# **DoorDash Partners with Klarna to Offer ‘Buy Now, Pay Later’ Options for US Customers**

## **DoorDash Teams Up with Klarna for Flexible Payment Options**

DoorDash is partnering with Klarna to introduce [buy now, pay later (BNPL)](https://www.fintechweekly.com/magazine/articles/bnpl-boom-convenience-or-risk) options for its U.S. customers. **The new payment features will allow users to pay for groceries, retail items, and even the DashPass Annual Plan through various flexible methods**.

Announced on Thursday, the partnership aims to provide users with the convenience of paying in full, making four equal interest-free installments, or postponing payments until a more suitable time. **Klarna’s payment options will be available through the DoorDash app and website**, providing users with more control over their purchasing experiences.

According to Anand Subbarayan, head of money products at DoorDash, **flexible payment methods are essential for meeting customer needs** as the platform continues expanding beyond food delivery to include beauty, electronics, and gifts.

## Klarna’s Expansion into Everyday Spending

For Klarna, this partnership marks a significant step in broadening its reach within the U.S. market.

The move also follows Klarna’s announcement of a 24% revenue increase to $2.8 billion last year. [As Klarna prepares for an upcoming IPO](https://www.fintechweekly.com/magazine/articles/klarna-files-for-us-ipo), its partnership with DoorDash signifies its efforts to expand beyond its traditional retail base and tap into **everyday spending.**

Klarna’s business model remains centered around providing interest-free payments. The company states that 99% of its lending is repaid, emphasizing that it relies on timely payments from customers rather than interest charges. **However, critics argue that some BNPL services can lead to financial strain for users who struggle to keep up with payments.**

## The Consumer Perspective

The collaboration between DoorDash and Klarna arrives amid a changing economic environment where more Americans are hesitant to apply for credit cards, mortgages, and loans. Data from the New York Federal Reserve indicates that discouraged borrowers reached 8.5% in February, the highest level recorded since tracking began in 2013.

While BNPL services are marketed as convenient and interest-free, concerns have been raised about the potential for accumulating debt. **Regulatory scrutiny has increased, particularly from the Consumer Financial Protection Bureau (CFPB)**, which began investigating BNPL providers like Klarna and PayPal in 2021.

The CFPB’s inquiry was prompted by concerns over rising debt and mismanaged payments. The agency plans to impose regulations on BNPL lenders similar to those applied to credit card companies.

## What the Partnership Means for DoorDash and Klarna

For DoorDash, partnering with Klarna is an opportunity to enhance user convenience and expand its customer base. With competition from platforms like Grubhub offering similar services, the collaboration with Klarna helps differentiate DoorDash by offering flexible payment options.

**Klarna’s entry into the food delivery market aligns with its broader strategy to integrate BNPL services into everyday spending**. This initiative also comes as Klarna prepares for a potential initial public offering (IPO), making strategic partnerships all the more critical.

The partnership will likely appeal to users looking for convenient ways to manage their payments, particularly those whose financial schedules do not align with their spending habits.

## The Road Ahead

As Klarna continues expanding its reach and DoorDash broadens its services, the partnership could pave the way for more collaborations between fintech companies and consumer platforms. While BNPL services are gaining popularity for their convenience, their long-term impact on consumers’ financial well-being remains a topic of debate.

For now, both companies are optimistic that their partnership will provide users with enhanced convenience and flexibility in how they make purchases. Whether this strategy will prove successful in the highly competitive BNPL market remains to be seen.

# **Taco Bell on layaway? DoorDash introduces installment payment options**

You can now buy Taco Bell and more on layaway, thanks to [DoorDash](https://www.sfchronicle.com/food/article/doordash-alert-slower-delivery-without-tip-18462871.php)’s latest partnership.

The San Francisco-based food delivery service announced Thursday that it is [teaming up with Klarna](https://about.doordash.com/en-us/news/doordash-partners-with-klarna), the Swedish buy-now, pay-later company.

The collaboration will allow DoorDash users to pay for their orders in several flexible ways. Customers can choose to pay in full at checkout, split payments into four equal interest-free installments, or delay payments to a date that works with their payday schedule.

“As we expand DoorDash’s offerings — from groceries and beauty to electronics and gifts — flexible payment options are essential to meeting our customers’ needs,” Anand Subbarayan, head of money products at DoorDash, said in a statement.

The deal comes as Klarna prepares for its initial public offering on the New York Stock Exchange.

David Sykes, Klarna’s chief commercial officer, said the partnership with DoorDash is an important step in the company’s growth.

“Our partnership with DoorDash marks an important milestone in Klarna’s expansion into everyday spending categories,” Sykes said in a statement. “We’re making convenience even more accessible for millions of Americans.”

Klarna, which operates in 26 countries with 675,000 merchant partners, is continuing to broaden its services. In addition to the DoorDash deal, Klarna was recently named the exclusive buy-now-pay-later provider for OnePay, a Walmart-backed fintech company.

Earlier this week, DoorDash announced the expansion of its on-demand grocery services to [six local grocery chains](https://about.doordash.com/en-us/news/doordash-adds-six-grocers) across the United States. The new partners include Mollie Stone’s Markets in the Bay Area, as well as regional chains such as Earth Fare, King Kullen, Uncle Giuseppe’s Marketplace, Westside Market and Wild by Nature.