

Buy Now, Pay Later (“BNPL”) Code of Conduct

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1. Preamble

In recent years, there has been a rise in the use of Buy Now, Pay Later (“BNPL”) services, in particular, the widespread use of this service by online and offline retailers.

Typically, BNPL is characterised by splitting the cost of purchase from a merchant, for example a retailer, into several equal amounts taken at regular intervals, usually monthly. Notwithstanding the above, BNPL can also come in the form of a single deferred payment agreement, where the full amount is taken at a single interval, usually monthly.

Today, BNPL is used for the purchase of a diverse range of products and services, from low-value consumer goods to higher-priced airline tickets. BNPL is fast gaining traction, in particular, amongst digital natives, the under-served and the under-banked.

Some features commonly associated with BNPL services include (but are not limited to):

- (1) Capped late fees; and
- (2) Suspension of account when fees are overdue.

The BNPL Code of Conduct recognizes the transformative use of the service, in particular, for the under-served and the under-banked, and seeks to promote industry best practices, by enshrining safeguards to mitigate the risk of consumer detriment.

The BNPL Code of Conduct is industry-led and signifies the industry’s commitment to abide by the rules stipulated in this document and set a standard level of integrity and practice to be followed by all BNPL Providers.

As a customer or a merchant, you are recommended to deal with Accredited BNPL Providers. BNPL Providers will be subject to an industry-led audit scheme and accreditation process, and upon successful completion will be eligible to display the trustmark to signify to customers that they comply with this Code of Conduct. You may view the list of accredited BNPL Providers [here](#).

2. What is the BNPL Code?

Under the guidance of the Monetary Authority of Singapore (MAS), the Singapore FinTech Association (SFA), together with existing BNPL service providers and other industry players who have firm plans to provide BNPL services in Singapore, have co-created a BNPL Code of Conduct (“**BNPL Code**”) in relation to dealings with BNPL customers.

In this BNPL Code, the words ‘you’ and ‘your’ refer to an individual who is or was a customer or, where relevant, an individual who is a future customer of a BNPL Provider. In this Code, the words ‘we’, ‘us’ and ‘our’ are to be read as referring to a BNPL Provider that is complying with the BNPL Code.

The BNPL Code sets out guidance for the industry to mitigate risks of consumer over-indebtedness, ensuring that BNPL offerings will have a positive impact on Singaporean consumers, as well as to continue to benefit the ecosystem. The BNPL Code crystallizes industry best practices such as

conducting creditworthiness assessments, ensuring fair and ethical marketing practices, accommodating for voluntary exemptions, and ensuring the provision of a hardship repayment plan, amongst others.

New BNPL Providers should seek to adopt and comply with the BNPL Code, prior to offering BNPL services in Singapore. Upon successful completion of the audit and accreditation process, new BNPL providers will be eligible to display the trustmark in a similar manner to the existing BNPL Providers.

3. Safeguards to address the risk of customers getting into financial difficulties

3.1 We will only offer BNPL services to customers aged 18 and over.

3.2 We will collect the following information when onboarding new customers:

- a. Name;
- b. Date of birth;
- c. NRIC/FIN number;
- d. Email; and
- e. Mobile number.

The above collected information will be used to verify the identity of the customer as part of our due diligence process, facilitate credit information sharing, and to keep our platforms secure. Until further assessment is conducted by us as set out below in paragraph 3.3, you will only be permitted to accumulate no more than SGD 2,000 in outstanding payments at any given time (the “BNPL limit”) with each of us.

3.3 Prior to granting a BNPL limit in excess of SGD 2,000 to you, we will, for further credit assessment and verification and repayment purposes:

- a. Collect your following information:
 - i. Address; and
 - ii. Nationality.
- b. Collect and use information about your income to ensure that the increase of the BNPL limit for you satisfies our internal credit risk management processes, including at least one of the following indicative data sources:
 - i. Notice of Assessment or monthly CPF contribution information from MyInfo;
 - ii. Payslips/income tax filings; or
 - iii. Alternative data or information that is a sufficiently good proxy of your income (e.g., ownership of a standard credit card issued in Singapore).

3.4 We will also consider your creditworthiness as determined through our credit information sharing processes before granting you any increase in the BNPL limit in excess of SGD 2,000.

3.5 We will cap all fees, including late fees and other charges, and ensure that such fees, fee caps, and the related fee structures are communicated in a manner that is clear and transparent to you.

3.6 We will not compound the interest or fees charged to you.

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3.7 We require that all your income information remains up to date, and so may request via our Terms and Conditions that you keep us updated in the event of any significant income change. We may recalibrate your credit limits, if necessary, upon receiving such information.

3.8 Existing customers of us who were onboarded prior to 1st November 2022 may continue with their prior BNPL limit until the measures in paragraph 3.3(b) above have been performed, or 12 months from 1st November 2022, whichever is earlier. Otherwise, the maximum BNPL limit of SGD 2,000 as set out in paragraph 3.2 will apply.

3.9 We will offer our terms and conditions primarily in English. At the request of customers, we will provide explanations in Chinese, Malay, and Tamil. In the event of any conflict of inconsistency between the English version and the translated version, the English version shall prevail.

3.10 If you are facing extenuating life events or financial difficulties, we will assess your request and consider extending financial hardship assistance (e.g., waiving (whether in full or in part) or deferring our fees and charges) and work out a mutually acceptable payment arrangement with you.

3.11 We will take reasonable and appropriate steps to ensure the partners that we have a direct relationship with will not provide our BNPL services for high-risk or illegal activities such as sale of narcotics, online gambling, retail gambling, gambling at domestic or offshore casinos, and the purchase of firearms.

3.12 We will allow you to voluntarily exclude yourself from our BNPL services and promotional materials if you inform us of this in writing and will retain a list of the customers who have voluntarily excluded themselves from our services.

3.13 To make sure we are providing you with a service that meets your needs on an ongoing basis, we will review our BNPL services to make sure they remain suitable for you:

- a. We will suspend further access to your BNPL limit if you fail to meet your outstanding instalment payment obligations. This means that you will not be able to use your BNPL account to make any additional purchases. You will need to meet the following criteria before we will consider reinstating your ability to pay for new transactions with us:
 - i. you are up to date with all payments due/overdue; and
 - ii. where applicable, you have shown appropriate payment ability, taking into account the amount and frequency of payments in your contracts with us.
- b. We will monitor how you are using our BNPL services to identify whether they are meeting your needs and whether they remain suitable. For example, if we notice that you have failed to pay your bills on time on a repeated basis, we may decide that our BNPL services are not suitable for you.

3.14 You are entitled to pay out your contract or repayments with us at any time and without early repayment fees.

4. Ensure fair dealing and safeguards against providing misleading information

4.1 Clear disclosures

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4.1.1 We will keep our terms and conditions up to date on all our platforms. We will notify you at least two (2) weeks in advance before introducing new fees or increasing existing fees or making any other material changes to our terms and conditions.

4.1.2 Our terms and conditions will be fair, clear, and transparent.

4.1.3 We will provide information on our website that sets out:

- a. Our trading and/or registered name and contact details;
- b. Our product disclosure documents;
- c. Our complaints handling process (including any escalation to Consumers Association of Singapore, CASE);
- d. Our fees, and how these fees will be computed, and the maximum amount of these fees;
- e. Details on how to make payments, including how to make early repayments;
- f. Our standard terms and conditions;
- g. Our privacy policy; and
- h. A link to a copy of this Code, a statement that BNPL services are not regulated by the MAS, and an accurate representation of our respective accreditation statuses.

4.1.4 Prior to you becoming a customer, we will provide you with clear and prominent information about:

- a. The number and frequency of your instalments; and
- b. The fees we charge, including the fee amounts or how they will be charged and the maximum amount of these fees.

4.1.5 You can receive copies of the following of your documents from us:

- a. Purchase-related insurance contracts, if any;
- b. Any notices we have sent you (for example, a collections notice informing you that you are behind in payment and need to make a payment) will be available for a period of up to the document retention period as set out in paragraph 8.1;

4.1.6 You will have access to statements of your account for the whole period of your contract. If you have any difficulty accessing these, they will be provided by us upon request.

4.1.7 We will send you reminders about your payment obligations.

4.1.8 Through our app/website, you will be able to access your statement and see each purchase and the total outstanding balance of your purchases. If you are unable to access your statement, you can request this information from us, and we will direct you on how to find it or provide it to you within 5 working days of your request.

4.1.9 When providing disclosure documents, account statements, notices, and other prescribed information to you electronically, we will ensure that we adopt practices that take appropriate account of online security risks.

4.1.10 We will provide information on our website about how to close or temporarily suspend/deactivate your BNPL account in a readily available and simple manner.

4.2 Fair marketing

4.2.1 We will ensure advertisements of our BNPL products and services comply with the Consumer Protection (Fair Trading) Act (Cap. 52A) as well as with the industry-regulated advertising codes set out by the Advertising Standards Authority of Singapore.

4.2.2 We will make sure our advertising and promotional material is clear and not misleading or deceptive, including by not omitting or hiding material information or presenting it in an unclear, unintelligible, ambiguous, or untimely manner. Material information is information that you need in context to make informed decisions about whether or how to buy a product or service.

4.2.3 We will ensure that our terms and conditions exercise caution in the use of the word “free.”

4.2.4 Our advertising will make clear whether any fees or late charges apply and not state or imply that BNPL services are suitable for all customers or that they are “risk-free”.

4.2.5 Our marketing communications will not imply that BNPL is suitable for all customers or a risk-free way of obtaining credit.

4.2.6 We will avoid aggressive solicitation, particularly where in-person marketing channels are used.

4.3 Dispute resolution process

4.3.1 We will handle complaints promptly and aim to provide a fair resolution to all parties.

4.3.2 We are committed to responding to complaints and disputes in a way that is:

- a. Prompt, efficient and transparent;
- b. Consistent with the law and with the Code; and
- c. Fair in all the circumstances.

4.3.3 We will ensure that you have a clear and accessible complaints handling process that is visible and easily accessible from our website and/or the digital platforms that we participate in.

4.3.4 We will acknowledge all complaints received through our designated channels within 3 working days and provide an initial response within 14 working days from the date of a complaint, that could be a resolution or an update to the earlier query. Where it is not within our ability to assist you (for example,

where the complaint is in relation to the quality or delivery of the products or services) we will direct you to the appropriate channels.

4.3.5 When we have completed our investigation of your complaint, we will provide you with a response, which will include the outcome of our investigation.

4.3.6 If there is an issue of consumer rights that is not properly addressed by us, we may direct you to other suitable avenues of recourse, such as the Consumers Association of Singapore, CASE.

4.3.7 To lodge a complaint with CASE, please visit https://www.case.org.sg/complaint_lodgeacomplaint.aspx.

5. Financial Hardship Assistance

5.1 Should you be facing financial difficulties, we may make the following arrangements with you where possible, using the following process:

- a. Inform us in writing (typically through email or other electronic communications) that you will require financial hardship assistance. We will provide you with contact information and the procedure to ask for financial hardship assistance for example, which may include negotiating a new payment arrangement.
- b. We will inform you in writing of the outcome of your request or request further information where needed.

5.2 We will not allow any further transactions while considering how to help you.

- a. We will consider whether your payment method (i.e., use of a credit or debit card) and if it remains an appropriate payment method. If we reach an agreement with you about assistance to help you with your financial difficulty, we will provide confirmation in writing of what we have agreed with you, including what your obligations and account situation will be when the period of financial assistance ends. Where reasonable, we may consider waiving fees and charges (including late fees).

5.3 Notwithstanding this, each of us shall determine our own fee charges and capping practice and will ensure that this the cap strikes a reasonable balance between commercial viability and not unduly increasing your indebtedness.

5.4 Fees will not be compounded: this means that we will not charge you late fees more than once per instalment.

6. Late Payment Collection Guidelines

6.1 If your payments are overdue, we will notify you in writing.

6.2 We may appoint a payment collector to recover monies owed to us.

6.3 We (including any agents or representatives acting on our behalf or on our instructions) will never initiate bankruptcy proceedings against you.

6.4 We (including any agents or representatives acting on our behalf or on our instructions) will ensure debt collection practices are conducted in accordance with the law and commit to the Credit Collection Association of Singapore’s Code of Conduct & Practice.

7. External Information Sharing

7.1 On an ongoing basis, we will share your outstanding BNPL balance, missed payments, delinquencies, and personal identifying information with an independent service provider for credit risk assessment purposes only. This information will subsequently be made available only with this service provider and other BNPL Providers who:

- a. are complying with the BNPL Code;
- b. have signed commitments only to use this information for credit risk assessment purposes envisaged under this section; and
- c. is certified with the Info-Communications Media Development Authority Data Protection Trustmark.

This proprietary information is strictly for the use of providing BNPL services by code compliant BNPL players and their service providers.

We will make use of information about your outstanding BNPL balance obtained through this information sharing process as part of our internal risk management process(es) when considering the granting and increase of your BNPL limit (refer also to paragraph 3.4).

8. Document Retention Period

8.1 All documentation relating to the compliance with the Code shall be retained in line with prevailing laws (including but not exclusive to the requirements and guidelines under the Personal Data Protection Act 2012).

9. Definitions

For the purposes of this code the following definitions will apply:

“Buy Now, Pay Later (BNPL)” is defined as a service in collaboration with a merchant-partner to allow individual customers to pay for their purchase of goods or services on a deferred payment term, without incurring compound interest, either in one lump sum or on a fixed term instalment basis.

“BNPL Provider” means a provider who offers BNPL in Singapore.