The Impact of Financial Innovations on the Credit Behavior of the Population Using BNPL Services

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Abstract: This article is focused on the analysis of the impact of financial innovations - primarily buy-now-pay-later services (BNPL) - on the credit behaviour of the population in different countries of the world. The relevance of the research stems from the fact that that consumer demand for loans is one of the drivers of retail banking and economic activity, however, BNPL is positioned as a more 'affordable' alternative to cards and POS-credits, but in fact it can hide the risks of unaccounted debt burden. Based on statistics and industry reports, research compares the dynamics of classic consumer lending and fast-growing BNPL schemes, assesses the scale and drivers of demand, and identifies risks to household sustainability. The article combines descriptive and comparative methods to formulate practical conclusions for government, banks, fintech companies, online retailers and consumers. The results of the research are: identification of changes in consumer preferences, risks, degree of public acceptance of BNPL, global trends in BNPL regulation, and recommendations for major BNPL market players.

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1 INTRODUCTION

In recent years, financial innovation, in particular the Buy Now Pay Later (BNPL) model, has significantly changed the field of consumer credit. BNPL services have rapidly gained popularity in conditions of e-commerce growth, offering the convenience of deferred payments without interest and complicated loan processing procedures. This trend has been observed in both developed countries and emerging economies.

Buy Now, Pay Later (BNPL) is an instalment payment model that is rapidly gaining popularity globally after 2020. It is estimated that by 2022, about 360 million people around the world will have used BNPL services. The quantity of transactions through BNPL services has grown globally from ~$87bn in 2020 to $179-277bn in 2022 - estimates from different sources vary slightly, but the trend is clear. BNPL's share of total global online commerce has reached around 4-5% in 2021-2022 (vs. ~2% a year earlier), and is expected to grow further to ~7% by 2026.

However, the rapid growth of BNPL products has raised questions from regulators and experts about their impact on consumer financial strength and risks of excessive debt burden. Despite the absence of interest, BNPL loans can lead to hidden liabilities that accumulate and cause financial distress to the public.

The relevance of the topic is due to the rapid proliferation of these products in the digitalised economy and changing financial behaviour of consumers. The hypothesis of the study is that BNPL products not only increase the availability of credit, but also increase the risks of excessive debt burden, as consumers tend to underestimate their liabilities to fintech companies. Classic bank credit is slowing down or even shrinking in some countries, while the share of hybrid fintech solutions, primarily BNPLs, is growing rapidly.

Modern financial technologies are changing consumer preferences and credit behaviour of the population. These changes are particularly pronounced in the consumer lending segment, where traditional banking products face competition from new financial solutions such as BNPL services. BNPL is a payment mechanism in which the consumer purchases goods immediately but pays for them in instalments without interest payments if conditions are met.

The proliferation of BNPL services has had a marked impact on consumer behaviour and trading practices. For shoppers, the main advantage is the ability to defer payment without interest, which increases the affordability of goods. Surveys in different countries show that more than half of BNPL users admit that without instalments they would not be able to afford some purchases. This is especially true for young people and people with low incomes. For example, in the U.S., 72% of BNPL users with incomes over $50k said they used 'buy now, pay later' to buy something they didn't have enough money for right away. In the UK, a quarter of respondents directly linked their use of BNPL to inflation and the rising cost of living - that is, instalments helped them cope with the rising cost of goods.

2 METHODOLOGY

This research applies a set of descriptive and comparative methods based on secondary quantitative data.

At the first stage, the authors collected and normalised statistics of central banks of different countries and industry sources. All nominal indicators were brought to a comparable basis: value series were converted into US dollars at annual average exchange rates of the respective years, and smoothing of quarterly observations was used to eliminate seasonal fluctuations. Market dynamics were assessed by calculating compound annual growth rate (CAGR) and year-on-year increases for 2021-2024.

In the second step, a cross-country benchmarking analysis was conducted, comparing the main parameters of classic unsecured loans and BNPL products. Behavioural aspects were complemented by content analysis of marketing research, which allowed us to identify the motives for using BNPL by young people and the dynamics of transition from 'optional' purchases to essential goods.

The regulatory block was carried out by the method of qualitative comparative analysis (case study): the initiatives of the Bank of Russia, FCA UK, the new EU Directive CCD2, the US CFPB report and Australian legislation were considered. Common elements are identified - full value disclosure requirements, basic solvency test, penalty limits and inclusion of BNPL liabilities in the debt burden calculation.

The methodological design of the article relies on (1) analytical treatment of secondary data, (2) descriptive statistics and calculation of growth aggregates, (3) comparative cross-country and cross-product analyses, and (4) qualitative benchmarking

of regulatory practices. The authors deliberately limit themselves to a survey-analytical approach and do not apply rigorous econometric models, emphasising that the aim of the paper is to identify trends and risks rather than to establish causality.

3 DISCUSSIONS

In the scientific literature the topic of BNPL is presented relatively recently, mainly in the context of discussing the benefits and risks of this lending mechanism. Miller interpreted BNPL as a type of microcredit, emphasising the risks of hidden debt burden (Miller, 2022). Miller characterised it as a 'new type of microcredit' with an implicit cost that incentivises overconsumption. He argued that BNPL services lower the psychological barrier of consumers before taking out a loan, leading to increased consumption but also increasing the likelihood of default.

Soni (2023) provides the most detailed U.S. legal analysis to date, arguing that BNPL's hybrid lender–merchant structure evades traditional credit law and requires the Consumer Financial Protection Bureau to regulate both actors simultaneously. Disclosure only solutions are deemed insufficient because many shoppers do not perceive BNPL as credit at all, allowing liabilities to accumulate off the consumer's mental balance sheet. Complementary evidence from Guttman Kenney, Firth & Gathergood (2023) shows that UK customers sometimes fund "interest free" BNPL with high APR credit card debt, turning zero cost instalments into costly revolving balances and underscoring the need for joined up oversight across payment rails. Martinchek & Gonzalez (2024) extend the policy debate to basic needs spending: using nationally representative U.S. data they document households turning to BNPL—and even payday loans—to pay for groceries amid post pandemic inflation, a pattern that raises red flags for food security and long run solvency. Pyrkh (2023) surveys global regulatory approaches and warns that the rapid migration of BNPL from e commerce into in store, travel and medical services is outpacing statutory safeguards in many jurisdictions.

Across countries, BNPL uptake is largest among younger, lower income and financially stretched consumers (Chen et al., 2023; Larrimore et al., 2024). Experimental and survey work consistently links the product to impulse and liquidity motives. Ashby et al. (2024) show that presenting instalment prices, rather than the full ticket, systematically lowers perceived expensiveness and lifts spending;

the effect is amplified when the first instalment is small and the schedule contains more splits. Using Indonesian micro survey data, Juita et al. demonstrate that BNPL stimuli increase impulsive purchases within a Stimulus–Organism–Response framework, while Furqan et al. (2025) find that intrinsic religiosity and low financial literacy jointly predict Jakarta youths' intention to use BNPL for "unrestrained" buying. Together these studies highlight behavioural vulnerabilities that traditional credit worthiness metrics overlook.

From the supply side, BNPL is primarily a merchant subsidised loan designed to boost conversion. Berg et al. quantify a 20 % sales lift concentrated among low creditworthiness shoppers and high margin SKUs, consistent with price discrimination theory. Kumar, Salo & Bezawada (2024) corroborate this with a causal estimate: adopters raise average order size by 6.4 %, especially for promotion sensitive and low ticket categories. The operational literature shows that integrating BNPL into inventory and pricing decisions can materially increase total profit (Feng et al.) and generate positive spill overs across competing channels (Duan et al.). Payments research by Filotto et al. positions BNPL as a disruptive threat to credit card economics, echoing findings in Soni (2023) on competitive and regulatory convergence.

At the macro level, Ji et al. use an early Chinese field experiment to argue that BNPL acts as liquidity insurance, freeing precautionary balances for consumption even when the credit line remains undrawn. Meta analysis of the broader "cashless effect" (Schomburgk et al., 2024) suggests that BNPL could further decouple spending from the pain of payment, though the magnitude appears to wane over time and varies with economic cycles. Importantly, evidence of rising late fee incidence (Martinchek & Gonzalez, 2024) and credit card refinancing (Guttman Kenney et al., 2023) points toward mounting systemic risk if liabilities remain outside conventional credit reporting.

The shortcoming of the available researches is the lack of comprehensiveness in analysing BNPL products in comparison to traditional consumer credit, as well as the lack of international comparison, which determines the scientific novelty of this paper.

4 RESULTS

Based on the analysis of the collected data, it's possible to identify the following findings which are summarised below.

4.1 BNPL services are not evenly distributed across countries

In developed markets with a long history of BNPL, this payment method gained a significant niche. For example, in Sweden, Germany and Norway today 18-25% of all online purchases are paid for via BNPL services. Sweden is the origin of the world's largest BNPL provider Klarna (147 million users in 2021), which explains the high penetration of instalment payments in Scandinavian countries. In Australia, BNPL is also widespread. Around 26-30% of Australians used instalments in 2022, with BNPL transactions there reaching ~$11bn in 2021-22.

In the UK, at least 10 million people regularly use BNPL - surveys show that a third of British adults have tried this payment method. In the US, as of 2024, about half of Americans have made a split-payment purchase at least once. Nevertheless, BNPL's share of US e-commerce turnover is still more modest than in Europe: it is estimated that around 9% of online transactions in the North America region accounted for BNPL by 2023. By comparison, in India BNPL still accounts for about 3-5% of online payments, and in some developed Asian countries (e.g. Japan, Singapore) BNPL penetration also remains low (less than 5% of e-commerce).

Table 1: Summary statistics by the country (2023).

Country	Indicators of BNPL usage
Sweden	~25% online shopping via BNPL; market leader Klarna.
Germany	~18–20% online shopping via BNPL.
Norway	~18–20% online shopping via BNPL.
United Kingdom	~10+ million BNPL users; ~33% of adults have tried BNPL.
USA	~50% adults made purchases on installments; ~15% of BNPL users
China	~10% online shopping via BNPL
Australia	~26–30% adults used BNPL in a year; 7 million active accounts
India	~3% online shopping via BNPL
Japan	~5% online shopping via BNPL
Singapore	~5% online shopping via BNPL
Russia	<1% online shopping via BNPL (0,8% in 2022)

Classic non-purpose loans in Russia have slowed down: in April 2025, their portfolio shrank by 0.7% m/m, and in Q4 2024, the volume of new loans fell to RUB 0.79 trillion, the lowest quarterly value for the year. On the other hand, explosive growth is shown by BNPL models, which allow to split the payment without interest. In 2024, the Russian BNPL market will reach RUB 300bn, adding 66% over the year. Similar shifts are observed in many economically developed countries: the global volume of BNPL transactions has exceeded $342bn and already occupies 4.2% of e-commerce.

In Russia, in 2024, the unsecured consumer loan portfolio will grow by only 11.2% against 17.9% in the corporate segment, which indicates a gradual cooling of households' demand for expensive loans. At the same time, the total volume of BNPL transactions increased to 300 billion rubles, adding 66% over the year and almost doubling the figure for 2023. Despite the impressive growth, the share of BNPL in Russian online commerce remains modest: according to Frank RG estimates, in 2022 it was less than 1%, and according to the forecast by the end of 2024 it will rise only to ≈ 1.8%. By comparison, globally BNPL is already responsible for 7% of all e-commerce payments, with online payment volume growing from $2.2bn in 2014 to $342bn in 2024.

Table 2: Comparative analysis of BNPL indicators by country.

Indicator (2024)	Russia	USA	Europe	Asia Pacific Region
Share of BNPL in e-commerce	< 1 %	≈ 7%	15-25%	12-15%
Compound Annual Growth Rate of BNPL 2021-2024	32%	25%	20%	17%
Average consumer loan rate	21-25%	13-15%	6-12%	10-18%

Table 2 shows that in developed countries BNPL is already a mainstream product, whereas in Russia it is still niche but shows comparable growth rates.

4.2 BNPL services have become a tool for stimulating demand

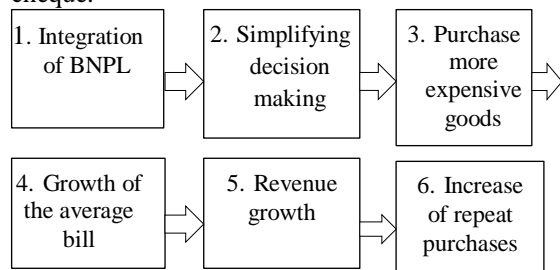By connecting such payment options, shops recorded an increase in conversion and average cheque.

Figure 1: BNPL mechanism of demand stimulation.

According to a number of large providers, the introduction of BNPL led to an increase in the average order by 30-60% and an increase in the purchase ratio by 20-40%. Klarna, for example, noted that partners saw +41% to average check and +30% to conversion after integrating its instalments. PayPal reported +56% to average check and that up to 21% of all sales at some merchants are already going through BNPL. Zip recorded up to 60% growth in average cheque and ~20% growth in sales due to BNPL payment. These figures mean that consumers spend more when instalment payments are available to them - they either add more items to their basket or opt for more expensive items, knowing that the payment is split over several months.

4.3 Behavioural changes in preference for BNPL over other types of credit

The growing popularity of BNPL among the young population is explained by its functional and psychological advantages over classic credit cards. A comparison of the main characteristics of the two instruments is presented below.

Table 3: Comparison of BNPL and credit cards.

Parameter	BNPL	Credit cards
The moment of registration	At the checkout stage	Before purchase (via bank)
Interest rate	0% upon timely payment	Typically 15-25% per annum
Repayment terms	Fixed short-term payments	Flexible minimum, but with interest accumulation
Simplicity of applying	High, almost instantly	Requires application, credit check
Perception by young people	«Convenient and modern»	«Difficult, dangerous, outdated»

BNPL wins over credit cards in simplicity, transparency and perception - especially among digitally active youth. For many younger consumers, instalments through BNPL are becoming the first form of debt financing, perceived not as debt but as a convenient purchase tool. This explains the displacement of classic credit products from certain consumer niches. For example, in Australia, there is a widespread opinion among young people that instalments are more convenient than credit cards. Statistics confirm that those who use BNPL are less likely to hold credit cards. BNPL is attractive because of its 'seamless' integration into the shopping process - instantly processed at checkout, clear terms and conditions, no lengthy commitments if paid on time. Younger generations (Gen Z and millennials) have particularly embraced this model.

4.4 The pattern of BNPL purchases is gradually shifting from strictly optional items to more everyday items

Initially, instalments were more commonly used for electronics, fashion, and large purchases. Now there is evidence that a significant proportion of users resort to BNPL even when buying food and necessities. In the US in 2024-2025, about a quarter of BNPL users will pay for groceries and groceries in this way, up from ~14-21% a year earlier. In the UK, charities are also expressing concern that people are starting to take "pay later" for basic needs (food, utility bills). This is a worrying sign: on the one hand BNPL has become a kind of cushion in the face of spending stress, on the other hand there is a growing risk of accumulating hidden debt for essentials.
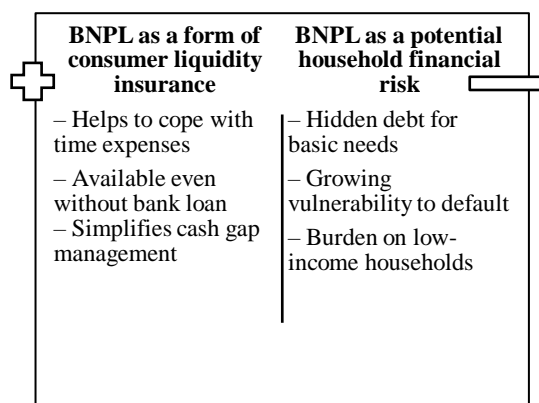
BNPL as a form of consumer liquidity insurance	BNPL as a potential household financial risk
– Helps to cope with time expenses – Available even without bank loan – Simplifies cash gap management	– Hidden debt for basic needs – Growing vulnerability to default – Burden on low-income households

Figure 2: BNPL mechanism of demand stimulation.

4.5 Debt spiral is a major risk for consumers.

Although the amounts of each BNPL loan are usually small, their aggregate amount can suddenly exceed a person's capacity, especially if he or she perceives instalment loans as an illusion of cost-free borrowing and accumulates several at the same time. Consumer organisations have noted cases of people accumulating debts on several BNPL applications, losing sight of the payment schedule and receiving penalties from all of them at once. Part of the problem is a lack of financial literacy: in a survey in Britain, 21 per cent of users admitted they didn't fully understand the penalties for delinquency and how it affects their credit history.

Unlike traditional loans that charge interest, BNPL charges penalties for late payment. As the number of users has grown, so has the percentage of those who do not meet the schedule. For example, in the U.S., the percentage of BNPL users who are late at least once in a year has increased from 18% in 2023 to 24% in 2024. That is already nearly one in four users have experienced a late payment, and more than half of those people have received additional penalties or fines for doing so. Younger people are more likely to find themselves in this situation: among Americans 18-29 years old surveyed - 32% have allowed a BNPL late payment in 2024.
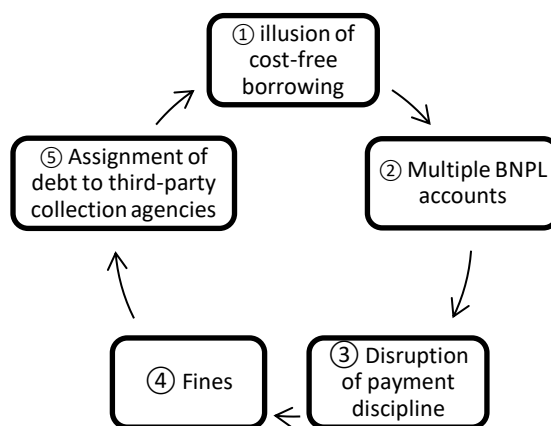
Figure 3: The logic behind the accumulation of hidden liabilities.

Similar trends are seen in Europe. In the UK, by the end of 2023, about 22% of BNPL users admitted to having missed at least one payment in the last six months, and about 1/4 of them have had their credit rating downgraded due to the transfer of debt to debt collectors. Younger people are particularly vulnerable, with over 34% of Brits aged 18-34 having received a BNPL late payment penalty in the same period. Overall, around a quarter of all UK "hire purchase" users have already experienced a late payment fee.

The reasons for late payments are often related to the fact that BNPL attracts less affluent customers. In the US, the lowest paid group (under $25k per annum) exhibit the maximum delinquency - 40% of them paid late. It is largely the financially vulnerable who rely on BNPL and sometimes rack up multiple instalments at the same time, losing control. This phenomenon is called "loan stacking" - when a consumer takes parallel loans/installments from different providers and is no longer able to service them all on time. The problem is exacerbated by the fact that historically BNPL services hardly shared any information with credit bureaus and did not check the customer's debt load thoroughly.

It is worth emphasising that at the macro level BNPL has not yet created a default crisis, its share in total consumer lending is small. For example, in the UK, the volume of BNPL relative to the entire retail credit market is small, and in Russia, the contribution of BNPL to the PTI debt burden indicator is only 0.2-0.3 per cent. Even BNPL companies themselves rate their default rates as moderate: according to a CFPB report, the write-off rate for bad BNPL loans at the top 5 US providers was around 1.8% in 2021, comparable to lower-end

credit cards. Nevertheless, the trend is negative - delinquencies rise as the customer base expands. By 2025, market participants record an increase in the share of overdue payments and loss provisions. For example, Affirm (US) has a higher percentage of loans >30 days overdue between 2024 and 2025.

4.6 The extent of acceptance of BNPL services by the population varies by region and economic conditions.

In developed countries such as the US, UK, Germany and Australia, the adoption of BNPL is significantly higher due to high level of digitalisation and penetration of e-commerce. Here, consumers appreciate the convenience and transparency of BNPL, often preferring it over traditional bank loans and credit cards. In developing countries such as Russia and India, BNPL adoption is still lower, but is showing rapid growth due to the increasing availability of the internet, mobile technology and the proliferation of online shopping. The receptivity to BNPL is particularly high among young and economically active consumers, who are more open to new financial technologies.
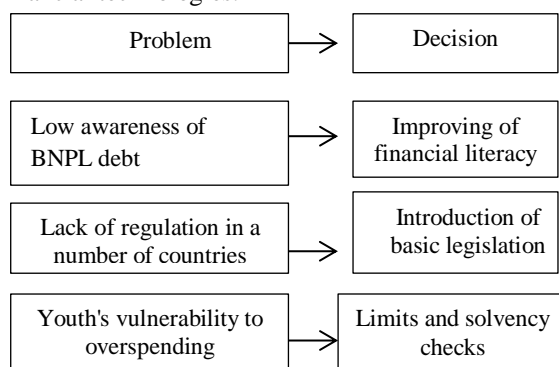

Figure 4: Necessary measures to control BNPL security.

However, despite widespread usage, consumers often do not fully realise the possible consequences of regular BNPL use, such as the accumulation of hidden debts and the risk of delinquency. This highlights the need for financial literacy measures and regulation of the sector to minimise risks and ensure sustainable use of financial innovation.

4.7 The global trend in BNPL regulation is to equalise BNPL with conventional credit to protect the consumer.

Almost everywhere regulators require transparency of terms and conditions, assessment of solvency (at least basic) before issuance, limitation of penalties and fees, as well as consideration of BNPL debts in the total debt load of citizens.

Table 4: Comparative analysis of BNPL regulation in different countries.

Country	Russia	United Kingdom	European Union	USA	Australia
Year of commencement of regulation	2022	2024 – 2026	2024 – 2026	There is no federal law yet	2024
Assessment of solvency	Partially	Yes	Yes	Partially	Yes
Inclusion in credit history	Yes (from 2023)	Yes	Yes	Voluntarily	Yes
Limitations on fines	Under discussion	Yes	Yes	Under discussion	Yes
Legislative status	Partial regulation	Equivalent to loan	Equivalent to loan	Some states regulate	Full control

The Bank of Russia was one of the first to pay attention on BNPL. Already at the end of 2021, the Central Bank stated that the practice of selling goods in installments without taking out a loan is unfair, since it does not impose any requirements on the borrower. In November 2022, the regulator officially proposed introducing regulation of the installment segment. By 2023, the Bank of Russia has prepared measures to increase the transparency of BNPL, in particular, it was decided to include information about non-bank installments in the credit histories of Russians. This innovation is intended to prevent the hidden accumulation of debt - now if a client has issued several "pay later" plans, banks and MFIs will see this when checking their credit file. Full-fledged regulation (for example, extending the law on consumer credit to BNPL) is still being discussed. Most likely, targeted rules will be adopted: disclosure of the full cost of installments, requirements for assessing solvency when issuing large amounts, restrictions on fines. In the UK, BNPL products have long been completely unregulated, earning the apt nickname "the Wild West" of microcredit. After a series of warnings (from Citizens Advice and others), the government promised to regulate BNPL in 2021, with legislation finally due by 2024–2025. In May 2025, the UK

government announced that BNPL companies would be subject to consumer credit laws from 2024. The new rules will require providers to carry out credit checks on customers before approving instalment plans, just as banks do credit scoring. Companies like Klarna and Clearpay will have to ensure that the consumer can service the debt, as well as provide clear terms and the ability to seek protection, just like with a regular loan. In effect, BNPL is being treated like other forms of credit, with oversight from the Financial Conduct Authority (FCA). According to the Treasury, this will give people "stronger rights and protection against hidden debt". Regulators note that by 2023 the number of BNPL users in the UK has grown by another 2 million (to ~10 million), so the sector cannot be left unchecked any longer. The full set of rules for BNPL is expected to come into force by 2026 (tentatively, the law will be fully operational from 2026). At the EU level, the issue has been resolved by updating the Consumer Credit Directive. In 2023, the new EU Consumer Credit Directive (CCD2) was adopted, which includes BNPL instalments in the scope of regulation. Previously, "interest-free" short-term loans of small amounts were excluded from the old directive, now this gap is closed. CCD2 introduces uniform requirements: caps on rates and fees (APR caps) for BNPL penalties, the obligation to conduct a stricter assessment of the borrower's creditworthiness (including analysis of income, expenses, existing obligations), as well as requirements for transparency of conditions (clear disclosure of all possible payments). European BNPL providers will have to adapt their business models to these rules - for example, revise the size of penalties, which in some countries are now regulated by an APR cap (in the Netherlands, for example, the maximum late fee for €100 will be ~€2.5 instead of the usual €15). Member states have until the end of 2025 to implement the directive into national legislation, and the full entry into force of the rules is expected by the end of 2026. Thus, in the EU, BNPL will de facto become a type of consumer credit, accountable to regulators in the same way as other credit products. There is no single federal law directly regulating BNPL in the United States yet, but regulators are actively studying the industry. In September 2022, the Consumer Financial Protection Bureau (CFPB) released a major report on the BNPL market, pointing out risks: debt growth, lack of data transfer to credit bureaus, use of borrowers' personal data for commercial purposes, etc. The CFPB indicated its intention to equate some BNPL products with credit cards in the legal field (by clarifying that installments with a payment card fall under the Credit CARD Act). However, the final decision on this issue in 2023-2024 is still under discussion, and the industry resists overly strict regulation. Meanwhile, at the state level, some regulators have introduced requirements for BNPL providers: for example, in California and a number of other states, installments are subject to licensing as credit products. Also, major companies (Affirm, Klarna, etc.) have begun voluntarily transferring information about BNPL loans to US credit bureaus from late 2022 so that the loans are reflected in customers' credit histories.

Australia is interesting because it was one of the pioneers of BNPL, and now it is also one of the leaders in regulation. Until recently, Australian BNPLs were not covered by the National Credit Act, as they formally did not charge interest. In 2023, given the growth of delinquencies against the backdrop of record inflation in 30 years, the government announced the introduction of strict rules for BNPL. From 2024-2025, BNPL in Australia will be considered a consumer loan, requiring a license and compliance with the principles of responsible lending. Providers will be required to conduct background checks on borrowers (assessment of income / expenses) before issuing installments, as well as notify customers when increasing the credit limit. According to the authorities, this will be "one of the toughest regimes in the world" for the BNPL industry, putting Australia on par with the UK in terms of the strictness of the approach.

4.8 Recommendations

For regulators and government agencies, the recommendations are that it is important to introduce mandatory rules for disclosing the full cost and terms of BNPL products, which will allow consumers to assess their debt burden. BNPL companies should be required to transfer information about customer debt to credit bureaus to prevent uncontrolled accumulation of debt. It is necessary to develop and implement creditworthiness assessment standards when issuing BNPL loans to reduce the risk of delinquencies and defaults.

Recommendations for banks, fintech companies and online retailers are that it is necessary to use the

popularity of BNPL as a tool for attracting customers, especially among young people, converting users into long-term customers with a wider range of products.

BNPL is a powerful incentive to increase sales and average check; it is recommended to actively integrate BNPL solutions into online platforms to increase conversion and customer retention. It is important to work with providers that have transparent terms to minimize reputational risks associated with negative customer experience due to fines or hidden conditions.

The recommendation for consumers is that BNPL is convenient for spreading costs, but it should be used consciously, avoiding impulsive purchases and controlling the number of simultaneous debts. It is necessary to carefully study the terms of use of services to avoid surprises in the form of fines and penalties for late payments.

5 CONCLUSION

Financial innovations accelerate the segmentation of the retail credit market. In Russia, the decline in classic issuance against the backdrop of high rates is offset by the growth of BNPL, but its penetration remains modest due to regulatory uncertainty and low financial literacy. International experience shows that the following help to achieve a balance between accessibility and consumer protection: (1) mandatory disclosure of the full cost of BNPL, (2) limits on the amount and term of installments, (3) integration of BNPL scoring into credit bureaus. For banks, BNPL is not so much a threat as a cross-selling channel: "installment-as-a-lead" brings in a young audience that can be converted into classic products. However, the sustainability of households depends on the total debt burden; therefore, the key task of regulators is to unify the calculation of the PTI (payment-to-income) indicator for all forms of short-term financing.

Prospects for further research include micro-assessment of the impact of BNPL on savings and consumption, as well as field testing of educational interventions that improve user literacy.

The BNPL model has proven to be an effective "softener" of high rates and, at the same time, a channel for rejuvenating the client base for banks and retailers. The Russian market demonstrates the potential for two- to three-fold growth in the next three to five years, even under a conservative scenario, but faces two constraints: regulatory

uncertainty and low financial literacy. Promising areas for future research include: micro-data on the impact of BNPL on total household spending and savings; RCT experiments on educational "nujas" in checkout; assessment of cumulative risk for the banking system when integrating BNPL scoring.

BNPL services have quickly become a noticeable phenomenon in consumer finance around the world, including in Russia. In the period 2020-2025, they have gone from a niche fintech solution to a mass tool used by tens of percent of buyers in online trading. BNPL allows people to receive goods immediately, paying later, which stimulated sales growth and gave an influx of new customers to trading companies. At the same time, this raised concerns about the financial health of consumers: interest-free installments turned out to be a double-edged sword, contributing to overspending and the accumulation of hidden debts.

It is important that balanced rules of the game for BNPL are currently being developed around the world. If they are implemented effectively, this will help to maintain the benefits of the service (flexibility, accessibility) and minimize risks (opacity, debt burden). Ultimately, "buy now, pay later" is becoming a normal part of financial behavior, which is why it is especially important to improve the financial literacy of the population. Consumers should clearly understand that installments are the same debt, only with deferred payment, and plan their purchases responsibly.

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