



## Upcoming Seminar

**Monday, 21.07.2025**

**Departmental Seminar**

13.30-14.30

Christine Laudenbach, Goethe University FFM

AWI room 00.010

" Buy Now Pay (Less) Later "

(Host: Marina da Silva Rapp)

## Abstract

### Departmental Seminar

Christine Laudenbach

" Buy Now Pay (Less) Later: Leveraging Private BNPL Data in Consumer Banking " \*

Buy Now, Pay Later loans (BNPL) are an increasingly popular way to finance smallticket purchases. We provide new evidence on how BNPL influences regular bank credit markets, benefiting both lenders and borrowers through information production and learning. Using data from over one million unsecured bank loan applications from a bank that also provides BNPL services, we exploit the fact that BNPL enhances the bank's ability to assess creditworthiness by incorporating transaction data beyond shared credit registers. We establish four key findings. First, BNPL users are more likely to be approved for bank loans due to lower internally assessed credit risk, while those with late BNPL payments face lower approval rates. Second, BNPL customers benefit from discounted interest rates, while the bank earns a profit margin by price discriminating among customers with a good internal payment history but differing external credit scores. Third, customers with a BNPL history exhibit better repayment behavior and lower default rates, partly driven by improved loan terms. Fourth, learning effects from prior BNPL use likely reinforce this behavior. Our findings suggest that BNPL improves risk assessment and fosters learning, enhancing credit outcomes and access for higher-risk borrowers, thereby promoting financial inclusion.

\*Joint work with [Elin Molin](#), [Kasper Roszbach](#), and [Talina Sondershaus](#)

## Talks and Research visits

**Theodore Alysandratos** presented "How to change minds and persuade people," joint work with Moumita Deb at the *Behavioral Workshop* in *Ulm*, 04.07.2025.

**Christian Conrad** presented the paper "The Perils of Inflation Forecast Targeting" (co-authored with Zeno Enders and Gernot Müller) at the Annual Conference of the *International Association for Applied Econometrics, University of Torino*, June 25-27, 2025.

**Ming Dai** presented "Group Decisions and Intertemporal Risk Choices" on the *Economic Science Association World Meeting* in *Beijing*, June 8.

**Christiane Schwieren** presented her paper with Friederike Mengel & Tamas Olah "Gender and beliefs – the potential effects of attractiveness on updating beliefs on skills" at the *ESA Africa 2025 Conference* in *Nairobi* and taught a pre-conference course on "Mental Health in Academia" at *Busara's office*.

## Miscellaneous

We are happy to announce the 21st *HeiKaMaX experimental workshop*, which will take place on Friday, 24 October, in *Mannheim*. Please save the date! If you want to present, please write to Jörg Öchsler with the title of your talk by the end of September. The *HeiKaMaX workshop* brings together scholars from *Heidelberg*, *Karlsruhe*, and *Mannheim* as well as other places for one day to discuss work in experimental and behavioral economics.