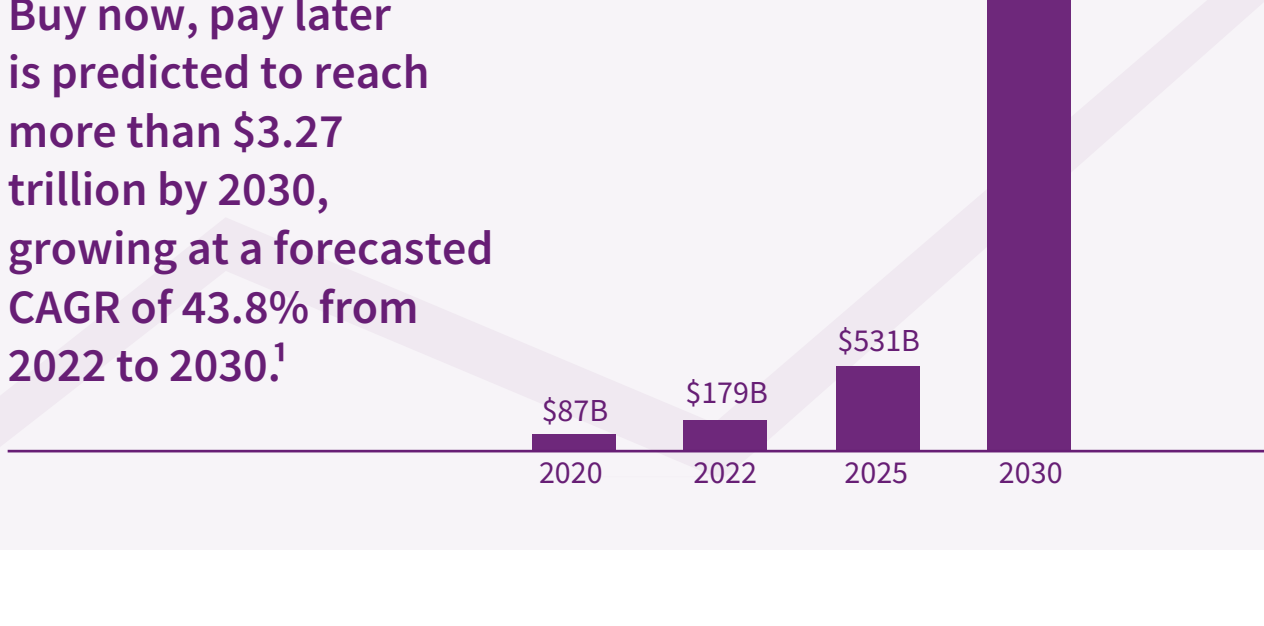


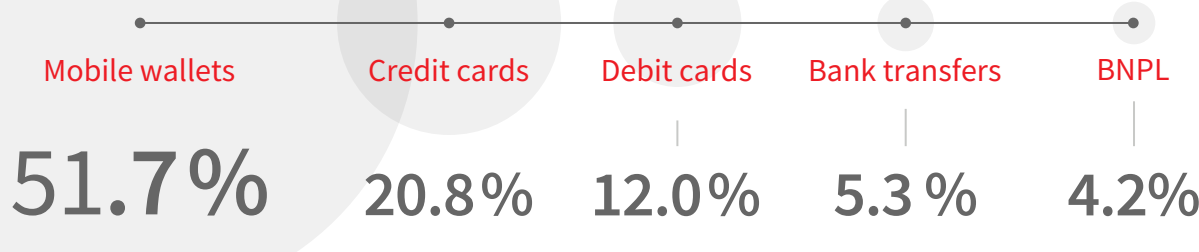
The Exploding Growth of Buy Now, Pay Later (BNPL) and what it means for financial services institutions

01 Buy now, pay later is predicted to reach more than \$3.27 trillion by 2030, growing at a forecasted CAGR of 43.8% from 2022 to 2030.¹



02 BNPL accounted for 2.1% of the ecommerce payment market in 2020.

By 2024, it is expected to double, making it the 5th most used ecommerce payment method.²

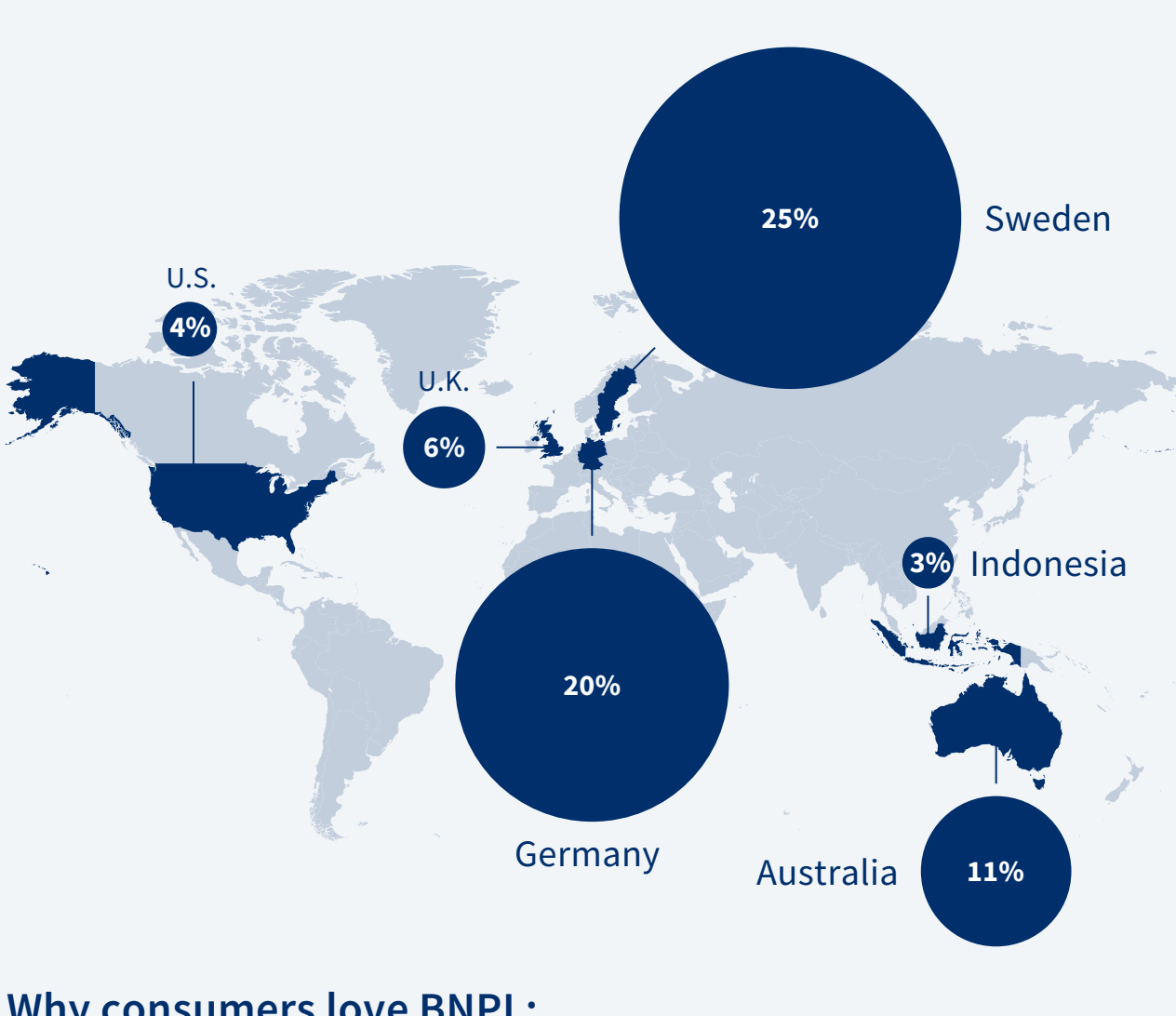


With the global ecommerce market anticipated to surpass

\$5.7 trillion

by 2023, even a small stake adds up to big numbers.

03 Although BNPL is a worldwide phenomenon, its ecommerce market share varies widely by region and country.³



Why consumers love BNPL:

- Ease-of-use
- Flexible payments
- Hassle-free credit (even for those with limited/no credit history)
- Zero percent interest
- Fee transparency

04 BNPL is quickly becoming a crowded marketplace.

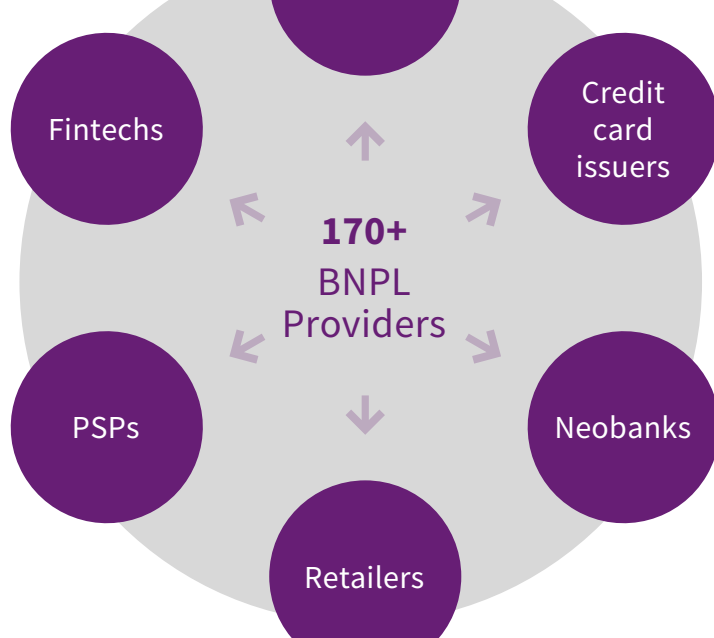
Consumers aren't the only ones embracing BNPL.

Competition from a range of new BNPL service providers is impacting the bottom line of traditional banks and credit card issuers by cannibalizing fees from credit cards and credit-related products.

As a result, banks have lost approximately

\$8-\$10 billion

in annual revenue to fintechs.⁴



05 As customers adopt BNPL, fraudsters follow.

Since BNPL is available to consumers that may not hold a debit or credit card or have a bank account, it expands the universe of potential customers and drives financial inclusion.

These consumer benefits also make fraud risk management more challenging for banks.

Online payment fraud is expected to surpass

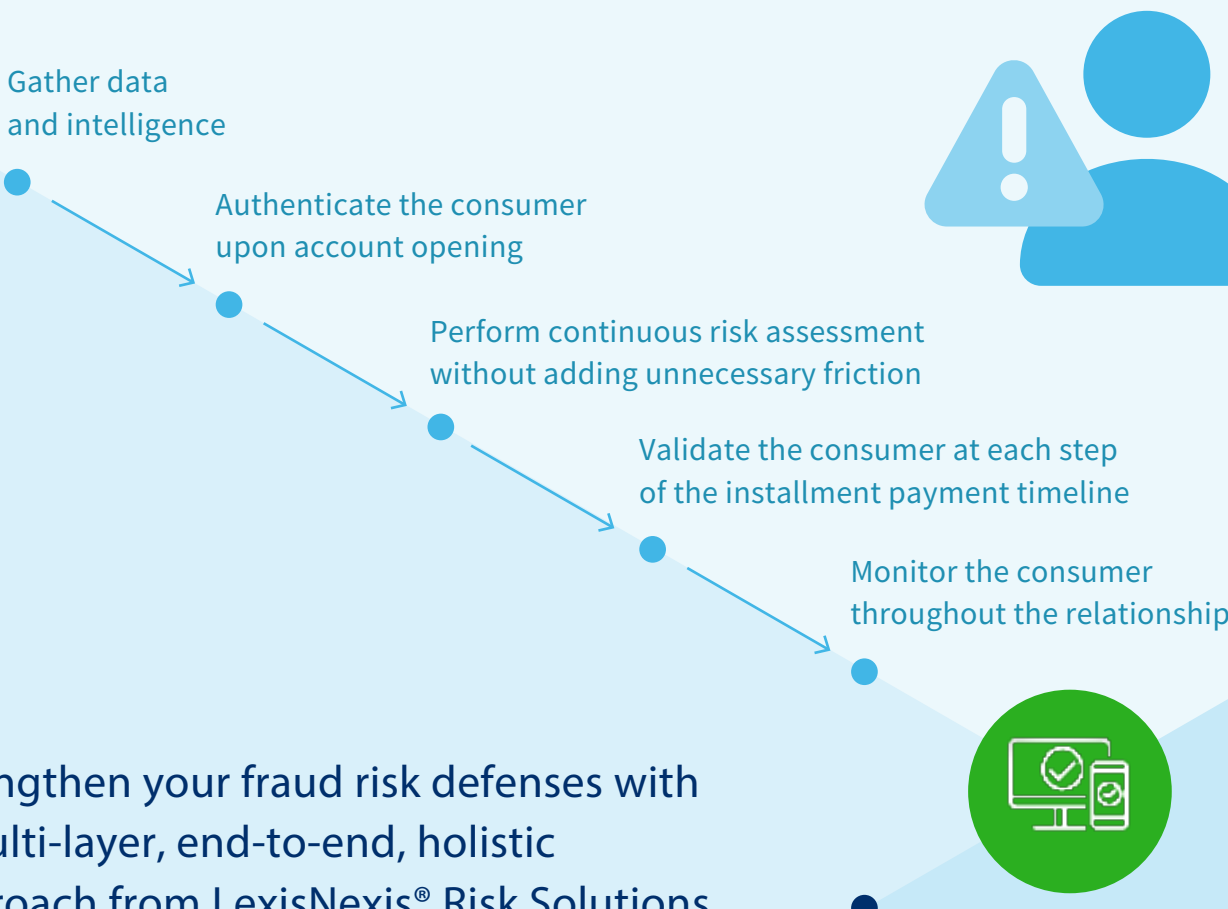
\$206 billion

cumulatively from 2021-2025.⁵

Attack Typologies Include:

- Identity theft and synthetic identities**
Using stolen consumer information or bits of stolen details to create fake accounts and purchase goods/services.
- Account takeover**
Hijacking an existing account and using the established credit to make purchases.
- Early payment default**
Purchasing goods with fast access to funds and failing to pay future installments.

05 How to mitigate BNPL fraud risks.



Strengthen your fraud risk defenses with a multi-layer, end-to-end, holistic approach from LexisNexis® Risk Solutions.

- Leverage LexiID® and LexiID® Digital Technology to achieve global customer recognition.
- Assess the risk of multiple data elements: email, phone number, digital ID, device and behavior
- Combine with analytics and machine learning technology, providing indicators as transactions occur
- Flag anomalous actions and unusual transactions, tracking payment and compliance data
- Perform risk assessment of payment events

Discover how LexisNexis® Risk Solutions brings together fraud management, identity-verification and risk insights by leveraging network intelligence, industry-trusted global coverage and intellectual property to enable your business to confidently differentiate between a trusted customer and threat, while maintaining a seamless customer experience.

For more information visit risk.lexisnexis.com/global/en/our-technology

Sources
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