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Surge in Baby Boomers using Buy Now Pay Later

While the performance of Buy Now Pay Later (BNPL) provider share prices have been mixed in 2021, Australians' use of BNPL systems has hit record highs according to new DBM Atlas[^] research.

A survey of more than 60,000 Australians each year showed that in November 2021, more than 1 in 5 (22%) Australian adults had used Buy Now, Pay Later in the previous month – a figure almost double that seen a year ago (12%).

Unsurprisingly, it's the youngest users who have fueled the recent rise in BNPL usage with 1 in 3 (31%) 18-24 year-olds reporting using at least one BNPL system in the previous month.

However, BNPL usage has also increased amongst older Australians at record levels.

"What's surprising is that we're seeing a recent substantial rise in BNPL use amongst Baby Boomers (aged 57-75) with 8% reporting having used a BNPL system in the previous month, according to DBM Atlas. While still relatively low compared to other age groups, it is twice the level seen a year ago (4%)," says Tony Williams, DBM Consultants Executive Director.

With looming payment system reforms, and the prospect of stronger credit checking controls in the wake of reports of deepening financial distress amongst users, BNPL providers may well accelerate efforts to attract a more affluent, less-risky user base, including older Australians who are already exhibiting a growing appetite.

According to recent findings from a DBM & Finto study about BNPL*, a quarter (26%) of older Australians aged 55+ would consider using BNPL in future confirming there is indeed potential for BNPL providers to fuel growth in this segment.

Williams says providers will need to offer attractive inducements for older Aussies to try BNPL and then to keep hold of them.

"Older Australians offer a huge opportunity for those providers who can lure them away from credit cards and other payment or finance options. Competitive loyalty schemes and tailored discounts will certainly help, though diversifying the range of retailers and merchants accepting BNPL may also be necessary," he adds.

The DBM & Finto study found that Australians nominate both airline travel and accommodation as the categories they would most like to see BNPL available for in future. With increasing freedoms to travel domestically and internationally, establishing a strong foothold in the travel sector could offer just the right incentive for covid-weary Australians to try BNPL.

About DBM Consultants

[DBM Consultants](#) is one of Australia's leading market research and consulting companies and part of the APAC-wide Illuminera Group. A specialist research and insights consultancy with 30 years' experience, over 50 financial

services brands use DBM metrics. DBM has deep experience in financial services, telecommunications, government, energy, media and education sectors.

About Fonto

[Fonto](#) is a next generation consumer data business that seamlessly integrates daily transactional information with survey responses to create a unique data ecosystem. Businesses in any category can access rapid insight into the changing dynamics within their markets and the broader consumer landscape.

^ About DBM Atlas survey: Ongoing monthly survey of the financial behaviours, attitudes and intentions of 62,000 Australians each year.

** About the DBM + Fonto survey: National survey of 2,100 Australians conducted in August 2021.*

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