



January 19, 2022

EQUIFAX FORMALIZES INCLUSION OF “BUY NOW, PAY LATER” DATA IN CONSUMER CREDIT REPORTS

Equifax has announced its intention to include “Buy Now, Pay Later” (BNPL) payment information in consumer credit reports. BNPL programs, a form of point-of-sale financing, typically involve short term, interest free installment payments offered at checkout. An Equifax study of anonymized consumer data from a BNPL provider indicated that individuals who pay their BNPL loans on time could increase their credit score if those loans were reported to credit agencies. The BNPL trade lines included in the study were reported as revolving line of credit accounts, had five and half months of repayment history reported, and an average utilization rate of 17.9%. According to the study, the inclusion of on-time BNPL payments improved the credit score of a majority of customers, with an average FICO score increase of 13 points.

Many BNPL providers forego a credit check or only do a soft pull on credit files prior to providing a loan, making BNPL particularly attractive to consumers with no credit or a low credit score. The product has proven particularly popular with younger consumers. The addition of BNPL trade lines to consumer credit reports might help consumers build (and rebuild) credit.

Equifax plans to implement the new business industry code identifying BNPL trade lines beginning in the first quarter of 2022.

✦ *Mike Tomkies and Mercedes Ramsey*

Darrell L. Dreher
ddreher@dtlaw.com

Elizabeth L. Anstaett
eanstaett@dtlaw.com

Nathan D. Copeland
ncopeland@dtlaw.com

Susan L. Ostrander
sostrander@dtlaw.com

2750 HUNTINGTON CENTER
41 S. HIGH STREET
COLUMBUS, OHIO 43215
TELEPHONE: (614) 628-8000 FACSIMILE: (614) 628-1600
WWW.DTLAW.COM

To see previously sent ALERTS, visit our website at www.dtlaw.com

*To decline future ALERTS, please contact us at ALERTS@DLTAW.COM.
This ALERT has been prepared for informational purposes only. It does not
constitute legal advice and does not create an attorney-client relationship.*

Michael C. Tomkies
mtomkies@dtlaw.com

Benjamin J. Hurford
bhurford@dtlaw.com

Mercedes C. Ramsey
mramsey@dtlaw.com

Judith M. Scheiderer
jscheiderer@dtlaw.com

Robin R. De Leo
robin@deher-la.com