

## Learn The 5 Best 'Buy Now, Pay Later' Sites Around

### Description

As The BNPL become a popular payment method, giant eCommerce companies like Amazon and Target have given the option to its customer to pay later and buy products right now.



Therefore, it becomes necessary to compare the services of BNPL service providers to choose the right one.

### How BNPL works?

Buy now – pay later lets you spread the purchase amount in 4 installments over six weeks. These installments are interest-free, and some payment companies charge you a late fee, and some do not. To avail BNPL option, you need to register with a BNPL app or website that lets to use the interest-free credit to purchase your desired product. You need to pay 25 % of the purchase price as a down payment, and the remaining 75% splits into three installments. After every two weeks, you need to pay each installment. This method of payment is beneficial for both shoppers and merchants.

Many BNPL providers have grown in the past few years, and shoppers are gradually adapting to finance everything from clothes, electronics, and smartphones to travel to workout equipment. Some of the most popular BNPL providers include Affirm, Afterpay, Zip (formerly known as QuadPay), Klarna' and Sezzle. In addition, pay in 4 of PayPal, Splitit, and many more.

With so many options available, it is not easy to select the best BNPL provider. Everyone has their own need, and BNPL providers have their terms and conditions to provide you with interest-free credit. You have to check APR, late fees, available merchants, a credit check is completed, and if the BNPL provider reports to the credit bureaus before deciding which BNPL app is suitable for you. Let's review

the 5 best BNPL providers based on the above criteria.

## Affirm

**Interest: 0%| Loan terms: 1 month-48 months| Late Fee: no late fee| Loan amounts: \$17,500**

Affirm is the best choice for those who want long-term financing with zero percent interest and no late fee. Affirm is connected with 12,000 sellers, including Amazon, Peloton, Adidas, and Target. You use this app to purchase clothes, electronics, baby items, kitchen appliances, and much more. The good thing about Affirm is \_\_\_ no hidden charges or fees. If you need to pay interest on some items, it mentions clearly.

However, the interest rate that you accomplish to secure your loan depends on various factors, including the purchase amount, length of the payment term, and the seller. And you need to pay APR as high as 30% in the end.

Affirm share information of some loans to the credit bureau Experian. The report also includes the payment history of the shopper, credit used by the shopper, late payments, and how long the credit line was open. All these factors may affect your credit score. However, it does not report the four biweekly payment loans to the credit bureaus.

If you fail to make payments in time, you will get banned from Affirm for future purchases. If you want to refund, you will only get the principal amount. On any purchase, if you paid interest, you will not get it back in case of a refund.

## Afterpay

**Interest: 0%| Loan terms: 6 Weeks| Late Fee: \$8 or 25% of the transaction | Loan amounts: increases over time**

Afterpay is suitable for shoppers who can make their payments on time, need a short-term financing option with 0% interest, and don't want the loan to disturb their credit score.

More than 100,000 suppliers internationally are using Afterpay, including American eagle, Bed Bath and beyond, and Lululemon. You can make four payments biweekly, including one down payment. When you sign up with Afterpay, you can buy small-ticket items, typically \$150 being a new user. However, when you frequently use Afterpay and have an established profile with a positive credit history, loan amount increases for an older client of Afterpay who may be eligible to buy big-ticket items.

If you want to return items, you have to contact the merchant first then get a refunded amount. However, do not get refunded any interest paid.

One major benefit of using Afterpay over other BNPL providers is that it doesn't affect your credit score at all. This is because Afterpay doesn't check your credit score, and it doesn't report any loan information to the credit bureaus.

## Klarna

**Interest: 0%| Loan terms: pay in 4 or Pay in 30 days| Late Fee: \$7| Loan amounts: \$2,000.**

Klarna is suitable for those people who want a flexible payment plan. Unlike its competitors, Klarna gives two options to pay Typical BNPL 4 installments or one payment after 30 days. Thus, it avoids a lot of notifications and chances of missing a payment. Another advantage of using Klarna is that you don't need to sign up to use its services. Just fill out credit or debit card info, and you are ready for Klarna services.

When you miss a payment, a \$7 late fee incurs. But the good news, it does not affect your credit score. No hidden charges or surprise fees are the biggest perks of Klarna. Even maintaining an account with Klarna is free.

When you open an account, you might be restricted from using the loan amount. The restriction will be lifted when you regularly use purchases with Klarna. You can purchase big-ticket items and split the loan period up to 36 months but, then you need to pay 19.99% interest.

## Zip

**Interest: 0%| Loan terms: 6 Weeks| Late Fee: \$7| Loan amounts: \$35- \$1,500**

Zip (formerly known as QuadPay) is the best BNPL option for those who want short-term financing but don't want to affect their credit score. Zip is linked with over 51,000 sellers globally, including Target, North Face, and Wrangler. The great thing about the Zip \_\_\_ it is the easiest application to use.

When you use the Zip app or browser extension, you receive a virtual card with your credit amount that you can use in-store or online. It means you can pay for dinner or purchase any item like electronics, groceries or clothing, etc.

One thing different about the Zip app is that it charges you a transaction fee of \$1 per pay. So when you pay four installments, you have to pay \$4 in total for four transactions.

If you are late in a payment, you have to give a \$7 late fee. However, you can contact the company and ask to extend the payment period. Zip is flexible and cooperates with you in avoiding the late fee. The users of ziping are highly satisfied with the transparency and seamless services.

## Sezzle

**Interest: 0%| Loan terms: 6 weeks| Late Fee: \$10| Loan amounts: \$2500 per order**

Sezzle is best for those people who want short-term financing up to \$2500 with zero interest rate, no reporting to credit bureaus, and flexible payment options. It is also good for those people who want long-term financing up to \$40,000, but you need to pay interest on it.

Sezzle does not charge a late fee typically. But in case you don't have sufficient funds in your debit card, bank account, and your credit card expires, then Sezzle charges a \$10 late fee.

You can finance short-term 6 weeks up to \$2500 in a four-installment plan without any interest. However, with Sezzle +, you can buy value up to \$40,000 with a loan length of up to 60 months.

## Bottom Line

You can easily narrow down your favorite app by knowing the nature of your credit history, your spending habit and spending limit, how quickly you pay installments, and your preferred store or purchase items.

### Category

1. Finance

### Date Created

September 2022

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