

<https://www.reuters.com/world/india/buy-now-pay-later-set-surge-over-ten-fold-india-2021-11-08/>

Buy now, pay later set to surge over ten-fold in India

1. Buy now pay later is an industry which is booming in India and can grow in next four years as tens as millions of online shoppers are getting interest free credit
2. Redseer estimates India's BNPL market will rocket \$45-\$50 billion by 2026 from \$3-3.5 billion now
3. The research firm estimates that number of BNPL users in the country may rise to 80-100 million customers from 10-15 million currently
4. The maximum credit currently being offered on BNPL is Rs.1,00,000 that is lower than credit card offers, BNPL is going to dominate it
5. Fintech firm MobiKwik sees BNPL business nearly doubling for the company in 2 years in a country where hundreds of millions of people have little access to formal credit
6. Upasana Taku who is the co-founder of MobiKwik said that only 60-70 million Indians have access to credit today which means 93% of India has no access to credit
7. She adds up saying that it will become the fastest revenue driver for the business because there has been a 45X growth in the BNPL transactions last 2 years
8. As the COVID 19 pandemic sent more and more people towards online shopping, the demand for easy loans has driven more players to enter BNPL market
9. Amazon joined BNPL bandwagon in 2020 while homegrown payments firm BharatPe started the service last month
10. Vikas Bansal, director of Amazon pay India said that during this pandemic period many young professionals are looking to extend their budget as they were running a tough time
11. To be sure, there are concerns that risk of defaults from the BNPL customers with limited or no credit history could be higher even as some industry experts add that certain players may not be reporting accurate default details to credit bureaus

12. The Reserve Bank of India did not immediately respond to a request seeking comment.

Additional line of credit

1. Mumbai resident Divya Menon which works in Human Resource department in an IT firm said that she recently tried buy now pay later option on an e-commerce website for an item costing less than \$10
2. She's also saying that she is feeling convenient and opting for multiple platforms
3. Once BNPL is activated, it is one step process
4. Though BNPL is not the only option for Divya Menon, it is for many new online shoppers in India where even small towns and villages are now served by companies such as Amazon and Walmart's FlipKart
5. Most payment apps that are providing BNPL services are expecting consumers to produce government verified information and bank details before they can avail the service
6. BNPL firm CASHe says that Indians are buying big after a rise in Corona virus infections in between April and may