

Bankrate

About Half Of Buy Now, Pay Later Users Have Experienced At Least One Financial Problem

Gen Z buy now, pay later users are the most likely to have run into issues

NEW YORK - May 5, 2025 - As the popularity of buy now, pay later (BNPL) services continues to rise, nearly half (49%) of BNPL users have experienced at least one financial problem with these services, according to a new Bankrate survey. The most common financial issues include overspending (24%), missing a payment (16%), regretting a purchase (15%) and difficulties with returns/refunds (14%).

For more information: <https://www.bankrate.com/loans/personal-loans/buy-now-pay-later-survey/>

Among BNPL users, the most common reasons for utilizing these services include wanting to pay in installments/spread out cash flow (57%), low/no interest rate (40%), know exactly what I owe and how long the plan will last (31%), and easy to obtain credit (26%). Further, 22% of BNPL users say they chose to use BNPL because it feels more responsible than using a credit card.

"The buy now, pay later industry is evolving," said Bankrate Senior Industry Analyst Ted Rossman. "It's not just four interest-free payments over six weeks anymore. Many of these plans are lasting longer — anywhere from a few months to a few years — and charging significant interest rates (often 15 to 20 percent, sometimes even more). It's important to read the fine print and evaluate the total cost of ownership, not just the monthly or biweekly installments."

Overall, nearly one-third of U.S. adults (30%) have utilized at least one BNPL service. The most commonly used services are PayPal Pay in 4/PayPal Pay Later (15%), Affirm (11%), Afterpay (9%), and Klarna (9%).

Younger generations are both more likely to have used buy now, pay later services and to have experienced problems. Specifically, Gen Zers (38%; ages 18-28) and millennials (37%; ages 29-44) are the most likely to have utilized BNPL services followed by 29% of Gen Xers (ages 45-60) and 21% of baby boomers (ages 61-79). Further, Gen Z BNPL users (66%) are the most likely to have experienced problems with these services, including spending more than they should have (30%) and

regretting a purchase (26%). That is compared to 57% of millennials, 36% of Gen X and 31% of baby boomer BNPL users who have experienced at least one problem.

Notably, BNPL usage is consistent across income brackets. Specifically, 31% of both those earning \$100,000 or more annually and those earning under \$50,000 annually have used BNPL at some point. Similarly, 36% of those earning between \$50,000 and \$79,999 annually and 34% of those earning between \$80,000 and \$99,999 annually have also used BNPL.

"BNPL can be a good deal if you use it responsibly," added Rossman. "It provides access to credit and can help users smooth out their cash flow. But sometimes it can lead to overspending and you would have been better off waiting until you could pay for the item upfront."

Methodology:

This survey has been conducted using an online interview administered to members of the YouGov Plc panel of individuals who have agreed to take part in surveys. All figures, unless otherwise stated, are from YouGov Plc. The total sample size was 2,354 U.S. adults, of whom 707 have used Buy Now, Pay Later services. Fieldwork was undertaken between March 19th-21st, 2025. The survey was carried out online and meets rigorous quality standards. It gathered a non-probability-based sample and employed demographic quotas and weights to better align the survey sample with the broader U.S. population.

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