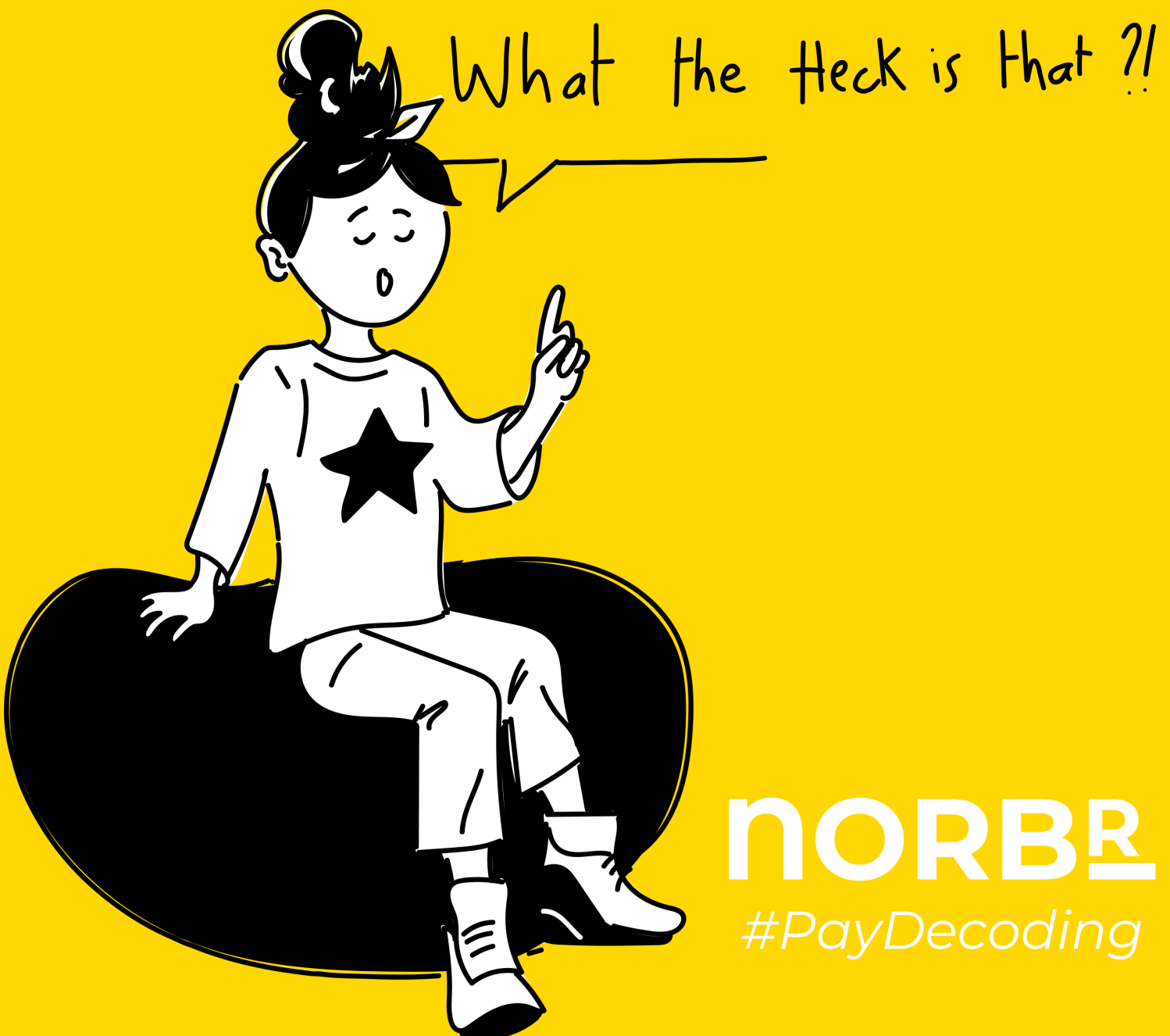


# Installment



**nORBR**  
#PayDecoding

**explained  
to kids!**

**Buy without spending  
all your money!**

**You save 60€.**

**You surf the web and see a toy costing 60€.**



**It's okay for you, but you prefer to keep some money aside.**

**When you pay you choose :**

**PAY IN 3X**

**By choosing this payment method,  
you pay 20€ today and you receive  
your toy right after!**

So good           



**Then you pay 20€ the next month,**

**... and the last 20€ the following month.**

**When you paid, it cost you 20€,  
but the merchant got 60€!**  
(that's why he sent you the toy by the way)

**But who paid the merchant?**



**It's the company behind the button**

**PAY IN 3X**

**that advanced the 40€  
and to whom you're going to  
return the 40€ you owe.**

**... AND DETAILED VERSION FOR**

**SPECIALISTS**

The "**installment**" payment method is a like a credit without going through a traditional bank, because its amount and duration allows it.

In practice: the consumer makes an initial payment, **then the financial service provider pays** the outstanding balance to the merchant.

The merchant also pre-determines the payment terms (2x, 3x, 4x).

It is therefore a type of **short-term loan** that splits your payments.

**In Europe, this method is regulated:  
if the customer pays **in less than 90 days**,  
it is not considered as credit  
(with some local specificities: for  
example, in Belgium, providers of this  
payment service cannot offer more than  
3x).**

**The main different with a consumer credit  
is its integration into **the customer  
journey**:**

**Installment is seamlessly integrated into  
e-commerce as a payment option (next to  
cards or e-wallets)**

**Basically, this makes things really easy.**

**Those financial institutions often charge  
**no interest** and sometimes no late fees.**



**Currently, "installment" and "BNPL" methods (URL direct) tend to be confusing.**

**The major installment players offer BNPL, and the new BNPL players offer installment, sometimes with hybrid model (e.g. first payment in 2 weeks and then a tight payment schedule).**

# 30%

**INSTALLMENT HAS BECOME INCREASINGLY POPULAR IN FRANCE. IT SEEMS THAT 30% OF FRENCH CONSUMERS HAVE ALREADY RESORTED TO INSTALLMENT PAYMENTS.**

(Ecommerce News, July 15, 2021)

# 79%

**ACCORDING TO THE SPC BRAZIL, 79% OF BRAZILIANS CHOOSE INSTALLMENT WHENEVER THIS OPTION IS AVAILABLE.**

# X 1.4 M

**IN ITALY, PAYPAL WAS THE MOST POPULAR PAYMENT METHOD FOR ONLINE PURCHASES, USED ON AVERAGE 1.4 MILLION TIMES PER MONTH BETWEEN OCTOBER 2018 AND SEPTEMBER 2019.**

(Statista.com)

## SOME PROVIDERS OFFERING "INSTALLMENT" SERVICES



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**PAYMENT**  
word of the week