



Mozo Expert Choice Awards
Buy Now Pay Later 2022

Methodology Report
April 2022



Mozo Experts Choice Awards

Buy Now Pay Later

Every day, Mozo keeps track of thousands of products and services in banking, insurance, energy and more.

We've been acknowledging the best financial services products since 2014 under the Mozo Experts Choice Awards program, helping Australians to find the best products to manage their money. In recent years we've been applying our expertise in research, data analysis and comparison to assess some of the places that Australians *spend* their money.

This report lists the winners and explains the judging methodology.

Unlike some other awards, service providers don't 'enter' the Mozo Experts Choice Awards nor do they pay to be considered. Our in-house team of experts scour the market to find worthy candidates. Then we use our data and our experience to make a hard-nosed assessment of services, to identify which offer the widest range, great value and excellent usability.

- For service providers, a Mozo Experts Choice Award is a thoroughly researched third-party endorsement of their service.
- For consumers, the Mozo Experts Choice Awards badge is a sign that a service is among the leaders in the market, and is worthy of consideration.

Small Purchases

Klarna.

For the second iteration of our awards Klarna has taken the win in this competitive category. While many services facilitate purchasing goods for small amounts and being repaid over short periods for free, the minimal late fees and the ability to use Klarna at every retailer that accepts Visa made it stand out from the rest.



Paypal entered into the Buy Now Pay Later space with its 'Pay in 4' service. Suitable for customers who predominantly shop online it is available through Paypal's extensive network of retailers where using a Paypal login at checkout is an option. Pay in 4's no upfront, ongoing or late fees were an advantage in the assessment for small purchases.

Bill Payments



This year we investigated which Buy Now Pay Later services were best for minimising bill shock. With NAB's StraightUp Card flexible credit limit and repayment terms it struck the right balance between fees and features and scored the highest in our assessment.

Major Purchases



For larger purchases with longer repayment periods Humm won with Big Things for the second year in a row. Humm Big Things allows for purchases at a wide range of retailers, has longer repayment periods and can be used for larger purchases than most, and the late fees are reasonable.



For the second year in a row Brighte took the win for the Specialist Service award. The low weekly fee makes its offering a standout winner among Buy Now Pay Later services suited for large costs with repayments allowed over longer terms. Brighte focuses on improvements for the home with a particular emphasis on environmental improvements.

How do we judge the winners?

The judges undertook an extensive data collection process to compare services on the basis of product fees, flexibility and availability. We also considered which services had signed up to the BNPL self regulation code of conduct which requires membership of the Australian Financial Complaints Authority. The analysis is based on data collected from 23 Buy Now Pay Later services gathered in April 2022.

Our assessment included the following factors.

- Number of merchants where the service could be used
- Industry code membership and credit checks
- Choice of repayment terms
- Minimum and maximum amounts
- Up front fees
- Cost if paid off on schedule (see our assumptions below)
- Late payment fee and period before being charged

In order to compare costs we ran scenarios that reflect the range of services available for various purchase amounts.

For the Small Purchase category we considered the costs for a purchase of \$250 repaid over a period of 4 weeks as well as multiple purchases over 24 weeks.

For the Bill Payments category we considered the costs for a purchase of \$300 repaid over a period of 4 weeks and a purchase of \$600 repaid over 6 weeks.

For the Major Purchase category we considered a purchase of \$2,500 repaid over 8 weeks, as well as a purchase of \$5,000 repaid over 24 weeks.

The winners of each category won in both of the relevant assessments.

Which services did we consider?

We don't require retailers to 'enter' our awards; instead we research the market to identify as wide a range of providers as we can.

To be eligible for these awards each service had to be able to be used for general purchases. Specialist services for home improvement and bill payments were included in separate categories.

Our final list contained 23 Buy Now Pay Later providers, which are listed in the Appendix.



How we manage conflicts of interest

Mozo Experts Choice Awards are awarded irrespective of a product provider's commercial relationship with Mozo.

The Awards are based on objective verifiable facts and analysis wherever possible, and any assumptions made are set out in this report. Mozo's research team analyses product data and determines the winners in each Mozo Experts Choice category without reference to Mozo's sales or commercial functions.

Companies do not pay to enter the Mozo Experts Choice Awards. Should a winning service wish to use the Mozo Experts Choice Awards badges in their own marketing activities, Mozo charges them a licence fee.



Mozo provides a comparison service with the goal of helping consumers to make their own financial decisions and save money. Mozo offers consumers an extensive product comparison service across the retail banking market, general insurance, life insurance, business banking, energy and more.

Hundreds of thousands of Australians a month use Mozo's comparison service. Mozo's comparison technology and expertise has been used by some of Australia's largest online publishers.

Mozo holds an Australian Financial Services Licence and an Australian Credit Licence. Mozo's management team have experience in consumer credit and financial services in a variety of roles from executive management, marketing, actuarial services and technology. Mozo's team are often called upon to provide expert media commentary in relation to the product areas they cover.

Our Mozo Experts Choice Awards analysis is overseen by AJ Duncanson, Mozo's Data Director, and Peter Marshall, Research Manager. AJ is a data scientist and actuary and has worked in financial services and product comparison for over 30 years. Peter has worked for a wide range of Australian banks and product comparison for the past 36 years. Both AJ and Peter act as Responsible Manager on Mozo's Australian Financial Service Licence and Australian Credit Licence.

Important Information

The information published in this report is of a general nature only and does not take into account your situation or needs. Before choosing a service, you should consider whether it's appropriate to you and you should read all the information available from the service provider.

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APPENDIX

Buy Now Pay Later services assessed

Afterpay	Humm - Big things	PayRight
Brighte	Humm - Little things	Suncorp - Paylater
Bundll	Klarna	TMCU - Clement Card
Citi - Spot.	LatitudePay	Westpac - Flex
Commbank - Neo	LatitudePay+	Zip - Money
Commbank - Step Pay	Laybuy	Zip - Pay
Community First Credit Union - n0w	NAB - StraightUp	
Deferit	PayItLater	
	Paypal - Pay in 4	