

See the Full Financial Picture

Why BNPL data matters for modern risk and lending strategies

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BNPL is reshaping affordability – and risk teams need a clearer view

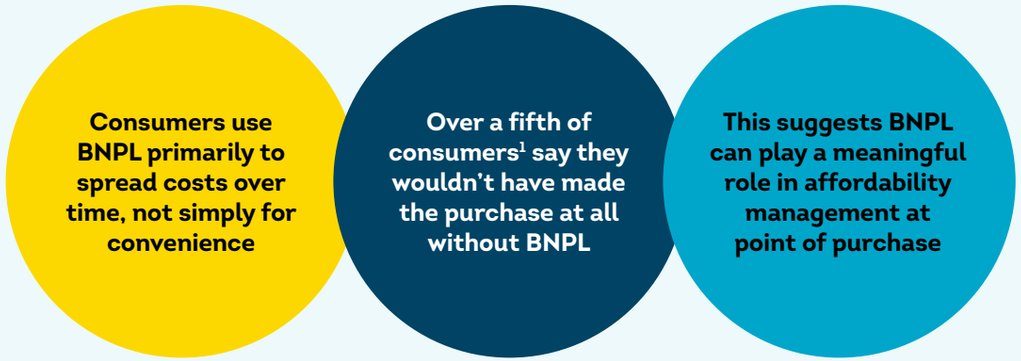
Buy Now, Pay Later has moved from a retail payment trend to a meaningful part of the consumer credit ecosystem. As regulation evolves and affordability expectations rise, lenders need more visibility, more confidence and more precise decisioning.

Over the last five years, BNPL has seen rapid growth in the UK, driven by demand for flexible payment options and the rise of digital commerce. What began as a convenient checkout feature is now the way many consumers manage spending, particularly for everyday retail categories such as fashion and consumer technology.

That matters for lenders because BNPL is no longer sitting outside the wider credit picture. In 2026, BNPL providers will come under full FCA oversight, including creditworthiness and affordability checks. At the same time, BNPL data is now visible in consumer credit reports, providing lenders valuable context about short-term borrowing commitments that may previously have been missed.

For risk and lending teams, this is a strategic shift. Affordability decisions can no longer rely on a partial view of a consumer's obligations. To lend responsibly and competitively, organisations need to see how BNPL fits into the broader wallet, how consistently it is used and where repayment patterns may signal vulnerability or resilience.

WHAT'S DRIVING BNPL USE?



BNPL may be short term at transaction level, but for many consumers, usage patterns create persistent monthly commitments that lenders should be aware of.

1 TransUnion Consumer Pulse Survey Q2 2025 – 21% stated they would not have made the purchase without BNPL

The impact of BNPL on affordability

The challenge isn't BNPL itself; it's understanding who's using it, how often and what it means for affordability. The reality of BNPL is more nuanced than headlines suggest. For many consumers, it's a manageable way to spread payments. But not all BNPL usage looks the same - and that's where traditional risk approaches can fall short.

TransUnion® analysis shows BNPL users are typically younger, already engaged with credit and often carry different borrowing characteristics from the wider credit-active population. While total BNPL balances tend to be relatively low, repayment commitments can be proportionally significant because the repayment window is short. In other words, the exposure may look small, but the monthly payment burden can still matter in affordability assessments.

Crucially, the broader conclusion isn't that BNPL creates widespread affordability stress. In fact, our analysis found for the vast majority of users, incorporating BNPL commitments into affordability calculations has limited net impact. But it also identifies an important exception: frequent users, whose repeated monthly usage creates persistent repayment obligations over time. These are the consumers lenders need to better understand.

This is where richer data becomes a competitive advantage. Rather than treating all BNPL activity the same, lenders need to distinguish between occasional use, emerging use and sustained behavioural patterns. That level of insight can help risk teams avoid blunt decisioning, support fairer outcomes and focus attention where it will make the greatest difference.

TransUnion analysis shows 98% of BNPL users remain in the same affordability category when BNPL repayments are included - but persistent, high-frequency users deserve closer attention.

WHY THIS MATTERS?

For lending and risk teams, that means:

- **Affordability frameworks don't need to be rebuilt from scratch**
- **They do need to account for BNPL commitments in a more informed way**
- **The biggest opportunity lies in identifying persistent usage patterns that could indicate pressure on disposable income**
- **Better BNPL insight supports both responsible lending and better customer outcomes under Consumer Duty**

Turn BNPL complexity into confident lending decisions



With richer visibility, meaningful affordability insight and advanced segmentation, TransUnion helps lenders move from uncertainty to action.

As BNPL becomes regulated, more visible and increasingly relevant to affordability, lenders need more than raw data; they need actionable intelligence. That's where TransUnion stands apart.

TransUnion was the first UK credit bureau to include BNPL borrowing in the consumer credit report, helping both lenders and consumers see a fuller view of short-term credit obligations. Through TrueVision and Affordability Report, TransUnion enables lenders to assess BNPL holdings without compromising the consistency of wider bureau-based decisioning.

Our analysis highlights how TransUnion's approach helps lenders to go beyond simple account visibility to understand behaviour, repayment patterns and the role BNPL plays within a consumer's broader financial picture. This supports more informed affordability assessments, improved risk modelling, deeper portfolio insight and greater confidence in meeting responsible lending expectations.

And the market coverage matters. TransUnion offers the most comprehensive BNPL view in the UK, with 85% of all BNPL trades fully embedded within its credit and affordability suite. When combined with proprietary BNPL attributes and advanced segmentation, lenders gain a more complete and decision-ready understanding of this fast-evolving market.

Maximising the value of BNPL intelligence



SEE THE FULL FINANCIAL PICTURE:

Understand short-term borrowing behaviours that may not be visible through traditional credit data alone.

STRENGTHEN AFFORDABILITY ASSESSMENTS:

Incorporate BNPL obligations into disposable income analysis with greater precision — especially for frequent users.

IDENTIFY HIDDEN RISK EARLIER:

Spot persistent usage patterns that may indicate affordability pressure before they become portfolio issues.

MAKE SMARTER, FAIRER DECISIONS:

Use richer behavioural insight to support financial inclusion, improve decisioning accuracy and align with Consumer Duty.

DRIVE COMPETITIVE ADVANTAGE:

Move beyond generic risk indicators with deeper segmentation and more relevant, modern credit intelligence.

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Ready to see how BNPL insights can help strengthen your risk and lending strategies?

Discover how TransUnion helps lenders assess affordability more accurately, identify meaningful behavioural signals and make smarter, more confident credit decisions. Speak to one of our experts today.

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