

Buy-Now, Pay-Later Loans Help Fuel India's Festive Recovery

1. Indian customers are easily getting attracted towards Buy now pay later as they want to buy everything from washing machines to vacation online
2. Popularity is going up for these small size loans that is less than Rs.5000 as the labour market recovers from pandemic shock
3. Those payments have been growing at least 20% to 30% over the past 3 months, according to fintech-firm executives
4. They are expected to increase by 66% on an annual basis in India to \$11 billion this year
5. Bhavin Patel, Co-founder of LenDen Club said that things are positive and people got their jobs back
6. The BNPL has become very popular small size loans as people want to buy quickly as they are in need of it
7. Rising vacation rates coupled with decreasing corona virus cases are fueling optimism that people are more willing to spend on good and jewellery this year
8. These customers are increasingly moving towards E-commerce platforms like Amazon, flipkart and Ant group
9. LenDen has seen loan applications treble to 170,000 in September from February and expects a further increase to 2,50,000 in December
10. For fintechs, such loans are filling a sweet spot
11. They cater to customers who are not eligible to borrow from banks and wait for longer time in a queue
12. It is a win-win for three players
 - a. The borrower – who gets loans quickly
 - b. The lenders – who earn 10-12% average returns
 - c. And the institution who earn 5-6% fee