

# Here's what happened to BNPL in 2022—and what it means for next year

Article

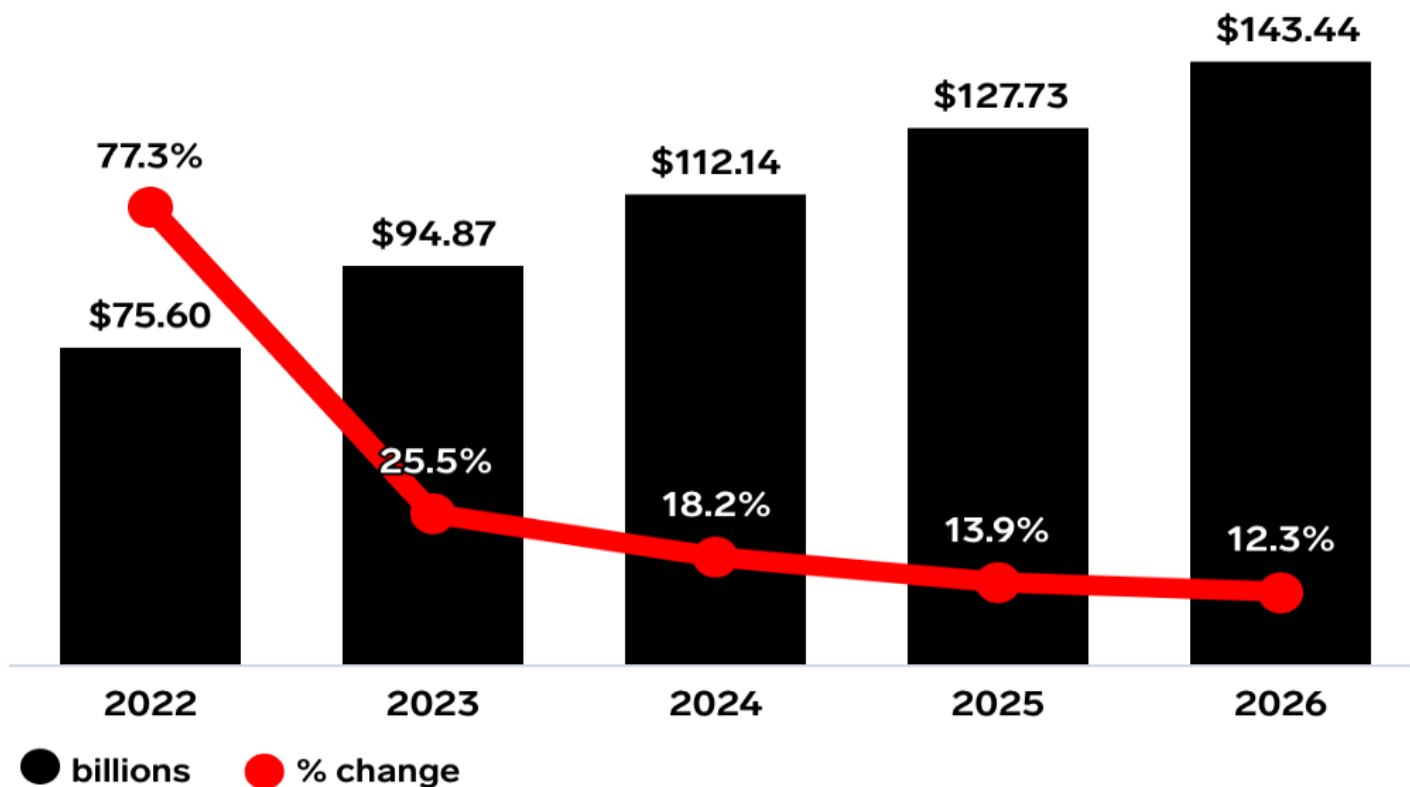
**Our take:** The popularity of buy now, pay later (BNPL) kept growing in 2022 as consumers sought out more flexible payment methods, merchant acceptance grew, and BNPL spread into new sectors. The **total value of BNPL in the US** increased **25.5% year over year in 2022**, according to Insider Intelligence research.

**Here are five trends and events that shaped the BNPL industry this year:**

- 1. The long wait for regulation nears the end.** Our [prediction](#) that BNPL would come under greater scrutiny in the US proved correct. The [CFPB recommended that measures be introduced to protect BNPL users](#) that mirror those applied to credit card issuers. In the UK, the [government outlined plans](#) to regulate the sector, and the [Financial Conduct Authority \(FCA\) is taking a tougher stance](#) on BNPL marketing. Other countries, including [Australia](#) and [New Zealand](#), are also moving closer to implementing regulation.
- 2. BNPL providers are diversifying.** As competition intensifies, BNPL firms are expanding into industries like [healthcare, housing, and grocery shopping](#). And companies having a harder time accessing credit presented opportunities to [expand into business payments](#). The increased competition has also driven BNPL firms like [Klarna to launch non-BNPL products](#).
- 3. Banks and payment giants are embracing BNPL.** Industry heavyweights like [Mastercard](#), [Visa](#), and [PayPal](#) have all gotten more involved in the BNPL market. Lenders like [Ant Bank](#) in Asia and Europe's [NatWest](#) and [Santander](#) have also launched products to try and grab a slice of the growing market.
- 4. Apple is readying its own BNPL program.** The Big Tech firm's reach and loyal customer base can help it attract users to [Apple Pay Later](#)—if it launches. The product could be especially popular among [younger consumers who have embraced BNPL](#) and [may already use Apple Pay](#). Apple's BNPL debut may worry incumbent providers like [Affirm](#) and [Klarna](#), which have yet to turn a profit.
- 5. Tumbling valuations have rocked the industry.** BNPL firms like [Klarna](#) and [Affirm](#) have seen their valuations slide as market volatility rattles the tech sector. But BNPL specialists may be acutely at risk given their reliance on raising capital to offset difficulties generating profits and the intensifying competition in the market.

## Buy Now, Pay Later Payment Value

US, 2022-2026



Note: includes products or services ordered using the internet, paid with a BNPL (buy now, pay later) service platform; excludes payments (such as bill pay, taxes, or money transfers), gambling and other vice goods sales

Source: eMarketer, June 2022

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