

Funding rounds for Kueski and TradeDepot reflect growing BNPL appetite in underserved markets

Article

The news: Two installment lending players announced funding rounds to expand their financing solutions in markets that remain largely untapped by buy now, pay later (BNPL)

incumbents.

Mexico-based BNPL company Kueski raised \$202 million in equity and debt financing, per TechCrunch.

- Kueski pairs alternative information like sociodemographic and real-time behavioral data with machine learning and AI to determine a user's eligibility, loan amount, and repayment ability. It also offers personal loans and earned wage advances.
- Kueski says it plans to use its new funding to expand its BNPL presence in Mexico, build new consumer products, and ramp up hiring.
- Mexico has low credit card [penetration](#) due in part to many financial institutions using traditional credit determination methods in a predominantly cash-centric country. Using its alternative underwriting technology, Kueski can tap into Mexico's credit-hungry market, where **80% of consumers lack access** to a credit card, per TechCrunch.

Nigeria-based B2B online marketplace TradeDepot snagged \$110 million in equity and debt financing, per Finextra.

- The company connects consumer brands with retailers and has a presence in Ghana, Nigeria, and South Africa. TradeDepot's B2B BNPL product is available through its Shop TopUp platform, which offers merchants a variety of financial services, including digital wallets and loans.
- The company plans to use the new funds to bring more retail stores onto its platform and expand its BNPL product across Africa.
- Several consumer BNPL products have emerged across Africa in the past year, including from digital bank [Carbon](#) and BNPL provider [Zip](#) (through its recent [PayFlex acquisition](#)). But B2B BNPL options are limited—making TradeDepot an attractive provider for merchants that can't access credit, particularly small businesses that may have more difficulty obtaining financing.

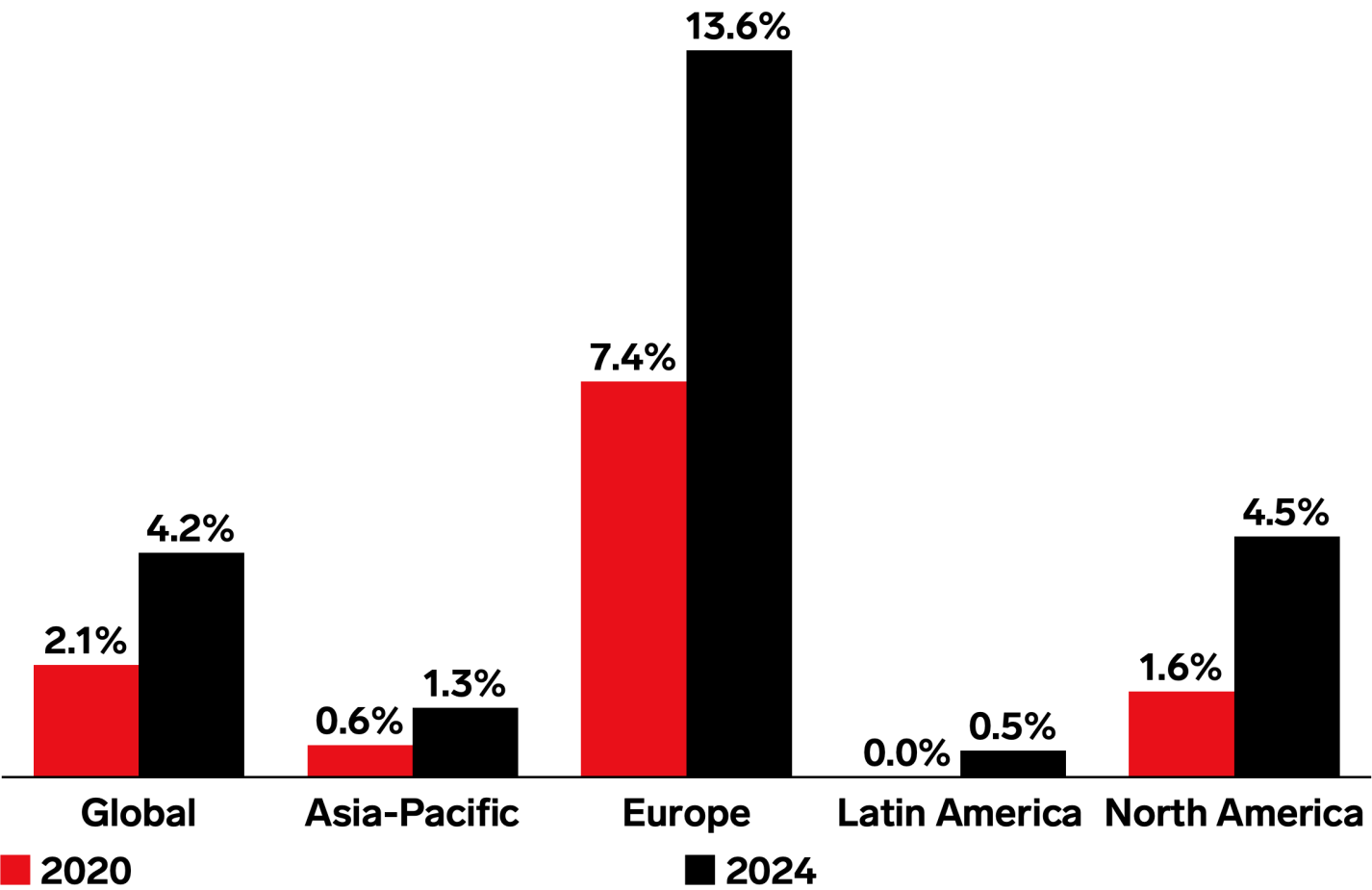
Our take: Much of the BNPL activity in the last few years has focused on large markets like Australia, the US, and Western Europe, all of which have become saturated as incumbents like [Afterpay](#) and new banking players compete for market share.

But countries like Mexico and Nigeria are largely underserved by major brands—allowing home-grown players to rise up and meet point-of-sale financing demand. With the share of

global ecommerce transactions made using BNPL services expected to double by 2024, [per](#) Worldpay, local brands like Kueski and TradeDepot can take advantage of the retail credit appetite to support their solutions.

Related content: Check out our [“Top 10 Trends in 2022”](#) report to learn where we think BNPL is heading next year and other emerging trends to keep an eye on.

Share of Ecommerce Transactions Made Using Buy Now, Pay Later Services



Note: Percent of BNPL transactions made online
Source: Worldpay from FIS, "The Global Payments Report," February 2021
Methodology: Data is from the February 2021 Worldpay from FIS report titled "The Global Payments Report," which measures transactions across 41 countries.

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