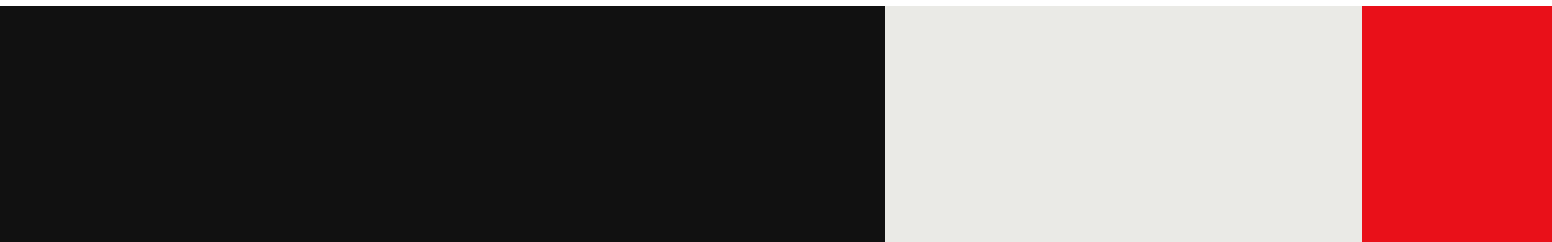



# BNPL growth is slowing as the industry matures

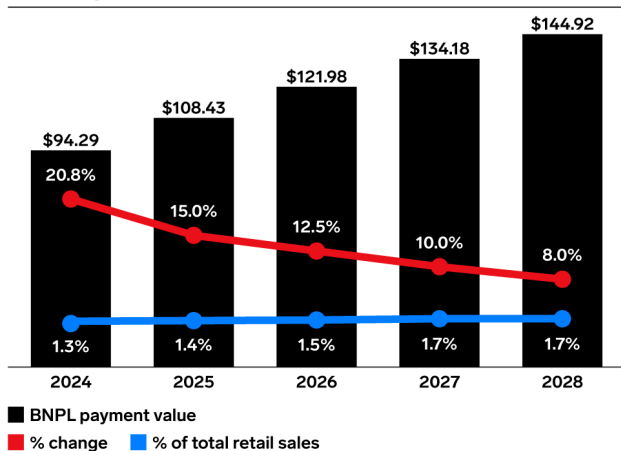
Article



**Buy now, pay later (BNPL) will count more than 100 million users by 2027.** Its high-growth days are in the past, with both the number of BNPL users and overall payment value decelerating. But it remains an important financing tool for consumers and has a long runway ahead: BNPL payment value will account for just 1.4% of overall retail sales in 2025, per our forecast.

## Buy Now, Pay Later Transaction Value Will Grow by 15.0% in 2025

billions in US buy now, pay later (BNPL) payment value, % change, and % of total retail sales, 2024-2028



Note: includes products or services paid with a buy now, pay later service platform; excludes payments such as bill pay, taxes, or money transfers, gambling and other vice goods sales  
Source: EMARKETER Forecast, Aug 2024

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**Despite slowing user growth, spend per user keeps rising.** BNPL users are making larger and more frequent purchases. This is in part thanks to the industry's push in stores and in higher-ticket categories, like travel and healthcare. Per-user spend surpassed \$1,000 for the first time in 2024 and will reach \$1,380.65 by 2028, according to our forecast.

**BNPL loans have also become more accessible for consumers.** BNPL providers approved 79% of applications in 2022, up from 56% in 2019, per a January 2025 Consumer Financial Protection Bureau (CFPB) report. This owes to providers making more counteroffers instead of declining applications outright, as well as approving more loans to subprime and deep subprime FICO score consumers. Despite approaching riskier consumers, defaults on BNPL loans remain limited: Affirm's serious (90+ days) delinquency rate was 0.7% for its quarter ending December 31, 2024; the 90+ day delinquency rate for credit cards in Q4 2024 was 7.2%, per the Federal Reserve. We expect delinquencies to remain low thanks to structural repayment differences and the typically smaller size of BNPL debts.

### What's next?

- **BNPL players will grow in-store volume through mobile wallet tie-ups.** BNPL fintechs have struggled to gain inroads in stores due to friction in the payment process. But recent tie-ups with mobile wallets have removed the need to scan a QR code or get a debit card. In the past

year, Apple Pay partnered with Affirm and Klarna. Google Wallet also recently added Afterpay and Klarna, building on its tie-ups with Affirm and Zip.

- **Delinquencies will remain low.** Structural repayment differences will keep BNPL default rates lower than those of credit cards. Most BNPL providers require automatic repayments, helping keep rates low. And many consumers tend to pay down their BNPL obligations before their credit card debts because they're smaller and more manageable.
- **Card-linked installments will be BNPL fintechs' biggest competitors.** Credit card providers are pushing these programs to keep payment volume on their networks. For example, Citi linked its installment offering to its travel booking platform in September 2024. And Chase launched a Travel Now, Pay Later program in July. Consumers tend to use these in addition to fintech-based plans, which could tamp down BNPL spend per user.

[Read the full report.](#)

**Report** by Grace Broadbent, and David Morris Feb 27, 2025

## The State of Payment Methods 2025

