

Revolut joins heated competition to win cut of Europe's booming BNPL market

Article

The news: Revolut began rolling out its buy now, pay later (BNPL) product across Europe, starting with Ireland, per the Independent.

Here's how it works: Revolut Pay Later doesn't require a partnership between retailers and the neobank; it's integrated into the cards section of Revolut's app.

- The BNPL product lets users make online and in-store purchases of up to €499 (\$590) across three installments, with a 1.65% fee charged for the final two installments.
- Revolut hinted at its BNPL [expansion](#) last year. The neobank will launch the product in other markets later this year, starting with Poland and Romania.

Trendspotting: In Europe, BNPL growth is surging. The payment method is expected to make up 13.6% of transactions in the region by 2024, up from 7.4% in 2020, [per](#) FIS.

Challenger banks, incumbents, and Big Tech firms are piling in to grab a slice of the lucrative market:

- **Apple** [launched](#) a BNPL program with **Mastercard** while **Goldman Sachs** is acting as the technical issuer of the loans. Apple Pay Later will first be available in the US—but expansion to Europe would be a logical next step.
- High street banks including [NatWest](#) and [Santander](#) are exploring the space.
- And payments heavyweights like [Klarna](#), [PayPal](#), and [Afterpay](#) are jostling for European market share.

Ecommerce Payment Methods Used in Europe, 2021 & 2025

% of total

	2021	2025
Digital/mobile wallet	27%	29%
Credit card/charge card	25%	23%
Bank transfer	14%	15%
Debit card	17%	14%
Buy now, pay later	8%	12%
Direct debit	4%	4%
Cash on delivery	2%	1%
Prepaid card	1%	1%
Prepay	1%	1%
Other	1%	1%

Note: numbers may not add up to 100% due to rounding

Source: FIS, "The Global Payments Report," March 2, 2022

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Will it succeed? BNPL could be a massive market opportunity if Revolut can harness its large and engaged customer base.

- The challenger bank's strong digital capabilities and slick app can set it apart from banking competitors operating in the space.
- Pay Later could boost customer engagement and loyalty as they spend more time on the app running up, paying off, and monitoring balances. It could also appeal to users who want the simplicity of having all their financial services on one easy-to-use app.
- But Revolut will have to contend with Europe's highly competitive BNPL landscape if it's going to make Pay Later a useful arrow in the super app's quiver of financial services.

