

# United States Senate

WASHINGTON, DC 20510

May 4, 2026

Chris Cartwright  
Chief Executive Officer and President  
TransUnion LLC  
555 W. Adams St  
Chicago, IL 60661

Dear Mr. Cartwright,

We are writing to request information on how TransUnion is incorporating information stemming from Buy Now Pay Later (BNPL) loans into consumers' credit reports. As BNPL loans rapidly grow in popularity with consumers struggling with affordability,<sup>1</sup> we recently requested information from several major BNPL providers about these products. Multiple BNPL companies told us that they are currently not sharing BNPL data with credit reporting agencies. Given the growing prevalence of BNPL loans in consumer lending, we write to you to request information on how TransUnion is approaching BNPL products.

Traditional BNPL loans are short-term loans that allow consumers to make a specific purchase and pay off the purchase in four payments.<sup>2</sup> If the consumer misses or is late on a payment, they can be charged fees.<sup>3</sup> In 2021, BNPL providers originated an estimated \$24.2 billion of loans in the United States, and the global market has grown since then.<sup>4</sup> BNPL loans are becoming increasingly common with consumers, with a recent survey estimating that up to half of American adults have used a BNPL loan.<sup>5</sup> Approximately a quarter of BNPL users have held three or more BNPL loans at once,<sup>6</sup> potentially with multiple BNPL providers. Consumers have turned to BNPL to pay for essentials such as groceries, healthcare, and to make payments on other forms of consumer debt, further demonstrating how intertwined BNPL loans have become in consumers' financial lives.<sup>7</sup>

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<sup>1</sup> Community Service Society, "Buy Now, Pay Later Reveals a Deeper Affordability Crisis," David R. Jones, January 22, 2026, <https://www.cssny.org/news/entry/buy-now-pay-later-reveals-a-deeper-affordability-crisis>.

<sup>2</sup> Consumer Financial Protection Bureau, "What is a Buy Now, Pay Later (BNPL) loan?" May 21, 2024, <https://www.consumerfinance.gov/ask-cfpb/what-is-a-buy-now-pay-later-bnpl-loan-en-2119/>.

<sup>3</sup> *Id.*

<sup>4</sup> Consumer Financial Protection Bureau, "Buy Now, Pay Later: Market trends and consumer impacts," September 2022, p. 3, [https://files.consumerfinance.gov/f/documents/cfpb\\_buy-now-pay-later-market-trends-consumer-impacts\\_report\\_2022-09.pdf](https://files.consumerfinance.gov/f/documents/cfpb_buy-now-pay-later-market-trends-consumer-impacts_report_2022-09.pdf); Yahoo Finance, "Buy Now Pay Later Global Business Report 2025: BNPL Payments to Grow by 13.7% to Surpass \$560 Billion this Year, Driven by Klarna, Afterpay, PayPal, and Affirm - Forecast to 2030," February 24, 2025, <https://finance.yahoo.com/news/buy-now-pay-later-global-140700441.html>.

<sup>5</sup> CNBC, "More Americans are financing groceries with buy now, pay later loans — and more are paying those bills late, survey says," Gabrielle Fonrouge, April 26, 2025, <https://www.cnbc.com/2025/04/26/americans-groceries-buy-now-pay-later-loans.html>.

<sup>6</sup> *Id.*

<sup>7</sup> Protect Borrowers, "Winning the New Politics of Debt," memorandum, September 9, 2025, <https://static.politico.com/ba/1a/f0416147471195c9f72ed54dcb6a/embargoed-memo-the-politics-of-debt18.pdf>.

The current infrastructure of credit reporting in the United States is extremely opaque; the credit reporting industry has been very secretive about its scoring models,<sup>8</sup> which presents major, potential consumer protection issues. With the rise of data harvesting, credit reporting companies hold more information about consumers than ever before.<sup>9</sup> Moreover, credit reporting companies are also now performing the functions of data harvesters themselves.<sup>10</sup>

Credit reporting companies are sent financial information from the wide range of financial institutions that consumers interact with, such as credit card companies, mortgage lenders, banks, credit unions, collection agencies, and auto lenders.<sup>11</sup> Particularly for consumers with limited credit histories—which tend to be lower-income consumers—“alternative data” (such as bank account cash flow) is increasingly collected.<sup>12</sup> This information makes up a consumer’s credit report, which the credit reporting company then inputs into a proprietary,<sup>13</sup> “black-box” algorithm<sup>14</sup> supplied by FICO or VantageScore to calculate a “credit score,” a numeric value intended to represent a person’s creditworthiness.<sup>15</sup> The information held by credit reporting companies informs if a consumer can get a credit card, buy or refinance a home, purchase a car, get certain jobs, rent an apartment, or even get a checking account.<sup>16</sup> It is hard to overstate the extent to which credit reports and credit scores permeate nearly every aspect of modern American life.

In November 2025, we requested information from seven BNPL providers about their practices, including if they reported BNPL loans to major credit bureaus.<sup>17</sup> With one notable exception,<sup>18</sup>

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<sup>8</sup> Federal Reserve Bank of Minneapolis, “Why do some people pay loans on time? Parents and hometowns could make the difference,” Jeff Horwich, January 13, 2026, <https://www.minneapolisfed.org/article/2026/why-do-some-people-pay-loans-on-time-parents-and-hometowns-could-make-the-difference>.

<sup>9</sup> Consumer Financial Protection Bureau, “The Consumer Credit Card Market,” December 2025, p. 6, [https://files.consumerfinance.gov/f/documents/cfpb\\_consumer-credit-card-market-report\\_2025.pdf](https://files.consumerfinance.gov/f/documents/cfpb_consumer-credit-card-market-report_2025.pdf).

<sup>10</sup> Duke Sanford Tech Policy Program, “Credit Reporting Agencies Don’t Just Report Credit Scores,” Justin Sherman, November 9, 2022, <https://techpolicy.sanford.duke.edu/blog/credit-reporting-agencies-dont-just-report-credit-scores/>.

<sup>11</sup> Experian, “What Are Credit Bureaus and How Do They Work?” Louis DeNicola, <https://www.experian.com/blogs/ask-experian/what-is-a-credit-bureau/>; Experian, “Why Doesn’t My Auto Loan Show Up on My Credit Report?” Gayle Sato, January 31, 2021, <https://www.experian.com/blogs/ask-experian/why-doesnt-my-auto-loan-show-up-on-my-credit-report/>.

<sup>12</sup> Consumer Financial Protection Bureau, “The Consumer Credit Card Market,” December 2025, p. 6, [https://files.consumerfinance.gov/f/documents/cfpb\\_consumer-credit-card-market-report\\_2025.pdf](https://files.consumerfinance.gov/f/documents/cfpb_consumer-credit-card-market-report_2025.pdf); Consumer Financial Protection Bureau, Office of Research, “Data Point: Credit Invisibles,” May 2015, p. 6, [https://files.consumerfinance.gov/f/201505\\_cfpb\\_data-point-credit-invisibles.pdf](https://files.consumerfinance.gov/f/201505_cfpb_data-point-credit-invisibles.pdf).

<sup>13</sup> Congressional Research Service, “Consumer and Credit Reporting, Scoring, and Related Policy Issues,” Darryl E. Getter, November 2024, <https://www.congress.gov/crs-product/R44125>.

<sup>14</sup> Consumer Financial Protection Bureau, “CFPB Acts to Protect the Public from Black-Box Credit Models Using Complex Algorithms,” press release, May 26, 2022, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-acts-to-protect-the-public-from-black-box-credit-models-using-complex-algorithms/>.

<sup>15</sup> Equifax, “What is a FICO Score,” <https://www.equifax.com/personal/education/credit/score/articles/-/learn/what-is-a-fico-score/>; VantageScore, “About My Credit Data,” <https://vantagescore.com/consumers/consumer-faqs>.

<sup>16</sup> Consumer Financial Protection Bureau, “List of consumer reporting companies,” January 2025, <https://www.consumerfinance.gov/consumer-tools/credit-reports-and-scores/consumer-reporting-companies/companies-list/>; Federal Trade Commission Consumer Advice, “Credit Scores,” <https://consumer.ftc.gov/credit-scores/>.

most BNPL providers do not automatically provide data to credit reporting agencies.<sup>19</sup> Companies' concerns included that credit reporting agencies may: interpret BNPL loans in a manner that is harmful to their customers, including adding "unnecessary" tradelines to a consumers' credit report;<sup>20</sup> be unable to handle complexities when consumers make returns;<sup>21</sup> lower their customer's credit scores based on their interpretation of the BNPL data;<sup>22</sup> and broader concerns about the manner and types of data that are used to determine a credit score.<sup>23</sup>

However, despite the concerns of BNPL lenders, all three credit reporting companies have indicated that they have the capabilities to receive BNPL data and are in various phases of incorporating that data into consumers' credit reports.<sup>24</sup> Further, all three credit reporting companies currently receive BNPL data from at least one lender,<sup>25</sup> with more likely as BNPL continues to expand. Likewise, FICO has announced a version of its scoring algorithm that can accommodate BNPL data while accommodating the "unique consumer behavior associated with BNPL loans."<sup>26</sup>

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<sup>17</sup> E.g. Letter from Ranking Member Elizabeth Warren and Senators Richard Blumenthal and Cory Booker, et al., to Affirm CEO Max Levchin, November 18, 2025,

<https://www.banking.senate.gov/imo/media/doc/20251118lettertoaffirmrebnpl.pdf>.

<sup>18</sup> TransUnion, "Affirm Expands Credit Reporting with TransUnion to All Pay-Over-Time Products," press release, April 22, 2025, <https://newsroom.transunion.com/affirm-expands-credit-reporting-with-transunion-to-all-pay-over-time-products/>; Affirm, "Affirm expands credit reporting with Experian to include all pay-over-time products," press release, March 19, 2025, <https://investors.affirm.com/news-releases/news-release-details/affirm-expands-credit-reporting-experian-include-all-pay-over>.

<sup>19</sup> Some BNPL companies also provide traditional installment loans with an extended repayment frame, interest payments, and are treated differently than the industry standard BNPL model with zero percent interest and biweekly payments. For purposes of this letter, unless otherwise explicitly stated, we are focused on the industry standard BNPL loans, no matter what other products the originating provider also offers.

<sup>20</sup> Letter from Klarna Co-Founder and CEO Sebastian Siemiatkowski to Ranking Member Elizabeth Warren, and Senators Tammy Duckworth, Cory Booker, et al., December 9, 2025, <https://www.klarna.com/international/press/klarnas-response-to-the-senators-letter/>.

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*; Letter from Block Inc. Global Head of Public Policy Amanda Anderson to Ranking Member Elizabeth Warren, and Senators Tammy Duckworth, Cory Booker, et al., December 9, 2025, <https://block.xyz/documents/afterpay-bnpl-senate-letter-dec-2025.pdf>.

<sup>23</sup> *Id.*

<sup>24</sup> TransUnion, "BNPL and Point-of-Sale Lending: Insights for Lenders and Furnishers," August 28, 2025, <https://www.transunion.com/blog/bnpl-and-point-of-sale-lending>; Experian, "Buy Now, Pay Later," <https://www.experian.com/consumer-education-content/buy-now-pay-later-faq>; Experian, "Experian consumer credit reports to now include Apple Pay Later loan information," press release, February 28, 2024, <https://www.experianplc.com/newsroom/press-releases/2024/experian-consumer-credit-reports-to-now-include-apply-pay-later-loan-information>; Equifax, "How does Buy Now, Pay Later Reporting Work?" April 10, 2024, <https://www.equifax.com/newsroom/all-news/-/story/how-does-buy-now-pay-later-reporting-work->.

<sup>25</sup> Sezzle, "How does Sezzle Up impact my credit?,"

<https://shopper-help.sezzle.com/hc/en-us/articles/360046679912-How-does-Sezzle-Up-impact-my-credit>; Affirm, "Affirm credit reporting policy," <https://helpcenter.affirm.com/s/article/affirm-credit-reporting>.

<sup>26</sup> FICO, "FICO Unveils Groundbreaking Credit Scores That Incorporate Buy Now, Pay Later Data," press release, June 23, 2025, <https://www.fico.com/en/newsroom/fico-unveils-groundbreaking-credit-scores-incorporate-buy-now-pay-later-data>.

There is not a standard method across credit reporting agencies on how to handle BNPL data.<sup>27</sup> Likely due to this gap, BNPL companies have come up with a variety of temporary solutions for BNPL loans, including BNPL companies creating their own methods of calculating consumers' credit risk,<sup>28</sup> using third parties to calculate that risk,<sup>29</sup> or choosing not to participate in the U.S. credit reporting system.<sup>30</sup> Until all relevant parts of this industry align on the use of BNPL data, consumers are left in limbo where BNPL data from a subset of lenders is provided to a subset of credit reporting companies<sup>31</sup> with varying impacts for consumers.

Given the exceptional growth in the BNPL industry in recent years, BNPL loans are becoming a larger part of consumer's credit pictures at the same time that Americans are under historic financial pressures.<sup>32</sup> Particularly as at least one major BNPL provider automatically reports its loans, we write to better understand how TransUnion is treating BNPL loans. We request answers to the following questions no later than May 18, 2026:

1. Which BNPL companies provide TransUnion with data on BNPL loans? For each company, detail the type of data provided to TransUnion.
2. Does TransUnion currently include BNPL loan data in its customers' credit reports and their credit scores? If yes, describe how the data is used and included.
  - a. Does TransUnion treat multiple BNPL loans with the same BNPL company as separate credit accounts?
  - b. How often does TransUnion update consumers' reports based on BNPL data?
  - c. How does TransUnion handle customer returns or disputes for purchases made with BNPL products?
  - d. How does TransUnion adjust for the frequency with which a BNPL's credit information may be reviewed by a BNPL provider?
3. TransUnion has stated that while it collects BNPL data, that data is not incorporated into its credit scoring model.<sup>33</sup> Describe if TransUnion's policies on incorporating BNPL data have changed and how and under what circumstances TransUnion would begin incorporating this data.

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<sup>27</sup> CNBC Select, "BNPL loans will soon be on your credit report: Here's what you need to know," Trina Paul, May 6, 2024, <https://www.cnbc.com/select/bnpl-loans-to-be-reported-on-credit-reports/>.

<sup>28</sup> Block, "Block's Modern Approach to Credit: Expanding Access While Managing Risk," Owen Jennings, May 20, 2025, <https://block.xyz/inside/how-block-is-building-more-inclusive-access-to-credit>.

<sup>29</sup> Businesswire, "Socure Acquires Qlarifi, Establishing the First Real-Time BNPL Credit System and Setting a New Standard for Safe, Low-Cost Payments," press release, December 5, 2025, <https://www.businesswire.com/news/home/20251204883264/en/Socure-Acquires-Qlarifi-Establishing-the-First-Real-Time-BNPL-Credit-System-and-Setting-a-New-Standard-for-Safe-Low-Cost-Payments>.

<sup>30</sup> Klarna, "Why Klarna does not report BNPL payments to US credit bureaus," May 13, 2024, <https://www.klarna.com/international/press/why-klarna-does-not-report-bnpl-payments-to-us-credit-bureaus/>.

<sup>31</sup> E.g. Affirm, "Affirm credit reporting policy," <https://helpcenter.affirm.com/s/article/affirm-credit-reporting>; TransUnion, "BNPL and Point-of-Sale Lending: Insights for Lenders and Furnishers," August 28, 2025, <https://www.transunion.com/blog/bnpl-and-point-of-sale-lending>.

<sup>32</sup> The New York Times, "Consumer Spending, Engine of the U.S. Economy, Is Under Strain," Lydia DePillis, April 10, 2026, <https://www.nytimes.com/2026/04/10/business/economy/consumer-spending-economy.html>.

<sup>33</sup> TransUnion, "BNPL and Point-of-Sale Lending: Insights for Lenders and Furnishers," August 28, 2025, <https://www.transunion.com/blog/bnpl-and-point-of-sale-lending>.

4. How does TransUnion classify BNPL loans, given both the revolving and installment characteristics of BNPL products?
5. How does TransUnion handle situations where a financial entity provides a variety of credit products, including both BNPL loans and installment loans, but only reports a subset of those products?
  - a. Does the decision to report only a subset of its loans impact the method by which TransUnion receives data from that financial entity?
  - b. How does TransUnion’s classification or treatment of loans from BNPL providers vary depending on the term of the loan, i.e. how does TransUnion’s treatment of a traditional BNPL loan differ from its treatment of a longer term installment loan from the same financial institution?
6. Does the Metro 2 format affect TransUnion’s ability to receive data on BNPL loans?<sup>34</sup> To the extent the Metro 2 format does, discuss what aspects, if any, make BNPL reporting difficult.
7. Has TransUnion conducted any public or private studies about the impact of including BNPL loans on the credit scores of BNPL users? Include any such studies TransUnion conducted using hypothetical or theoretical data. If yes, provide those studies.

Sincerely,



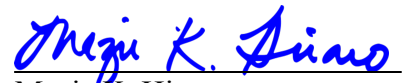
Elizabeth Warren  
Ranking Member  
Committee on Banking,  
Housing, and Urban Affairs



Tammy Duckworth  
United States Senator



Richard Blumenthal  
United States Senator



Mazie K. Hirono  
United States Senator

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<sup>34</sup>American Banker, “Why fintech BNPL credit reporting is a tough lift for banks,” Joey Pizzolato, April 15, 2025, <https://www.americanbanker.com/payments/news/affirm-to-report-bnpl-loans-to-experian-following-fico-study>.