Beyond BNPL

Why Lease-to-Own Is the Missing Piece in Enterprise Retail's Checkout Stack

How BNPL and Lease-to-Own work together to capture the revenue retailers are leaving behind

24.5% of survey respondents carry credit scores below 670 — the threshold above which BNPL approval rates rise significantly. For retail categories where average transaction values exceed $500, this population represents a structural gap in any checkout stack that relies on BNPL alone.

Why the Gap Exists

Buy now, pay later (BNPL) has reshaped checkout expectations and unlocked billions in transactions that would otherwise stall at the point of sale. But BNPL was designed for smaller, discretionary purchases made by consumers with near-prime or prime credit bureau scores. It was never built to serve the full spectrum of retail demand.

For enterprise retailers, that creates a structural gap. A significant share of in-store and online traffic arrives ready to buy essential durable goods, but many consumers are unable to qualify for credit-based checkout options. When BNPL declines them, many walk away. **For retailers, those walkaways represent lost revenue and lost customer lifetime value.**

This report makes a simple case: **lease-to-own (LTO) is the complementary option that fills the gap BNPL cannot cover,** not by competing with BNPL, but by serving the consumer segment it cannot reach. Our 2026 consumer survey of 600 U.S. adults confirms the demand: **40.5% of respondents said they would be more likely to shop at a retailer that offered both BNPL and LTO at checkout,** compared to one offering only a single option.

40-50%
of consumers are declined for retail financing
(Federal Reserve 2024)

15.3%
of consumers abandoned a $500+ purchase due to financing issues
(Survey, n=600)

40.5%
of consumers are more likely to shop where both BNPL and LTO are offered
(Survey, n=600)

Based on a 600-respondent national consumer survey conducted May 2026. All sourced statistics cited separately.
Survey conducted by Acima Leasing.

The Checkout Conversion Problem

Retailers invest heavily in attracting shoppers. The assumption embedded in most of that investment is that a shopper who arrives at checkout intends to buy. For a large and growing segment of consumers, however, **conversion can break down if the available checkout options do not fit their financial profile.**

21%

of credit applicants were rejected in 2024

Federal Reserve Bank of New York

Our survey data confirms the downstream consumer impact. **15.3% of respondents reported abandoning a $500 or more purchase in the past year because they were denied financing or did not like the available payment options** — representing roughly one in six U.S. consumers.

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of respondents abandoned a $500 or more purchase in the past year because they were denied financing or didn't like the available payment options

Survey, n=600 U.S. adults

Among those who reported being denied financing at checkout, the behavioral data is striking. **17% of all respondents said their response to a denial was to leave without making the purchase.** An equal share (17%) pivoted to an existing payment method they already had, typically cash or debit. This likely means a **smaller purchase or a different product than they originally intended.** Only 3.5% said they were offered and used an alternative checkout option.

The implication is direct: when no alternative to financing is offered at the point of denial, retailers lose the sale entirely in at least one of every three credit-denial events. The remainder result in a compromised transaction (reduced purchase amount) or a workaround that bypasses the retailer's preferred checkout economics.

What consumers did when denied financing	% of all respondents
Left without making the purchase	17.0%
Used a different payment method already on hand	17.0%
Reduced the purchase amount to what they could afford outright	5.3%
Were offered an alternative financing option and used it	3.5%
Have never been denied financing at checkout	57.2%

Source: Acima Leasing consumer survey, May 2026, n=600 U.S. adults.

The 24.5% of respondents with credit scores below 670 are disproportionately represented in the walkaway and financing-gap populations. Designing a checkout flow that systematically excludes this segment is not a conservative financial strategy. **It is a revenue strategy with a measurable blind spot.**

That blind spot is compounded by financial fragility. Among all survey respondents, **36.5% live paycheck to paycheck,** 20.5% report they would struggle to cover an unexpected $500 expense, and 20.2% have less than $500 in savings. For many of these consumers, BNPL's typical four-to-six installment structure is exactly the kind of manageable payment plan they need, but they cannot clear BNPL's credit underwriting bar.

BNPL: A Powerful Tool with a Defined Range

BNPL has earned its place in the retail checkout stack. **Roughly 15% of U.S. adults used BNPL in 2024,** up from 12% in 2022, and the market is projected to grow at approximately 26% annually through 2030.

Our survey found **34% of respondents had used BNPL for a purchase of $100 or more in the past 12 months,** confirming active adoption. But the data also reveals important patterns about where BNPL creates friction.

What the consumer data reveals about BNPL outcomes

Late payment rates are substantial. Among BNPL users, **50% made at least one late or missed payment** on a BNPL plan in the past 12 months. **34.3% missed payments two or more times.** This aligns with CFPB findings that late payment rates have climbed from 18% in 2023 to 24% in 2024.

BNPL drives average order value (AOV), but can also drive overspending. 51.5% of BNPL users said they spent more than originally planned because BNPL was available at checkout, including 33.8% who spent $100 or more above their original budget.

Financial stress is a real outcome. Among BNPL users, **47.5% rated BNPL as creating significant financial stress** (4 or 5 on a 5-point scale compared to paying cash or using a credit card). Among all 600 respondents, **34.8% rated multiple overlapping payment plans as significantly increasing their overall financial stress** or well-being.

53%

of LTO users spent $100+ above their original budget because LTO was available

Survey, n=66 LTO users

The CFPB has increased scrutiny of BNPL products, and several states are considering disclosure requirements and credit reporting mandates that would alter the economics of short-term BNPL.

A checkout stack that also offers a product with transparent, disclosed total costs and no debt accumulation risk for the retailer provides meaningful strategic balance.

These friction points are specific to BNPL's structure, not a verdict on financing-adjacent tools generally. LTO shows a different engagement pattern in the same survey: 53% of LTO users spent $100 or more above their original budget because LTO was available, versus 33.8% of BNPL users, a signal of deeper engagement with larger, planned purchases rather than impulse-driven overspend.

BNPL user outcome	% of BNPL users (n=204)
Made a late or missed payment in past 12 months	50.0%
Spent more than planned (any amount)	51.5%
Rated BNPL as creating high financial stress (4 or 5)	47.5%
Were satisfied — none of the above negative outcomes	54.9%

Source: Acima Leasing consumer survey, May 2026, n=204 respondents who used BNPL for a purchase of $100 or more in the past 12 months.

Lease-to-Own: The Complementary Layer

How LTO works and why it reaches consumers BNPL cannot

LTO is not a financing product and it is not a BNPL product. In an LTO transaction, the provider purchases the item from the retailer at the retail price and leases it to the consumer. The consumer makes optional lease renewal payments with a pathway to ownership.

At any point, the consumer can return the item without penalty and without further obligation. No debt is created. Credit bureau scores are not impacted by a return.

Because LTO approval is based on income and cash flow with less emphasis on credit score, it reaches consumers who are systematically excluded from BNPL providers and traditional credit issuers.

Our survey found that **11% of respondents had used LTO for a purchase of $100 or more in the past 12 months**. This is a meaningful incidence rate that establishes a genuine consumer base, particularly given that LTO has historically been far less marketed than BNPL.

Feature	BNPL	Lease-to-Own (LTO)
Approval basis	Credit history / soft check	Income and cash flow
Primary consumer	Prime and near-prime	Non-prime, thin-file, credit-constrained
Typical purchase range	$100 to $500	$300 to $5,000 (durable goods)
Term structure	4 to 6 installments; interest charged for longer terms	Optional renewal payments; 12-month standard path to ownership, cancel at anytime without penalty
Debt created	Yes	No — lease can be canceled and item returned at any time without penalty
Credit impact on return	Dependent on retailer return policy	Returns do not impact credit score
Retailer payment	Varies; may include chargeback risk	Retail price paid by LTO provider at time of transaction
Best fit categories	Electronics, apparel, discretionary	Furniture, appliances, tires, eyewear

Lease-to-Own: The Complementary Layer (cont.)

What the consumer data reveals about LTO outcomes

LTO drives significantly higher AOV lift than BNPL. Among LTO users, **68.2% spent more than originally planned** because LTO was available, compared to 51.5% of BNPL users.

53% of LTO users spent $100 or more above their original budget, versus 33.8% of BNPL users. This confirms the documented AOV lifts of 30% to more than 100% observed in LTO-integrated retail environments.

of LTO users spent $100+ above their original budget because LTO was available

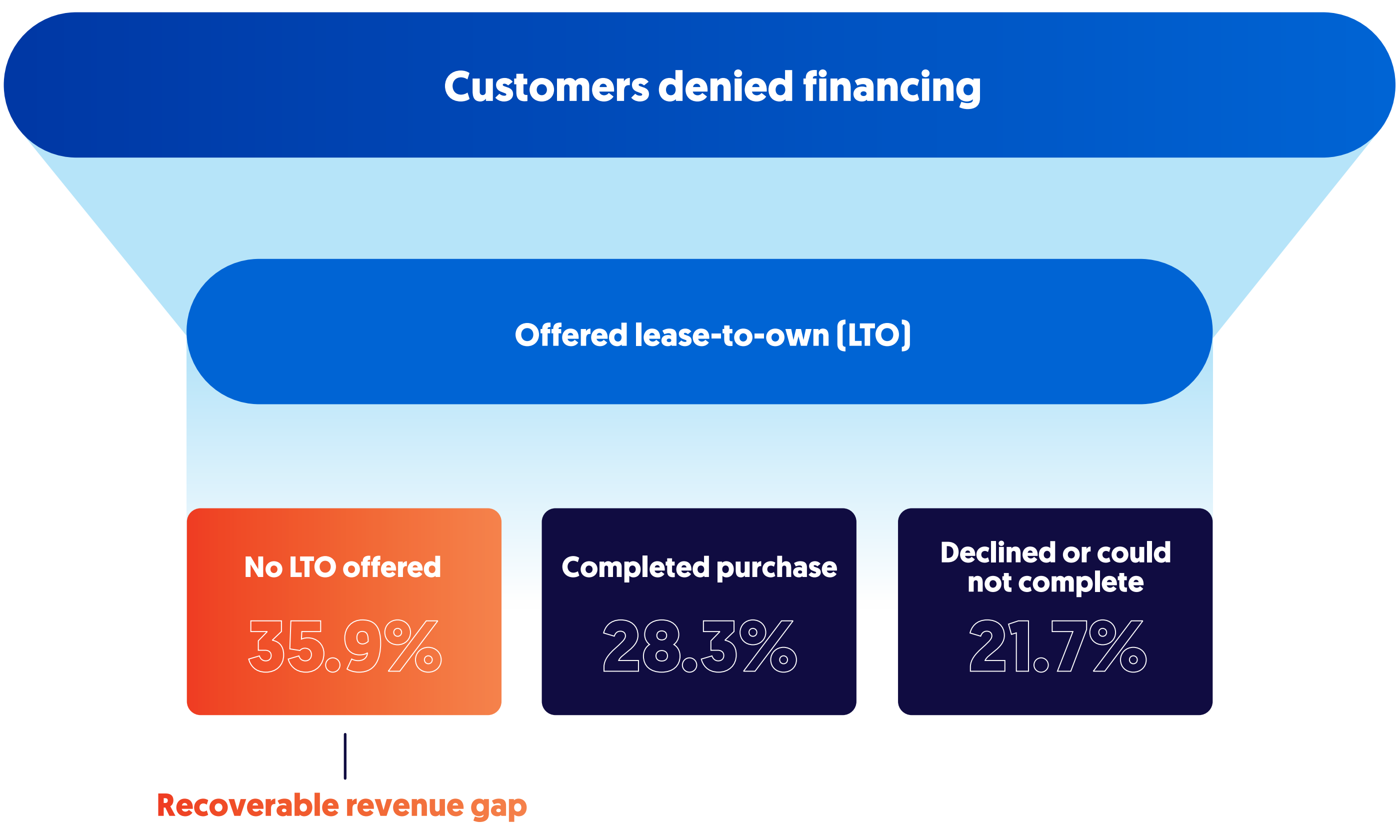
vs. 34% for BNPL users — Survey, n=66 LTO users

LTO users also represent motivated, returning customers. The conversion data from Q17 of our survey is instructive: among respondents who reported abandoning a $500+ purchase due to financing denial and then being offered LTO, **28.3% were able to complete the transaction** that would otherwise have been a total walkaway.

A further 21.7% were offered LTO but declined or were still unable to complete the transaction, representing a separate conversion opportunity through better LTO presentation and staff training.

The most significant finding for enterprise retailers is in Q17's composition. Of the 79 respondents who reported being denied financing and then asked what happened, **35.9% said no LTO option was offered.**

Every one of those represents a transaction that LTO could have potentially recovered, had it been present at checkout.



What Consumers Actually Prioritize at Checkout

#1

Full transparency on total cost before committing — the top-ranked decision factor among all consumers

Survey, n=600, mean rank 2.81 out of 6

When asked to rank six key factors in choosing a financing or checkout option, consumers placed **full transparency on total cost as the top priority** (mean rank 2.81, where 1 is most important). This directly favors LTO, which discloses the total cost of ownership upfront, a structural differentiator from BNPL products that can carry variable late fees and interest for extended terms.

The second-ranked factor — **application does not affect my credit score (mean rank 3.12)** — also maps directly to LTO's core value proposition, given LTO's cash-flow underwriting. Among the 24.5% of respondents with sub-670 credit scores, **this factor is likely an even higher priority.**

LTO forward intent is meaningful. When asked whether they would use LTO today for a large purchase, **37% of all respondents said they were very or somewhat likely** to do so. This is a significant pool of addressable demand, particularly when considered against LTO's current 11% usage rate.

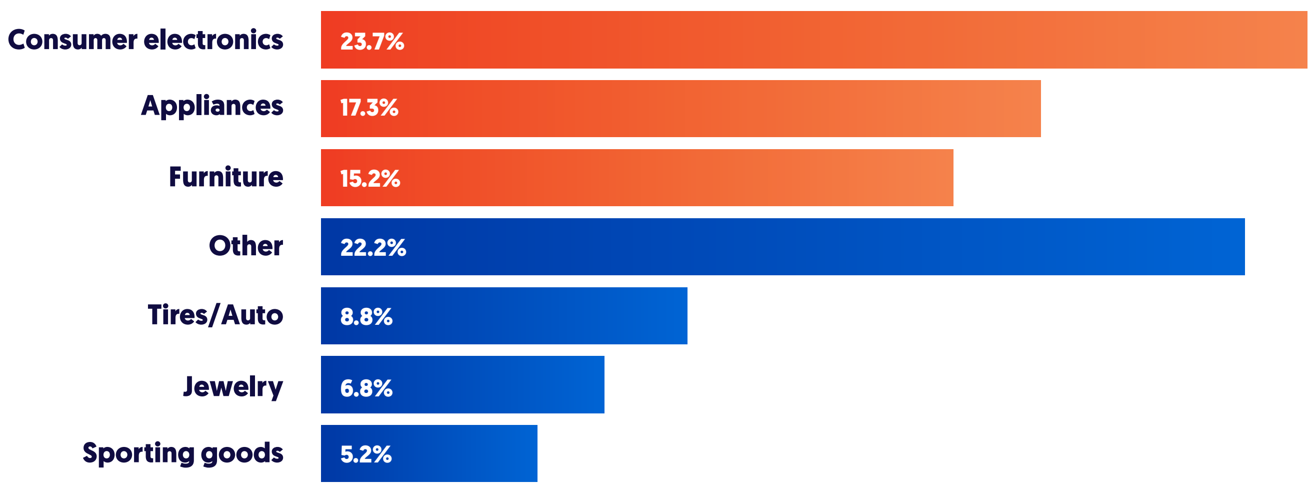
That **26-point gap between intent and actual use** reflects the reality that most consumers have never been offered LTO at a retail checkout.

What Consumers Actually Prioritize at Checkout (cont.)

Financing decision factor	Mean rank (1 = most important)	LTO alignment
Full transparency on total cost before I commit	2.81	Strong — total cost disclosed upfront
Ability to return the item or exit the agreement at any time	4.01	Strong — no-penalty return is core to LTO
Fast approval with minimal paperwork	4.12	Strong — modern LTO is mobile-first

Source: Acima Leasing consumer survey, May 2026, n=600. Respondents ranked factors 1-6; lower mean = higher priority.

Respondents were asked which product type they were purchasing or considering when they most recently used or considered an alternative checkout option. **Consumer electronics (23.7%) led all categories,** followed by appliances (17.3%), furniture and home furnishings (15.2%), tires and auto parts (8.8%), and jewelry and watches (6.8%).



The top three categories outside of ‘Other’: electronics, appliances, and furniture, are precisely the durable goods verticals where **LTO consistently outperforms BNPL** in AOV, conversion, and consumer satisfaction. **These are essential purchases, not discretionary impulse buys,** and they carry average transaction values that strain BNPL’s typical approval parameters.

A consumer who needs a $900 washing machine and cannot qualify for BNPL is exactly the customer LTO was designed to serve.

What LTO Means for Retail Operations

Revenue capture at the point of denial

The most direct value of LTO is **conversion recovery.** When a consumer is declined by BNPL or a credit application, LTO provides an immediate alternative rather than a walkaway. Our survey found that among consumers who experienced a financing denial and were offered LTO, **28.3% completed a transaction that would otherwise have been abandoned.** At scale, across hundreds of retail locations processing thousands of credit applications per week, **that recovery rate compounds** into material revenue.

28.3%

completed a transaction that would otherwise have been abandoned

Survey, n=600

AOV lift on durable goods

LTO consistently produces higher AOV on durable goods. When shoppers have access to a larger approval amount, they tend to select higher-quality items, add complementary products and upgrade from entry-level to higher-tier options.

Our survey found that **68.2% of LTO users accessed higher-tier or more merchandise than originally planned** because LTO was available,16.7 percentage points higher than the same rate among BNPL users (51.5%).

Documented AOV lifts among LTO-integrated retailers **range from 30% to more than 100%** on LTO transactions. At enterprise scale, across hundreds of locations, even a modest per-transaction lift compounds into material incremental revenue.

40.5%

of consumers are more likely to shop where both BNPL and LTO are offered at checkout

Survey, n=600

The retailer preference signal

The most direct finding for retail strategy teams: **40.5% of survey respondents said they would be more likely to shop at a retailer offering both BNPL for smaller purchases and LTO for larger purchases at the same checkout,** compared to a retailer offering only one option.

15.7% said they would be much more likely. Only 6.3% said they would be somewhat or much less likely.

Risk profile for the retailer

In a properly structured LTO program, **the retailer bears little to no credit risk.** The LTO provider purchases the goods from the retailer and assumes all lease performance risk.

If a consumer defaults or returns the item outside the retailer's return window, the retailer has already been paid in full. This is structurally different from the chargeback and recourse exposure that can accompany some financing products.

Integration and technology

Modern LTO platforms support multiple deployment modes: in-store POS integration, ecommerce plug-ins, mobile app with pre-approval capability, **text-to-apply and QR code initiation,** and virtual checkout card solutions that require no backend system modification.

The integration burden for enterprise deployment has decreased significantly as LTO technology has matured.

A Complementary Solution that Captures Lost Revenue

The retail industry's adoption of BNPL has been a genuine advance in consumer access and checkout conversion, but it is an incomplete one.

LTO fills the gap BNPL leaves: not by competing with it, but by serving the consumer segment it cannot reach.

For enterprise retailers, the revenue case is direct: walkaways from credit denials are not an inevitable cost of doing business. Our survey found that 15.3% of consumers abandoned a $500+ purchase due to financing denial in the past year. Among those who were offered LTO after being denied, **28.3% completed the transaction.**

40.5% of all consumers said they are more likely to shop where both BNPL and LTO are offered, a preference signal that exceeds typical retail differentiator benchmarks.

BNPL for the discretionary transaction.
LTO for the essential durable goods access.

Visit
acima.com/partner

Both at checkout.
Full coverage.
Fewer walkaways.
More revenue.

A Note on Data

Consumer statistics throughout this report are sourced from an Acima Leasing-commissioned survey of 600 U.S. adults conducted in May 2026 via Pollfish. The sample includes respondents across all credit score tiers, income levels, and prior BNPL and LTO usage experience.

Stratified data weighting is applied to account for panel composition. Additional statistics are sourced from the Federal Reserve Bank of New York (2024 credit applicant rejection data), the CFPB Consumer Use of Buy Now, Pay Later report (January 2025), Experian State of Credit (2025), and Grand View Research BNPL market projections. This report is an industry analysis and does not constitute legal, financial, or compliance advice.

Addressing the Enterprise Buyer's Questions

Enterprise retail payment decisions involve multiple stakeholders. The following addresses the primary concern of each.

CFO and finance leadership

- Revenue opportunity: Among the 15.3% of consumers who abandoned a $500+ purchase due to financing denial, LTO creates a direct recovery path. For a 300-location chain, even a 30% LTO conversion rate on denied transactions represents tens of millions in annual incremental revenue.
- Risk structure: LTO is not recourse financing. The retailer is paid at transaction close, regardless of consumer performance. Financial risk is held by the LTO provider.

COO and chief stores officer

- Rollout model: Enterprise LTO deployments are typically phased. Pilot markets first, with dedicated account management supporting training and performance tracking at each stage.
- Associate adoption: Programs with on-site field support outperform those relying on remote or self-service training, particularly in chains with high associate turnover.
- Conversion metrics: LTO adoption is trackable by location, associate, and SKU, enabling the same performance management discipline applied to other store KPIs.

CTO and CIO

- Multiple integration modes: Modern LTO platforms support POS integration, ecommerce plug-ins, and virtual card solutions that require no backend system modification.
- Data and reporting: Enterprise-grade LTO providers offer custom sales reporting by SKU, location, and promotion.
- Security: LTO transactions do not require the retailer to handle or store consumer credit data. The LTO provider manages all consumer financial information and decisioning.

CMO and VP of customer experience

- Inclusive retail positioning: Retailers that offer LTO signal to non-prime consumers that they are welcome — a meaningful differentiator where competitors rely exclusively on credit-based options. Our survey found that 24.5% of respondents are non-prime, a population that is often the core customer base in furniture, appliance, and tire retail.
- Transparency as brand value: LTO programs disclose total cost of ownership upfront. Our data found that full cost transparency was consumers' top-ranked financing decision factor. For retailers sensitive to reputational concerns around opaque financial products, this transparency is a brand feature, not just a compliance checkbox.
- Consumer retention: Among those who have used both LTO and BNPL, comfort levels are symmetric: 23.9% report greater comfort with LTO, 52.1% say comfort is about the same, and 23.9% prefer BNPL. This symmetry suggests LTO is not a second-choice product — it serves its intended consumer on its own terms.