

'Buy now pay later' spend predicted to reach \$995bn in 2026

Spending via 'buy now pay later' (BNPL) services, which are integrated within e-commerce checkout options, including fixed instalment plans and flexible credit accounts, will reach \$995bn in 2026, from \$266bn in 2021. This is according to a new study from Juniper Research titled *Buy Now Pay Later: Vendor Strategies, Regulatory Frameworks & Market Forecasts 2021-2026*.



Credit: Karolina via Pexels

This 274% growth will be fuelled by a greater appetite from users for credit to spread costs, particularly in the wake of the pandemic, which has put extreme pressure on user finances.

The research identified that, while regulations will inevitably place restrictions on services, such as limiting charges or enforcing affordability checks, these changes will not diminish the appeal or growth of the platforms; merely placing them on a more secure footing.

The report recommends that vendors focus on improving the transparency and use of credit assessment and reporting now to minimise future disruption.



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BNPL to become highly significant within e-commerce

The research found that, by 2026, buy now pay later services will account for over 24% of global e-commerce transactions for physical goods by value, from just 9% in 2021.

Research co-author Damla Sat explains: "As a tool to split the cost for users, buy now pay later is ideally suited for high-cost items, as it enables users to seamlessly split large costs into smaller, more manageable payments. By 2026, these platforms will increasingly become the norm for lower-cost purchases as well; driven by user demand and e-commerce

platform integrations."



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BNPL users to exceed 1.5 billion in 2026

The research also found that the global number of buy now pay later users will exceed 1.5 billion in 2026, from 340 million in 2021. In turn, the report recommends that e-commerce merchants must integrate buy now pay later services immediately, or risk losing transactions to other payment platforms which offer preferable payment options.

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