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# CFPB Opens Inquiry Into Buy Now Pay Later Offerings

## WRITTEN BY

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Virginia Bell Flynn, a partner in Troutman Pepper's Consumer Financial Services Practice Group, was quoted in the January 3, 2022 *AccountsRecovery.net Compliance Digest* article, "[CFPB Opens Inquiry Into Buy Now Pay Later Offerings](#)."

Under its new director, Rohit Chopra, the Consumer Financial Protection Bureau (CFPB) continues to expand its consumer watchdog efforts. Most recently, the CFPB announced that it is opening an investigation into "Buy Now, Pay Later" (BNPL) companies, which enable consumers to purchase goods from retailers on an installment plan basis. The investigation was launched in response to concerns that less-transparent BNPL products may injure consumers through hidden fees, lack of ability-to-repay protections, and credit reporting implications. Senate Democrats wrote to the CFPB in mid-December, urging regulators to expand their oversight of the BNPL industry.

As the first step in its investigation, the CFPB has ordered five of the largest BNPL providers, including Afterpay, Klarna, and PayPal, to provide information regarding their products, protections, and use of consumer data. It plans to use this information to publish a report on industry practices and risks and identify potential compliance and regulatory gaps.

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