People deserve credit for managing their money responsibly

November 25, 2025

Does BNPL affect credit scores?

There's been a lot of confusion about whether "buy now, pay later" (BNPL) loans impact credit scores. Put simply, most BNPL activity does not impact credit scores today.

The confusion is understandable and reflects the current state of flux surrounding BNPL and credit reporting. Different BNPL providers have different approaches.

Affirm is the only major BNPL provider that reports *all* loans in the U.S. to credit bureaus. The reason we report BNPL loans is simple: we always want to be on the same side as consumers and they deserve to get credit for using BNPL responsibly.

Currently, other lenders cannot see Affirm loans on consumers' credit files and these loans are not being factored into consumers' scores. And until the rest of the BNPL industry follows Affirm's lead and reports all loans to credit bureaus, consumers will not see any impact on their credit scores.

We'll dig into it, but, first, here's a quick recap on how credit reporting works.

How credit reporting works

- Typically, when you borrow money (like applying for a credit card, getting a car loan, or paying a mortgage), the lender sends information about your loan and repayment behavior to credit bureaus.
- These credit bureaus package all that data into reports, which they sell to other lenders and businesses who want to understand how likely it is you are to repay another loan.
- Scoring models, like FICO and VantageScore, turn the long, detailed information from your reports into a simple number – i.e. your credit score. A higher score gives lenders more confidence that you're likely to pay back a given loan, in their view.
- A lot of different factors – including on-time, late and missed payments; how many loans you have and how long they've been open; and much more – impact your score.

Affirm's approach to move the BNPL industry forward

More than 90 million adults in the U.S. are expected to use BNPL this year as they continue to escape the quicksand of revolving credit card debt. They should be able to build their credit scores when they opt for savvier forms of credit like Affirm.

Affirm was founded to provide a better, more transparent alternative to credit cards, offering people greater control over their finances by:

✓ Underwriting every transaction individually

✓ Never charging any late or hidden fees

✓ Providing clear and simple disclosures

We want to raise the bar for extending responsible access to credit, not repackage old gotchas from the credit card industry. With no late or hidden fees, Affirm succeeds

only when consumers do — by paying back their loans. As theresults have shown, an overwhelming majority of consumers pay us back and at a higher rate than credit cards. But if that activity is not part of your credit profile, it cannot positively impact your score.

We have been working for many years with credit bureaus, FICO, and other providers to move the industry forward and ensure that credit reporting for BNPL is done right.

Earlier this year, FICO released the results of a 12-month study we conducted together to find the best way to factor BNPL data into credit scoring. The results showed that adding Affirm loan data can lead to higher FICO scores and improved credit outcomes.

In April, we refined and expanded our approach to credit reporting to include all BNPL loans. Today, Affirm reports all BNPL loans to Experian and TransUnion, two of the three major credit reporting agencies.

These are positive steps but there is still work to be done before all BNPL loans can be reflected in consumers' credit profiles and scores. In short, the BNPL industry and credit reporting agencies need to come together so that all loans can be captured in a way that benefits consumers and the broader financial system.

We're increasingly optimistic this will happen as other providers see the big picture. In the meantime, we'd invite them to join us in conducting studies with FICO and the credit reporting agencies, and committing to furnish data on all BNPL loans.

Why BNPL products should be reflected in traditional credit scores

Industrywide credit reporting in BNPL would help ensure consumers receive credit for responsibly managing their finances. It would also help lenders make more informed decisions that can prevent some borrowers from being overextended.

Affirm was founded on the idea of building such strong underwriting models that our business would not require late fees or other hidden charges to be successful. With more than $100 billion in transactions processed and $0 in junk fees to-date, our ability to assess risk is a key competitive advantage. So, while we report all BNPL loans to Experian and TransUnion – **the information about those loans and how they're being repaid is currently only visible to consumers in their personal credit files with Experian and TransUnion – not to other lenders**. Here's why:

Most providers do not report BNPL loans to credit bureaus.

Imagine if the loans a consumer took out from one major bank, like Bank of America, were reported to credit agencies and affected the consumer's credit score, while loans from another bank, like Wells Fargo, did not. This would not only create confusion for consumers, it would also distort competition among lenders.

Consumers deserve consistency in how these products affect their credit scores. The variability undermines consumer trust and prevents BNPL from becoming a credible, mainstream alternative to credit cards.

Because of our vastly more robust way of assessing credit risk, we are confident that when we extend a loan that it will be repaid. Our success depends on it as we don't charge late or hidden fees. If our data were visible to other BNPL lenders who don't report their own, competitors would gain access to insights from our lending decisions —effectively peering into our proprietary risk models.

It would be like requiring Coke to publish its secret formula while Pepsi keeps theirs under wraps. This would create an uneven playing field. We are not opposed to sharing so long as everyone plays by the same rules.

This means that Affirm consumers' BNPL activity is *not being factored into scores today,* and is *not* visible to other lenders. In other words:

- Paying Affirm back on time or early doesn't raise your score today
- Missing Affirm payments doesn't lower your credit score today
- Lenders considering you for a mortgage, auto loan, or other personal loan won't see most Affirm activity that happened from April 1, 2025 onward in your credit file

Until all providers report BNPL loans, this will remain a chicken-and-egg problem: credit scores can't treat BNPL fairly until the data is consistently reported by all BNPL providers.

What needs to happen next and why it matters

The credit bureaus, FICO, and others across the industry have spent years determining how the credit scoring system can best handle BNPL data. The capability to accurately represent BNPL loan data in consumers' credit profiles exists and has been extensively studied.

That is why, today we are calling on all industry participants – BNPL providers and credit reporting agencies – to come together to establish industrywide practices.

The key for BNPL to move further mainstream is ensuring that it is part of, not distinct from, traditional credit scores. This would ensure consumers get credit for responsibly managing their finances and help lenders make smarter decisions that can prevent borrowers from becoming overextended.