



Good Shepherd
New Zealand

BUY NOW PAY LATER



Buy Now Pay Later (BNPL) lets customers split purchases into smaller instalments, usually interest-free. It's fast, convenient, and widely available but it also comes with risks that can affect financial wellbeing and credit health.

THE GOOD

- **Interest-free instalments when payments are made on time**
- **Fast approval with minimal friction at checkout**
- **Useful for short-term cashflow on essential or unexpected purchases**
- **Widely accepted across retail, services, travel, and online platforms**

It works best for people who budget well and stay within their spending limits.

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BNPL can be a helpful tool when used carefully, but it's not "free money". Every instalment is a future commitment and multiple BNPL accounts can quickly reduce financial flexibility.

THE BAD

Where most get caught out

- Easy to overspend due to low barriers and instant approvals
- Multiple BNPL accounts can make budgeting harder
- Late fees can accumulate quickly
- Short repayment cycles may not suit all income patterns

It reduces a customer's true disposable income, affecting lending assessments and long-term affordability.



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BNPL can quietly build up into invisible, unmanageable debt. The most serious risk is the way multiple BNPL accounts can accumulate outside traditional credit reporting, making a customer's true financial position hard to see until they're already in trouble.

THE UGLY

BNPL can become a problem

- Missed payments can be reported to credit bureaus and affect your credit scores
- Debt stacking across multiple providers
- Hidden fees or merchant surcharges in some cases
- Financial stress when repayments clash with essential bills

Repayments are automatic and inflexible.

Direct debits will simply take the money from your bank account.

When money is tight, BNPL often gets paid before essentials like food, rent, or power.



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Pause before you sign up for BNPL.

Did you know?

Fees apply per order, not per account — so multiple BNPL purchases can trigger multiple late fees.

Some providers also charge dishonour fees if a direct debit fails.

Here's a quick reference table for some commonly used BNPL services currently available in New Zealand

Provider	Repayment Terms	Late Fees (NZD)	Fee Caps	Additional Notes
Afterpay	4 instalments over 6 weeks	\$10 initial late fee + \$7 if still unpaid after 7 days	Capped at \$68 per order	Applies per order, not per account
Laybuy	6 weekly payments	\$10 per missed instalment	Capped at \$40 per purchase	Conducts credit checks
Zip	Weekly or fortnightly repayments	\$10 per missed instalment	Capped at \$40 per order	Applies across all repayment frequencies
Klarna	4 instalments	\$3 per missed instalment	Capped at \$24 per order	Lower fees but still add up quickly



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