

Table 1. Summary of key BNPL services in the UK

Provider	Repayment cycle	Soft credit check*	Late fees	Earlier repayment	Online provision extended to offline	Sample of indicative promotional messages	Retail categories served	Partners with retailers	Additional details	Identified as a credit product	Late payment consequences
Clearpay	Four instalments, every two weeks	No. But a pre-authorization check can take place	Orders <£24 one late fee of £6. For orders £24 or over, fees are capped at 25% of the original order or £36, whichever is less	Yes. Need to request if wish to bring instalment dates forward	Yes. Clearpay Card and can also use it with Apple Pay or Google Pay at the point of purchase	Shop now, always interest-free. Pay a better way	Accessories, Beauty, Fashion & apparel, Homewares & furniture, Sporting & outdoor, among others	Yes	Must have a physical credit/debit card for payment verification	No. But customers are reminded to ensure they have sufficient funds for their purchases	Will affect future spending limits. Account to be suspended. A grace period applies before a late fee may be charged
Klarna	Two options: Pay in full up to 30 days later or pay in three interest-free monthly instalments	Yes	No, will try to take funds after seven days and again after a further seven days	Yes	Yes. A Visa card	Add some flex to your pocket. Stay on top of your spending from the comfort of your phone.	Animal & pet supplies, Baby & child, Beauty, Electronics, Fashion & apparel, Homewares & furniture, Luxury, Sporting & outdoors, among others	Yes	Over 18, have a valid payment card, UK resident	Yes. Customers are also reminded to ensure they have sufficient funds for their purchases	Report failed payments to credit reference agencies. May be unable to use Klarna's services in the future. Debt can be passed to a debt collection agency
Laybuy	Six equal weekly instalments, interest-free	Yes	£6 after 24 hours, a further £6 after seven days	Yes.	Yes, Laybuy Card	Easy and interest-free - Pay in 6	Fashion & apparel, Health & beauty, Homewares & furniture, among others (including Amazon and eBay)	Yes	Over 18, have a valid credit or debit card, permanent UK resident, and have a valid passport or driving licence	No. But customers are reminded to ensure they have sufficient funds for their purchases	Fees are applied and debt can be passed to a debt collection agency
Openpay	Three to seven equal monthly instalments	Yes	£7.50 after two days, a further £7.50 after ten days, capped at £15	Information unavailable	No	It couldn't be easier, pay smarter. No interest - ever	Healthcare (dental and pet care)	Yes	Over 18, UK resident, have valid email, home address, phone number, a valid Visa or MasterCard, and valid photo ID	No	Debt can be passed to a debt collection agency
Paypal Pay in 3	Three monthly instalments (purchases between £30-£2,000, payment plan lasting two months in total)	Yes	£12	Yes	Yes	Pay later with a trusted friend	Most merchants where PayPal is accepted	[Unknown but hard to imagine does not]	Debit card information, phone number, address, and date of birth	Yes. Customers are reminded to ensure affordability and of the possible impact on personal credit scores	Customer ongoing performance reported to credit reference agencies. Missed payment can affect access to other credit sources or use Pay in 3 in the future

(Note: Soft credit checks leave no permanent footprint on a person's credit record if they choose not to progress. A soft check will not impact personal credit score but will be recorded.) (Source: Authors' own work)

Table 2: BNPL attitudes

Sentiment group (size)	BNPL example quotes	Comments
Negative (45)	<p>This is not a good way to start getting credit and is useful also tricks young adults into entering credit agreements that can sometimes lead to them getting in a lot of financial trouble. (P174)</p> <p>People waste their money and companies gain interest. People get worse credit scores by doing these sorts of methods. If they don't have the cash then they shouldn't buy it in the first place. Get it cheap on Dee pop or something. Recycle. (P391)</p> <p>Sam uses payment splitting options like these often, and at the time they seem like a tempting idea... but Sam is on a slippery slope to getting into financial difficulties. (P402)</p>	<p>The dominant attitude is one of 'blame' – BNPL promotes and perpetuates long-term and problematic indebtedness. Hence words such as trap, trick and dodgy are used – leading to a lack of BNPL provider trust. There is also a strong theme of BNPL being 'responsible' for poor credit ratings, bolstering distrust.</p> <p>It is equally evident that BNPL facilitates and engenders 'irresponsible' impulsive purchasing. As such, BNPL is also associated with rampant consumerism, a social ill that places pressure on individuals to buy and hence propels them to the 'waiting arms of BNPL providers', who take advantage of these beleaguered and unsuspecting consumers.</p> <p>This underscores that BNPL providers profit from unsuspecting consumers, driven to such lenders to fuel their unrealistic social expectations of consumption. Therefore, consumers are irresponsible, but the position stops short of expressing that they willfully put themselves in a financially adverse or precarious position. Given these attitudes – BNPL is characterized as something to be avoided. And consumers should seek alternative payment formats or simply wait till they have available funds.</p>
Neutral (46)	<p>...Klarna or Clearpay as they are the most heard of. (P145)</p> <p>Sam is thinking of buying a coat, but he is not quite ready and he has different options to buy. Sees the opportunity to buy a coat at a cheaper price by buying in instalments (P156)</p> <p>Sam goes ahead to place an order online after finding out that he has great choices for payment to choose from. (P246)</p>	<p>There is extremely little indication of an attitude toward BNPL, as might be expected. In a few cases, the focus is interestingly on BNPL brand recognition – the known quantity being favoured.</p>
Balanced (139)	<p>It's a great way to spread the cost and not have to worry about affordability. (P2)</p> <p>I often buy online and if something is expensive, I will usually opt for buy-now-pay-later to prevent having to pay all at once... I think buy-now-pay-later is amazing when used responsibly is amazing and very modern! (P35)</p> <p>It's often too easy to get buy now pay later and it's not always easy to manage if payments build up. The other thing to look at is whether Sam would pay interest on any buy-now-pay-later options - if not it might not be too bad! (P227)</p>	<p>A third evidence mixed attitudes to BNPL. As anticipated, this ranges from 'caution' to 'commendation' at the extremes, but the majority could be described as 'circumspect'. There is an appreciation of BNPL as a novel paying mechanism and the variety this offers, but this is tempered with a wariness of this credit form (and sometimes credit in general). BNPL is viewed as both a burgeoning field full of unfamiliar operators and to only be used responsibly for selected purchases.</p>
Positive (247)	<p>Sam will be sure to use Klarna again as it is the best form of payment method which he has seen and had heard from his friends and family how popular it is. Now he will be recommending it to all of his other friends as it'll help them pay for things which they can't quite afford too. (P14)</p> <p>...he decided going with a reputable company to pay instalments was a much safer way to pay. (P234)</p> <p>...use Klarna as I feel this would be a more consistent method and is a lot more reliable than maybe a few other methods! It is a well-known method, and a lot of companies use it and have it in high regard so it's a good choice to use! (P271)</p> <p>...it will allow for saving money as well as reliable payments due to Klarna being a reputable and authentic provider when it comes to buy-now-pay-layer services. ...this method is trusted and secure (P275)</p>	<p>Half this group demonstrate statements that, as might be imagined, display a positive attitude toward BNPL generally but most commonly to a specific brand, often gained through experience. This leads to the terms 'trustworthy/trusted' being used consistently to describe the consumers' preferences.</p> <p>Such statements are coupled with comments on BNPL's popularity as a payment mechanism, and its recommendation by friends and family (or vice versa). These appear to normalize BNPL use, and this is reinforced by the view that BNPL actively 'helps' consumers by enabling product purchase through a 'reputable' provider. Hence, BNPL is heralded as a democratizing force that offers up access to the fruits of consumerism 'early' – or as one participant succinctly puts it: "We all deserve nice clothes" (P460).</p>

(Source: Authors' own work)

Table 3: Pain-of-payment

Sentiment group (size)	Decoupling %	Decoupling example quotes	Coupling %	Coupling example quotes
Negative (45)	24	Sam thinks that even though it was an impulse buy that he will use a pay later service so that he does feel the full impact this month. (P21) [Sam] might be tempted to use one of the BNPL [providers] to split the immediate impact. (P301)	49	Sam would be very naïve, he realises after looking at Klarna, Clearpay, Laybuy and Zip that if he uses them, he still has to get the money from somewhere... he would be stupid to choose an option other than direct debit (P56) Sam would probably make use of one of the payment plans that are being offered to him, I would most commonly assume people would go for the 6-week payment plan as it has the lowest number on it. What he should actually do is just buy it outright because why would you want to go into debt over an £80 coat. (P174)
Neutral (46)	41	I think Sam will take one of the payment options below as he wasn't planning on buying a coat so I guess he didn't have money set aside for it already so I think he will go for one of the payment options. (P98) Sam selects Klarna as you don't have to pay it back for a month and he hasn't got paid yet he can break it down into three monthly payments so even though it's expensive he won't see the full effect. (P145)	20	He would choose the payment method that would give him free interest. I believe the last one on the list. (P213)
Balanced (139)	41	She chooses a payment method that best suits her needs and her budget. Depending on her income she has many options to choose from to help her, so she doesn't need to pay the full amount all at once. Personally, she chooses the cheapest option as it allows her to save money and spread the cost even further. (P166) Sam clicks on the Klarna option to spread the payments into 3 monthly payments. Spreading payments allows him to buy himself things from time to time without feeling too guilty. (P383)	42	He may even consider using Klarna as this gives him even more time this would be better if he gets paid monthly as Clearpay seems to be better for people who get paid weekly/ fortnightly. (P69) The amount isn't too much. He should either pay in one go or pay with the fewest amount of payments. Laybuy would be the best option, as his coat would be paid off over 6 weeks, which means he wouldn't have debt for a long time when he doesn't need to have it. (P97)
Positive (247)	58	Sam chooses the Klarna option to pay for the coat, he chooses this payment option because he can pay it back over 3 interest-free instalments of £26.67, which makes it less of a financial impact on him today or over this month. By using Klarna it will feel as if he is paying less for the coat overall. (P34) Sam sees he can split the payment into more manageable chunks. ...He feels happy because now he doesn't have to wait till payday to get the coat he really wants and needs. (P225)	36	...they would probably opt for paying through Klarna as those payments are manageable... and that there are no hidden costs when using them, just that they help you spread the cost of your purchase. (P44) So, Sam truly wants this coat badly... Sam decides the best way to purchase his coat is to split his payment into monthly instalments so that he feels it will not be too much all in one go coming out plus it is interest-free (P515)

(Source: Authors' own work)

Table 4: Transparency

Sentiment group (size)	Timing %	Timing (£ outflow/purchase) example quotes	Spend %	Appreciation of BNPL spending (salience of format) example quotes	Amount %	Appreciation of amount spent on BNPL (salience of amount) example quotes
Negative (45)	20	<p>There's multiple options, Clearpay, Klarna, Laybuy and Zip. Which all have options of paying different amounts over different amounts of time. (P9)</p> <p>Buy Now Pay Later (BNPL) options are also provided. The providers include Klarna, Clearpay, Laybuy and Zip. The different BNPL providers have slightly different payment arrangements, but all of them offer the option to spread the cost over a period without interest charge to the consumer. (P371)</p>	36	Sam would opt to buy the jacket anyway either on finance or on a payment scheme. Wide variety of payment options means that he will not hesitate to buy. (P511)	27	<p>Using websites such as Klarna can be easy in the short term, however, can be costly in the future especially if it is done often. (P87)</p> <p>...have seen a lot of people that have ended up in heavy debt because of these types of payment plans and options and rely too much on these moving forward. (P233)</p>
Neutral (46)	37	<p>Sam can see different ways of paying for his coat. They can choose to pay it outright or choose to pay instalments that would make it easier on their bank balance and they can pay monthly or weekly. (P434)</p> <p>Sam has to choose a method of payment from the left-hand side list (whatever one suits his needs best) then follow the instructions given as to what to do next after he follows each and every instruction the coat will be bought. (P508)</p>	17	He could finally go with Klarna and pay with it because he can then repay the amount in instalments without having to spend a lump sum. (P507)	7	Seeing that money is a bit tight, he decides to buy the coat in 4 £20.00 interest-free payments by using the app Zip. (P288).
Balanced (139)	14	If Sam has enough money then buy it with the debit card if not it will depend on how often and how much Sam gets paid? Laybuy won't help if Sam is paid monthly, Clearpay will work if Sam is paid bi-weekly and Klarna will work, in all cases, Sam should not buy this item if it is going to put him at risk of being in too much debt. (P519)	45	She then works out what will be the best way for her to pay and keep up with consistent payments that won't affect her weekly or monthly budget too much for too long. (P430)	22	<p>...he will have to be careful to ensure he has enough money to cover each payment so it's not a good idea to use this payment method for every transaction you make. (P33)</p> <p>It's often too easy to get buy-now-pay-later and it's not always easy to manage if payments build up. (P227)</p>

Positive (247)	5	Also, could use the other options that display different payment plans that may acquire <i>[sic]</i> to her financial needs such as the Zip, which is a bit cheaper... Each option is good... (P179)	51	It's quite interesting that Sam doesn't need to spend a lot of money at once, being able to pay monthly. (P163) He had a look and decided to go with Clearpay as the instalments are manageable and easy to remember and it will be paid off within a couple of months even though the coat is not 'affordable' at a first glance as he couldn't afford to pay £80 in one go at the moment. (P348)	13	Sam thinks they probably shouldn't be buying the coat if they are that concerned about their money but decide to purchase anyway as they don't feel like they have paid for the coat in full. (P292) Klarna is also interest-free and gives you an option to extend the payment due date by 10 days if you are struggling. (P471)
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(Source: Authors' own work)

Table 5: Psychological ownership of borrowed money

Sentiment group (size)	Borrowed %	Borrowed money example quotes	Own %	Own money example quotes
Negative (45)	62	Using buy now pay later is stupid and easy way to get into debt, especially with the current economy and coming recession. (P207) The BNPL providers make their money by charging the merchant, typically around 5% of the purchase price. Another revenue stream for the BNPL providers is the potential interest payment from late or missed instalment payments. (P371)	13	It's the end of the month so money is tight, that might be a better option then he's still got some money left over for emergencies. (P19) He wonders whether he should have another look on the website as instead of spending £80, today it will only cost him £20... (P21)
Neutral (46)	22	Sam can pay for this coat for a three-month finance meaning every month a certain amount of money will be taken out of his bank account to pay for the coat that he ordered. (P243) ...he can then repay the amount in instalments without having to spend a lump sum. (P507)	20	Sam [wants] the coat so she uses Clearpay so she can use it to pay for the coat. (P351) This should make cash flow easier and you can purchase the thing that you like. (503)
Balanced (139)	58	Sam can then choose which option suits his financial needs most appropriately and buy his item without his bank being charged. Usually the next month, Sam will make a percentage of the payment on his coat and do so until it is completely paid up. If Sam misses a payment, however, he will be charged extra for doing so. (P142) You have to make sure the payments are paid on time else you can get yourself into debt!!!! (P205)	17	...then there's a buy now pay later option if he doesn't have enough... which means if he used one of them, he could get it now and then pay over time. (P159) The pay later option gives Sam the time to build up his own account and maybe pay off the coat all in one go at a later date or he might decide to pay the coat off in one full payment because he doesn't want to waste his time spreading out the payment. (357)
Positive (247)	45	She looks into each of the different credit payment options to work out which one she can trust, and which ones are interest-free and whether they have any early repayment fees. (P50) He will also not be charged interest as long as he pays it back in time. Klarna also sends reminders when he needs to pay so he doesn't miss a payment. In the end, he won't be paying any more than he needs to for the coat and gets to enjoy the coat. (P182)	42	I have [m]yself used this on several occasions and find it is very helpful for when I am low on spends and it helps me get through until payday. (P1) All in all, he saved some money by splitting the cost of his coat over three monthly instalments...At the end of the day, Sam will have a gorgeous new coat with £80 that he didn't need to fork out the whole thing therefore not going over budget. (P36)

(Source: Authors' own work)

Table 6: Transaction convenience

Sentiment group (size)	Simple etc. %	Simple etc. example quotes	Additional issues %	Additional issues example quotes
Negative (45)	11	Using websites such as Klarna is easy. (P87)	13	Sam will try and see if his application is successful. If it is, he will be able to pay in 3 with the first payment then if it's not he will receive a notification to tell him why and [an] offer for him to pay in full. (P8)
Neutral (46)	17	...this won't take too long as it is only a few clicks. (P137) Simple to use and different options to [choose] from and easy process. (P156)	26	If he selects Klarna, then it's going to take him to his Klarna wallet login, where he will link his account with the site and process the payment. (P47) ...she will be asked to log into Laybuy or Zip. once she has logged in, it will allow ... her to process her purchase and it will tell her if the payment with that option was successful or not (P100)
Balanced (139)	7	Klarna seems to be very nice and easy (P201) Clearpay is easy to use and navigate. (P238)	19	Once he has decided he can then click on the option. Fill in any details provided then wait for it to be approved. If approved the order will go through and the receipt will be sent to email, also get an email providing details of how to pay instalments or Klarna payments. (P82); I think he will read all the terms and conditions to ensure he gets the best and right offer through all of these. (P148)
Positive (247)	13	It is simple to create an account with Klarna. (P15) Klarna and Clearpay are really, really easy to use and make these kinds of purchases simpler. (P317)	21	Sam will likely need to create an additional account with the selected payment provider and pass a check to make sure he is eligible to use it. (P106) That means that Sam needs to connect his credit or debit card to the system in order to pay for the cost that he wants. (P492)

(Source: Authors' own work)

Table 7: Evaluating determinant usefulness for UK BNPL

Determinants	Initial conceptual position	Key findings in UK BNPL context	Emergent issues
Pain of payment: (de)coupling	<ul style="list-style-type: none"> Psychological burden or painful state of mind when purchasing (Prelec and Loewenstein, 1998; Soster et al., 2014). Different payment formats bear different degrees of perceived pain (Chatterjee and Rose, 2012; Liu and Chou, 2020). Decoupling perceived as greater mental distance between purchase and payment (Prelec and Loewenstein, 1998). 	<ul style="list-style-type: none"> BNPL induces very low immediate pain of payment for most consumers, and perhaps has 'lowest psychological burden' compared to other payment forms. This is chiefly predicated on BNPL's heightened ability to mentally distance most consumers from payment. BNPL enables immediate gratification. The digital (fintech) nature of BNPL insulates most consumers from pain. Deferred payment, and the ability to temporally modify/manage payment decreases perceived burden further. Although pain is created when repayment issues arise 	<ul style="list-style-type: none"> Valuable determinant to understand BNPL use and consequences. Current literature offers limited investigation of BNPL psychological distance (temporal, spatial, probabilistic and social dimensions). Decoupling is primarily evident as temporal psychological distancing e.g. now vs future funds; some emphasis given to spatial (e.g. here vs. there) social (e.g. own vs. borrowed), less attention devoted to probabilistic (e.g. high vs. low) dimension. Pain of payment can change over time: purchasing (low) and repaying (high/er).
Payment transparency	<ul style="list-style-type: none"> Relative salience and intensity of payment (Soman, 2003). Perceived transparency varies with payment formats (Kamleitner and Erki, 2013; Liu and Chou, 2020, Zhou et al., 2022). 	<ul style="list-style-type: none"> Most consumers perceive BNPL to have low payment transparency. As a fintech offer, payment format salience is especially low for many. Instalment flexibility also lowers amount salience. Combined, they drive reduced transparency for most consumers. Temporal displacement is chief in creating transparency concerns for the negative sentiment group, resulting in greater cautiousness or careful consideration. Unintended consequences of BNPL spending are noted e.g. short-term financial easing against the salient spectre of longer-term usuary. 	<ul style="list-style-type: none"> Valuable determinant in understanding BNPL use and consequences. BNPL has low payment format transparency, diminishing intensity of payment for the majority. Payment timing creates transparency concerns for the minority. Its unregulated nature may also affect transparency: lowering it at purchase but generate increased salience and intensity post-use if payments missed.
Psychological ownership of borrowed	<ul style="list-style-type: none"> Degree to which borrowed funds feel like one's own money (Sharma et al., 2021). Perception also varies with payment formats (Zhou et al., 2022). Greater perceived ownership potentially demonstrating efficacy and control (Sharma et al., 2021). 	<ul style="list-style-type: none"> Continuum evident: BNPL funds are perceived as borrowed or own money. Greater appreciation of BNPL funds as borrowed money. BNPL use erroneously identified as influencing credit scores. Positive sentiment group demonstrate most psychological ownership of BNPL funds – their (future) money. BNPL seen by some as a 'savings' product – not credit. Associated unintended consequences emerged e.g. indebtedness, wellbeing (such as anxiety and worries), and harm. 	<ul style="list-style-type: none"> Valuable determinant in understanding BNPL use and consequences. Varied degrees of psychological ownership towards BNPL funds evident – most appreciate this is 'borrowing'. Some perceive BNPL as a savings product, affording them efficacy and control. Even though who see it as borrowed money experienced significant efficacy and control gains. Risk of experiencing unwanted consequences (or the dark side) of BNPL if repayment missed is recognized to an extent.

Transaction convenience	<ul style="list-style-type: none"> The greater the associated convenience with the payment format, the greater the willingness to spend (Boden et al., 2020). Digital payment formats often associated with convenience (e.g. mobile payment) (Boden et al., 2020). 	<ul style="list-style-type: none"> BNPL viewed primarily as an easy, simple or convenient (fintech) product to support personal financial management (e.g. controlling liquidity and balances due) at level of individual purchase. Limited recognition of the different transaction convenience forms. BNPL identified as a positive tool. 	<ul style="list-style-type: none"> Valuable in understanding BNPL use and consequences, albeit primarily limited to one facet of the determinant. BNPL's inherent convenience likely to induce overspending or heightened indebtedness – given capacity to focus on [disaggregated] individual purchases. Unregulated features likely to trigger risks or dark side of BNPL use.
Attitudes towards BNPL	<ul style="list-style-type: none"> Positive/negative evaluation towards BNPL. Include benefits and detriments (FCA, 2021), (dis)like or (dis)trust (Citizens Advice, 2021). Associated benefits include greater flexibility of splitting cost, delaying payments, interest-free funds, greater access to goods (Fook and McNeill, 2020). Associated determinants include over indebtedness, exhortation to spend unnecessarily (Citizens Advice, 2021). 	<ul style="list-style-type: none"> Diverse range of attitudes evident: emancipatory tool to unethical trick. Trust, distrust, and mistrust present. Liking often attached to a particular brand and dislike to the general BNPL format. All associated benefits evident and reported by all but those in the negative sentiment group. Issues of experiences with the payment form and changing conditions highlighted as contributing to prevailing attitude. 	<ul style="list-style-type: none"> Valuable in understanding BNPL use and consequences, most redolent in the data. Highly interconnected to other determinants. Positive evaluations dominate – BNPL viewed as democratizing force. But minority negative appraisals are vehement – BNPL is a social ill. Fuller discussion of consumer wellbeing in the longer term is needed. External factors such as high living cost, consumer vulnerability (e.g. low income) will (re)frame attitudes to BNPL.

(Source: Authors' own work)