



# Buy Now Pay Later

Online Discussion Panel

CONSUMER REPORTS SURVEY RESEARCH DEPARTMENT

MAY 25, 2023

## Table of Contents

Objectives	3
Participants' Qualifications	3
About This Study	4
Types of Loans Used	4
<i>Making payments with a credit card</i>	5
Types of Purchases	5
<i>Practical purchases, gifts, and luxuries</i>	5
<i>Purchases to ease financial stress</i>	6
<i>Getting a higher-quality item than they would have bought outright</i>	6
<i>Favorite BNPL purchases</i>	7
What's Good About BNPL	7
Underlying Themes	8
<i>Theme 1: Savvier than most</i>	9
<i>Theme 2: Managing feelings about money</i>	9
<i>Theme 3: Too cool for BNPL</i>	10
Concerns About BNPL	10
<i>Concern about credit score</i>	10
<i>Transparency</i>	11
<i>Returns</i>	11
<i>Overspending</i>	12
<i>Overextension</i>	13
<i>Other common BNPL issues</i>	15
Financial Health	16
Activity: Exploring Your BNPL Account	17
<i>Findability test #1: Account page</i>	18
<i>Findability test #2: Deleting data</i>	19
<i>Accessing account data</i>	20
Final Comments	21
Conclusion	21
Methodology	22
Participants' Characteristics	22
Appendix A: Discussion Guide	24

## Objectives

Consumer Reports conducted an online discussion board on buy now, pay later (BNPL) services from January 24-26, 2023. Schlesinger Group (now Sago) hosted the study using its QualBoard platform. The purpose of the study was to gather detailed qualitative information on consumer experiences with buy now, pay later services, reviewing a variety of types of experiences and, in particular, problems that people may have had. Previous research has shown that issues with BNPL can have a substantial financial impact on individuals. Our goal was to take an in-depth look at the effects of BNPL on people’s lives and to learn about the on-the-ground realities of BNPL use, particularly heavy use.

## Participants’ Qualifications

Thirty U.S. adults were recruited to participate in the study. The eligibility criteria were to have made at least one purchase using a BNPL service, with at least 10 participants qualifying as heavy BNPL users. Heavy use was defined as having held four or more concurrent BNPL loans, or as having used BNPL five or more times in the past year. Ultimately, 29 participants completed the discussion board, with a total of 14 heavy users. Eight of the heavy users met both of the criteria, having had four or more concurrent BNPL loans and having used BNPL at least five times in the past year.

- **29** participants
- **14** “heavy users” with 4 or more concurrent BNPL loans OR having used BNPL 5 or more times in the past year
- **8** of the 14 heavy users with 4 or more concurrent BNPL loans AND having used BNPL 5 or more times in the past year

The tables below show the number of participants who met each of the levels of the qualifying criteria for heavy use.

<b>What is the largest number of buy now, pay later loans you have ever held at the same time?</b>	
	<i>Participants</i>
Four or more	11
Three	3
Two	8
One	7

<b>How many times have you used a buy now, pay later service in the past year?</b>	
	<i>Participants</i>
Five or more times	11
Four times	8
Three times	3
Twice	1
Once	6

## About This Study

Participants engaged in a three-day online discussion board with a Consumer Reports moderator. Each day had a preprogrammed discussion guide that consisted of questions for the participants to answer. The discussion guide is included here as Appendix A. Participants engaged with the discussion board and responded to the questions asynchronously, on their own time across the three days, and the moderator asked follow-up questions for clarification or elaboration.

### A 3-Day Study: Agenda

**Day 1: An in-depth picture of participants' BNPL use and their attitudes toward it.**

**Day 2: Stories about the participants' experiences with BNPL, particularly their negative experiences.**

**Day 3: Asked participants about their financial health, and then led them through an activity about controlling their own account data.**

## Types of Loans Used

Many of the participants have used only the classic four-payment model of BNPL loan. Some told us that they specifically avoid any BNPL arrangement that charges interest. One person said he prefers the pay-in-four model because: *"I try to stick with 2 week intervals to coincide with pay check days."*

Eight of our participants have used longer term, interest-bearing loans for larger purchases. Those who use longer payment periods, such as a 12-month arrangement, tend to prefer Affirm, but most people have no favorite BNPL service and use whichever one the merchant offers. Thirteen people said that they use BNPL only for larger purchases, three people said they use it only for non-essentials, and one person uses it only for Christmas shopping. Four people mentioned that they keep a rule of using it only for purchases of over a certain amount (the amounts range from \$30 to \$1,000).

We asked our participants whether they had used some features offered by BNPL services: a phone app, using BNPL in a brick-and-mortar store, and a virtual credit card. A few people were familiar with these features and had used them, sometimes enthusiastically. Most of the people who had used a virtual card said that the process was smooth and easy. About one-third of the participants have at least one app on their phone, and some of them have two or three or four apps. More frequently, though, people said they

had not been aware that some of those features were available options. Many had never heard of virtual cards or using BNPL in a store before, and one person was not even aware that BNPL services offer apps.

Two participants reacted to the idea of using BNPL in a brick-and-mortar store with a comment that they would prefer to keep their BNPL transactions private:

- *“I have never used it in store. I would have to ask and that’s awkward :-)”*
- *“I’ve never used it in a store, I think I would be embarrassed to ask for it.”*

### *Making payments with a credit card*

Eleven of our participants told us they make their BNPL payments with a credit card at least some of the time, many for strategic reasons:

- Six of those people do so to earn points on their credit card.
- One person believes that he gets purchase protection by using a credit card to make his BNPL payments. By using his credit card, he also likes that he doesn’t have to worry about keeping a sufficient balance in his bank account to make the payments.
- One other person uses a credit card to make his BNPL payments with the specific intention of keeping his credit score up.

## Types of Purchases

The participants described several types of purchases they have made with BNPL. We group them into three themes for descriptive purposes:

- Practical purchases, gifts, and luxuries
- Purchases to ease financial stress
- Getting a higher-quality item than they would have bought outright

### *Practical purchases, gifts, and luxuries*

Many of the purchases we heard about were practical. Four people had used BNPL for car repair, and two to replace large appliances (one dishwasher and one refrigerator). Some had bought home furnishings, such as needed furniture or a mattress. Some relied on BNPL for clothes. Two bought cameras that they intended to use for work.

Several participants used BNPL to buy gifts for the people in their lives. One person who described himself as “a husband, father of 4, and a veteran,” described his BNPL use this way:

*“Christmas is the main one since having a bigger family it’s easier to spread that out over time. ... I have always been someone who goes a bit over the top for Christmas, but that also came with a bit of stress in the past with dropping the full amount upfront even if I could afford it. With bnpl I can still do what I always have for Christmas but now have small monthly payments that are very manageable. ... **It’s easy with me using it mainly for Christmas because it’s basically an annual thing that times itself out perfectly for when I need to use it again.** ... I typically utilize the 12 month payment option and use it for Christmas. So I try to time out having everything paid off prior to the next Christmas season.”*

Other participants described using BNPL to indulge in luxuries. One bought a PlayStation 5 gaming system at the height of demand. One buys high-end watches, and another collects comic books and Funko Pops.

### *Purchases to ease financial stress*

Some of the participants described using BNPL to alleviate financial stress. For these people, BNPL allowed them to afford genuine needs.

One participant, a single mom who does not get paid sick leave from her job, described a time when she and her children were all sick, and she bought groceries using BNPL. **“BNPL helped me pay because I had worked less that week due to being sick and still needed enough to get me and my 3 girls by.”** This person also indulged in some small self-care items—bath bombs, facial oil—at the instruction of her therapist. *“These are all part of my self-care routine that has been extremely helpful to my mental health and have allowed me a break as a single mother without physically going anywhere.”*

Another participant, who described himself as “A Dad who loves to spend time with his kids,” described using BNPL to replace the brakes on his car, a crucial safety purchase that he could not afford to make outright at the time. He wrote, *“Regarding strained financially, i would say **if i was using a BNPL service, it’s because i’m already strained.**”*

Another participant told us: *“Maybe I can afford a \$500 mattress, but then would have to cut back on what I can afford for groceries and be worried about not having enough for my bills. But if I could make it into \$125 payments over 6 weeks, then I’d still be able to afford my usual weekly spendings.”*

### *Getting a higher-quality item than they would have bought outright*

Some participants told us that BNPL had allowed them to upgrade their purchases: They used it to buy something that they would have bought anyway, but they bought a higher-end model of the item than

they would have if they were paying upfront. In this way, BNPL allows these participants to improve their quality of life and their day-to-day experience.

- *“I also had an emergency when a dishwasher broke. Instead of letting the warranty replace it with a subpar unit **I instead got the unit I wanted thru BNPL.**”*
- *“We needed a new computer since ours was getting old and slow. I was going to get a new computer regardless but with having the bnpl option I decided I could get one that was significantly higher level than I would have just bought outright. I always wanted a high end PC so I figured why not, let’s do it! **It definitely was far more expensive than I normally would spend but well worth it!** After receiving it I was very happy that I made the decision that I did. The payments are very small and manageable so it is well worth it since it will last a long time and has plenty of memory and speed for our entire family.”*
- *“So i would say i would probably chose a better item then a low end brand if i am using buy now pay later, and this is because if i am going to make payments and purchase something i would want to make sure they are going to last, were as if i had to pay with cash i would may select a budget option.”*

### *Favorite BNPL purchases*

In a separate question, we asked the participants whether they had bought anything with BNPL that they couldn’t have afforded otherwise and that made them really happy or that was important to them. This question elicited some touching responses. One participant paid for his **honeymoon** (planned for March 2023) using a pay-in-four BNPL arrangement. Other responses:

- *“Yes **I purchased a birthday clothing outfit for my mother to wear at her birthday party** from Shein. I used the ‘pay-in-four’ method. It was so stressful to try to budget my money without using BNPL. It was also stressful because it was a special day and the BNPL was exciting and a relief when I utilized it.”*
- *“I purchased a handbag for a birthday gift. It was a pay in four loan. I was able to create the BNPL credit card in store and use it at the register. It was important because of the person who the gift was going to. That person never had a designer handbag and **it was a joy to watch them receive this gift.**”*

## What’s Good About BNPL

We asked the participants to tell us what they think is good about BNPL, if anything. **Over and over, people said that what they love about BNPL is the ability to spread out payments with no interest.**

A few comments directly addressed the issue of BNPL filling a gap in financial need:

- *“It’s great for all people especially those who may have bad credit, not enough cash on hand, people who may need to **stretch their dollars** further throughout the month.”*
- *“I’d recommend it to people like me who generally live **paycheck to paycheck** and may be looking at a bigger ticket item or have a lot of expenses.”*
- *“As mentioned before, it was a great way to make a purchase I really wanted without it taking everything from my bank. As someone who works **paycheck to paycheck**, it made making those purchases possible.”*
- *“I would recommend it to anyone who has kids or a family and who sometimes **gets hit with surprise expenses**.”*

Some people mentioned that using BNPL helps support their ability to maintain emergency savings:

- *“I’ve had moments in the past where rather than spreading out payments I made a large purchase and paid all up front ... and then it seems like clockwork where when I do that then all of a sudden something happens, ie. car breaks down, washing machine breaks, something happens where I need that money that I just spent. But **with spreading out purchase expenses I can keep a cushion available for those just in case moments**.”*
- *“These are bigger purchases and I use **BNPL for them because they would otherwise take a significant portion from what I have saved up right now** and seeing it taken out in one go will feel demoralising as it is hard to save up so far and going down so drastically will again feel like it is hard to hit the savings milestones I set for myself when the next paycheque will just be getting me back to where I was before the purchase.”*
- *“Even if I have the money in my account, I like to **keep a buffer of at least a couple hundred dollars and so I will use BNPL in those circumstances**. I would not use it in scenarios where the total amount of the purchase is in my account. You never know what else may come up and so it is smart to leave a buffer in your account for emergencies. Especially when what you are buying is not a necessity I think this is a good strategy.”*

## Underlying Themes

For the most part, the participants expressed enthusiastic positivity about BNPL. To them, the benefits of using BNPL seem obvious. *“**The fact you can borrow credit at a low cost or for nothing at all is super duper kool,**”* said one. However, below the surface of cheering for BNPL, three deeper themes emerged about the participants’ emotional approach to their BNPL use. The first theme is about feeling savvy or clever about BNPL use. The second theme is about people using BNPL to help them manage their feelings about money. And the third, quieter theme is about playing down BNPL’s significance in their lives.



### *Theme 1: Savvier than most*

Several participants conveyed a sense of pride in their responsible use of BNPL along with a sense that not everyone is as clever or capable as them. Participants described in detail their budgeting, saving, and planning habits to make it clear to us how they fit BNPL into their lives. Two people told us that they use a separate app to manage their finances or to keep track of their BNPL loans. The facts undoubtedly are that these people work hard to take advantage of BNPL in order to enhance their lives while sidestepping the negative consequences. On top of that, their successful navigation of the BNPL system allows them to feel money smart, in control, and perhaps a little bit superior.

Below are a few selected examples of this sentiment:

- *“BNPL- It’s not good if a person **does not budget properly or tends to overspend.**”*
- *“For me, **there is nothing bad because I understand it** and will not get caught up in using it too much to buy things I cannot afford.”*
- *“**What’s bad about BNPL doesn’t affect me but I am sure it affects many people.** BNPL can cause complacency in people to think that they can use it all the time to **cut corners** and pay for things later, and essentially **treat it as free money** and forget that all the things they will use it for will have to be paid back potentially with interest.”*
- *“I think it can be easy for someone to have too many orders open at once and overspend, but **i think that reflects the consumer more than anything.**”*
- *“I personally sit and write out my monthly budget plan and expenses every single month so I know exactly what I can afford and how much cushion I have every month.”*
- *“Also similar to credit cards and other loans, this path can be high-risk, especially for those who are **less financially savvy.**”*

### *Theme 2: Managing feelings about money*

Several participants spoke in very self-aware terms about how their use of BNPL makes their spending feel better than if they had made their purchases outright, even though they are completely cognizant that they are spending the same amount. They describe a delicate dance with their own emotions about their economic activity, and the consciousness is striking. Below are some examples:

- *“It is more of a personal thing but I hate seeing hundreds of dollars leave my account at once. **It eases me and makes it easier to process** when its smaller amounts of money over time.”*
- *“**Takes away the ‘guilt’** of making a purchase for myself! Lol”*
- *“I feel like any item/order over \$200 is a very **intimidating** cost to spend at once, for me personally. BNPL on amounts \$200 and over **helps me mentally digest the cost.**”*

- *“It just helped **ease the pain of seeing a large amount of money disappear instantly** vs in 4 payments.”*
- *“Although the end result is the same after the 4 payments or X number of months, **the effect morale is better with BNPL.** ... I can pay the same without the demoralising hit to my account from paying it all upfront.”*
- *“It feels less painful that way.”*

### Theme 3: Too cool for BNPL

Alongside their positive feelings about BNPL, some participants downplayed its role in their lives. Several people said they use BNPL sparingly, or told us that it plays a small to insignificant role in their financial lives. One or two even came close to disdaining it. Below are a few examples:

- *“I do not typically consider it, because the term is so short and I do not run that tight on expenses to need something like it all of the time.”*
- *“It is something I consider a **resource of last resort.**”*
- *“I have not used it often at all. I wanted to try it a couple of times and only did so knowing I had the money in the bank to pay for it.”*

## Concerns About BNPL

Just like we asked the participants what they think is good about BNPL, we also asked them what they think is bad about BNPL, if anything. Again and again, people talked about the risk of overspending, taking on too much debt, and making impulse purchases. A few people mentioned that they don't like it when BNPL loans charge interest, and a couple of people said they worried about their credit being checked.

### Concern about credit score

This group of people is aware and protective of their credit scores. Eight of the participants expressed concern about the effects of their BNPL use on their credit score:

- *“Most of them say they don't do a hard credit check, but what is actually happening behind the scenes? Is there a soft credit check? Does our payments only get reported to the 3 credit bureaus when a payment is missed? If they are being reported, to which ones and are regular payments helping our credit score?”*
- *“I would be worried that if people had too many accounts that it would affect their credit score. I'm curious to know if people have had negative impacts due to this.”*

- ***“They claim it doesn’t affect your credit. Not sure how true that is.”***

## Transparency

There were a handful of unprompted mentions of a need for greater transparency on the part of BNPL companies. One person applied with Affirm to buy a mattress and did not find out that she would be charged 4% interest until after the purchase had gone through. In describing this incident she was more concerned with the ensuing difficulties (which will be described in a later section), but a lack of transparency about the interest rate was at the root of it. Other participants discussed their transparency concerns directly:

- ***“It also is not always apparent the exact terms of the BNPL and can seem tricky as far as when exactly you can be charged interest or a fee and how that will work. ... I saw the option to split into 4 equal payments and selected it. It could have been personal error but I had trouble deciphering what determined what the APR interest rate was depending on the purchase price, if shipping was included in that or not, etc. ... it would have been nice if the exact details were more clearly stated as you go through the registration process because to me, **it felt like they were keeping their cards close to their hand and not making it obvious to try and take advantage of someone not knowing exactly what they were getting into** ... it seemed that all the exact details and terms of the BNPL system were not explicitly given or obvious at the very least. I think full transparency should be given maybe even with a disclaimer at the beginning that this service is much like taking a loan and can incur interest and tell how that will be determined and how it is received and paid.”***
- ***“I would like BNPL to be clearer on the implications of using them. Most of them say they don’t do a hard credit check, but **what is actually happening behind the scenes?** ... **The lack of visibility into the process that goes on here makes it seem like to me the only winners here are the BNPL services**, and if I make all my payments on time, accrue no interest and everything is perfect, my net gain is 0, other than the peace of mind of being able to spread out a big purchase over a couple of months.”***
- ***“I think transparency is really big for me. I haven’t had this happen to me, but if there were that BNPL option and it wasn’t upfront about interest, if there was any at all or none, that would be a big red flag. **I just want these BNPL options to be as upfront as possible when advertising their service or describing it at a website’s checkout.**”***

## Returns

Many of the people in our study had never tried to return an item they had purchased with BNPL. Twelve people told us about experiences they had returning an item. More than half of those people had smooth return experiences, while others described difficult return processes that took a long time or where they were required to continue making payments until the return was resolved.

- One participant had a BNPL experience with multiple issues: transparency, unexpected interest, customer service, and trouble with making a return. She was buying a mattress with her boyfriend and attempted to make the purchase with Affirm. Although she says she has excellent credit, Affirm approved the loan with a 4% interest rate. This person expected a 0% interest rate and was not made aware of the fact that she would be paying interest until the purchase had already gone through. After **“a lot of back-and-forth,”** her boyfriend applied and was approved with a 0% interest rate, although her purchase was already in motion and they were not able to cancel it. At that point **“a grueling exchange process”** ensued. *“We had our original package delivered, and ultimately had to schedule pick up of this package for being returned. Then we had to schedule a whole new delivery of the same exact package.”*
- Another participant’s purchase was mislabeled as a return, which was problematic for her because she was counting on the credit card points she would earn for that purchase (she was using her credit card to make her BNPL payments). She went to some lengths to get the store to accept her money, eventually mailing a check to the corporate office. **“The process was a bit rough and could definitely use some help. ... Definitely a rough transaction versus other payment methods.”**

Below are a few other notable comments about making returns:

- *“It takes a really long time for it to return and is slightly complicated. ... One time I bought LED lights that ended up not working. I tried to return them and **I had to go through a lot of people to even get a return** and for them to notice that I returned the item already and then some people have it where it’s store credit, and not back on your card which isn’t very useful sometimes. But over about two months I finally got a return on it I believe this was from affirm.”*
- **“The TV I bought for my new apartment was delivered with a crack in it,** so I had to refund it on Amazon. ... I was yet to make a payment back towards the BNPL provider, but it took about a week and a half for the BNPL portal to reflect that I had to pay only for the other items on the order I made with the TV. For the 10 days or so, it still showed that I had to pay the monthly installment agreed for all the items including the TV, and **still owed 3-4k left over 2 years for only \$600 worth of purchases excluding the TV.** ... I would say it wasn’t smooth because for the week and a half I was quite anxious about what had happened, and **I didn’t receive any communication from the BNPL service.”**
- *“I returned some clothing items from Anthropologie through Klarna. I had to continue making payments and then the future payments were reduced based upon the items I returned. It went smoothly, but **it was hard to figure out if I received the correct refund without crunching my own numbers.”***

## Overspending

On the first day of the study, more than half of the participants expressed a belief that they are more responsible with their BNPL use than most people probably would be. On the second day, we asked, “Have you ever bought something with BNPL and then later came to feel like you had spent too much? Or have you ever felt that a BNPL purchase strained your finances? Please tell me that story. Do you feel that BNPL leads you to spend more than you would otherwise spend?” Perhaps unsurprisingly, many participants reiterated their stance that they have never spent too much because they use BNPL responsibly. Some related stories of a time when they had been tempted to spend more but ultimately made a fiscally conservative decision. However, a few acknowledged that BNPL might have led them to overspend:

- “Yeah I’ve bought a few things that later on I thought that I spent too much, it put a little strain on finances when multiple payments stack up and **maybe it does lead me to spend a little more on the occasions I shop for non essentials.**”
- “I have gotten carried away with using bnpl services and having too many orders going on at once. I think the most was 4 orders. It was very expensive at the time because the payments were not all on the same pay schedule and money was always taken out. **It can be easy to fall down the rabbit hole of bnpl** because it is so easy and convenient, but if you’re not careful you can spend a lot at once because you can have multiple orders open during the same timeframe.”
- “I have never felt a BNPL purchase strained my finances but **sometimes it can feel like it’s going on forever and the bills are just racking up.** I am paying [for] a dresser over five years for only \$26 a month though and that’s something I use every day. With such a small monthly payment it’s so worth it!”

## Overextension

Previous research<sup>1</sup> has shown that BNPL use can have some weighty consequences, such as having debt sent to a collections agency or lowering one’s credit score, and that those consequences are borne by only a small portion of BNPL users. Those outcomes often happen as a result of overextension, or taking on more debt than one’s finances can bear. In planning this study, we sought to talk to heavy BNPL users because we wanted to hear firsthand accounts of some of the difficulties that can arise. We found very little of that in this group. Most of our participants are careful to handle their BNPL accounts responsibly, and no one experienced the more extreme negative consequences of overextension.

---

<sup>1</sup> Consumer Reports, “Buy Now, Pay Later Services: August 2022 nationally representative internet survey,” <https://advocacy.consumerreports.org/research/buy-now-pay-later-services-august-2022-nationally-representative-internet-survey/>; Consumer Financial Protection Bureau, “Buy Now, Pay Later: Market trends and consumer impacts,” September 2022, [https://files.consumerfinance.gov/f/documents/cfpb\\_buy-now-pay-later-market-trends-consumer-impacts\\_report\\_2022-09.pdf](https://files.consumerfinance.gov/f/documents/cfpb_buy-now-pay-later-market-trends-consumer-impacts_report_2022-09.pdf).

One participant stood out from the others in that he did seem to have occasionally overextended himself with BNPL. When we first asked what types of purchases he had made, his response was lengthier and more detailed than other participants’:

*“Two high end electric bikes (Retail \$1400 each), a mini HVAC unit for tiny home guests, and brand new/upscale pool table (retail \$3200) ... On a lower scale, i bought two ipads, a regular bike, a \$800 Hamilton watch, airplane tickets, tickets to a 49ers game in season.”*

But those purchases were far from his biggest. When we later asked about a purchase that had made him really happy, he told us about buying a \$64,000 rare model fishing boat, although he admitted that the purchase had not been without repercussions:

*“We were going through some rather financially challenging times when all that happened—I **should have not been so lousy-goosy with my spending**, and i def learned my lesson! Now, I have everything mapped out on a excel spreadsheet and also in my CRM (with notifications). ... I was reckless with my finances and i just did not manage my life the way i should have. ... My wife and I developed a buddy system—meaning that she would sign off on everything I buy (we come up with a plan together, whereby we look at our current payment and see if we could fit into our budget (we have a plan on tapering back on our discretionary spending (going out for dinner less, travel less, just to make it work for our budget.”*

When we asked the participants whether they had ever contacted customer service at a BNPL, this was his response:

*“A few years ago, I had trouble keeping up with payments for BNPL with Klarna, and AfterPay? ... At that point, I did rack up a lot of debt and temporarily stopped using BNPL’s until I had a good paying job (steady income).”*

For this person, this type of spending was not confined to BNPL. When asked how he uses BNPL, he commented: *“i love the BNPL, because i’ve maxed out on the number of credit cards, i can buy.”* The moderator asked if he meant he has hit the credit limit on his credit cards and cannot get approved for another one. He replied, *“yea, just because i rely alot on my credit cards to move money around and pay for things. ... Yes, that’s exactly what I mean.”*

Even through these experiences, this person never missed a BNPL payment because of a supportive relationship in his life. He repeatedly credited his wife with helping him manage his finances, for example:

*“I haven’t missed any payments, because my wife was always there in case i was short.”*

## *Other common BNPL issues*

Several issues that are commonly associated with BNPL were only small problems for this group, and some were not a problem at all.

### Multiple concurrent loans

People tended to assert that managing multiple concurrent payment plans poses no difficulty for them because of their money management skills. Others said that they limit themselves to one or two loans at a time because they are aware that multiple loans can be difficult to manage.

- *“I limit myself to having only 2 orders open at once. Otherwise it can get difficult to track all the spending at one time. I prefer to have my payments fall on the same schedule if i can help it, but sometimes it doesn’t work out like that so I just try to always make sure i have enough money in my account to make payments.”*
- *“I have had 6 BNPL loans at the same time. It is mainly just managing the income to make sure all payments will be successful. Usually the payment dates do fall on different days, but I am able to keep track through the apps. **Paying off multiple loans is easy with proper management.**”*

One person hadn’t been aware that she had three loans open until she saw it in the exercise on the third day of the study:

- *“Doing this survey made me want to double check my affirm account, **I didn’t realize I had 3 going until I did [access my account data in the exercise].** I could see how the payments could easily become a burden if you’re not paying attention.”*

### Missing payments

Four people were late on payments but made them up within the grace period. Only one person once missed one payment and said she incurred a \$40 late fee on a \$70 purchase. **Most of the participants said they had never missed a payment**, and some of them credited that to their automatic payments.

### Unexpected fees

Aside from the person who was unexpectedly charged 4% interest on her mattress purchase, two other people told us about their experiences with unexpected fees:

- *“One of the companies, Klarna, charged a fee, under \$10 on a \$113 purchase. I do not recall why I didn’t realize the fee; probable just not reading everything (easy to do online), or perhaps it was well concealed. **I thought that fee was high and have not used Klarna since.**”*
- *“One time sezzle charged me interest but **all I had to do was reach out to their customer service and they were able to fix it for me.**”*

### BNPL credit limit

All participants either said they had not noticed any change to their credit limits in their BNPL accounts or they had noticed an increase. This is unsurprising because this group barely had any missed payments.

### Fraud or scam

No participants had experienced any type of fraud or scam in their BNPL accounts.

## Financial Health

During recruitment for the study, we had asked the participants to tell us their household income in ranges. A little more than half of them identified their income as under \$100,000, and a little less than half as more than \$100,000.

HH Income Range	Number of Participants
Less than \$25,000	1
\$25,000 to \$49,999	3
\$50,000 to \$74,999	5
\$75,000 to \$99,999	7
\$100,000 to \$124,999	4
\$125,000 to \$149,999	1
\$150,000 to \$174,999	1
\$175,000 to \$199,999	2
\$200,000 or more	5

On the third day of the study, we asked the participants to describe their household's financial health. We asked this question:

**Today we'll start by talking about your overall financial picture. As you give your responses, please rest assured that we are protecting your confidentiality and that the other participants can't see your answers. Overall, how would you describe your financial health? If you live in a household with other people and you share finances, feel free to describe your household's financial health as a whole. Would you say that you always have enough money for your needs, or do you struggle sometimes? Do you live comfortably, modestly, or on the edge? For example, do you feel like you can afford to be generous when buying gifts for your loved ones? Are you always able to pay your bills on time? Are you able to buy 'wants' as well as 'needs?'**



Most of our participants described their financial health in a way that is consistent with the income range they had given us earlier. Six described themselves as struggling, and an additional 10 described a modest financial picture. Twelve described a comfortable financial picture, and one acknowledged wealth by saying they are “extremely fortunate.”

Some people with incomes in the lower ranges described themselves as comfortable, for example:

*“Our income far exceeds our monthly obligations, so we are living comfortably. We are generous with gifts or help to friends, relatives and children. We are able to pay all bills on time and both have credit scores over 800. We are able to purchase most wants and all needs. Although, I still want a Range Rover and cannot afford it. Lol.”*

*“I would say I live comfortably. Bills always paid on time and can splurge when I want.”*

A few of the descriptions hinted at financial imbalance, for example:

*“I think I am ok most times. I am heavy into comic books so I would say that I go off the handle at times but I sell them as to collecting as well. ... **The money situation is fine. Sometimes I can use rehab for sure.**”*

In an earlier section we described one participant who has been overextended. He indicated a household income over \$200,000, but during the course of the three days he mentioned having several financial difficulties. His description of his financial picture presents a juxtaposition of someone who does well financially but also likes to overspend and sometimes finds himself in a difficult financial situation:

*“Presently i have a windfall of cash (and gold bars) stored up in my savings as hedge, but I also have a solid job and a two side business’ (legal cannibis grower and small restaurant owner (super busy—7 days a week).”*

**Most of the participants described their debt as substantial but manageable.** Many of them hold substantial credit card debt, and a few have personal loans. They also have student loans, car loans, and mortgages. A small handful described their debt as more troubling, for example:

*“**The debt in our life is staggering** given our relatively young ages (both 31 years old). Types of loans - Student Debt (Law School for both of us) Car payments x2 Credit Card payments (x 6) Personal loans (x2).”*

## Activity: Exploring Your BNPL Account

At the end of the last day, we led the participants through an activity designed to gauge the user experience of accessing their BNPL account data. We told them:

**This activity will help us get a sense of how easy or hard these companies make it for their customers to control their own account information. Your answers are really valuable!**

First, we asked them to go to the website of the BNPL service they use most. Our participants warmed to the exercise immediately. Some of them became interested and told us that they looked at their accounts on more than one of the BNPL services that they use. Overall, 13 people looked at their Affirm account, six looked at Afterpay, six looked at their Klarna account, and three looked at other services (Amazon Monthly Payments, PayPal, and Sezzle). One person did not identify which BNPL service he was looking at, so he could not be included in this analysis.

### *Findability test #1: Account page*

We asked them to log in to their account and find their account page. Then we asked them how easy or difficult it was to find their account page, using a standard seven-point findability scale where 1 is “Very easy” and 7 is “Very difficult.” In general our participants found their account page easily, with **22 of them marking it “1-Very easy” and an overall average findability score of 1.4 out of 7.**

A few people mentioned that it was not intuitive to them to find their account information under “Settings.” Notably all four of these mentions were referring to Affirm, although some of the seven participants who found the task more difficult than “Very easy” referred to other companies as well.

- *“It was a little confusing that I had to click on ‘Settings’ under my profile icon instead of ‘My account’ but that’s just their terminology.”*
- *“It was under settings which is odd.”*
- *“It was easy but when I clicked on my profile picture, the options were settings, help and sign out, so by process of elimination I clicked on settings, but settings implies configuring things like notifications, preferences etc, not necessarily the hub to view and edit your stored information.”*
- *“There wasn’t an account info tab. I had to click on the settings under my profile picture to actually see what information there was.”*

We asked the participants to tell us what information was recorded on their account page. Most people found their name, phone number, email, billing address, mailing address, and payment information such as the credit card numbers they had stored with the service. People also noticed their purchase history and various settings. People mentioned a few other bits of information on their account page as well. Eight people who looked at their Affirm account mentioned that their annual income was shown. One participant explained it like this:

- *“Affirm asked annual income when originally signing up. I’m assuming that’s to determine what you can actually afford for a limit. It didn’t ask for documentation, but it did ask for a total.”*

An Afterpay user found the duration of his account on his account page, that is, how long he had been a user of the service. One Klarna user saw their credit limit on their account page, and another discovered that **Klarna has been collecting all the reviews he has written about products he bought with the service.**

### *Findability test #2: Deleting data*

We then asked the participants to see whether they could find instructions for how to delete data from their account. The participants on average found this task more difficult than finding their account page, with **11 of them marking it “7-Very difficult” and an average findability score of 4.2 out of 7.**

Prior to the present study, Consumer Reports did not conduct a thorough review of all BNPL services to make sure a) that they store any user data that would be available to delete without closing the account, and b) that they indeed offer an option to delete user data. It is possible that our participants found it difficult to find instructions for deleting data because they were not there. This topic is explored further through CR’s 2023 Buy Now, Pay Later app examination.<sup>2</sup>

Some participants found the option to delete their data in conjunction with closing their account. Some of them counted that as having found the instructions for deleting data, and some did not.

- *“I couldn’t really find a way to delete my information. It only gave me options to change or update my information. **I couldn’t even find a way to delete my account.**”*
- *“I do not see a specific option for deleting data. I did however find where to close my account, update information such as phone number, email, address, and income amount. There was also a form you can fill out to have them not sell your data. But I did not see anything for deleting my data.”*
- *“**I cannot find an option to delete my data. I even checked the faq.** It does give me an option to opt out of selling my information, by signing a CCPA/CRPA form, but not to delete.”*

Two people thought they might be able to delete their data by contacting customer support.

- *“Not able to find it. It suggests calling in.”*

---

<sup>2</sup> “Buy Now, Pay Later: A Case Study for A Digital Finance Standard.” Consumer Reports, May 2023.

Available at:

<https://advocacy.consumerreports.org/research/buy-now-pay-later-a-case-study-for-a-digital-finance-standard/>

- *“Apart from going to help, I see no way of deleting anything.”*

We are able to disaggregate the findability scores by company, although these findings should be interpreted with caution because of the small sample and because we were not able to verify which BNPL service each participant was looking at.

The 13 participants looking at Affirm found it difficult to find instructions for deleting their data. Six of them scored the task as “7-Very difficult” and all but one of them gave it a score of 4 or above. Only one person marked the task “1-Very easy.”

The six participants looking at Klarna had almost as much difficulty with this task as the Affirm users. Three of them marked the task “7-Very difficult” and one of them marked the task “1-Very easy.”

The six participants looking at Afterpay had a different experience. Five of them found the deletion instructions “1-Very easy” to find. However, two of those people noted that they had found that they could delete their data if they closed their account. Only one person found this task “7-Very difficult,” and noted that they could not find a way to delete their data without closing their account.

## Deleting Account Data

Average findability score (out of 7)



Affirm  
5.8



Klarna  
3.8



Afterpay  
2.0



Others  
3.7

### Accessing account data

We asked the participants whether they had ever accessed their BNPL account data before. Sixteen of them had, and thirteen had not. A few participants noted that the exercise had been useful for them or that they had learned something from it. The following quotes were in response to a few different questions, but they all describe some value derived from the exercise.

- *“Aside from accessing my profile, no I have not. **But now I want to after being involved in this study.**”*

- *“No I haven’t but I’m glad that I did because I can update my residential address.”*
- *“My name, phone number, email address, address and three credit cards (one of which no longer exists—I’m going to delete it!)”*
- *“Doing this survey made me want to double check my affirm account, I didn’t realize I had 3 going until I did [access my account data in the exercise]. I could see how the payments could easily become a burden if you’re not paying attention.”*

All of the participants said that they were very comfortable, comfortable, or comfortable enough with digital technology. Perhaps that was predictable from a group voluntarily participating in an online discussion board.

## Final Comments

At the end of the study, we gave the participants an open-ended chance to tell us anything else they wanted to on the subject of BNPL.

- A full-time student wrote: *“For me, I hope to no longer need or use it once I work full time.”*
- Another participant, age 61, wrote: *“It’s really too bad that companies are narrow-minded and cater to only a specific demographic group, that I am frequently not included in. **There are still many of us who prefer to use a computer than our phones, and we have more disposable income!**”*
- Another full-time student wrote: *“This also made me realize that these are still financial institutions. ... **It didn’t even occur to me that it is truly a loan!** it didn’t feel as shady as a normal loan does or as looming as credit card debt. When I used BNPL options it felt like just a helpful resource!”*

## Conclusion

The group of BNPL users who agreed to participate in this study are people in a range of financial positions who are striving and using BNPL to try to enhance their quality of life. For the most part they are responsible with making their payments and with managing their budgets. For them, BNPL fills its primary function of providing mostly free credit, while it also fulfills secondary functions of helping them feel more in control of their finances and easing their financial stress. These people are overwhelmingly positive about BNPL. It helps them live the lifestyle they want, fills a gap in financial need, and supports their ability to maintain emergency savings. Their biggest concerns about BNPL are transparency and its effects on their credit scores. These are people using whatever resources they can access—BNPL, credit card points, focus group incentives—to chase their piece of the American dream.

## Methodology

The study was conducted over three days (January 24-26, 2023). Participants were required to complete the three days in order to receive the incentive payment. The qualitative online discussion board was delivered via the online platform QualBoard offered by Schlesinger Group using a quota sample. A member of the Consumer Reports Research Unit moderated the discussion. Participants were recruited to represent a mix based on gender, age, race/ethnicity, education, household income, and employment status. In total, 29 participants completed the online discussion board study. Study participants logged in to the QualBoard message board and responded to a set of open-ended questions at their convenience throughout each day. The moderator asked follow-up questions as needed throughout the discussion. Participants received an email or SMS notification when they had new questions available to answer on the message board. We estimate that participants spent approximately 30 minutes per day for three days responding to study questions. Participants who finished all questions were offered a \$150 incentive for participating.

After being recruited to the study, participants received a link to join the study during the three days it was open. On the study website, participants typed in their responses to the questions for that day. Participants' responses were hidden from each other so that they were essentially private interviews with the moderator. This was done in order to help the participants feel as comfortable as possible sharing information about their personal finances. The Consumer Reports moderator was able to see the participants' responses in real time and to send follow-up questions, to clarify or to elicit more information.

## Participants' Characteristics

The following table shows the demographic characteristics of the participants.

<b>Demographic Characteristics</b>	
	Number of Participants
<b>Gender</b>	
Women	15
Men	14
<b>Race</b>	
White	15
Black	7
Asian	2
Other or multiple races	5
<b>Age: Ranging From 19 to 61</b>	

Under 30	11
30 and older	18
<b>Household Income</b>	
Under \$75,000	9
\$75,000 to \$99,999	7
\$100,000 to \$199,999	8
\$200,000 or more	5
<b>Education</b>	
Less than undergraduate degree	8
Undergraduate degree	11
Graduate or professional degree	8
<b>Total</b>	<b>29</b>

At the beginning of the study, we asked the participants to tell us a little bit about themselves, and we left it up to them what they would share with us. We are able to gather that some of them live in Venice and Los Angeles, Calif.; New York City; Atlanta, Ga.; Charlotte, N.C.; St. Louis, Mo.; Wisconsin; and a small town in Oregon. Nine of the participants offered that they are parents with children at home. Their occupations run the gamut from full-time students and service workers to an investment banker, two architects, and an aerospace engineer.

## Appendix A: Discussion Guide

**Welcome – January 24, 2023, 8 a.m. ET**

### NOTICE ONLY

Welcome! My name is **Noemi**, and I will be guiding you through our online discussion over the next **three** days.

The purpose of our discussion is to get your thoughts and opinions related to **buy now, pay later services**. Over the course of the next **three** days, I will ask you simple questions related to this topic (don't worry, I'll provide more specifics as we move further into the discussion).

#### **Here's how the discussion will work ...**

I will post questions/activities today, tomorrow, **and Thursday**. It is important to visit each day that questions are posted. It's a good idea to log in once early in the day and once in the afternoon or evening; it will probably take you about 30 minutes/day. You can participate anywhere and spend as much time on the site as you desire.

To answer a question or respond to a post, simply click on the button in the bottom left corner that says **"You have not replied. Click here."** Type your response in the space provided and click on the **"Submit"** button. Please completely answer each question and be as conversational as possible, details are great! Any questions that you have not answered will have a button stating **"You have not replied. Click here."** This way you can easily tell what you still need to answer.

Keep an eye out for follow-up questions from me. I may ask questions of you specifically or to the group as a whole. To easily see if you have follow-ups, you can look at your Project Alerts box on the left of your screen, and if you see a number beside **"Unanswered Follow-Up Questions,"** you'll know I have put something in specifically for you. Just click on that number and it will be brought up on the screen for you.

Here are some more tips for you to make this process easy and enjoyable:

- Please watch the **"Participant Intro Video"** found on the **"Dashboard (Home)"** page of this site. There is a lot of really great information in there to help you out along the way!
- If you would like, please upload a photo (Avatar) of yourself so that we can associate a face with your name. It just makes our discussion a little more personable. You can do this under **"My profile"** at the top of the site.
- You can click **"Highlight Unanswered Questions"** on the top of the Navigation Section to see if there are any questions from me that you may have missed. To make things even easier, on the left side of the screen you'll see the number of questions or follow-ups that I may have left for you! Just look for the box titled **"Project Alerts."**
- To add to your reply or to reply to another participant, just click on **"Reply"** in the bottom left corner of the posting.
- There are some really good help articles and **"How-Tos"** on this website if you run into questions about how to use QualBoard:



<http://qualboardhelp.helpscoutdocs.com/collection/95-participant-help>. (You can also click “Help Desk” on the top right of your screen to get to this site.)

If you have technical difficulties of any kind while participating in this discussion, please click “**Chat with Support**” at the bottom left of your screen. A technical representative will reply promptly during normal business hours (within 24 hours of your request).

One other thing—typos don’t matter, we all make them!

Lastly, and most importantly, HAVE FUN!

## **DAY 1 – January 24, 2023, 8:00 a.m. ET**

### **ALL QUESTIONS FULLY MASKED**

**S2Q1:** *(text response and media response (photo))* Hi there and welcome! I appreciate you taking the time to tell me about your use of buy now, pay later services. Your participation is very important because it will help us in our work to make sure that these services are fair and safe for consumers. You’ll give us an in-depth look at how people think about buy now, pay later, and maybe you’ll tell us about issues we hadn’t thought of.

Sometimes I’ll use the acronym “BNPL” as shorthand for “buy now, pay later.”

I want you to know that we are taking the confidentiality of your responses very seriously. None of the other participants will be able to see your responses. Only the trained researchers who are conducting this study will see your answers, and we will protect your information, so you can respond freely.

Before we get started, please tell me a bit about yourself. How do you think your friends and family would describe you, and what do you think is important for me to know about you? (I’ll ask about buy now, pay later in a moment, but for now, just tell me about you as a person.)

Please also take a moment to upload a photo of yourself. I’m doing a lot of these interviews—it helps me keep track of who’s who if I can put a face with the name!

**S2Q2:** *(text response)* There are several different types of buy now, pay later loans. The classic type is the “pay-in-four,” where the purchase price is split into four payments spread out over six weeks with no interest, but there are other types as well. What types of buy now, pay later loans have you used? Please describe all the types you have used. If you have used one type more than another, please let me know that as well.

**S2Q3:** *(text response)* I’d like to build a general picture of how you use buy now, pay later. What are some of the things you’ve purchased with a buy now, pay later service? Are they big-ticket items or smaller things? Have you used it for everyday purchases like groceries and gas? Have you used it for medical expenses? Gifts for people? Airplane tickets? Please describe a few examples and why you decided to use BNPL for those purchases.

**S2Q4:** *(text response)* Let’s talk about some specifics for a minute. How do you use BNPL? Do you only use it for online purchases, or have you used it in a store? Do you have one BNPL service that you prefer

to use, or do you just use whichever one the merchant offers? Do you have a buy now, pay later app on your phone?

**S2Q5:** *(text response)* Have you ever used a BNPL “virtual credit card,” so you could use BNPL in a store or website that doesn’t offer it as a payment option? I’d like to hear what that purchase was, why you decided to use the virtual credit card, and how that went in general. If you had any trouble with it, please tell me about that.

**S2Q6:** *(text response)* When you make a purchase, how often do you pay with BNPL? Do you consider it every time you buy something online, or only sometimes? Please tell me a little about when or in what circumstances you decide to use it. Do you have any tips to share about when to use it or when not to use it?

**S2Q7:** *(text response)* In your own words, please tell me what’s good about BNPL and what you like about it, if anything.

**S2Q8:** *(text response)* In your own words, please tell me what’s bad about BNPL and what you dislike about it, if anything.

**Probe:** Is buy now, pay later good sometimes but not others, or for some purchases but not others? Please give examples and describe what you mean.

**S2Q9:** *(text response)* Please tell me why you use BNPL overall. What role does it play in your financial life? You might have one reason or several reasons for using it—I’d like to hear them all.

**S2Q10:** *(text response)* Would you recommend buy now, pay later to other people? Who would you recommend it to? Please elaborate.

**NOTICE ONLY: Thank you! Please click the NEXT tab to move to the next section.**

## DAY 2 – January 25, 2023, 8:00 a.m. ET

**S3Q1:** *(notice only)* Hello there, welcome back to our discussion about buy now, pay later! Today we’d like to hear more about your experiences with buy now, pay later services.

To start with, have you ever bought something with buy now, pay later that you couldn’t have afforded otherwise that made you really happy, or that was important to you? Please tell me that story (and I’m curious if it was a “pay-in-four” or a different type of loan, if you remember).

**S3Q2:** *(text response)* Have you ever tried to return an item that you bought using BNPL, or to get a refund? If so, please walk me through a typical return process. For example, did you have to continue making the payments until the return went through? Did you have to contact the seller, or did the BNPL service manage the return? In general, would you say it went more or less smoothly than returns you have made with other payment methods? Please say why (and please mention if it was a “pay-in-four” or a different type of BNPL loan).

***Probe:** If you've ever had a hard time returning something you bought with BNPL, please tell me about that.*

**S3Q3:** (text response) Have you had any other interactions with customer service at a BNPL company, other than making a return or getting a refund? What did you need from customer service, and how did they respond? How satisfied were you with their help? If you have had more than one interaction with customer service at a BNPL, please choose one to tell me about that best represents what your customer service experience has been like.

**S3Q4:** (text response) How do you typically make your BNPL payments? That is, do you make the payments directly from your bank account, or do you use a credit card or some other method? And do you use automatic payments or do you need to remember to pay it each time it comes due? How easy or how convenient are the payments?

**S3Q5:** (text response) Have you ever bought something with BNPL and then later came to feel like you had spent too much? Or have you ever felt that a BNPL purchase strained your finances? Please tell me that story. Do you feel that BNPL leads you to spend more than you would otherwise spend?

**S3Q6:** (text response) If you've had more than one BNPL loan out at the same time, please tell me about how that goes. How easy or difficult is it to manage the payments when you're paying off two or more loans at the same time? Do the payment due dates fall on all different dates? How do you keep track of the payments—do you have a method that you use?

**S3Q7:** (text response) Have you ever missed one or more payments on a BNPL loan? Or have you ever stopped paying a BNPL loan completely? If so, please tell me about that experience. What led to that? And what happened after you missed a payment or how did it resolve? Did you experience any negative consequences from missing a payment or defaulting on a BNPL loan?

***Probe:** Were you contacted by a collections agency? Was the missed payment reported on your credit report? Has it affected your credit rating?*

**S3Q8:** (text response) Has a BNPL company ever charged you any fees or interest that you did not expect? Please tell me about it.

**S3Q9:** (text response) Has your BNPL account ever been frozen? Do you know why that happened? Were you able to resolve it?

**S3Q10:** (text response) As far as you're aware, has your credit limit on your BNPL account ever changed, that is, either increased or decreased? (Sometimes BNPL companies call it "purchase power" instead of a credit limit.) If so, was that a surprise? Do you know why it happened? Please tell me about it. Did it ever happen that you couldn't make a purchase that you expected to be able to make, because your credit limit had changed?

**S3Q11:** (text response) Have you ever experienced fraud or a scam using buy now, pay later? For instance, has it ever happened that someone made a purchase on your account without your knowledge or approval? That could be someone you don't know, or it could be someone you know. Or have you ever bought something with BNPL that you never received?

**NOTICE ONLY: Thank you! Please click the NEXT tab to move to the next section.**

### **DAY 3 – January 26, 2023, 8 a.m. ET**

**S4Q1:** *(text response)* Welcome to Day 3! Today we'll start by talking about your overall financial picture. As you give your responses, please rest assured that we are protecting your confidentiality and that the other participants can't see your answers.

Overall, how would you describe your financial health? If you live in a household with other people and you share finances, feel free to describe your household's financial health as a whole. Would you say that you always have enough money for your needs, or do you struggle sometimes? Do you live comfortably, modestly, or on the edge? For example, do you feel like you can afford to be generous when buying gifts for your loved ones? Are you always able to pay your bills on time? Are you able to buy "wants" as well as "needs"?

**S4Q2:** *(text response)* How would you characterize the debt in your life? Is it overwhelming, substantial but manageable, nonexistent? Please also list the types of debt you are holding at the moment, including student loans, car loans, mortgages, credit card bills, buy now, pay later loans, personal loans, and anything else.

**S4Q3:** *(notice only)* Now we'd like to do a little activity. You might not have thought about it before, but any BNPL service that you've used keeps an account for you. That account contains your contact information, payment history, and other data about you. In this activity we'll ask you to take a look at your account and tell us what you see. This will be easiest on a desktop or laptop computer, but if you need to do it on a cell phone, I'll be interested in hearing about that experience too. Don't worry, I'll walk you through it.

This activity will help us get a sense of how easy or hard these companies make it for their customers to control their own account information. Your answers are really valuable!

The first step is to open a separate browser tab and go to the website of the BNPL service you have used the most often. Please make sure to keep this page open so that you can come back here to see the next steps and to answer questions. The website might be one of the ones below. HOT TIP: To open a separate browser tab, hold down the CTRL (PC) or Command (Mac) key when you click on one of the links below.

Affirm:	<a href="https://www.affirm.com/">https://www.affirm.com/</a>
Klarna:	<a href="https://www.klarna.com/us/">https://www.klarna.com/us/</a>
Afterpay:	<a href="https://www.afterpay.com/en-US">https://www.afterpay.com/en-US</a>
Zip (formerly Quadpay):	<a href="https://zip.co/us">https://zip.co/us</a>
Sezzle:	<a href="https://sezzle.com/">https://sezzle.com/</a>
Uplift:	<a href="https://www.uplift.com/">https://www.uplift.com/</a>

Once you're at the website, look toward the top for a button that says "Log in," and click it. Go ahead and log in—for example, it might ask for your phone number and then send you a verification code. Please do what you need to do to log in.

**S4Q4:** *(text response)* Please tell me which company you are looking at. Why did you choose that one?

**S4Q5:** *(text response)* Once you are logged in, the next step is to go into your account page. You might click on your name or your profile picture. Please see if you are able to see what types of information are stored in your account, and tell me what types you find there. For example, some types of data you might see are your contact information, your purchase history, or your profile picture. I'm definitely not asking you to tell me any private information—just the *types* of information that the company is storing about you.

**S4Q6:** *(multiple choice, require comment)* How easy or difficult was it to find your account page? Please tell me anything you want me to know about how it went, and also please choose a rating from the choices below:

- 1) Very easy
- 2)
- 3)
- 4)
- 5)
- 6)
- 7) Very difficult

**S4Q7:** *(multiple choice, require comment)* Now please look around and see if you can find any instructions for how to delete data from your account. **I'm not asking you to actually delete anything** (unless you want to)—I just want you to tell me if you are able to find instructions on how to delete your account data, and how easy or difficult it is to find. Once again, please rate how easy or difficult it was on a scale of 1 to 7, where 1 is "very easy" and 7 is "very difficult."

- 1) Very easy
- 2)
- 3)
- 4)
- 5)
- 6)
- 7) Very difficult

**S4Q8:** *(text response)* Had you ever accessed your account data with this company before? If so, what led you to do that?

**S4Q9:** *(text response)* How comfortable would you say you are with digital technology—very comfortable, comfortable enough, or not very comfortable at all? Do you consider yourself "digitally native?" Are you usually able to figure out a new app or digital service on your own, or do you usually

need to ask some questions—or are you someone who other people ask for help with digital technology?

**S4Q10:** *(text response)* Finally, what else do you want me to know about what it's like to use buy now, pay later? Is there anything else you think is important for me to know that you haven't had a chance to tell me so far? What am I missing? What other questions should I ask if I do this again? Please answer them, too! 😊

#### **SUGGESTED FINAL NOTICE**

If you have any other questions in regard to the study, please email [support@qualboard.com](mailto:support@qualboard.com) and they will forward the question on to me and to the project manager, depending on who needs to answer it! Have a great day. Thanks again for your participation. I've enjoyed getting to know each one of you and hearing your thoughts over the past few days.