

Zip ventures into cryptocurrencies to fuel expansion

Article



The news: Australia-based buy now, pay later (BNPL) provider **Zip** wants to let merchants accept Bitcoin payments next year and also plans to launch a cryptocurrency trading feature, per CoinTelegraph.

Why it's worth watching: BNPL users are **67% more likely to trade cryptos than non-users**, according to Zip's internal research—but Zip isn't the only BNPL provider that sees

opportunities in the space.

In a submission to Parliament's Select Committee on Australia as a Technology and Financial Centre, **Afterpay** [said](#) merchants could “benefit considerably” from crypto transactions because they can reduce fees set by card networks. The company also hinted at ambitions to introduce crypto-related solutions and called for more regulation in the space.

Recent moves suggest retail investing and payments are becoming increasingly intertwined, which may be what's behind Zip's crypto trading plans.

- **PayPal** is reportedly [looking](#) into launching a stock trading platform—it recently hired brokerage industry expert Rich Hagen.
- And **Robinhood** is [preparing](#) to launch a feature that lets users get their paychecks directly deposited up to two days in advance.

The opportunity: Many BNPL providers have launched banking-related solutions—**Klarna** and **Affirm** each introduced their own bank account solutions, and Afterpay recently [launched](#) a money management tool. But enabling crypto purchases and trading is a somewhat unconventional move that can help Zip stand out.

Strong consumer appetite for crypto payments might make Zip a more attractive option for merchants—a Mastercard study [found](#) that **40% of global consumers plan to use cryptocurrencies for payments this year**, for instance. And the crypto trading feature might help keep customers closely tied to Zip's brand, which could make them more likely to spend through the provider.

The bigger picture: Zip's announcement comes on the heels of its [acquisition](#) of South Africa-based BNPL startup **PayFlex**. Like its crypto ambitions, moving Africa is not something other major BNPL providers have done—and both represent the company's hunt for growth opportunities through unique pathways.

Related content: *To get a deeper understanding of opportunities in crypto payments and why Zip might be pushing into the space, check out the [Blockchain in Payments](#) report.*

Why Consumers are Interested in Crypto Payments

% of respondents

To make online purchases that are more private or secure



To make online purchases if these payments are automatically available at checkout



Using gains from crypto investments to make a big purchase rather than cashing out



As a digital asset, enabling you to obtain a loan to make a purchase



To make online purchases if discounts were available for doing so



To make online purchases if loyalty rewards were available for doing so



■ Owners who do not purchase with cryptos
■ Owners who already purchase with cryptos

Source: PYMNTS and BitPay, "The Cryptocurrency Payments Playbook: Cryptocurrencies Gain Momentum As A Payment Option," July 2021

Methodology: These results were drawn from 8,008 US consumers surveyed by PYMNTS and BitPay between February 8 and 23, 2021 as part of "The Cryptocurrency Payments

