Buy Now Pay Later: A Solution or a New Culture of Debt?

Key Takeaways:

- Buy Now Pay Later (BNPL) improves payment flexibility but remains a form of credit that shifts spending into the future.
- Small installments can change spending behavior by encouraging faster purchases, higher spending and more non-essential consumption.
- Thailand's BNPL is growing rapidly while household debt remains high, increasing risks for younger and financially vulnerable borrowers.
- Global experience shows that multiple BNPL loans can fragment debt and make total repayment obligations harder to see.
- There is no silver bullet for household debt: balanced regulation, better credit reporting and stronger financial discipline are all needed.\

What Is Buy Now, Pay Later?

Buy Now, Pay Later, or BNPL, allows consumers to buy a product today and pay for it later in smaller installments. Instead of paying 4,000 baht at once, for example, a shopper may divide the cost into four payments of 1,000 baht.

BNPL is usually built directly into online checkouts or shopping applications. It is fast, convenient and often easier to access than a credit card or traditional loan.

For consumers, BNPL can help manage short-term cash flow. For merchants, it can support sales. But BNPL is still credit. Every purchase made today creates a repayment obligation tomorrow.

When Convenience Changes Spending Behavior

One installment may look small. Several installments may not be.

Behavioral economists often describe this as a reduction in the "pain of paying." When the total cost is divided into smaller installments, consumers tend to focus more on each payment than on the full price, making purchases feel more affordable than they actually are.

The main risk is repeated use. A consumer may have separate payment plans for clothes, electronics, food delivery and household goods. Each payment may seem manageable, while together they quietly take up a growing share of monthly income.

A 2023 survey by Thailand's National Economic and Social Development Council (NESDC) and Research Centre for Social and Business Development (SAB) found that 62.3% of BNPL users said installments helped them buy more quickly, 45.2% said BNPL increased their spending and 49.4% already had other debts. Around 57.6% were also more willing to buy non-essential goods when installments were available, compared with 31.3% of non-users.

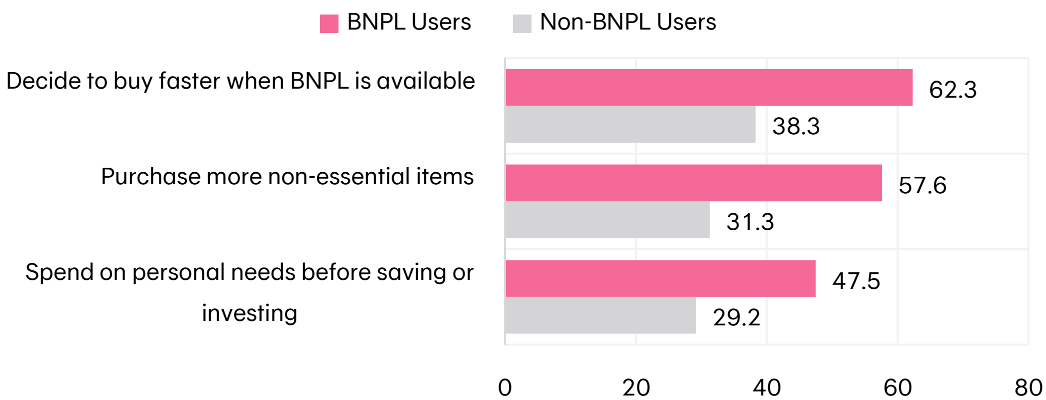
For some younger consumers, BNPL can help manage payments and reduce the need to ask for family support for help. This convenience can also encourage unnecessary spending. A basic meal may become an expensive buffet, simply because the bill can be split into smaller installments.

This does not mean BNPL alone causes poor financial discipline, but it can reinforce existing habits by changing the question from, "Can I afford the full price?" to, "Can I afford the next installment?"

That small shift in thinking can gradually turn convenience into a spending habit.

Sadly, for many, the mindset is simple: spend now, struggle later.

Consumer Attitudes by BNPL Usage Status (%)



Source: NESDC–SAB BNPL Spending Behavior Survey.

Thailand's BNPL Growth Comes at a Sensitive Time

Easy credit is growing fast while many Thai households are already under pressure.

Bank of Thailand's data shows that BNPL accounts surged from around 600,000 in 2021 to almost 5 million in 2024, growing by an average of 99.9% per year, while BNPL credit value rose from 6.8 billion baht to nearly 18 billion baht, averaging at 38% annual growth.

The concern is not BNPL alone, but the economy around it.

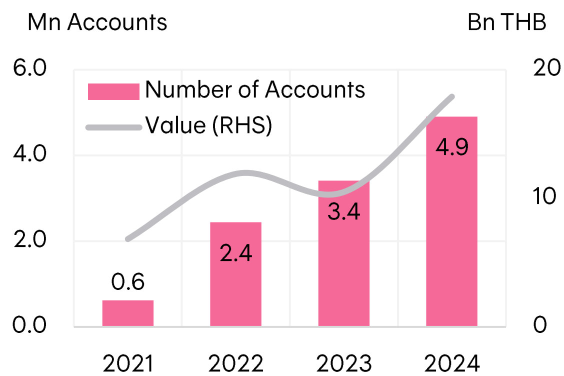
By itself, BNPL still represents only a small share of Thailand's overall credit market. The concern is that this rapid growth is taking place in an economy where many households are already financially stretched.

Thailand's household debt remained high at 85.9% of GDP in the first quarter of 2025. Around 38% of the population was in debt, with the share rising to 52.7% among people aged 20-35, who also recorded the highest NPL incidence at 27%. Against this backdrop, another BNPL installment may look small, but several small payments can quickly become a heavier burden when combined with existing loans, higher living costs and weaker income.

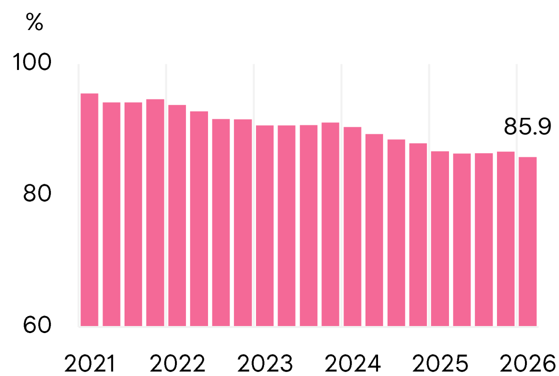
BNPL can help households decide when to pay, but it does not create new income. In simple terms, it allows consumers to spend today with tomorrow's money.

The key is not when we pay, but how much of tomorrow's income has already been committed.

BNPL Accounts and Credit Value



Household Debt to GDP



Source: Bank of Thailand (BOT).

What Global Experience Shows

Global experience reveals three pressure points in BNPL markets. In the **United States, affordability is** becoming a concern. In 2025, 29% of BNPL users said the service was the only way they could afford a purchase, and 26% of those users had paid late.

In Malaysia, rapid adoption is the warning sign. Although BNPL represented only around 0.3% of household debt, BNPL users nearly tripled from 2.6 million in 2023 to 7.5 million by the end of 2025.

Australia shows how regulation is catching up. Since June 2025, BNPL has been formally brought into the consumer credit regime, requiring providers to hold a credit license and comply with lending obligations.

Although each country faces different challenges, the direction is similar. As BNPL becomes more widely used, policymakers are placing greater emphasis on responsible lending, stronger consumer protection and better visibility of borrowers' total repayment obligations.

The broader lesson is that BNPL risk is not simply about market size. It grows when multiple installments plan repeatedly stretch limited income, creating repayment fatigue and turning borrowing into a regular spending habit.

There Is No Silver Bullet

There is no silver bullet to solve Thailand's household debt problem. No single measure can reduce debt for everyone without creating trade-offs for consumption, credit access or broader economic activity.

Regulation still matters. Clear disclosure, responsible lending and better credit reporting can help prevent debt from building quietly. But policy alone cannot answer the most basic question behind every purchase: Do we really need to buy this now?

The harder and more lasting solution is financial discipline. Consumers need to think beyond whether they can afford the next installment and ask whether the purchase is necessary, urgent and manageable within their overall financial position.

This is also a lesson that should be passed on to younger generations. Financial responsibility is not only about paying debt on time. It is about knowing how much debt we can manage, understanding the consequences of borrowing and making spending decisions with greater discipline.

BNPL may change when we pay. It should not stop us from asking whether we should buy.

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