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Afterpay Confronts New Fraud Type

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Keith J. Barnett

Keith Barnett, a partner in Troutman Pepper Locke's Consumer Financial Services Practice Group, was quoted in the November 10, 2025 *Payments Dive* article, "Afterpay Confronts New Fraud Type."

Keith Barnett, an attorney at the law firm Troutman Pepper Locke, suspects this kind of fraud is more common on bigger-ticket items.

"I don't know why you would do this unless you were getting at least four figures," he said.

And with the pay later industry increasingly offering its services for more expensive items like concert tickets and medical procedures, collusion between fraudulent merchants and consumers could become even more common, Barnett added.

The fraud takes many forms, he said. In some cases, the consumer says they didn't receive the goods or services they ordered and demands a refund, and then both the consumer and the merchant disappear after the refund is given, Barnett said.

He noted that BNPLs can protect themselves in a number of ways, including comprehensive checks on merchants before agreeing to work with them, although he conceded that such diligence can be expensive and time consuming. And "nothing is foolproof," Barnett added.

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