

# Revolut's entry into BNPL may bolster its customers' engagement

## Article

**The news:** Revolut will make a plunge into the buy now, pay later (BNPL) space, per the Evening Standard, citing an interview with its CEO, **Nikolay Storonsky**.

- The UK neobank intends to test the offering next year in parts of Europe, with plans to deploy it for its **17 million users**.

- The neobank's BNPL feature will apply to both online and in-person shopping—and Storonsky described an example in which installment payments could be **made in thirds** over several weeks.

**Trendspotting:** Revolut is the latest company to play in both digital banking and BNPL or plan to do so. Recent examples include:

- **Square:** The US-based fintech, which acts as a neobank for small and medium-sized businesses (SMBs), announced in August 2020 that it will **acquire Afterpay**, an Australian BNPL company, in a deal worth **about \$29 billion**. Afterpay, which operates in several countries, is also **planning** on entering consumer-side neobanking in its home market.
- **Goldman Sachs:** The banking giant, which offers its **Marcus** direct bank to US and UK customers, is **partnering** with **Apple** to power an upcoming BNPL product internally named **Apple Pay Later**. The companies **already** collaborate on **Apple Card**.
- **Klarna:** The Swedish BNPL provider **offers** savings accounts in its home market and in Germany.

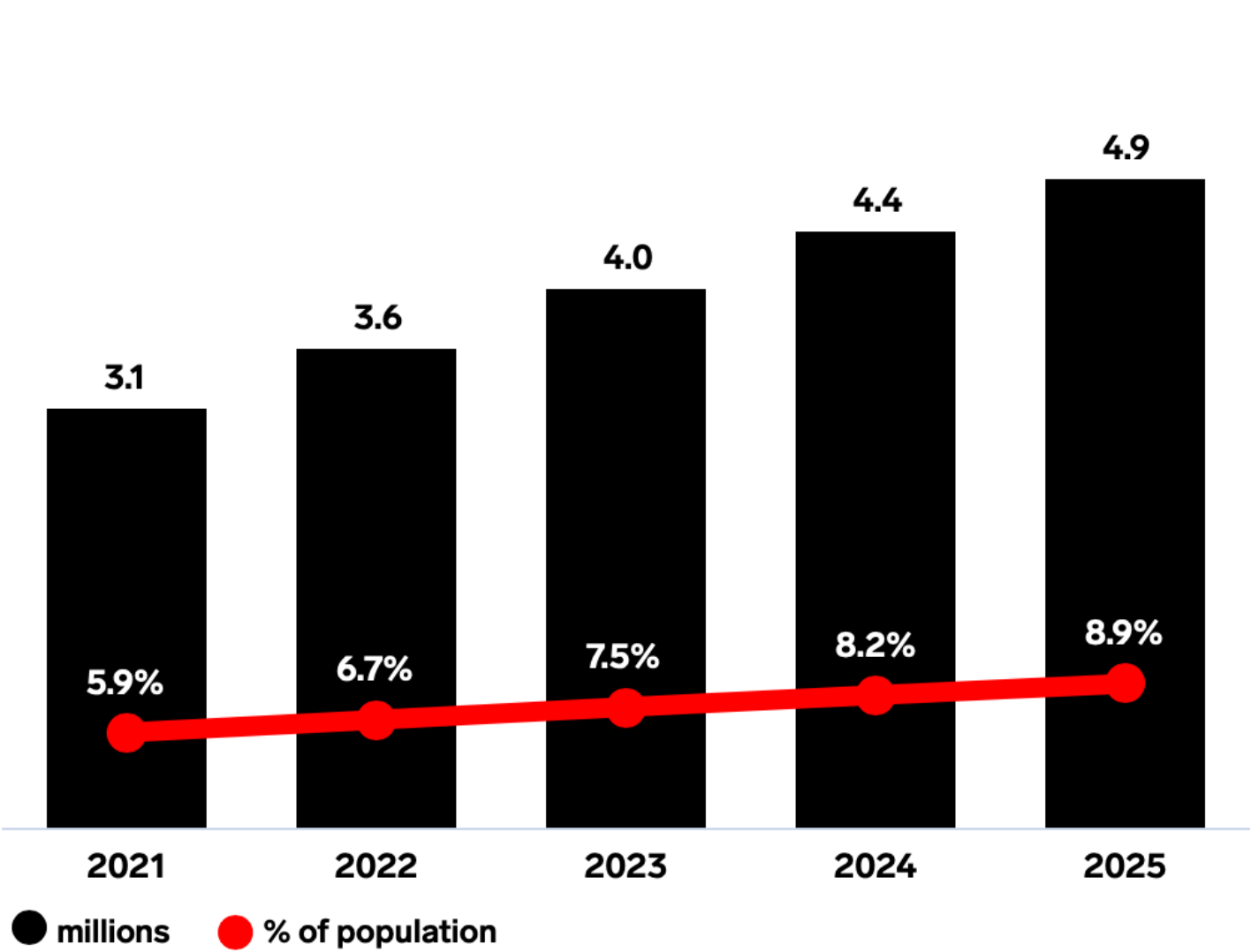
**The opportunity:** The neobank can quickly grow adoption of a BNPL product by aggressively promoting it to a large existing customer base. Revolut's users who adopt BNPL may become more engaged with the neobank due to spending more time within its ecosystem and running up BNPL balances they have to monitor and pay down.

The product has greater potential for loyalty building than for driving new user growth in an increasingly crowded BNPL market. For example, in Europe it faces companies ranging from **PayPal** to **Barclays**, the Evening Standard noted.

*For a deeper dive into how banks are competing with standalone BNPL companies, read this article from our Payments & Commerce Briefing.*

# Revolut Bank Account Holders and Penetration

UK, 2021-2025



Source: eMarketer, May 2021

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