

The biggest BNPL developments of 2024

Article

The trend: By most measures, buy now, pay later (BNPL) had a stellar 2024.

- Just three years ago, barely half of consumers had even heard of BNPL before, let alone used it, per the Federal Reserve.
- Now, BNPL firms are household names and have racked up major partnerships to expand their reach. **Klarna** is one of the [most anticipated IPOs](#) of 2025.

But despite all the hype, we forecast that [user growth is already slowing sharply](#)—even though BNPL will make up just 1.3% of all US retail sales volume.

Here, we look at some of the biggest trends that shaped BNPL in 2024—and what they mean for the year to come.

Partnerships galore. BNPL firms scored high-profile tie-ups with everyone from mobile wallets to payment networks.

- Both [Affirm and Klarna partnered with Apple](#) to get their installments in **Apple Pay**. The firms also made [deals with Google Pay](#)—as did **Afterpay** and **Zip**.
- Klarna and Affirm also [teamed up with Marqeta](#) to embed their installment offerings in payment apps that work with the issuer processor.
- [Worldpay made Klarna a default payment option](#) for all Worldpay merchants.
- [Zip integrated with Stripe](#), adding a BNPL option to merchants' checkouts.
- Affirm also partnered with **Visa** to use the network's [Flexible Credential offering on the Affirm Card](#).

What do all these partnerships have in common? They all aim to resolve one of the biggest limits on BNPL growth: It's costly and time-consuming to negotiate individual partnerships with every merchant you want to offer your BNPL products.

CFPB interprets its way into regulating BNPL—for now. The CFPB finally—if controversially—outlined how it plans to work BNPL providers into the existing regulatory framework for lenders.

- [The CFPB issued an interpretive rule](#) in May that said BNPL providers should be treated like credit card issuers, requiring them to comply with certain rules around disputes and periodic billing statements.
- It followed up with an [FAQ clarifying that only Pay in 4 BNPL loans](#) were subject to the new rule, and gave firms flexibility to decide how frequently to issue billing statements.
- Unsurprisingly, the industry was unimpressed. The [Financial Technology Association](#) sued the agency in October, arguing that the interpretive rule flouted the appropriate rulemaking process and that credit card rules can't simply be overlaid on top of BNPL.

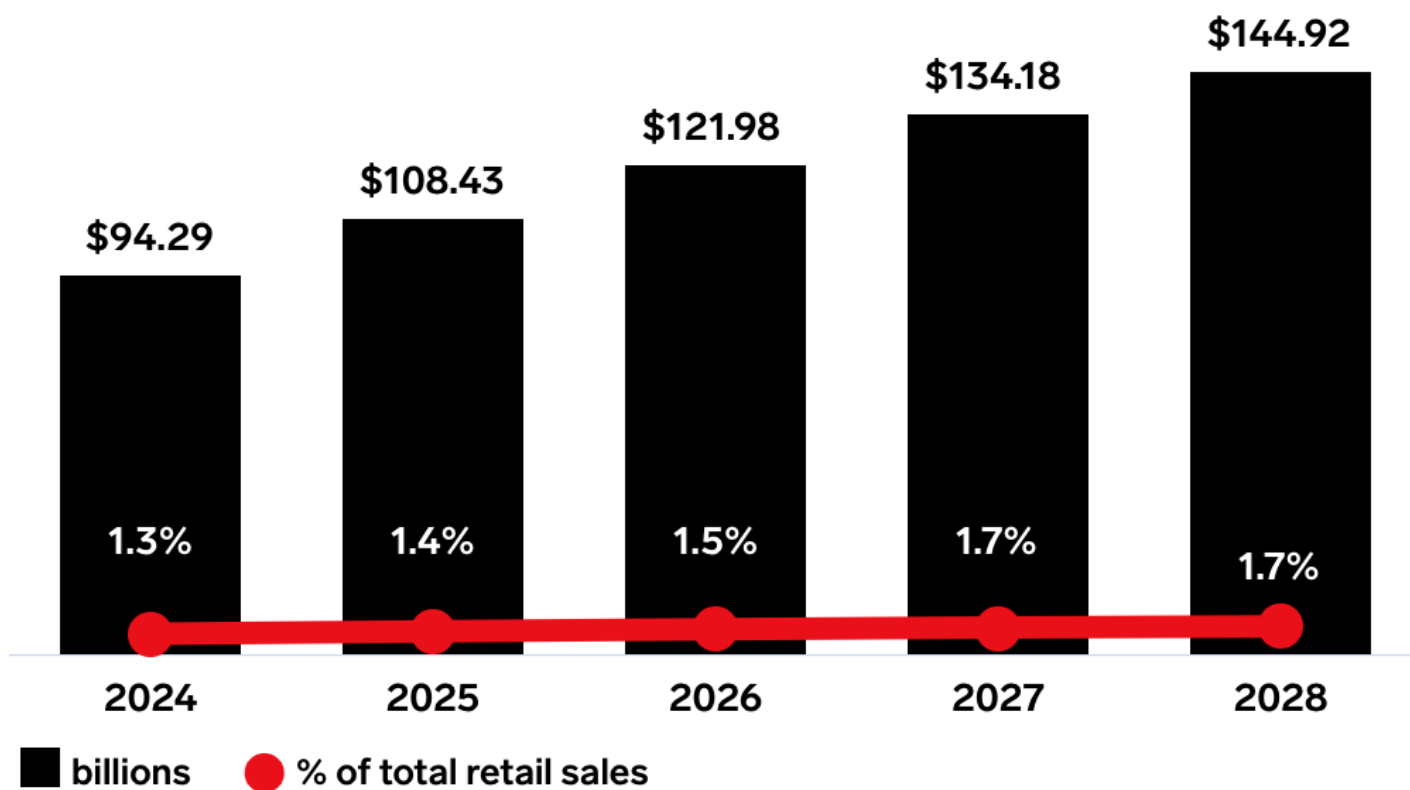
The CFPB will almost certainly be under new management after President-elect Donald Trump takes office in January. [BNPL stocks surged in November](#) on the expectation that the Trump administration would roll back or soften much of the CFPB's rulemaking under Director Rohit Chopra.

What's next for BNPL? BNPL firms defied all expectations over the last few years, when the highest interest rates in nearly 20 years were largely expected to wreak havoc on profitless BNPL firms reliant on debt and VC funding.

For the largest BNPL firms like Affirm and Klarna the question is no longer how to survive—it's how to avoid stalling out at a point where their name recognition is nearly ubiquitous, and yet just 9.1% of consumers use it in a 30-day period, per the [Federal Reserve](#), compared with 73% for credit cards.

Buy Now, Pay Later Payment Value

US, 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

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