



THE PAY LATER ECOSYSTEM REPORT

Consumers Will Let AI
Recommend Pay Later,
But They Want Control

June 2026

PYMNTS
INTELLIGENCE

 splitit

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The Pay Later Ecosystem Report was produced in collaboration with Splitit, and PYMNTS is grateful for the company's support and insight. PYMNTS intelligence retains full editorial control over the following findings, methodology and data analysis.

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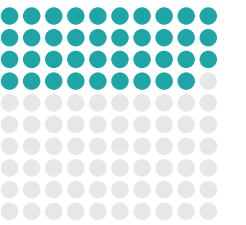
WHAT'S AT STAKE

Today, shoppers checking out online have so many payment options to choose from. It can be overwhelming. That's why many consumers, especially younger Americans facing the financial pressures of early adulthood, are open to getting a little guidance at this stage.¹

Take, for instance, an AI assistant that surfaces three financing options, ranks them by total cost and flags which one won't open a new account or affect the person's credit score. The shopper can review the recommendation, tap to approve and move on. They don't have to do the comparison themselves, combing through the fine print. That's what most U.S. consumers now say they want from AI-assisted payments: a little insight and a lot of oversight.

¹ PYMNTS Intelligence uses the following birth dates and age ranges in 2026 for generational cohorts: baby boomers: born in 1964 or earlier and now aged 62 or older; Generation X: born between 1965 and 1980 and now aged 46–61; millennials: born between 1981 and 1996 and now aged 30–45; bridge millennials: born between 1980 and 1989 and now aged 31–37; and Generation Z: born in 1997 or later and now aged 29 or younger.

39%



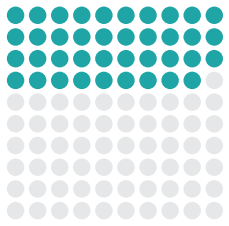
of U.S. consumers used AI for at least one payment-related activity in the last three months.

The latest installment of The Pay Later Ecosystem Report, created by PYMNTS Intelligence in collaboration with Splitit, explores how AI could reshape the Pay Later landscape. This edition is based on a survey of 2,034 U.S. adult consumers conducted in April 2026. One trend is clear: Consumers want AI in Pay Later, which includes traditional credit cards, card installment plans and buy now, pay later, to function as a savings and protection tool, but only if it operates within boundaries they can set.

KEY FINDINGS

Younger consumers embrace AI for payment-related activities, while older generations hold off.

Roughly 39% of U.S. consumers used AI for at least one payment-related activity, such as choosing a payment method, budgeting and payment due-date reminders, in the last three months, and younger generations are leading the charge.

39% 

of all U.S. consumers have used AI for payment-related activities.

FIGURE 1:

Used AI for any payment-related activity in the past three months
Share within each generation

Generation Z



Millennials



Bridge millennials



Generation X



Baby boomers

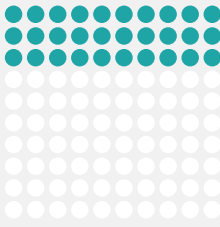


- Have used AI for payment-related activities
- Have not used AI for payment-related activities

Source: PYMNTS Intelligence
The Pay Later Ecosystem Report, June 2026
N=2,034 complete responses, fielded March 30–April 14, 2026

Among Gen Z, 67% have used AI for payment-related activities, as have 58% of millennials and 46% of bridge millennials. Meanwhile, only 30% of Gen Xers and 11% of boomers have done the same. Those figures show a stark 56-percentage-point gap between the youngest and oldest cohorts in the survey.

For financial institutions in the Pay Later industry, it is worth noting that the consumers most likely to use AI for payments are also those using BNPL most often—Gen Z and millennials. They are forming AI-first financial habits now, during early adulthood, and those habits are likely to persist as they move into more complex financial life stages including major purchases, home buying, partnering and eventual retirement.

30% 

**of American Gen Xers
have used AI for
payment-related activities.**



Several factors could help explain the generational gap. The first is familiarity. Gen Z came of age alongside the rapid development of AI tools, shaping how they interact with technology across every domain, including money management. The second has to do with people's concerns at different stages in life. Younger consumers who have never known a non-digital world and are early in their working careers can experience personal-finance pressures acutely and expect high-tech solutions for them.

Gen Z's top AI use cases reflect the financial pressures of early adulthood.

Every generation reports the same top two use cases for AI in the payments landscape: creating or managing a budget and monitoring credit score or credit health. What differs is how heavily each generation leans on them.

Among Gen Z, 17% use AI for budgeting and 17% for credit-score monitoring. Millennials follow at 17% and 16% respectively. Even baby boomers prioritize the same two tasks, but at 3% each, they do so far less often.

Pay Later-specific use cases enter the top five only for younger generations (Gen Z, millennials and bridge millennials). Among Gen Z, comparing credit card installment plans ranks at 17% and comparing BNPL options at 13%. Older cohorts use AI less for every task.

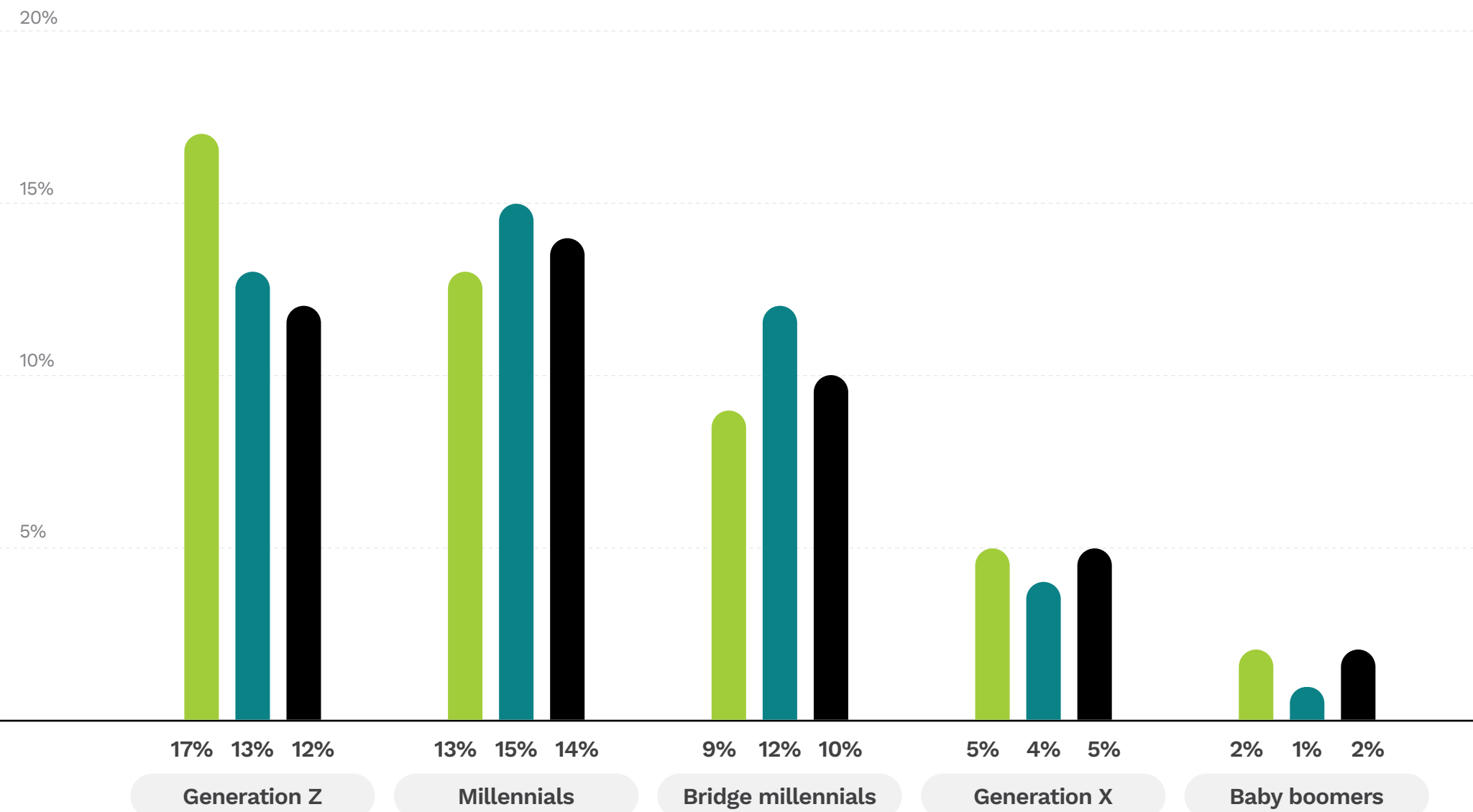
FIGURE 2:
AI tools used for payment-related activities by generation

	Sample	Generation				
		Generation Z	Millennials	Bridge millennials	Generation X	Baby boomers
Creating/managing a budget	11%	17%	17%	15%	8%	3%
Monitoring my credit score/health	11%	17%	16%	13%	10%	3%
Comparing credit card installment plans	8%	17%	13%	9%	5%	2%
Payment reminders for credit card/BNPL	7%	15%	8%	9%	7%	2%
Assessing affordability of purchase	9%	14%	15%	13%	6%	2%
Choosing payment method	9%	14%	15%	12%	7%	2%
Debt management/credit tips	8%	14%	13%	11%	5%	2%
Comparing BNPL options	8%	13%	15%	12%	4%	1%
Tracking existing credit card/BNPL payments	7%	13%	10%	8%	5%	1%
Credit-score impact of Pay Later*	7%	13%	11%	9%	5%	1%
Decide to pay in full vs spread	8%	12%	14%	10%	5%	2%
Advice on Pay Later choice	6%	12%	10%	8%	4%	1%
Total cost of Pay Later plan	7%	11%	11%	8%	5%	2%
Choosing credit card installment vs BNPL	6%	10%	11%	9%	4%	1%

Source: PYMNTS Intelligence
The Pay Later Ecosystem Report, June 2026
N=2,034 complete responses, fielded March 30–April 14, 2026

FIGURE 3A:
AI-driven Pay Later use cases
 by generation

- Comparing credit card installment plans
- Comparing BNPL options
- Decide to pay in full vs. spread out over time



Source: PYMNTS Intelligence
 The Pay Later Ecosystem Report, June 2026
 N=2,034 complete responses, fielded March 30–April 14, 2026

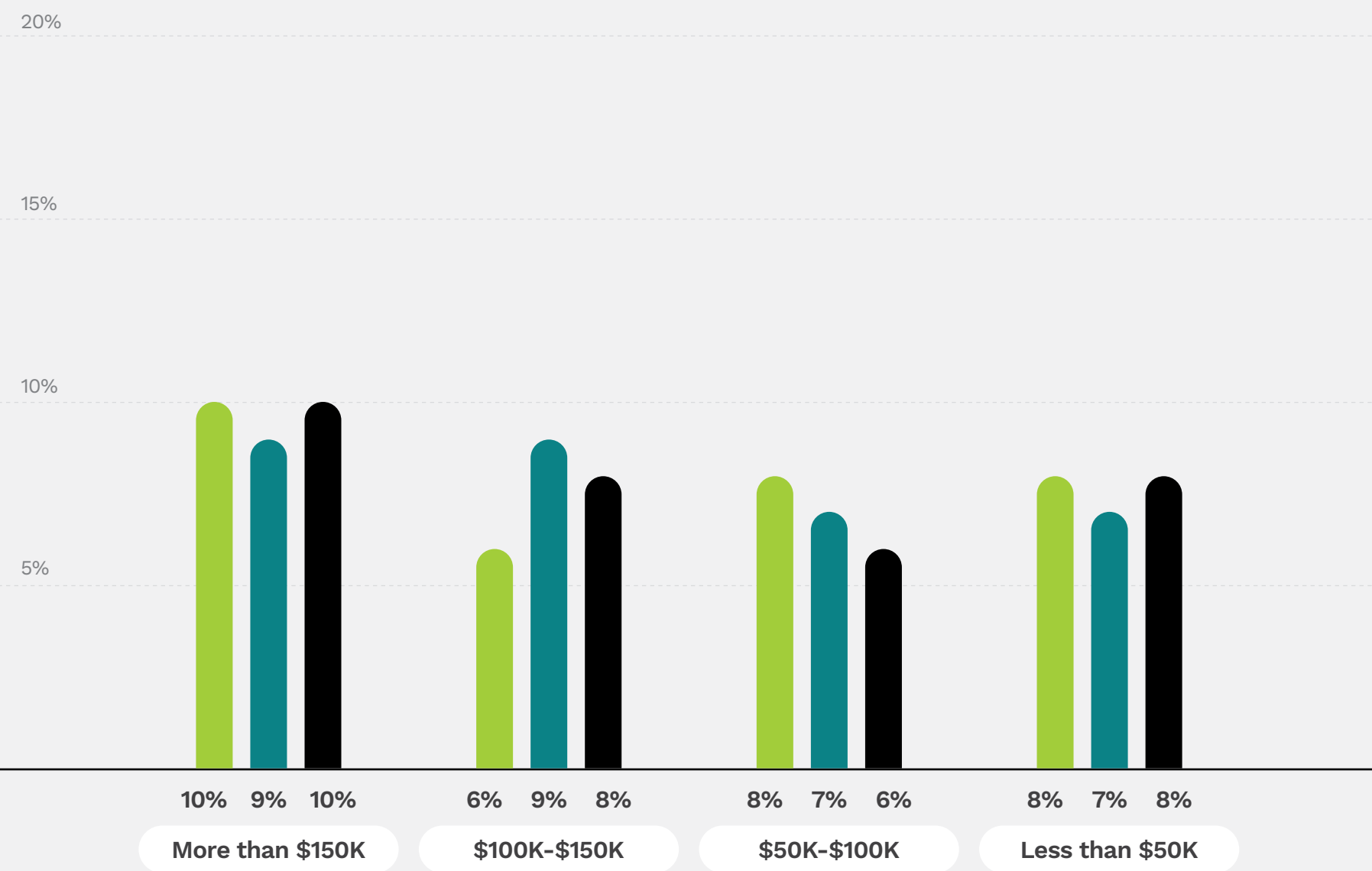
Life stage drives how consumers use AI for Pay Later use more than income.

Breaking down Pay Later-specific uses of AI by financial lifestyle and household income shows that these generational patterns hold up across demographics. Neither financial stress nor high earnings explain the gap.

Among consumers who live paycheck to paycheck with difficulty paying their monthly bills, the top AI Pay Later use case is comparing BNPL options at 11%. Among people with household income of at least \$150,000 a year, the top use case is comparing credit card installment plans, at 10%. Gen Z leads on comparing credit card installment plans at 17%, more than any income or financial lifestyle segment tested. The data points to life stage, not financial pressure or affluence, as the primary driver of how consumers use AI for Pay Later options.

FIGURE 3B:
Ai-driven Pay Later use cases
 by household income

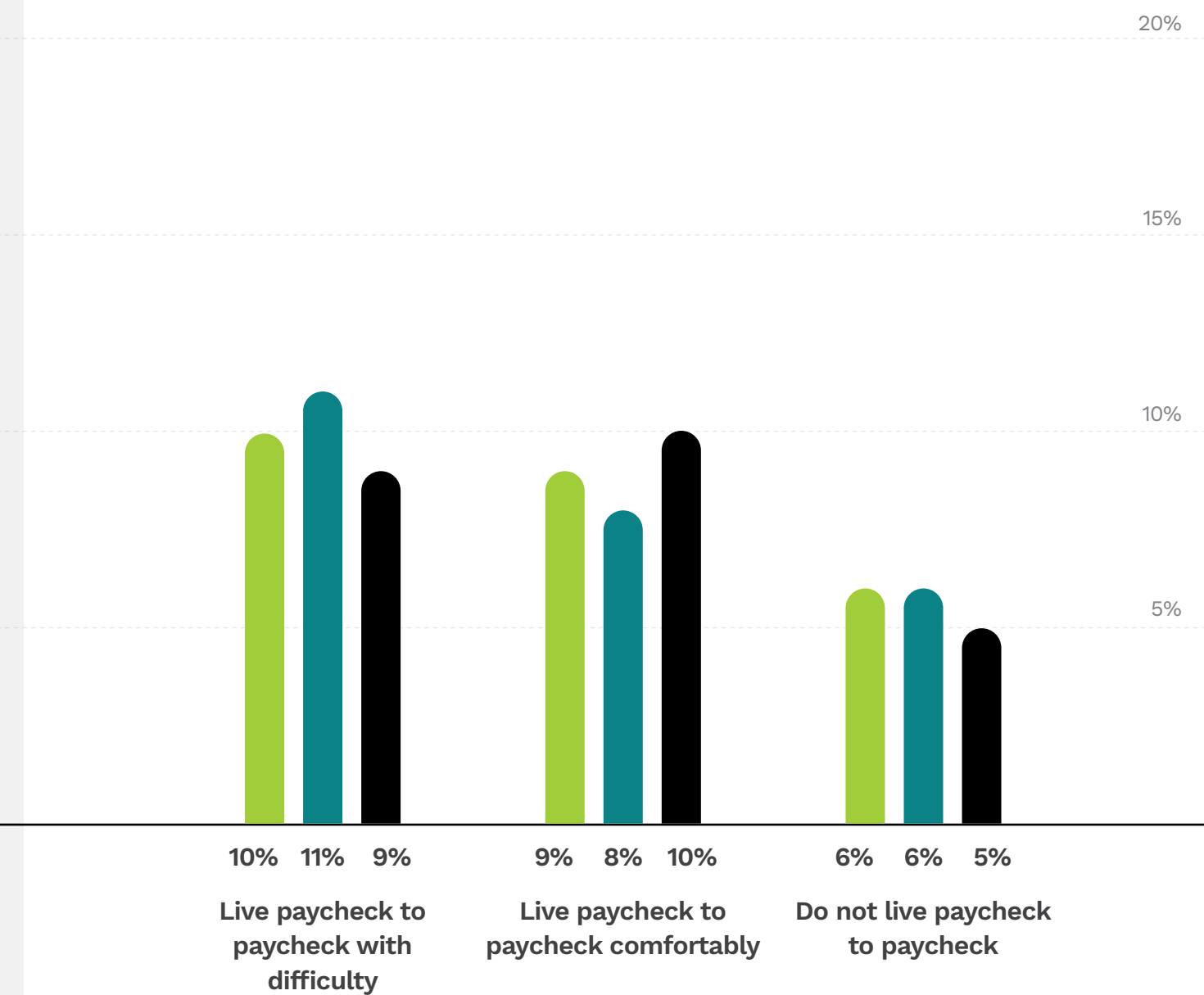
- Comparing credit card installment plans
- Comparing BNPL options
- Decide to pay in full vs. spread out over time



Source: PYMNTS Intelligence
 The Pay Later Ecosystem Report, June 2026
 N=2,034 complete responses, fielded March 30–April 14, 2026

FIGURE 3C:
Ai-driven Pay Later use cases
 by financial lifestyle

- Comparing credit card installment plans
- Comparing BNPL options
- Decide to pay in full vs. spread out over time



Source: PYMNTS Intelligence
 The Pay Later Ecosystem Report, June 2026
 N=2,034 complete responses, fielded March 30–April 14, 2026

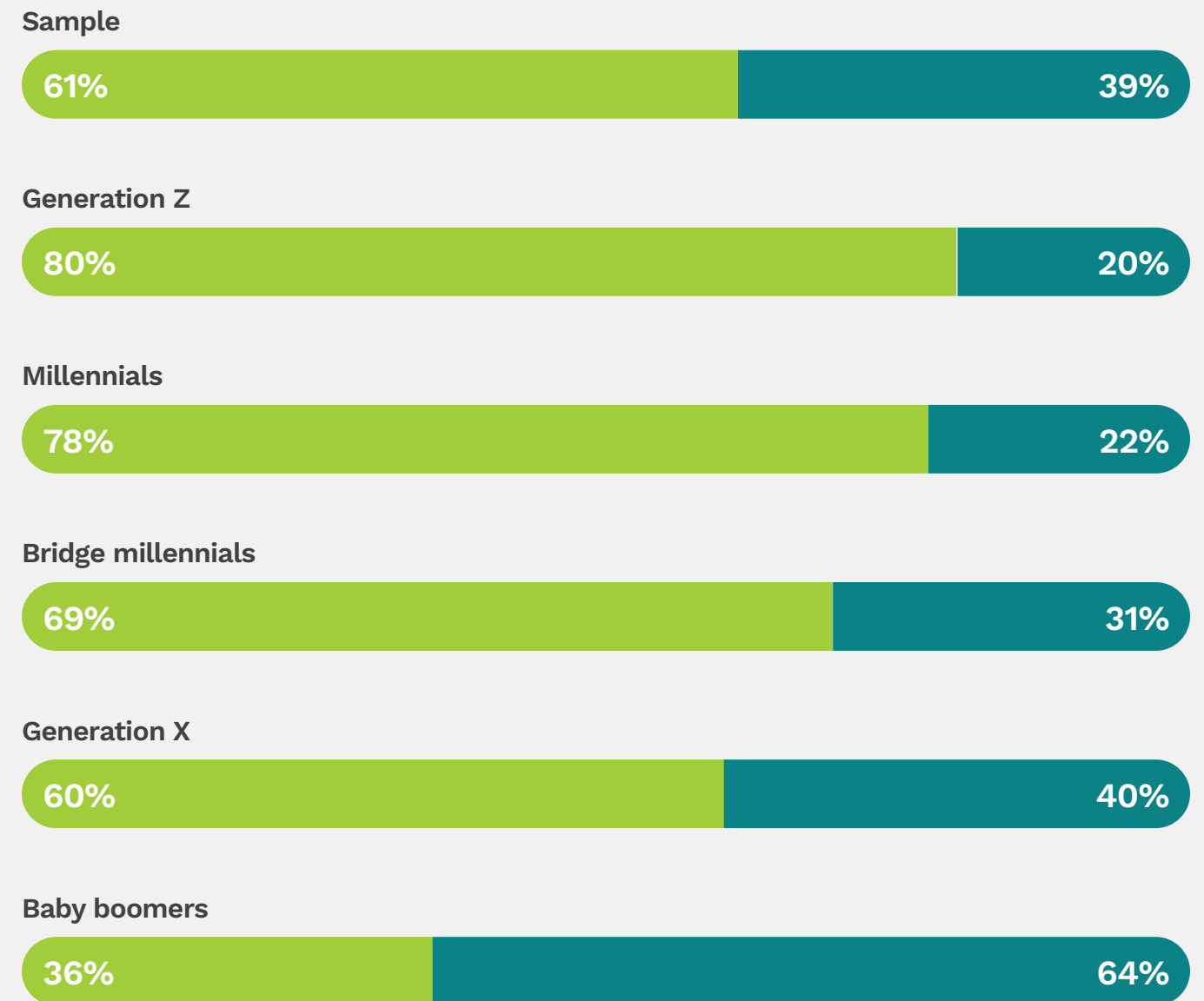
More than six in 10 consumers would let AI recommend Pay Later options.

Consumers are more open to AI influence in Pay Later than one might expect. Among the 2,034 U.S. adults surveyed, 61% said they would consider letting an AI shopping assistant recommend a Pay Later option for at least one common purchase category. Only 39% said they would not consider it for any category.

Again, younger generations show far more interest. About 80% of Gen Z and 78% of millennials are open to AI-driven Pay Later in at least one category, as are 69% of bridge millennials. Even Gen Xers are generally interested, with 60% expressing openness. Among boomers the trend reverses: More than six in 10 (64%) wouldn't be open to AI-driven Pay Later for any purchase category, leaving only 36% who would.

FIGURE 4:

Consumers open to AI-driven Pay Later for common purchases
Share within each generation



● Would consider letting AI-driven Pay Later choose
● Would not consider letting AI-driven Pay Later

Source: PYMNTS Intelligence
The Pay Later Ecosystem Report, June 2026
N=2,034 complete responses, fielded March 30–April 14, 2026

Demand is highest in big-ticket, discretionary categories such as electronics.

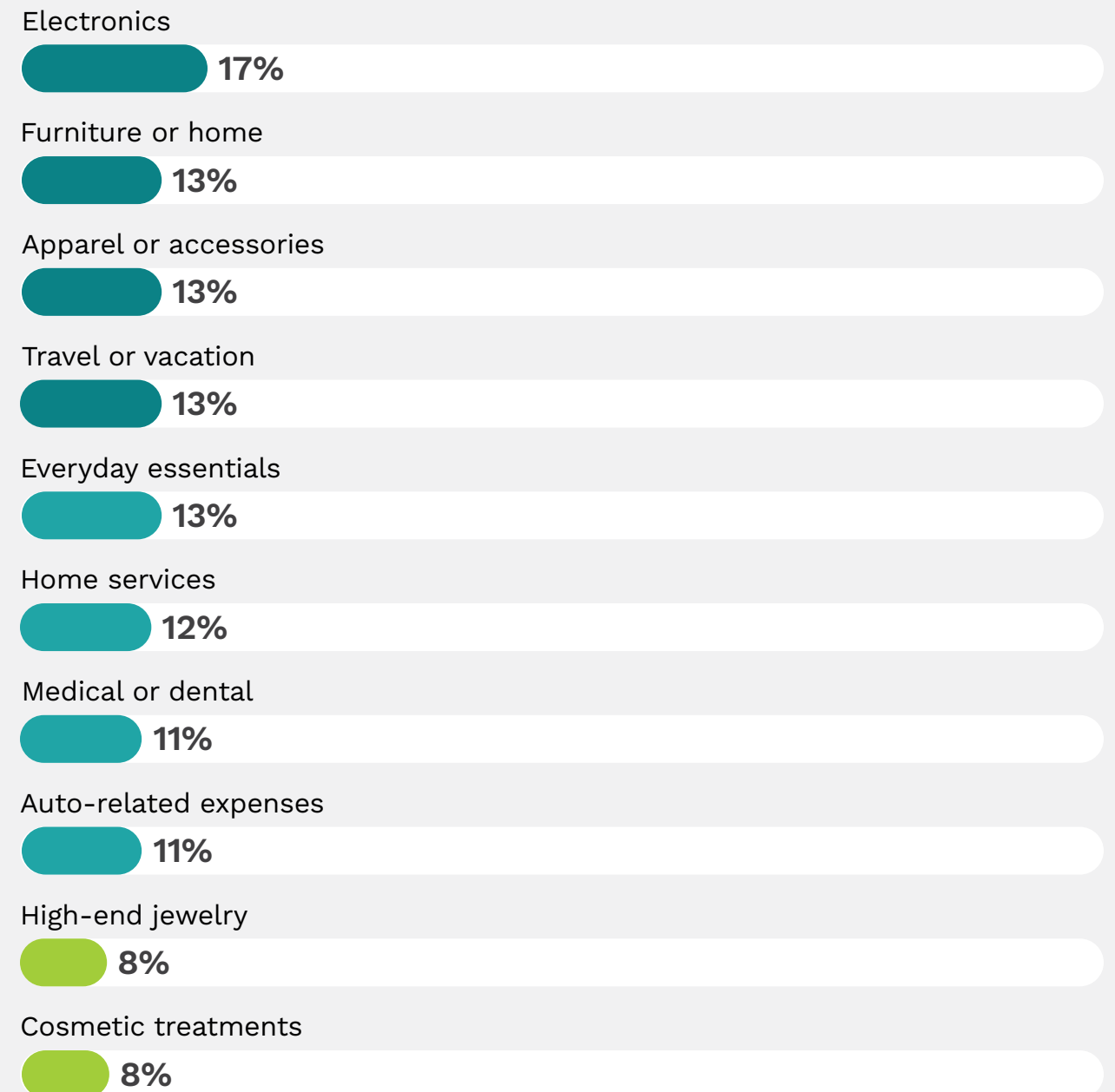
When it comes to specific purchases, 17% of consumers would let AI choose their Pay Later option for electronics, followed by furniture or home goods, apparel or accessories, then travel, each at 13%. Interest for non-discretionary categories isn't far behind, including everyday essentials (13%), home services or repairs (12%) and medical or dental and auto-related expenses, at 11% each. Meanwhile, luxuries such as high-end jewelry and cosmetic treatments trail at 8%.

17%



of U.S. consumers would let AI select their Pay Later option when buying electronics.

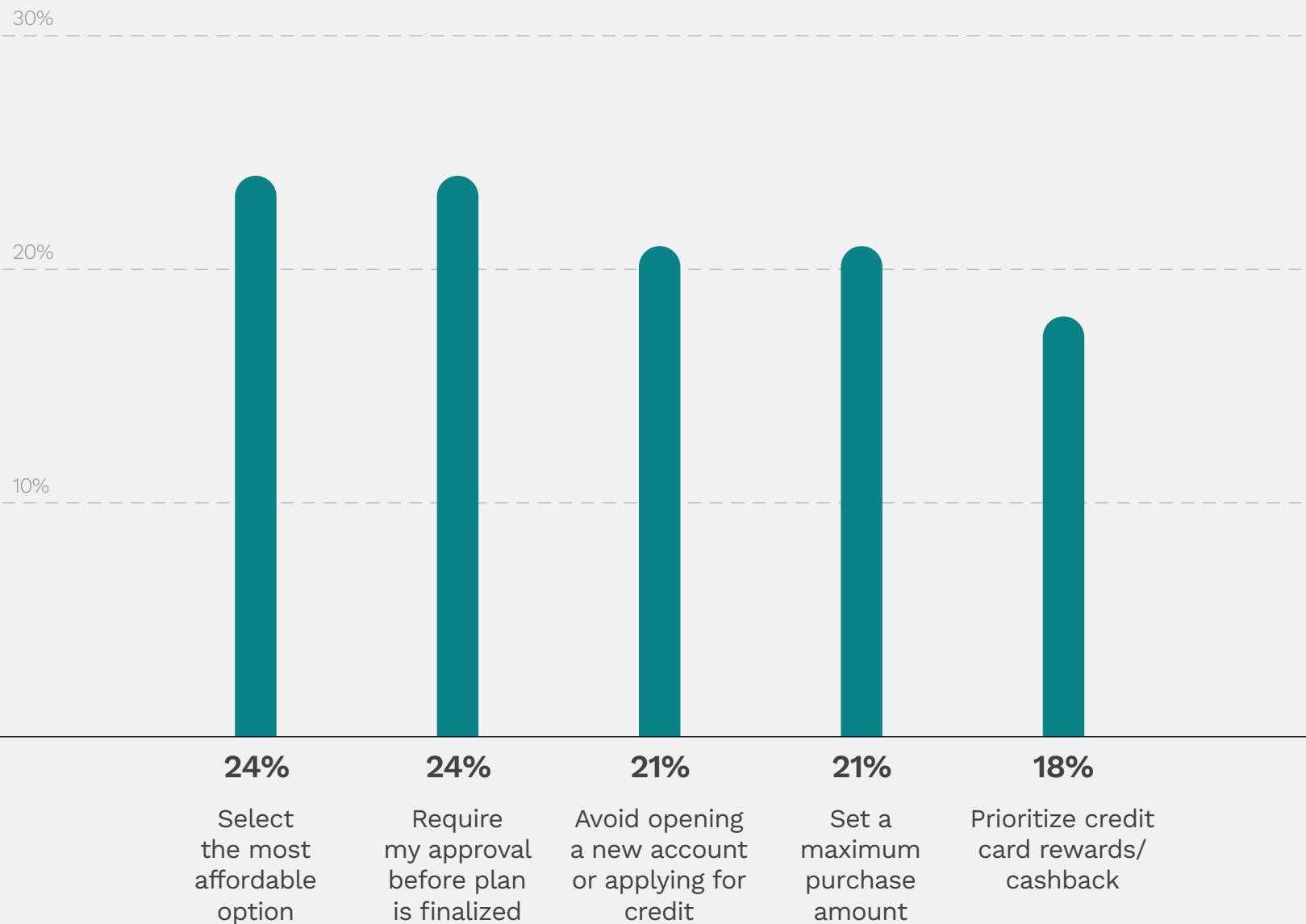
FIGURE 5:
Purchase categories for which consumers would let AI choose a Pay Later option



- Lifestyle
- Non-discretionary
- Specialty

Source: PYMNTS Intelligence
The Pay Later Ecosystem Report, June 2026
N=2,034 complete responses, fielded March 30–April 14, 2026

FIGURE 6:
Most-cited AI-driven Pay Later parameters
 Top five selected parameters



Source: PYMNTS Intelligence
 The Pay Later Ecosystem Report, June 2026
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Note: Respondents selected only the parameters they would actively want, and could choose none. This differs from the features question (Figure 7), where every respondent rated each item on a forced scale, which produces higher percentages.

That spread across both discretionary and non-discretionary categories suggests that consumer openness to AI-driven Pay Later is not limited to big splurges. When a consumer faces a medical bill or a home repair, AI-assisted financing is just as welcome as it is at checkout for a new television.

Still, even consumers who are open to AI-driven Pay Later are not ready to hand over control. When asked what parameters they would need to embrace AI’s assistance, consumers say they want to be sure AI will choose the most affordable option (24%) and that it will require consumer approval before any plan is finalized (24%).

Other considerations include avoiding new account openings or credit applications (21%) and setting a cap on the purchase amount (21%). Prioritizing credit card rewards or cash back ranks lower at 18%. Meanwhile, about 37% of consumers said they would not be comfortable under any conditions, and just 2% said they would let AI decide without any parameters at all.

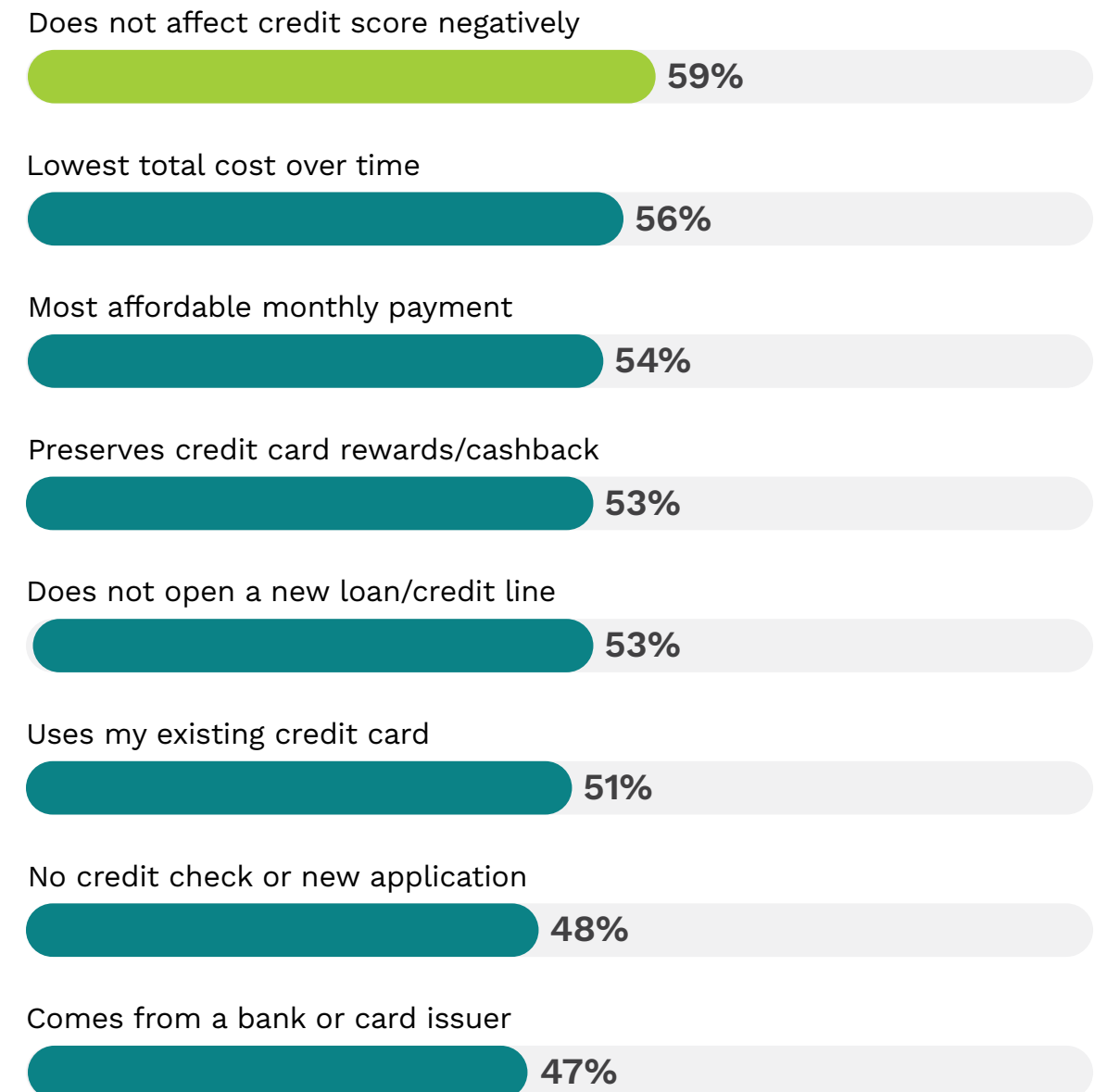
The gap between demand for affordability (24%) and rewards (18%) shows that consumers are not asking AI to optimize for perks. They want it to find the cheapest option.

Consumers will trust AI-driven Pay Later when it protects their credit, minimizes cost and waits for their approval to act.

Consumers who are open to AI-driven Pay Later need a few boundaries in place to trust the technology. When consumers are asked which features are very or extremely important for AI-driven Pay Later, the most popular answer is credit score protection. About 59% of consumers rated "does not affect credit score negatively" as highly important, the top score of any feature tested. Additionally, 56% said it was important to get the lowest total cost over time, and 54% said they needed the most affordable monthly payment. Just over half (53%) said it was important that the AI preserves credit card rewards or cash back. That is the same share that said they need it not to open a new loan or credit line. More than half (51%) said it was important that it use their existing credit card. Moreover, 48% expressed a strong desire for no credit check or new application, and 47% said it was important that the payment method come from the consumer's bank or card issuer (47%).

FIGURE 7:

Features rated very or extremely important for AI-driven Pay Later
Share of consumers considering features very or extremely important



Source: PYMNTS Intelligence
The Pay Later Ecosystem Report, June 2026
N=2,034 complete responses, fielded March 30–April 14, 2026

64%



of American millennials say credit-score protection is important when using AI to shop.

Clearly, consumers want AI to protect what they already have (their credit score, their existing card relationship, their financial flexibility) while keeping the total cost of borrowing as low as possible. They want AI not to introduce new products but instead to make familiar ones work better and more cheaply.

Millennials are especially exacting: 64% of millennials, for instance, say credit-score protection is essential, versus 59% across the full sample. Gen Z, however, has fewer parameters in place than the overall population, which may reflect a higher baseline comfort with AI and a slightly lower threshold of concern.

Consumers build trust in AI through approval and transparency, not just positive outcomes.

Two in three consumers cite trust factors that would build confidence in AI-driven Pay Later recommendations. The top factor that would make them trust AI's recommendations for Pay Later is consumer approval before the purchase is completed, cited by 28% of respondents. People want the ability to review a recommendation and say yes or no before anything is finalized. Confirming total cost before purchase comes next at 25%, followed by access to human support (22%), confirmation of personal data security (21%), a spending limit set in advance (20%) and a clear explanation of how the recommendation was made (19%). Clearly, people want human guardrails in place.

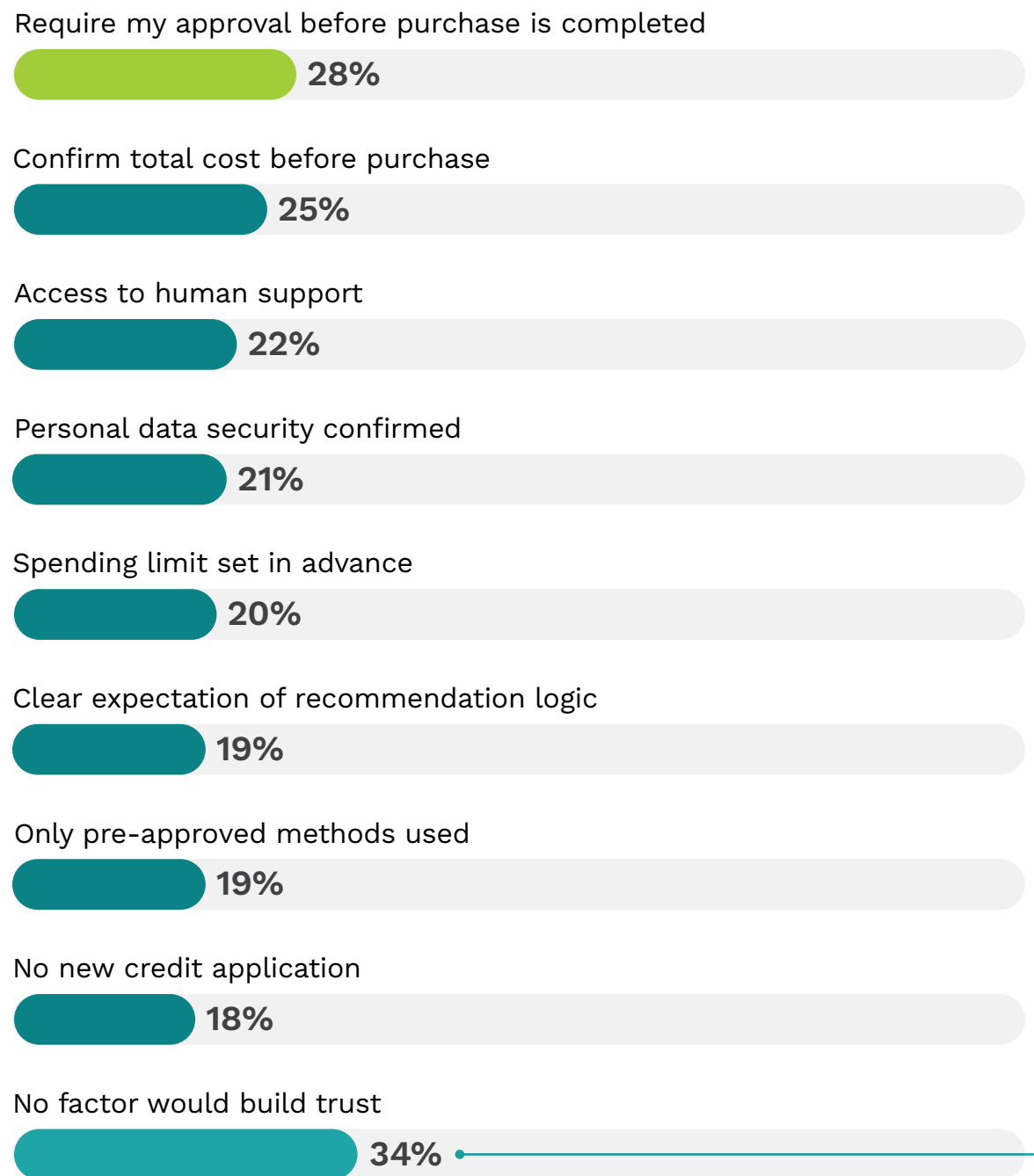
Yet these measures are not enough for everyone. Just over one-third (34%) of consumers overall said no factor would build trust in AI-driven Pay Later recommendations. Among baby boomers, that figure rises to 55%, whereas only 16% of Gen Z said the same.

Those generational differences have direct implications for product design. An AI-driven Pay Later tool that skips the approval step or lacks access to human support will fail to reach most consumers who are conditionally open, and it will confirm the skepticism of those who are not.

FIGURE 8A:

Factors that would make consumers trust AI Pay Later recommendations

Share of consumers agreeing on select factors

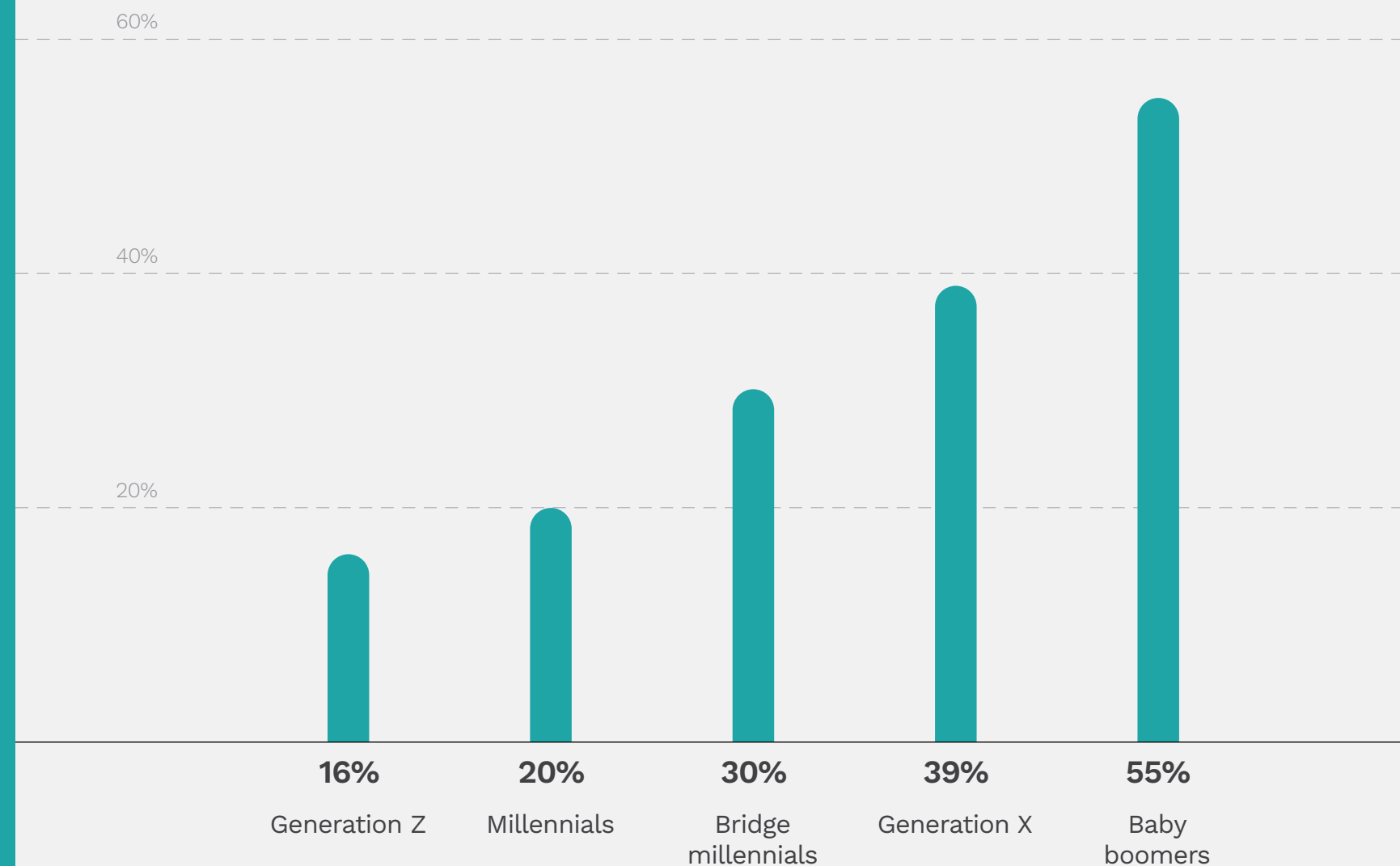


Source: PYMNTS Intelligence
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 N=2,034 complete responses, fielded March 30–April 14, 2026

FIGURE 8B:

Consumers for whom no factor would make them trust any AI-driven Pay Later recommendations

Share within each generation



Source: PYMNTS Intelligence
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METHODOLOGY

Consumers Will Let AI Recommend Pay Later, But They Want Control, a PYMNTS Intelligence report created in collaboration with Splitit, is the April 2026 wave of The Pay Later Ecosystem Report series, which launched in April 2025 to track consumer use of Pay Later over time. The April 2026 wave is based on a survey of 2,034 U.S. adult consumers fielded March 30–April 14, 2026. This report examines consumer use of AI tools for payment-related activities, openness to AI-driven Pay Later recommendations, preferred features and trust factors across generational cohorts and purchase categories. The sample was balanced to match the U.S. adult population by age, gender, education and income.

The April 2025 survey wave used wording that did not distinguish general-purpose card installments from store card installments. This may understate credit card installment adoption in that wave relative to subsequent waves. All other waves used consistent, differentiated question wording.

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[Splitit](#) powers the next generation of commerce innovation through its merchant-branded card-linked installments platform Splitit is solving the challenges businesses face with legacy BNPL while unlocking BNPL at the point of sale for card networks, issuers and acquirers all through a single network API

Splitit's white-label platform mitigates issues with legacy BNPL like the declining conversion funnel, clutter at the checkout and a lack of control of the merchant's customer experience while putting the power back in the hands of merchants to nurture and retain customers, drive conversion and increase average order value Easy to adopt, integrate and operate, Splitit delivers an uncluttered, simplified, card-attached experience embedded into their existing purchase flow

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