

Fiserv and Affirm team up to feed growing BNPL demand

Article

The news: Fiserv partnered with US buy now, pay later (BNPL) company **Affirm** so merchants using **Carat** (Fiserv's omnichannel commerce solution) can offer Affirm to their customers later this year, per a press release.

More on this: Affirm's Adaptive Checkout offering will let customers view side-by-side biweekly and monthly payment options for each purchase. It's yet another BNPL integration

for Fiserv: The firm already works with **Zip**, and in October, it **enabled Synchrony's** BNPL offering for small businesses using the **Clover** point-of-sale (POS) platform.

Affirm's integration with Carat will offer an "even more seamless onboarding experience" for merchants, Affirm chief revenue officer Geoff Kott told Bloomberg.

Why it's worth watching: Despite looming **BNPL regulation** to address the financial **risks** involved with these products, consumer BNPL use hasn't faltered.

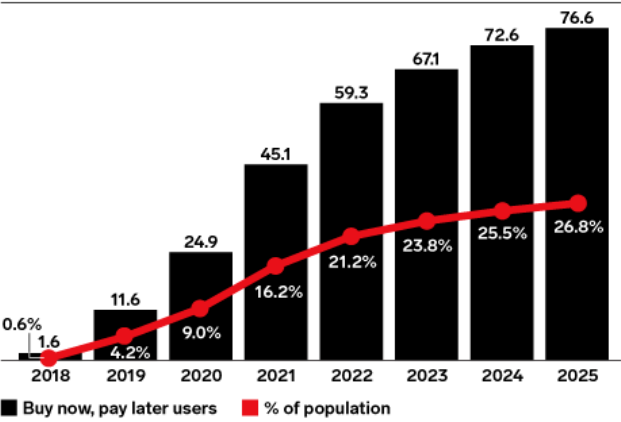
- **Ten percent of US digital buyers have used BNPL**, mirroring Google Pay use and outperforming use of retail apps from brands like **Starbucks**, which 8% of digital buyers said they've used, **per** a February Bizrate Insights survey.
- **And the number of US BNPL users is expected to grow 31.4% year over year (YoY) in 2022** and hit 59.3 million, **per** Insider Intelligence forecasts.

Fiserv's opportunity: Partnering with Affirm can help Fiserv strengthen its merchant offerings.

Large retailers like **Target** offer several BNPL options at checkout. This makes it hard for BNPL providers to stand out, but it lets customers choose a provider that best fits their payment needs. And having these options may help drive customer loyalty for merchants—which can solidify merchant loyalty for Fiserv.

Affirm's benefit: Working with Fiserv can help Affirm step up its merchant distribution to reach a wider base of customers and bolster gross merchandise volume, which **surged 115% YoY** in its fiscal Q2 (ended December 31, 2021). Volume generated from the deal may help the provider cover losses from its last quarter. The tie-up also builds on similar partnerships with **Verifone** and **Adyen**.

US Buy Now, Pay Later Users, 2018-2025
millions and % of population



Note: ages 14+; internet users who have accessed a buy now, pay later account digitally and have made a payment toward a purchase at least once in the past year; includes purchases of goods and services
Source: Insider Intelligence, May 2021

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