



AFIA WELCOMES TREASURY BUY NOW PAY LATER CONSULTATION

21 November 2022. AFIA today welcomes the 'Regulating Buy Now Pay Later in Australia' Options paper released by Treasury, which looks to introduce a proportionate, scalable and targeted approach to regulation and ensuring Australians have access to innovative new products and services with adequate consumer protection.

Assistant Treasurer and Minister for Financial Services, Hon Stephen Jones MP, announced the Government's intention to consult on the regulatory framework for emerging financial products, in particular Buy Now Pay Later ("BNPL") in July this year.

Diane Tate, CEO of the Australian Finance Industry Association ("AFIA"), said:

"Australians of all ages are using Buy Now Pay Later because it's interest free and enables them to better manage their money.

"AFIA welcomes the Government's recognition of the important role of BNPL in improving financial inclusion, increasing innovation and competition, and driving opportunities for retailers.

"In FY21 BNPL contributed \$14.3 billion to Australian GDP and created 99,200 jobs across our economy. Our research shows consumers of all ages are choosing BNPL to help them make payments and manage their money in the way they want. Retailers are using BNPL to help them grow their businesses and participate in the digital economy.

"AFIA also welcomes the Government's intention to review the BNPL regulatory regime to ensure it is fit for purpose. BNPL is already regulated - we aren't opposed to regulation, but it needs to be right-sized and it needs to reflect how things really work and how customers are actually using it. We will continue to advocate for regulation that is fit for the future.

"AFIA welcomes the Government's recognition that AFIA's BNPL Code of Practice has proved to be an important step in establishing industry standards and is providing enforceable consumer protections. The Code is currently being reviewed to ensure it continues to promote best practice consumer protections.

"We look forward to working with the Minister, regulators, and other stakeholders to ensure we have a framework for this product that is proportionate, scalable and targeted and works into the future. We intend to make a submission on the Options paper on behalf of our members and provide data to support evidence-based decisions."

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For more information, please contact Anna Fitzgerald, Executive Director, Communications & Strategy at AFIA anna.fitzgerald@afia.asn.au or 0410 447 922.

ABOUT AFIA

AFIA is the only peak body representing the entire finance industry in Australia.

We represent almost 160 members, including bank and non-bank lenders, finance companies, fintechs, providers of vehicle and equipment finance, car rental and fleet providers, and service providers in the finance industry. We are the voice for advancing a world-class finance industry and our members are at the forefront of innovation in consumer and business finance in Australia. Our members finance Australia's future.

We collaborate with our members, governments, regulators and customer representatives to promote competition and innovation, deliver better customer outcomes and create a resilient, inclusive and sustainable future. We provide new policy, data and insights to support our advocacy in building a more prosperous Australia. More information at afia.asn.au