



NEWS RELEASE

Mastercard Installments Gains Traction with New Global Partners and Support for Small Businesses

7/28/2022

Instant, easy and responsible: buy now, pay later program continues to expand and reinforces commitment to consumer protections

PURCHASE, N.Y.--(BUSINESS WIRE)-- Mastercard has welcomed a raft of new global partners to its innovative **Mastercard Installments** program and is expanding it further to support small businesses in the U.S. Illustrating the demand for powerful buy now, pay later (BNPL) experiences from familiar and trusted brands, several new partners are providing support for the program, including **HSBC, J.P.Morgan** and **NatWest** in the U.K.; **Cross River Bank, Evolve Bank & Trust, Jifiti, Live Oak Bank, MOCA Financial** and **WebBank** in the U.S.; and **Saudi National Bank (SNB)** in Saudi Arabia. The program taps the power and scale of the Mastercard network, which connects to more than 90 million merchants globally, to instantly support secure BNPL payments at checkout, both in-store and online.

In addition to delivering more payment choice, Mastercard Installments is built on responsible lending practices and supports shoppers with an enhanced set of consumer protections, data transparency and insight-driven programs. Through technology, data and insights, and its consulting expertise, Mastercard is creating a more intelligent way to provide installment lending at scale.

“We believe no matter how you pay, a foundation of strong protections must be in place,” said Craig Vosburg, Chief Product Officer at Mastercard. “Trust is the currency of innovation. Using a Responsible-by-Design approach ensures that we stay ahead of consumer, merchant and bank needs and expectations, continuously building



confidence in the payments ecosystem by providing choice at scale.”

A Responsible, Intelligent Way to Offer Installment Lending

According to new global consumer research from **Mastercard's World Payments Advisory™**, nearly a quarter of respondents across 50+ markets have used a BNPL product in the past six months.[i] For BNPL users, “forgetting the payment was due” was the leading reason for missing an installment payment, while concerns about “hidden charges” were cited as a leading barrier to consumer adoption overall. Mastercard Installments addresses these concerns with a suite of unique, innovative services that increases transparency and helps protect consumers and businesses. These services include:

- Cutting-edge insights and analytics: Merchants and lenders are able to access a comprehensive set of data dashboards to better understand how their products are performing. Mastercard **Test & Learn®** technology can also pinpoint where to prioritize efforts and resources that enhance the user experience and drive successful loan repayment.
- Mitigating repayment risk with open banking and AI: In the U.S., using consumer-permissioned data and open banking technology, lenders can identify behavioral patterns to reduce the risk of failed payments while artificial intelligence can adjust models more quickly and accurately for success.
- Dedicated and embedded consumer protections: To participate in the Mastercard Installments program, lenders agree to follow applicable laws and network guidelines on responsible lending practices and data usage practices, among others. Consumers and U.S. small businesses enjoy the peace of mind that they get today from any other Mastercard product – including tokenization, dispute resolution, and zero fraud liability.

Empowering U.S. Small Businesses

Mastercard research shows that over 70% of small business owners who have used personal installments are likely to adopt business installments products if they become available.[ii] Meeting this demand in the U.S., Live Oak Bank, the nation’s leading small business lender, will support the program, with the goal to make Mastercard Installments available to its 7,000 small business customers.iii This builds on Mastercard’s ongoing commitment to Main Street America, delivering products and services that help improve operational efficiency, manage cash flow and maximize customer connections with financial tools.

Learn more about Mastercard Installments and its range of benefits for consumers, merchants and acquiring banks, lenders, as well as wallets and BNPL players.

Madhu Kejriwal, Group Head, Unsecured Lending & Partnerships, HSBC Wealth & Personal Banking, said, “Customer expectations have evolved as the payments landscape has advanced, so banks need to

find appropriate solutions. Buy-Now-Pay-Later (BNPL) lies at the intersection of payments and lending; it can provide customers with a seamless payment option. However, it's important to realize that it's very much a form of credit. HSBC is fully committed to responsible lending, and providing transparency to customers is of utmost importance to us. We want to clearly position any BNPL payment plan as part of a customer's approved credit line. Our partnership with Mastercard is a crucial element of HSBC UK's responsible lending strategy, as it enables us to provide customers with access to trusted payment options when they want to budget for larger purchases with affordable payment plans."

Huntley Garriott, President of Live Oak Bank, said, "Live Oak knows small business customers need flexible financial products that provide security, transparency and scalability so they can grow their business at the pace that suits their needs. We are excited to partner with Mastercard to explore lending solutions through the Mastercard Installments program as it allows us to deliver innovative products from a trusted source while aligning with our mission to be America's small business bank."

Martin Wise, Managing Director, Short-Term Borrowing at NatWest, said, "There's a clear demand for buy now, pay later and we are determined to make it better and safer for our customers. By working closely with Mastercard, we are ensuring responsible measures such as clear affordability checks and useful tools, such as payment reminders to help customers budget, are at the heart of our solution."

Majed Hamdan Al Ghamdi, Chief Executive Officer of Retail Bank at the Saudi National Bank, said, "Flexible payment options benefit everyone in the ecosystem, and our partnership with Mastercard enables us to connect people in Saudi Arabia to the seamless benefits of Mastercard Installments. Through this initiative, we are providing consumers with enhanced ways to pay when and where they want and in line with their budget needs. Underpinned by the renowned security of the Mastercard network, Mastercard Installments opens up new shopping experiences to consumers across the Kingdom while offering them reassurance, confidence and peace of mind."

Sources:

- i. Mastercard World Payments Advisory. "The Explosive Growth of "Buy Now, Pay Later Report." Quarterly online survey of 53,500 adults in 50+ countries. Conducted April 30-June 14, 2022.
- ii. Mastercard & Kaiser Associates, Small Business Installments Analysis, 2021
- iii. Source note: #1 SBA 7(a) lender by dollar amount for FY 2021. The data supplied by the SBA reflects 7(a) highest dollar volume during FY 2021.

About Mastercard (NYSE: MA)

Mastercard is a global technology company in the payments industry. Our mission is to connect and power an

inclusive, digital economy that benefits everyone, everywhere by making transactions safe, simple, smart and accessible. Using secure data and networks, partnerships and passion, our innovations and solutions help individuals, financial institutions, governments and businesses realize their greatest potential. Our decency quotient, or DQ, drives our culture and everything we do inside and outside of our company. With connections across more than 210 countries and territories, we are building a sustainable world that unlocks priceless possibilities for all.

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Source: Mastercard Investor Relations