

Splitit and Fave expand BNPL solutions overseas

Article

The news: Splitit and Fave expanded buy now, pay later (BNPL) solutions into new markets to capture growing global demand for flexible payment solutions.

- Splitit **partnered** with UAE-based BNPL provider tabby. tabby will integrate Splitit's **card-based** installment lending product via a white-label solution so tabby's merchants can offer installments on credit cards that can be paid each month. Because Splitit's solution uses existing limits on consumers' credit cards, which are typically larger than tabby's \$5,000 (\$1,333) credit **limit**, the tie-up will help tabby expand its BNPL solution to high-dollar spending categories.

- **Singapore-based fintech Fave [launched](#) a BNPL pilot in Southeast Asia.** The service, dubbed FavePay Later, lets customers in Malaysia and Singapore—where ecommerce sales are expected to reach a combined value of **\$10.87 billion** this year, per [our](#) forecasts—pay for purchases at more than **40,000** online stores. The app-based solution lets users pay for purchases in three interest-free monthly installments.

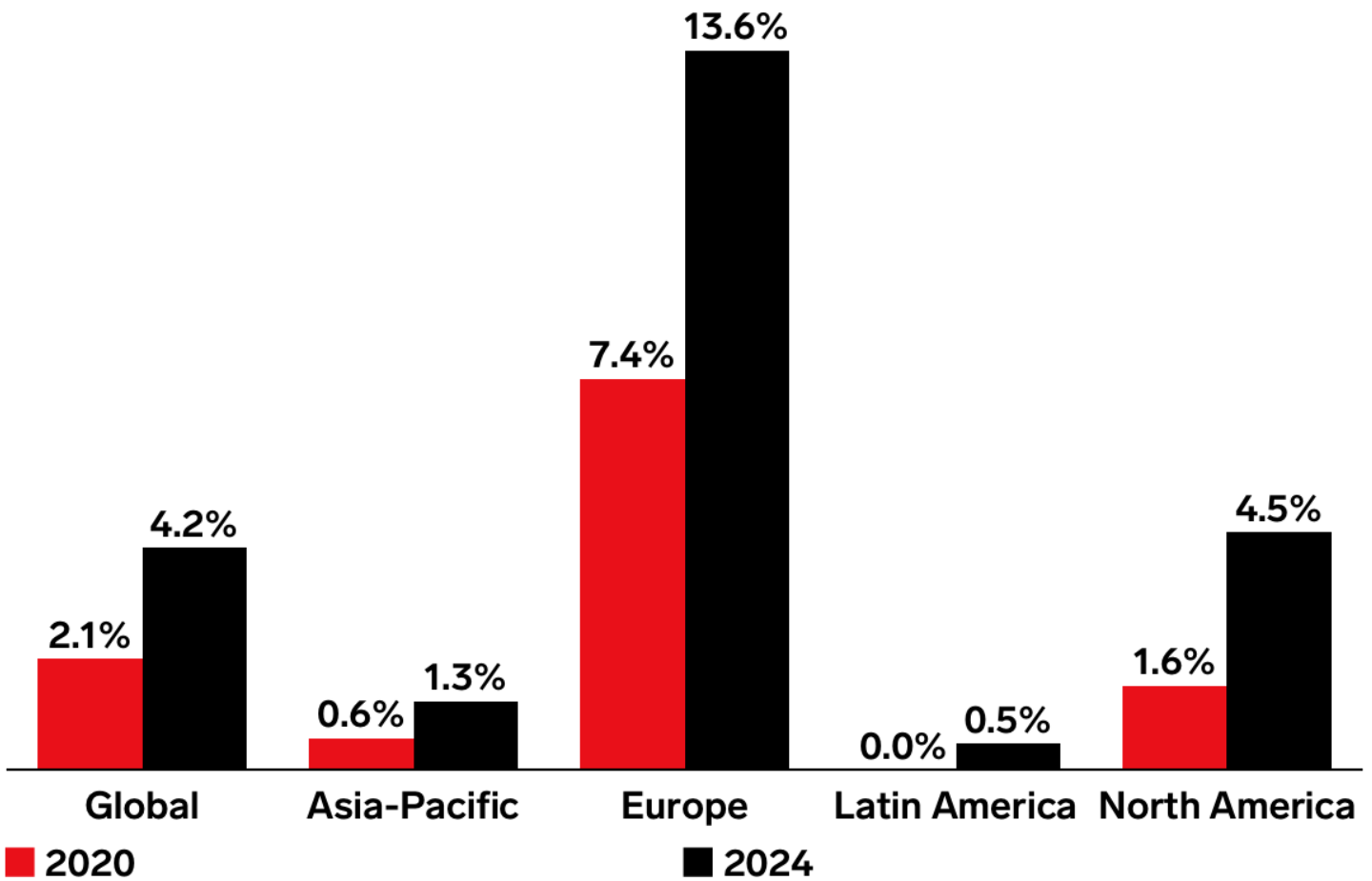
How we got here: The share of global ecommerce transactions made using a BNPL service grew **31.3%** year over year (YoY) in 2020, [per](#) Worldpay from FIS.

- **The pandemic drove many consumers to BNPL solutions.** COVID-19 increased financial insecurity for many and prompted people to avoid debt—[paving](#) the way for BNPL solutions, which offer payment flexibility but with less perceived risk. It's especially useful for consumers who either don't have access to a credit card or want to avoid interest rates.
- **Providers deepened their reach via global expansion and new partnerships to capitalize on BNPL demand.** Many providers, including [Klarna](#) and [Afterpay](#), moved into new markets to take advantage of the demand boom—which may explain Fave's expansion further into Southeast Asia. And like Splitit's recent move, providers also inked new deals to bring their solutions to more merchants and customers: **Affirm [partnered](#)** with Shopify to power Shop Pay installments, and Afterpay [formed](#) a tie-up with Stripe.

The big picture: Global expansion lets providers reach new customers who may have a need or an appetite for BNPL solutions. With post-pandemic recovery and subsequent financial recovery, occurring [unevenly](#) around the world, financial insecurity may still be high in some markets—making BNPL an attractive solution.

But even after the pandemic subsides, BNPL will likely still see global uptake: The share of global ecommerce transactions made using a BNPL service is set to [double](#) by 2024. This may be as a result of sticky consumer payment habits picked up during the pandemic, as well as consumers finding value in non-credit-card payment solutions, especially as they expand beyond retail and into sectors like [travel](#) and [business services](#).

Share of Ecommerce Transactions Made Using Buy Now, Pay Later Services



Note: percent of BNPL transactions made online

Source: Worldpay from FIS, "The Global Payments Report," February 2021

Methodology: Data is from the February 2021 Worldpay from FIS report titled "The Global Payments Report," which measures transactions across 41 countries.

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