

Buy Now Pay Later

Flexible, Short-Term, Transaction-Based Financing for the Modern Consumer

According to data, consumer instalment lending options such as buy now, pay later (BNPL) are growing at six times the rate of traditional credit cards. It's important that issuers rethink their operating model and diversify their product suite to capture their share of this new market.

Fiserv offers consumers flexible, short-term transaction-based financing options using multiple go-to-market models. Our BNPL solution is digitally integrated and designed to help your financial institution meet the growing demand for innovative, alternative financing solutions.

Consumer Benefits

Our BNPL solution enables consumers to:

- Split purchases into short-term instalment loans either at the point of sale or post-purchase
- Make instalment payments in intervals of days or weeks, not just months (example "Pay-In-4": 4 instalments every 2 weeks, with the first instalment deducted immediately)
- Use various funding instruments, including deposit accounts, debit or credit cards
- Switch instalment plans post-purchase, using digital, self-service channels
- Group multiple transactions under a single instalment plan, if desired
- Option for post-purchase splitting of transactions or balances from non-credit products such as debit, prepaid cards or deposit accounts
- Option to direct card purchases to transaction-based finance or traditional revolving credit with a single payment card (prior to the purchase being made)

Issuer Benefits

Our BNPL solution offers issuers a variety of attractive benefits:

- Avoid forcing your existing credit customers to choose alternative providers to access popular financing options such as Pay-In-4. Our BNPL solution makes this accessible from their existing credit card
- Monetise transactions and balances from non-credit portfolios by offering conversion to instalment plans. Use as a credit building feature with a view to eventual upselling to other credit products
- Flexible fee structures including transaction fees, interest, late fees, snooze fees (to defer upcoming instalments) and reschedule fees (to add additional instalments)
- Option for closed-loop, merchant-linked transaction financing that does not require the use of scheme rails or payment cards
- Option for open-loop transaction financing riding on scheme rails, using digital, virtual and physical payment cards (no need for merchant integration, earn interchange revenue)



A New Consumer Spending Approach

Our solution is a response to an ongoing evolution in how consumers pay for products and services. Customers are still making transactions, but want to do so in a smarter way, with more control and less intense hits to their finances. BNPL is built to meet those consumer financing needs, offering helpful and flexible options:

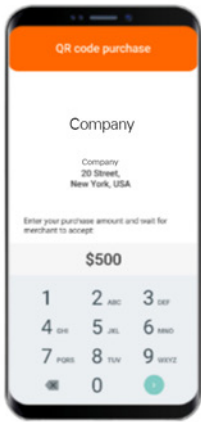
- **Proactive** recommendations for cash-flow solutions
- **Transparency** and convenience of financing
- **Accessible** financing throughout the purchasing process
- **Responsible**, purchase-based borrowing and budgeting
- **Predictable** payment scheduling
- **Affordable** credit options in a tightening credit environment

Evolving Consumer Spending Behavior

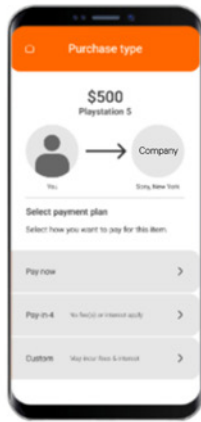
The COVID-19 pandemic accelerated rapidly changing consumer financing needs. As a result, it has never been more important to modernize your product suite.

- The 2021 Consumer Pulse Report from Canstar revealed that 48% of Australian consumers will consider using a BNPL service
- According to research by RedSeer Strategy Consultants, BNPL increased eCommerce market share by 88% in India from 2019 to 2020, while credit card share declined
- A survey by the Australian Finance Industry Association found that 54% of Australian BNPL users prefer BNPL to credit cards because they pay no interest

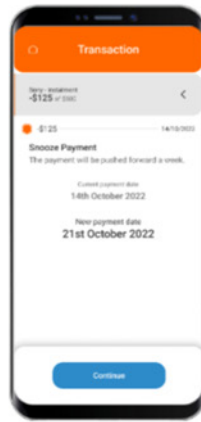
Consumer Finance Management Made Easy



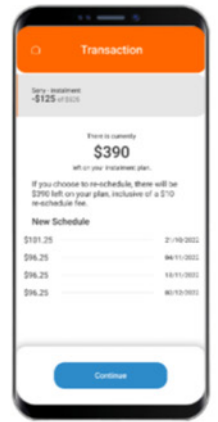
Make purchase at merchant
*Merchant journey will differ per region



Choose instalment plan



Snoozes next instalment and is notified of upcoming instalment



Re-schedules plan



Unlock the Benefits of Point-of-Sale and Post-Purchase Instalment Lending

Innovative Alternative Financing

Acquire a new generation of customers looking for alternatives to traditional credit cards and unsecured lending. Fiserv supports the broadest range of flexible lending capabilities that enable you to diversify your product suite and fend off competition.

Capture New Revenue Streams

Increase revenue in a way that works for both the consumer and your financial institution, with flexibility on fees, interest and the chance to earn from interchange.

Modern Digital Features

Offer a solution designed with the modern consumer in mind, supporting the latest in digital experiences.

Grow Market Share

Provide consumers the best of both worlds, with flexible, convenient and transparent financing options linked to a standard credit card.

Connect With Us

For more information about
BNPL with Fiserv:

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 fiserv.com/en-ap

Fiserv is driving innovation in Payments, Processing Services, Risk & Compliance, Customer & Channel Management and Insights & Optimization. Our solutions help clients deliver financial services at the speed of life to enhance the way people live and work today.

Visit fiserv.com to learn more.