Visa Installment Credential



Now you can offer Buy Now Pay Later (BNPL) options to your customers wherever Visa is accepted.

Today's customers expect flexible payment options:

Greater control

74%

of consumers believe installment plans help them manage their spending[1]

Added flexibility

70%

of consumers believe installment plans are more flexible than other payment options[2]

In demand

70%

of Gen Z and millennials have made more than one purchase using an installment plan in the last 6 months[3]

Sales volume lift

38%

of customers spent more than originally planned on an installment plan purchase[4]

You can now offer BNPL payment options to your customers through Visa Installment Credential (VIC).

VIC enables you to easily provide on-demand installments options that can be either a physical card or digital credential through credit, or prepaid card.

By leveraging VIC you can increase customer acquisition and loyalty through a seamless user experience. This means faster speed to market with a product that is instantly accepted at scale at program launch.

For your customers it means a flexible payment option with a clear plan and payment details – so customers can budget for planned and unplanned expenses while allowing for better cash flow management. All of this provided on the safe and secure Visa network they know and trust.

Key benefits

Issuers

- Acquire attractive new and unique customer segmentations
- Enable widespread acceptance

Fintechs

- Keep contractual merchants and non-contractual merchants under a single product ID
- Drive customer retention by offering BNPL solutions to all Visa-accepted merchants

Merchants

- Increase conversion and drive new customer acquisitions
- Deliver BNPL offerings with no to minimal implementation effort

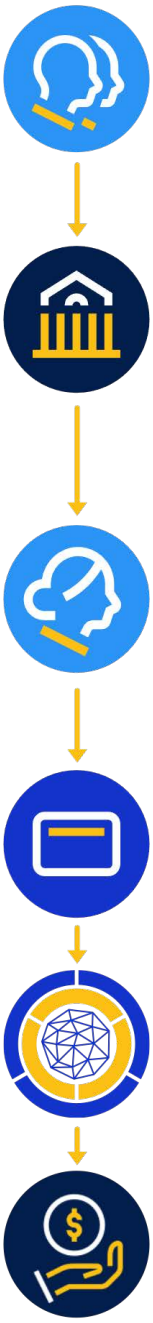
Customers

- More flexible payment options
- Control over spending
- Simple and transparent payment options on the trusted Visa network

1 Source: PYMNTS Intelligence Installment Plans Becoming a Key Part of Shopper's Toolkit, September 2023 N = 2,859: Whole sample, fielded Aug. 8, 2023 – Aug. 12, 2023
2 Source: Visa commissioned Omnibus survey performed October 2022; Survey Question: Considering what you know about installment plans, how much do you agree or disagree with the following statement; Users share on a five-point scale whether they agree or disagree with a series of statements; Selected completely Agree and somewhat Agree
3 Source: Visa commissioned Omnibus survey performed by GFK October 2022; Base=1,210 (considered to be Gen Z and Millennial Previous BNPL Users); Survey Question: You mentioned you are currently using or have used installment plans in the past. For how many individual purchase transactions have you used an installment plan in the last 6 months?
4. Source: Visa commissioned Omnibus survey performed by GFK October 2022; Base=2,152 participants; Previous BNPL users; Survey Question: Thinking about the most recent time you used an installment plan; how did the availability of that plan impact your purchase?; Sum of participants that chose 'I spent more than what I originally planned' and 'I had not planned to buy but did so because the plan was available

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How it works



Customers apply for a BNPL loan for a specific purchase or general purpose through the lender's (Fintech/Issuers) app of their choice.

The lender assesses and approves the BNPL loan application and instantly funds a single-use or multiple-use virtual card or provision to a mobile wallet.

The customer is asked to link debit/credit card or bank account for repayment of a coming BNPL purchase(s).

Customer will use the virtual card to complete the online or offline purchase(s).

The transaction goes through authorization and clearing just like a general-purpose card on VisaNet.

Lenders will auto draft the installment amount from the consumer's pre-provided card, bank account, or wallet at an agreed frequency until the BNPL loan is paid off.

(Ex. If it is a Pay-in-4, the customer repays 25% of the total on the day of purchase, with the remaining balance auto-drafted on a biweekly basis).

Use cases of Visa Installment Credential

Visa Installment Credential is a BNPL Payment Credential used to facilitate transactions that are repaid in multiple, equal payments over a predetermined period.

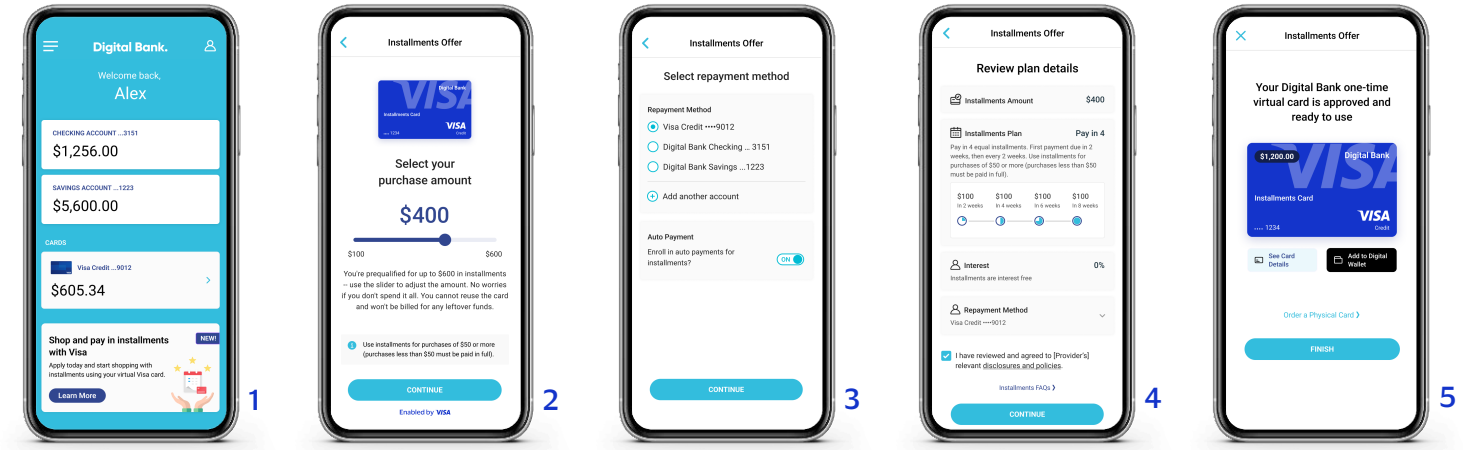
This new credential facilitates BNPL payments on Prepaid or Credit and the card can be single or multiple use. Lenders can offer customers Pay-in-4 or Pay-in-X options anywhere Visa is accepted.

- **For prepaid, consumers receive the funding that is either pre-loaded or just-in-time loaded when a transaction(s) happens.**
- **For Credit, consumers use the pre-approved line of credit for a transaction(s).**

VIC can be issued digital only or physical and used for small and large amount purchases.

The product is subject to certain MCC restrictions and has its own interchange rate.

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Sample UX – eComm, in-store, or both*

For a detailed BNPL C2B Card flow: See image flow above.

Single-use Virtual Card Issuance

1. Issuer markets pre-qualified BNPL offer to customer
2. Customer confirms desired BNPL loan amount
3. Customer provides re-payment details for installment loan
4. Customer reviews loan disclosures and opts into the BNPL loan
5. Customer receives new BNPL virtual credential
6. Customer makes a purchase with the new credential

Current scope and future roadmap

Visa Installment Credential is a global product and will roll out on a country-by-country basis. Check with the specific country team for details and a schedule.

At Visa, we are continuously working toward enhancing our installment solutions to provide an optimal experience to customers around the world. Visa is enabling domestic and cross-border installment purchases across various countries, along with a new interchange structure to provide value to the entire ecosystem.

Visa is also launching in more markets globally.

Note: Depicts conceptual vision in development; features, functionality, availability are subject to change. Financial institution is solely responsible for its own installment program.

Learn more

For more information: please contact your local Visa Representative.

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