

# Equifax to include short-term BNPL plans in credit reports next year as regulation takes shape

Article

**The news:** Starting next year, **Equifax** will include pay-in-4 buy now, pay later (BNPL) plans within credit reports, [per](#) The Wall Street Journal.

Reports will include plan opening dates, the transaction amounts that users agree to pay, and the actual payment that is made. Similarly, **TransUnion** and **Experian** said they are working with BNPL providers to include more installment-loan data in credit reports.

**Key context:** Despite BNPL's growth tear in the past year, many of these plans (with the exception of big-ticket and long-term programs) aren't included in credit reports—making it hard for lenders to get an accurate picture of consumers' repayment ability and overall financial health.

- The quickly shifting nature of these transactions can create technical challenges when it comes to reporting. Many credit reports aren't able to record biweekly payments, and accounts are often frequently opened and closed, which can hurt a user's score.
- Additionally, there's often a lag between consumer account-opening and when lenders submit that information to be included in credit reports—and this time gap can go beyond a repayment period, which may create accuracy problems.

**The bigger picture:** Historically, BNPL plans have been largely unregulated—but that's starting to change as the financial risks involved with BNPL, especially missed payments, become more prominent.

In the US, the **Consumer Financial Protection Bureau** recently opened an inquiry into major BNPL firms to determine risks and benefits of their solutions. If the data collected from the CFPB probe suggests that BNPL offerings pose risks to consumers, there will likely be targeted regulations for providers next year—which would be in line with our prediction. Efforts by credit reporting agencies like Equifax may support emerging BNPL regulation.