



7.30pm

28 June 2022

BNPL is growing our economy and providing benefits to consumers and businesses

Key research findings:

- BNPL contributed \$14.3 billion to Australian GDP and resulted in more than 99,200 full time equivalent jobs being created or maintained across our economy in FY21.
- There are approximately 5.9 million active BNPL accounts in Australia accounting for more than \$11.9 billion in transactions.
- The average BNPL transaction in FY21 was \$151, with users making an average of 16.6 BNPL transactions in that year.
- Consumers like using BNPL because it gives them more control over their money, with 54% saying it helps them manage their cashflow and 49% saying it helps them feel in control of their spending. 54% said they prefer BNPL over other finance products because it enables them to pay no interest on their purchases.
- 0.34% of active BNPL accounts were subject to financial hardship arrangements as at 30 June 2021.
- 0.01% of active BNPL accounts were subject of EDR complaints to AFCA in FY21.
- Over 135,400 merchants were accepting BNPL in FY21.
- The average increase in revenue generated for BNPL-accepting merchants was an extra \$25,880, equating to 5.6% of revenue. The average for small businesses was \$18,576.
- The majority of retailers and other merchants said their revenue would fall if they stopped accepting BNPL (60%) and predicted a 24% average reduction in revenue if BNPL wasn't available or the business model was fundamentally changed.

Today the Australian Finance Industry Association (AFIA), in partnership with RFI Global and BIS Oxford Economics, published comprehensive new research into the economic impact of Buy Now Pay Later (BNPL) in Australia.

The research shows BNPL is an important and growing part of the finance industry. Despite representing less than half a percent of payment transactions across our economy, BNPL contributed over \$14 billion to Australian GDP and supported almost 100,000 in jobs in one year alone.

Diane Tate, CEO of AFIA, said: "The facts speak for themselves. The research shows consumers are choosing BNPL to help them budget and manage their money in the way they want. Retailers are using BNPL to help them grow their businesses and participate in the digital economy. AFIA's BNPL Code of Practice is playing an important role in protecting consumers.

"BNPL has been really important for consumers and retailers, especially through the COVID-19 crisis, and it continues to be an important option. Consumers can minimise their finance costs, budget and manage their money better and choose how they pay for goods and services, including those they consider to be essential.

Retailers can streamline their operations, create new business opportunities, leverage marketing platforms, and improve customer engagement.

“BNPL is a product at the forefront of innovation in financial technology globally. AFIA’s BNPL Code of Practice is working in setting industry standards and providing consumer protections. For example, the BNPL Code requires code signatories to undertake proportionate affordability checks, limit late fees, support their customers who may be experiencing financial difficulties, and to be members of the Australian Financial Complaints Authority, so if a customer cannot resolve a complaint, they can do so independently.

“AFIA’s BNPL Code of Practice is protecting consumers. Only 0.01 percent of customers needed AFCA to help resolve their complaint with their BNPL provider last year and only 0.34 percent of customers had hardship arrangements in place.

“From the outset the BNPL industry has listened to community concerns and proactively tried to solve them with innovative solutions. Even though the number of customers requiring hardship assistance is very low, we are exploring additional options for BNPL providers to help prevent vulnerable consumers further extending themselves. AFIA looks forward to working with government, regulators and consumer groups on solutions that will best work and be embedded in the BNPL Code.

“The BNPL Code is a world-first and is driving best practices not just in Australia, but overseas too. It is important for industry standards to be fit for the future,” Ms Tate said.

Research methodology

The research comprised:

- Quantitative surveys of over 2,750 consumers and over 700 merchants conducted by RFI Global across December, January and February 2022
- Data from the 2021 RFI Global Australian Payments Diary with almost 13,000 entries completed by more than 1,000 consumers
- Data collection from the eight AFIA BNPL Code signatories
- In-depth interviews with consumers and merchants; and
- Economic modelling conducted by BIS Oxford Economics leveraging: the survey output, proprietary information from BNPL providers collected in January and February 2022 in association with AFIA, and public information.

[Download a copy of the research report.](#)

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ABOUT AFIA

AFIA is the only peak body representing the entire finance industry in Australia.

We represent over 150 members, including bank and non-bank lenders, neobanks, finance companies, fintechs, providers of vehicle and equipment finance, car rental and fleet providers, and service providers in the finance industry. We are the voice for advancing a world-class finance industry and our members are at the forefront of innovation in consumer and business finance in Australia. Our members finance Australia's future.

We collaborate with our members, governments, regulators and customer representatives to promote competition and innovation, deliver better customer outcomes and create a resilient, inclusive and sustainable future. We provide new policy, data and insights to support our advocacy in building a more prosperous Australia.

ABOUT BIS OXFORD ECONOMICS

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college and has become one of the world's foremost independent global advisory firms, providing best-of-class global economic and industry models, reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Oxford Economics provide an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

Headquartered in Oxford, England, the company employs over 300 full-time people, including more than 200 professional economists, industry experts and business editors and has access to a contributor network of over 500 economists, analysts and journalists around the world.

In March 2017, Oxford Economics purchased BIS Shrapnel to become BIS Oxford Economics. BIS Oxford Economics has an Australian staff of over 50 who combine deep knowledge of the Australian economic environment with access to Oxford Economics' global capabilities to provide powerful insights.

ABOUT RFI GLOBAL

RFI Global is the only global data & insights company focusing exclusively on financial services. RFI Global provides actionable and evidence-based insights to clients ranging from global and regional banks to fintechs, consultancies and regulators in 49 markets, helping them move quickly and confidently from question to data-driven action.

RFI Global equips leaders across the finance industry with local, regional and global insights that pinpoint trends and predict future consumer behaviour, sentiment and needs. Since 2006, their data-driven insights, actionable recommendations and unparalleled intelligence have removed uncertainty from the decision-making process of leading financial service providers.