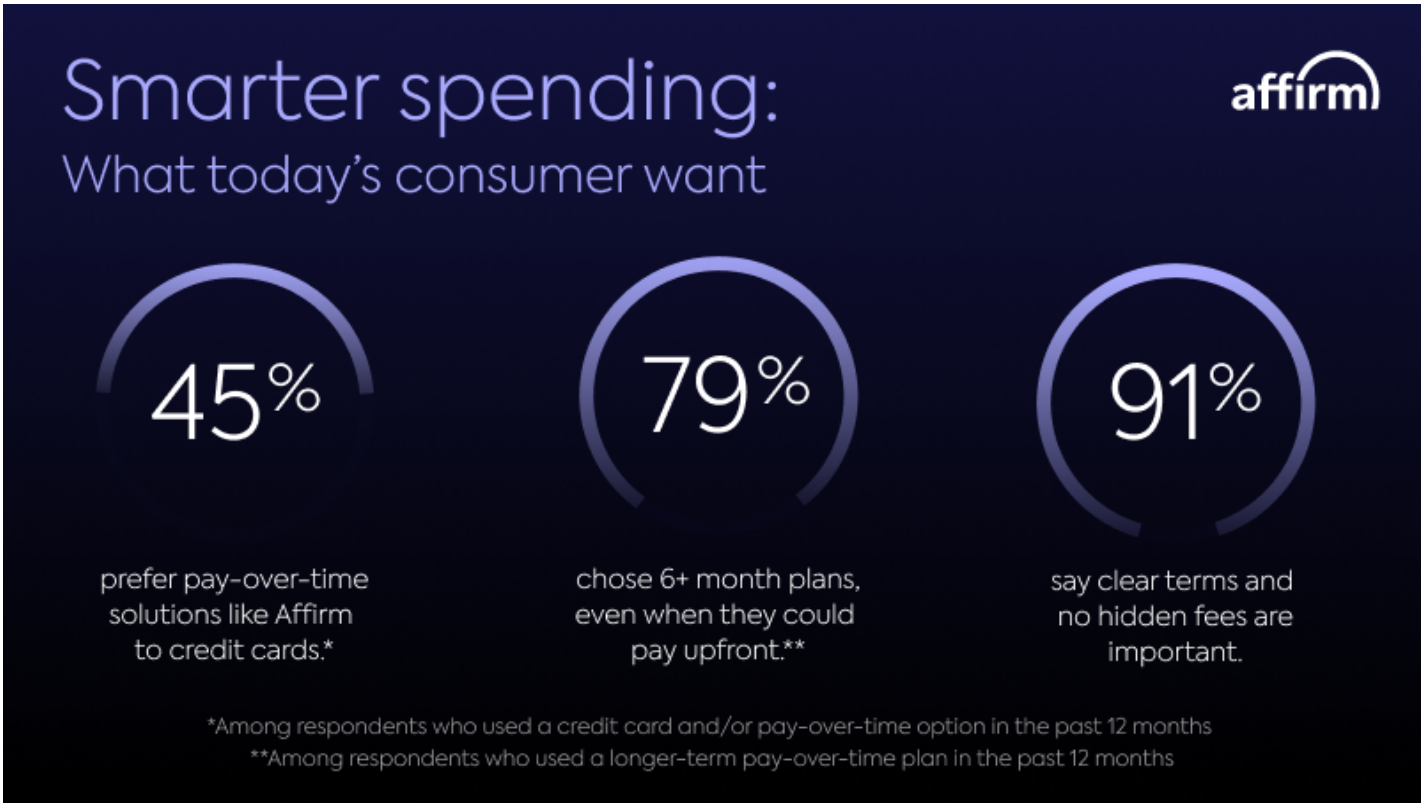
Pay-over-time increasingly competes with credit cards, survey finds

May 21, 2025

Avoiding hidden fees, interest charges, and unpredictable bills is driving a shift in how Americans pay



SAN FRANCISCO--(BUSINESS WIRE)--May 21, 2025-- New research from Affirm (NASDAQ: AFRM), the payment network that empowers consumers and drives growth for merchants, reveals that as Americans face ongoing economic pressure, many are rethinking how they pay — turning to smarter, more transparent options over traditional credit. Nearly half of U.S. consumers surveyed (45%) who have used credit cards or pay-over-time solutions in the past year say they prefer pay-over-time options over credit cards. Among those who used longer-term pay-over-time options in the past 12 months, the majority (79%) chose plans of six months or more—even when they could afford to pay upfront.

The study, conducted by Talker Research on behalf of Affirm, comes at a time when many Americans are being more strategic with their money amid rising costs and an unpredictable economic backdrop. The majority of U.S. consumers (86%) believe the economy remains uncertain, and more than three-quarters (77%) say current conditions have influenced how they manage their money.

In response, consumers are prioritizing stability and control. Two in five (41%) say fixed, predictable payments are important given the current economy, and over half (52%) reported they avoided certain payment methods due to concerns about hidden fees like late charges and compounding interest. When making purchases this year, nearly half (49%) say they value no surprise fees, followed by interest-free offers (41%). Further, nearly all (91%) say it's important that financial institutions provide transparent terms without hidden fees — reinforcing the importance consumers place on clarity when managing their money.

"Our survey found that over half of U.S. consumers (57%) believe longer-term payments with clear terms help them make smarter financial decisions for larger purchases. That's why people are choosing pay-over-time options — and specifically Affirm — over credit cards: not out of necessity, but because it's a savvier way to pay," said Vishal Kapoor, Affirm's SVP of Product. "That mindset is also influencing how they save and prioritize value — nearly two-thirds (64%) of U.S. consumers say they value interest-free (0% APR) offers as much or more than traditional discounts. People want payment solutions that are built to support long-term financial well-being, and that's exactly what Affirm delivers."

Survey methodology

This random double-opt-in survey of 2,000 U.S. adults was commissioned by Affirm and conducted by Talker Research between March 21–25, 2025. It was conducted by market research company Talker Research, whose team members are members of the Market Research Society (MRS) and the European Society for Opinion and Marketing Research (ESOMAR).

About Affirm

Affirm's mission is to deliver honest financial products that improve lives. By building a new kind of payment network – one based on trust, transparency and putting people first – we empower millions of consumers to spend and save responsibly, and give thousands of businesses the tools to fuel growth. Unlike most credit cards and other pay-over-time options, we never charge any late or hidden fees. Follow Affirm on social media: LinkedIn | Instagram | Facebook | X.

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