Affirm research reveals Americans trust their ex more than their credit card company

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New Consumer Spend Report finds that more than half of Americans say they don't fully understand their credit card terms and conditions

SAN FRANCISCO, July 19, 2022 – As rising costs stretch Americans' wallets, new research reveals that more than a quarter of U.S. consumers (28%) are concerned about missing a credit card payment and being charged a late fee. According to the latest Consumer Spend Report from Affirm, the payment network that empowers consumers and helps merchants drive growth, nearly 1 in 4 U.S. consumers (23%) have been charged a late fee from a financial institution this year.

The survey polled 2,000 U.S. consumers about spending and saving during the current economic climate, uncovering that over half (55%) of Americans would prefer to use a debit card than a credit card.

Research revealed three factors contributing to consumers' aversion to credit cards:

Confusing terms & conditions

- More than half of Americans (56%) say they don't fully understand their credit card terms and conditions
- Americans are more likely to read an insurance contract or the fine print on a medication bottle than credit card terms and conditions

Hidden and late fees

- Nearly half (48%) of Gen Z / Millennials – and 36% of U.S. consumers overall – agree that late or hidden fees make it challenging for them to stay in budget
- Nearly two-thirds (61%) of U.S. consumers agree that it is frustrating when they have to pay more than they agreed to for a purchase

Lack of trust

- Millennials / Gen Z consumers find credit card companies nearly as untrustworthy as car salespeople, and trust their ex more than both
- Nearly 1 in 4 Millennials / Gen Z (23%) have felt mistreated or unfairly penalized by their credit card company

"Our latest consumer research revealed that 60% of Americans do not pay off their credit card's full balance every month. Often, this is due to credit cards making it easy to spend and only pay off the minimum payment. This results in an ever-compounding balance that only benefits the providers, who charge late and hidden fees they bury in the fine print," said Libor Michalek, President, Technology, Risk and Operations at Affirm. "It is more important than ever that we provide people with the flexible and transparent payment options they deserve, empowering them to be in the driver's seat when it comes to their finances."

Affirm offers eligible consumers the ability to pay over time, surfacing customized biweekly and monthly payment plans for each purchase. Unlike credit card companies and other buy now, pay later options, Affirm evaluates every single transaction individually before extending access to credit by using proprietary underwriting technology. Through a free, soft credit check that doesn't impact consumers' credit scores, Affirm determines eligibility and helps protect borrowers from overextending themselves. Since the company's founding over a decade ago, Affirm has never charged a penny in late or hidden fees.

About the Research

This research was conducted by YouGov on behalf of Affirm between June 24-30, 2022.

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 credit cards and other pay-over-time options, we show consumers exactly what they will pay up front, never increase that amount, and never charge any late or hidden fees. Follow Affirm on social media: LinkedIn | Instagram | Facebook | Twitter.

Press Contacts

Affirm

Emily Dale

press@affirm.com

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