

# NatWest to offer 'buy now pay later' option to customers

NatWest is planning to enter the buy now, pay later (BNPL) market, meaning customers will be able to split purchases into several repayments.

BNPL options often appear at online checkouts and they can help people avoid paying interest on their borrowing.

NatWest said its proposition, which will launch in the summer, will give people the chance to make a purchase almost anywhere that accepts Mastercard.

It said it would put safeguards in place to help make sure lending is affordable, with certain spending categories, such as gambling, cash advances and balance transfers, excluded.

According to the bank, it will offer a fixed credit limit, which the customer will know in advance, with structured repayments, credit scoring and affordability checks.

People will be able to keep track of payments and see how much they owe through NatWest's mobile app.

The BNPL sector has expanded rapidly in recent years, sparking concerns that some people may quickly build up debts that they cannot afford to pay back.

Barclays recently released research which found nearly a quarter (24%) of BNPL users are concerned about their ability to repay such bills. The Woolard Review previously found the use of BNPL products nearly quadrupled in 2020, amounting to £2.7bn.

The UK Government plans to change the law to bring some forms of unregulated BNPL products into Financial Conduct Authority (FCA) regulation.

David Lindberg, chief executive of retail banking at NatWest, said there was “clear demand” for BNPL and the bank was “determined to make it better and safer”.

“We have listened to our customers and are excited to provide them with a proposition that gives them greater flexibility to manage their finances,” he said.

“Customers told us they value fraud protection on purchases and useful tools and reminders to help them budget. They also like the convenience of managing buy now, pay later purchases alongside their other NatWest accounts in our award-winning app.”

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Kelly Devine, division president for Mastercard UK and Ireland, added: “Offering people choice in how they pay is at

the heart of what we do, so we are working closely with NatWest Group to give customers greater flexibility and control in how they pay and where they shop.

“Buy now, pay later has become a popular means to spread the cost of a purchase and with NatWest we are co-creating a solution which benefits from Mastercard’s reach as well as our trusted relationships with consumers.”

NatWest said it has introduced several features on its app to help improve customers’ financial capability, including a free “know my credit score” feature and “round ups” which automatically place small amounts of money when people spend into their savings.

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