIntelligence.com

**What's the catch?** Given that Walmart customers can already use BNPL for payments through Affirm, it's difficult to see what added value they'd get—or why they'd want to make the switch.

Walmart would also have to contend with the [stronger oversight](#) likely to arrive in the US, which could threaten BNPL growth. It will expose itself to complications tied to missed payments and concerns that BNPL can be exploitative—particularly for younger shoppers, who are expected to make up **26.3% of US BNPL users next year**, per our forecast. This

group might be more likely to miss payments and not be aware of the financial risks associated with BNPL.

**Keep reading:** Check out our **Power of Walmart report** to find out the five-year outlook for the retailer.

*This article originally appeared in **Insider Intelligence's Payments Innovation Briefing**—a daily recap of top stories reshaping the payments industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.*

- Are you a client? [Click here to subscribe.](#)
- Want to learn more about how you can benefit from our expert analysis? [Click here.](#)