

BUY NOW PAY LATER AND YOUR CREDIT REPORT

HERE'S WHAT YOU NEED TO KNOW

From June 2025, BNPL providers follow the same credit laws that apply to credit cards and personal loans. This helps keep borrowing fair and affordable. This means:

- BNPL providers are licensed and regulated by ASIC, an independent government body.
- They follow responsible lending laws.
- They must provide hardship assistance to customers
- You have access to free, independent dispute resolution services through AFCA.

These changes mean better protection and more support if you need help managing repayments.

WHY THIS MATTERS TO YOU

BNPL providers now have to check if a product is right for you before approving it. They must do a credit check - this means looking at your credit report to help decide if the BNPL product is suitable for you. Over time, you might see more BNPL activity listed on your credit report.

WHAT YOU'LL SEE IN YOUR CREDIT REPORT

- Enquiries from BNPL providers like Afterpay or Zip when you open a new account or request a higher limit.
- Some BNPL providers (like CBA and NAB) already report more detail like credit limits and repayment history.

WHAT IS A CREDIT CHECK?

When you apply for credit, a credit check is done — this creates a credit enquiry on your credit report. It shows when you applied, the type of credit, and the amount. It doesn't show if you were approved. Credit enquiries stay on your credit report for five years.

TIP:

A single BNPL credit check won't automatically hurt your credit score. What matters is how you manage your credit overall.

When applying for loans, credit cards or BNPL:

63%

of Australians believe lenders definitely check their credit report or score.

29%

think lenders check, but aren't sure.

8%

incorrectly believe lenders don't check credit reports at all.

Millennials and Gen X are the most common users of BNPL.

Gen Z
(1997-2009)

13%

Millennials
(1981 - 1996)

38%

Gen X
(1965 - 1980)

28%

Boomers
(1946 - 1964)

19%

Silent Gen
(1918 - 1945)

1%



(Source: CreditSmart/YouGov research April 2025)

5 TIPS IF YOU'RE USING BNPL

1

Be mindful of other repayment obligations. Make sure you are not paying your BNPL repayments at the expense of other debt, such as your car loan, mortgage, or credit card.

2

Know your limits. Keep track of your BNPL usage and put a limit on it yourself. If you get close to your self-imposed limit, minimise further use until you have paid off your existing debt.

3

Link your BNPL account to your debit card instead of your credit card. Using credit to pay off credit by linking a BNPL to a credit card can increase the chance of things going bad.

4

Costs can add up. You are charged fees if you miss a payment for a BNPL product. It can add up if you regularly make your payments late.

5

If you are struggling to keep up with your payments, speak up. If you cannot make your repayments, speak to your BNPL provider, and ask how they can assist you.

BUY NOW PAY LATER

BUILD YOUR CREDIT HEALTH

When you use credit, which includes BNPL, and make payments on time, it shows you're managing your money well. This can help when you apply for things like a car loan or home loan in the future. With a clearer picture of your total debts, lenders can check more accurately if the product or loan is suitable for you.

COMMON QUESTIONS

Will Afterpay, Zip etc do credit checks now?

Yes. From 10 June 2025, they check your credit report before approving an account or increasing your limit.

Will this lower my credit score?

No. A single credit check for a BNPL account won't automatically lower your score. But, just like for credit cards and personal loans, applying for lots of BNPL accounts, or missing payments, can affect your credit health.

Is this change a good thing?

Yes! If you use BNPL responsibly, it can help build a good credit history.

You can request a **FREE** copy of your credit report, every 3 months, from each of the credit reporting bodies:

Equifax
www.equifax.com.au

Experian
www.experian.com.au