



Unlock Hidden Revenue: How Lease-to-Own Opens Doors for Credit-Challenged Consumers

Introduction

For millions of Americans, access to credit or financing is often completely out of reach. When appliances break down, tires wear out, or furniture becomes unusable, credit-challenged consumers face an impossible choice: go without the durable goods they need or take on debt they may not be able to manage.

For retailers, driving more revenue can be as simple as implementing a solution that keeps these consumers from walking away from the store or abandoning an online cart. Lease-to-own (LTO) can be that solution.

As an alternative to credit and financing, LTO is a flexible fit for millions of credit-challenged consumers, enabling retailers to drive revenue by reaching new, underserved segments.

This whitepaper explores the ways that forward-thinking retailers are leveraging LTO to expand their customer base, increase average transaction values and build lasting competitive advantages in today's evolving retail environment.



64%

live paycheck to paycheck⁴

The Credit Challenge: Understanding The Underserved Market

The numbers tell a stark story about credit and financing accessibility in America. Nearly half of U.S. consumers—106 million adults—are considered non-prime, including 57 million with non-prime credit scores, 28 million with no credit file at all, and 21 million with limited credit histories.¹ Economic uncertainty and challenges, such as inflation and tightened credit standards, have intensified the need for an inclusive alternative to credit and financing.

In these economic conditions, consumers need financial lifelines. They are increasingly relying on credit for essentials, especially among lower-income households. If groceries are going on the credit card, accessing big-ticket items represents an even greater challenge.

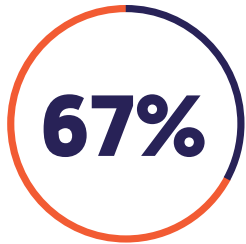
\$12T

Gen Z Influence: Gen Z's spending power is expected to grow to \$12T by 2030². Comprising 40% of consumers, Gen Z is a key demographic, but one-third have a non-prime credit score.³



Economic Context: Credit rejection rates are at their highest since 2018, pushing consumers toward flexible alternative options.⁵ LTO has the ability to empower consumers and retailers in a credit-constrained environment, making it a critical tool for financial inclusion.

On the rise:
a recent survey showed
that of all respondents



**of LTO users have
adopted it within the
last six months***

*2025 Acima consumer and retailer survey



How Lease-to-Own Expands Consumer Access with Flexibility

Lease-to-own fundamentally differs from credit and financing by putting consumers in control of how they access durable goods. Rather than creating debt obligations such as having to repay a credit card balance and compounding interest, LTO offers a flexible pathway to potential ownership that adapts to individual circumstances.

Through the Acima platform, consumers can lease durable goods like furniture, appliances and electronics on a short-term renewable basis without engaging in a stressful credit card debt cycle—and they can choose whether and when to exercise an option to own, or to simply return the items to Acima.

This is a crucial differentiator for retailers in an economy where consumers have become increasingly selective with their spending.⁶

**The LTO process
is designed for
accessibility and
success for both
consumers and
retailers**



Early Ownership Options

An early purchase option is available at any point during the lease renewal terms, often best within the first 90 days (3 months in CA), allowing consumers to achieve ownership of items at a reduced cost. Action required to exercise.



Rapid Approval Process

Consumers apply in-store, online or via the Acima app, receive a quick decision and, if approved, a lease amount tailored to their needs.



Payment Flexibility

Optional lease renewal payments align with paydays, offering weekly, biweekly or monthly schedules.



No Debt Obligation or Long-Term Commitment

Consumers can return items to Acima and end the lease at any time without penalty, avoiding the debt trap of credit cards.



Beyond Buy Now, Pay Later

While BNPL options can encourage impulse purchases and debt stacking, LTO focuses on essential durable goods with built-in flexibility.

Cost Transparency: Understanding the True Value of LTO

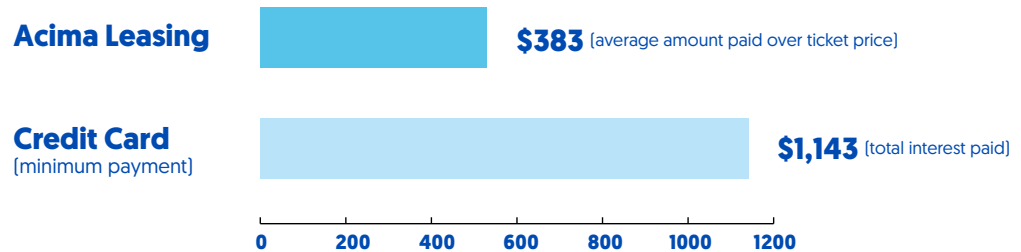
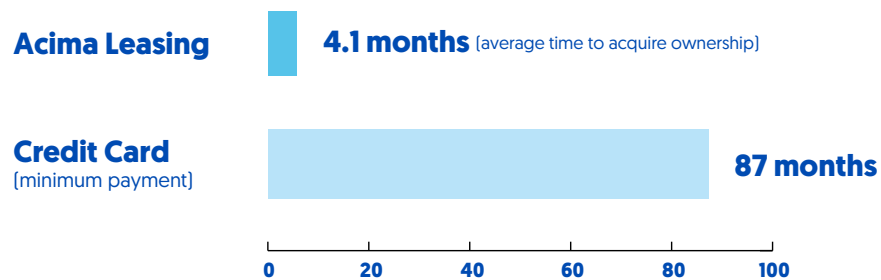
A common misperception is that LTO customers who choose to acquire ownership of the product always pay more than using a credit card.

However, in reality, many elect to obtain ownership early, which can result in significantly lower overall payments for LTO customers, when compared to paying minimum balances and compounding interest on credit cards over time to acquire an item. See below for an illustration.

Credit card users paying the minimum monthly payment could take approximately 20x longer to pay off their card balance to purchase an item,⁷ compared to the time for the average Acima customer who elects to obtain ownership of their leased item[s].

Credit card users could pay over 2x more on a purchase if they choose to make minimum monthly payments,⁸ compared to the cost of leased services paid by the average Acima customer who elects to obtain ownership of their leased item[s].*

For retailers, transparency around total cost and ownership options can increase confidence at checkout and support higher-value durable goods transactions.



Many Acima Leasing customers who elect to obtain ownership do so with the first early purchase option (90-day or 3-month purchase option in most cases) and save even more than the above illustration.

Assumptions for purposes of illustration:

- \$1,250 ticket price
- Credit Card, minimum monthly payment:
- 31.64% APR (store credit card interest rate for Q3 2025)⁷
- Minimum payment: 5% of balance
- Acima Leasing based on averages from lease agreements of customers who elected to obtain ownership of their leased items in 2024

*Standard agreement offers 12 months to ownership if you choose to make each lease renewal payment, which may cost more than double the cash price. You are not automatically enrolled in any early purchase options and additional payments will be required to purchase early. Action required to exercise.



Why Retailers Choose LTO: Proven Business Benefits

LTO solutions deliver measurable outcomes that support retail growth and performance



Expanded Customer Base

Access customer segments previously unreachable through credit and financing



Reduced Cart Abandonment

Keep customers in the transaction flow when credit and financing fall short



Increased Transaction Values

Customers approved for LTO often choose to access higher-value items than they could with an upfront purchase



Seamless Integration

Acima's turnkey solutions support in-store and e-commerce platforms, ensuring a frictionless checkout experience



Loyalty Building

Inclusive alternatives to credit and financing can enhance trust, encourage repeat business and increase customer lifetime value



Competitive Differentiation

In markets where competitors offer limited purchase options, LTO becomes a powerful differentiator that attracts and retains price-sensitive customers



Clear Terms

All costs, lease conditions and customer purchase options are disclosed upfront, eliminating surprises



No Hidden Fees

Acima's pricing model prioritizes simplicity and clarity



Retailer Support

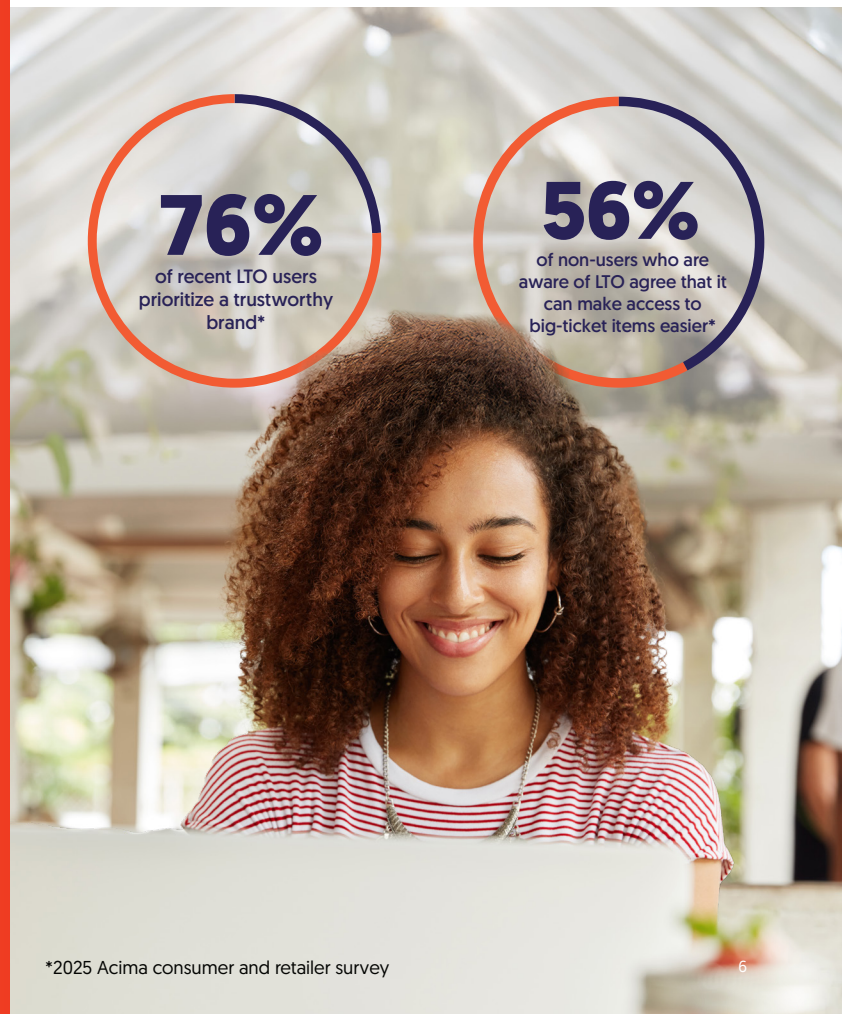
Acima manages returns and customer inquiries, reducing operational burden for retailers

Building Trust Through Transparency

Transparency is at the core of Acima's LTO solutions, fostering trust among consumers and retailers.

Consumer feedback underscores Acima's impact, with a Net Promoter Score (NPS) that reflects high satisfaction among returning customers. Testimonials⁹ highlight how LTO has provided life-changing support during financial hardship.

By prioritizing trust and transparency, Acima strengthens partnerships and drives long-term success.



76%
of recent LTO users
prioritize a trustworthy
brand*

56%
of non-users who are
aware of LTO agree that it
can make access to
big-ticket items easier*

Why Partner with Acima?

Acima stands out as the largest premier LTO partner, offering:



Proven Track Record

~35,000 retailer locations across diverse retail categories, with rapid response times and comprehensive support throughout implementation and beyond



Diverse Retail Categories

- Furniture
- Appliances
- Wheels and tires
- Electronics
- Jewelry
- Eyewear
- and more



Industry Leadership

A proven track record of stability and innovation across economic cycles



E-commerce Expertise

Seamless integrations for online and in-store checkout



Merchant Support

Comprehensive training and resources to maximize LTO adoption



Rapid Deployment

Turnkey solutions for quick implementation and market entry

Apply to become an Acima Leasing partner today at

 acima.com/partner

The Future of Retail Revenue

As credit and financing remain restrictive, retailers who embrace alternative transaction solutions position themselves for sustained growth. LTO represents not just a flexible renewable lease and purchase option, but a strategic advantage in reaching consumers navigating credit constraints.

Retailers adopting LTO today are positioned to benefit in multiple ways:

- Demonstrating commitment to financial inclusion
- Providing solutions when competitors can't
- Building loyalty among credit-challenged customers
- Capturing market share in durable goods categories
- Building resilience against economic downturns

The opportunity to capture underserved markets through LTO solutions has never been greater. Forward-thinking retailers are already leveraging these partnerships to drive growth, increase market share and build lasting customer relationships.

Open the door to new customers at

 acima.com/partner

Reach out to us

Visit
acima.com/partner

Email
merchants@acima.com

Call
(801) 297-1982

Citations

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