



The holidays are full of surprises. The cost of credit shouldn't be one.

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Buy now, pay later is on track for another record holiday season. Adobe [expects](#) Americans to spend \$21.3 billion online using BNPL during November and December, up 6.6% from last year.

This growth is often misconstrued as a sign that more consumers are struggling to afford what they buy.

But Affirm's data reflects a different truth. Last holiday season, October-December, was [our biggest quarter ever at the time](#) by GMV. Yet just 2.7% of our monthly installment balances were 30 or more days past due —[well below](#) other prime and near-prime consumer finance lenders. Greater use of pay over time and greater financial distress are not the same thing.

The holidays take planning and a lot of care. Consumers make lists, compare prices, wait for sales, and decide what can wait. How they pay deserves the same consideration.

Knowing what credit will cost you shouldn't be unusual; it should be the expectation. But not all ways of paying over time offer the same certainty.

When you carry a revolving credit card balance, the ultimate cost and payoff date depend on how long the balance remains. Interest and late fees can continue adding up long after the purchase. And this debt has grown: outstanding revolving consumer credit in the U.S. has climbed to roughly \$1.35 trillion, [according to the Federal Reserve](#), up from approximately \$1 trillion five years ago.

With Affirm, transparency is at the core. The cost has a ceiling and the payments have a finish line. Interest never compounds, and we never charge late or hidden fees, so the cost consumers agree to won't grow later.

We're extremely deliberate about how we extend credit. We assess every purchase individually based on the transaction and what we believe the consumer can responsibly repay. Sometimes that means saying no. And there's a business reason for that: We don't charge fees or profit when someone falls behind. Our success depends on people paying us back, not getting deeper into debt.

That approach is a meaningful departure from how many Americans have traditionally paid for holiday purchases.

Last holiday season, Affirm commissioned [research](#) that found 70% of surveyed credit card users expected to carry their holiday balance into 2026. Eighteen percent expected to still be paying off holiday purchases in June or later.

The most revealing number may be this: 47% of those respondents said they had been caught off guard by how much interest or fees increased the cost of their holiday shopping.

People shouldn't have to be surprised by what their credit costs them.

That matters well beyond the holidays. In our most recently reported quarter, [96%](#) of our transactions came from repeat consumers. Whether they're buying gifts, replacing a broken appliance, or planning a trip, people deserve to know exactly what they're agreeing to every time they use credit.

So when BNPL reaches another record this holiday season, the number alone won't tell us whether consumers are struggling. What matters is the kind of credit they're choosing, what it will cost, and whether they'll know when they're done paying.

That's the standard Affirm was built to meet, and it's the standard we believe all credit should meet.

Disclosure:

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