

Apple plans BNPL product launch—bad news for incumbent providers and credit cards

Article

The news: Apple is reportedly planning to launch a buy now, pay later (BNPL) product, internally dubbed **Apple Pay Later**, with **Goldman Sachs** as the lending engine, [per](#) Bloomberg. The product would push both Apple and Goldman Sachs further into the BNPL space: Apple Card already [lets users](#) pay for Apple products in installments, and Goldman [powers](#) JetBlue's BNPL option. Apple Pay Later is still in development, sources said, so features may change or be canceled altogether.

Here's how it would work: The product would live within the Apple wallet with two different plan types that could be used in-store and online. To use Apple Pay Later, users would need to fill out an application in the Wallet app, but no credit checks would be required.

- **Apple Pay in 4:** A short-term plan that lets users pay for purchases in four interest-free installments every two weeks. The solution would mirror several other BNPL offerings currently available, like PayPal's [Pay in 4](#).
- **Apple Pay Monthly Installments:** An interest-accruing long-term plan that lets users pay for purchases in monthly installments. This offering would be similar to **Affirm's** interest-bearing installment lending [product](#).

What this means: A BNPL offering would make Apple Pay a lot more attractive to consumers. It's already accepted at more than **85%** of US retailers, [according to](#) Apple—which means users could pay for purchases in installments at most checkout points. The BNPL product might also accelerate the wallet's penetration: Apple Pay users are projected to make up **43.4%** of all US proximity mobile payment users this year, [per](#) Insider Intelligence forecasts.

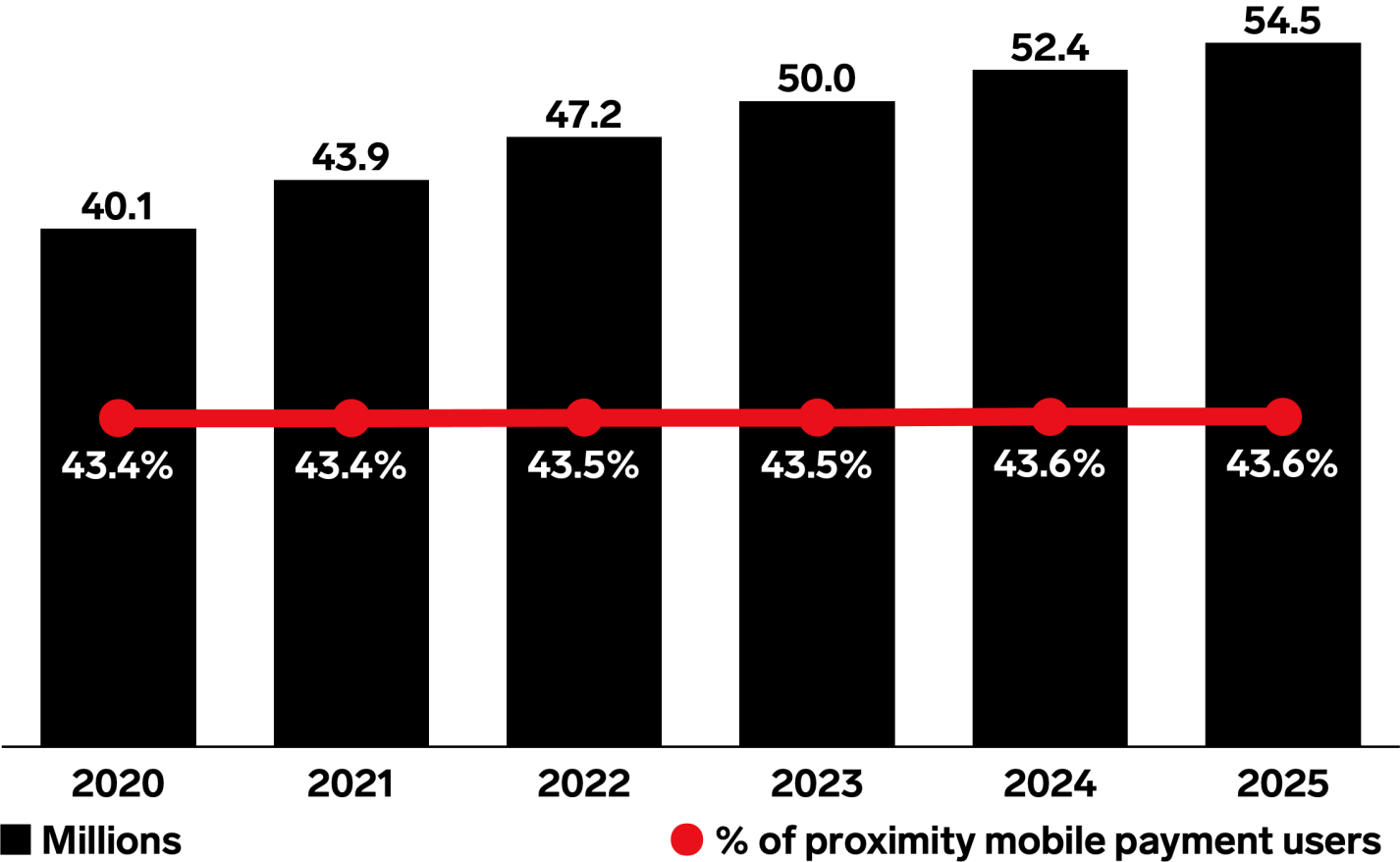
Apple's expansive reach, including its [iOS dominance](#) in the US, could position Apple Pay Later to be a formidable player in the BNPL market—mirroring PayPal's [Pay in 4](#) launch, in which PayPal leveraged its acceptance network to make its BNPL product available at most points-of-sale. It already [boasts](#) more than **500,000** unique merchants after less than a year.

The bigger picture: Apple's entry into the BNPL space would pose a huge threat to existing providers because it already has a strong user and acceptance foundation that would let it grab a huge piece of BNPL market share. And it would join the fray as popular BNPL providers like **Klarna** and **Afterpay** attempt to move further into the US market and in-store retail—two areas where Apple Pay is already entrenched. Apple Pay Later would also further [threaten credit cards](#) by making BNPL solutions more accessible and attractive for consumers.

If Apple moves forward with Apple Pay Later, incumbent BNPL players might need to look beyond installment lending products to strengthen their consumer business—as Klarna did when it [introduced](#) bank accounts.

Apple Pay Users and Penetration

US, 2020–2025



Note: ages 14+; mobile phone users who have made at least one proximity mobile payment transaction in the past 6 months using Apple Pay. A proximity mobile payment is a point-of-sale (POS) transaction made by using a mobile device as a payment method. Includes scanning, tapping, or swiping a mobile device at the POS to complete transaction; excludes purchases of digital goods on mobile devices, purchases made remotely on mobile devices that are delivered later on, and transactions made via tablets.

Source: eMarketer, March 2021
Methodology: Estimates are based on the analysis of the market presence of major mobile payment players; estimates from other research firms; and consumer smartphone, mobile payment adoption, and retail spending trends.

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