

The economic impact  
webinar series

**The rise of buy  
now pay later**



# What we'll cover

**1** The economic outlook  
for 2025-2026

**2** Panel Discussion

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# The Economic Outlook 2025-2026: Uncertainty, Resilience, and Opportunities

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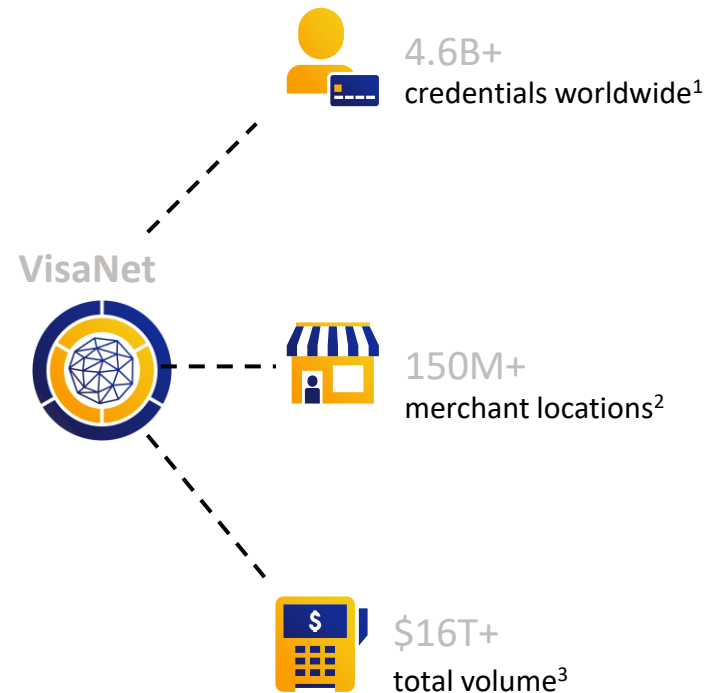
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# Visa Spending Momentum Index enables superior tracking of the economic cycle

SMI harnesses data from the Visa network...

to track consumer spending behavior...

and to generate actionable intelligence



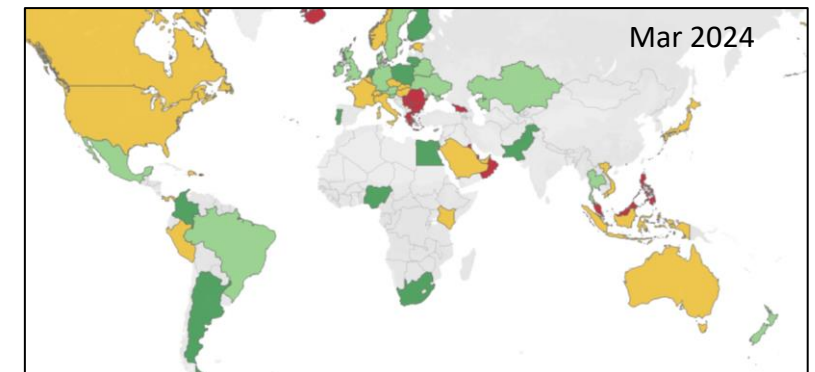
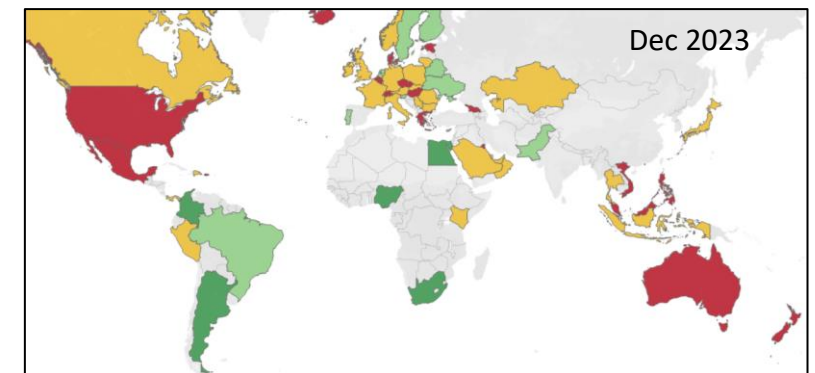
Above 100  
More consumers are spending more

Base Index

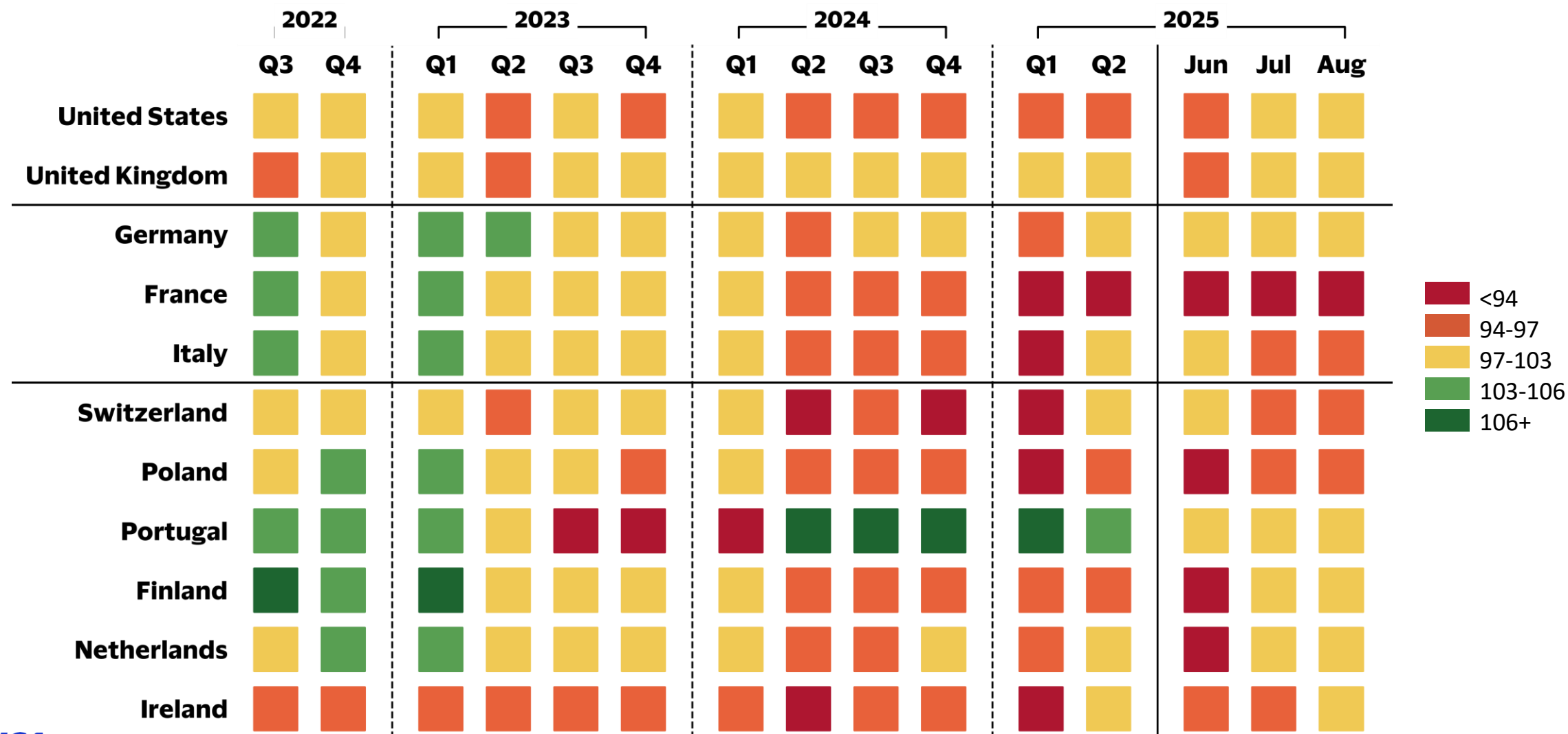
Below 100  
Fewer consumers are spending more

Changes reveal  
direction of  
spending  
momentum

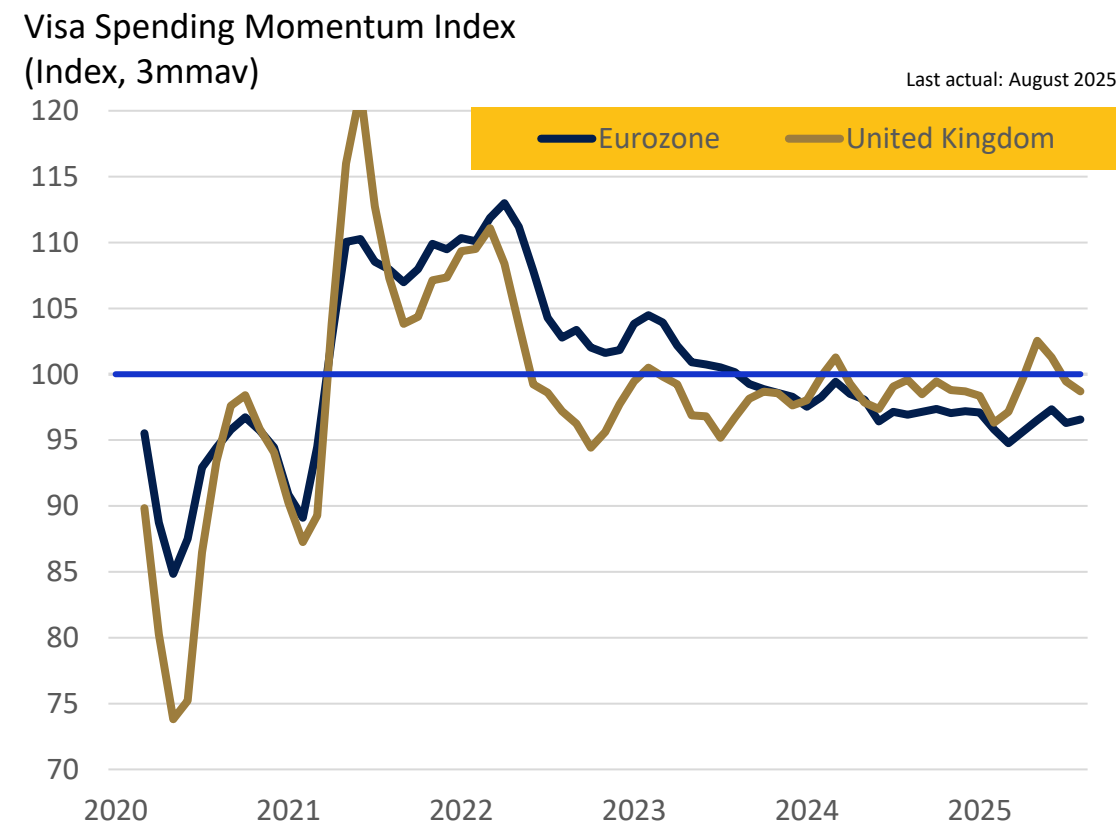
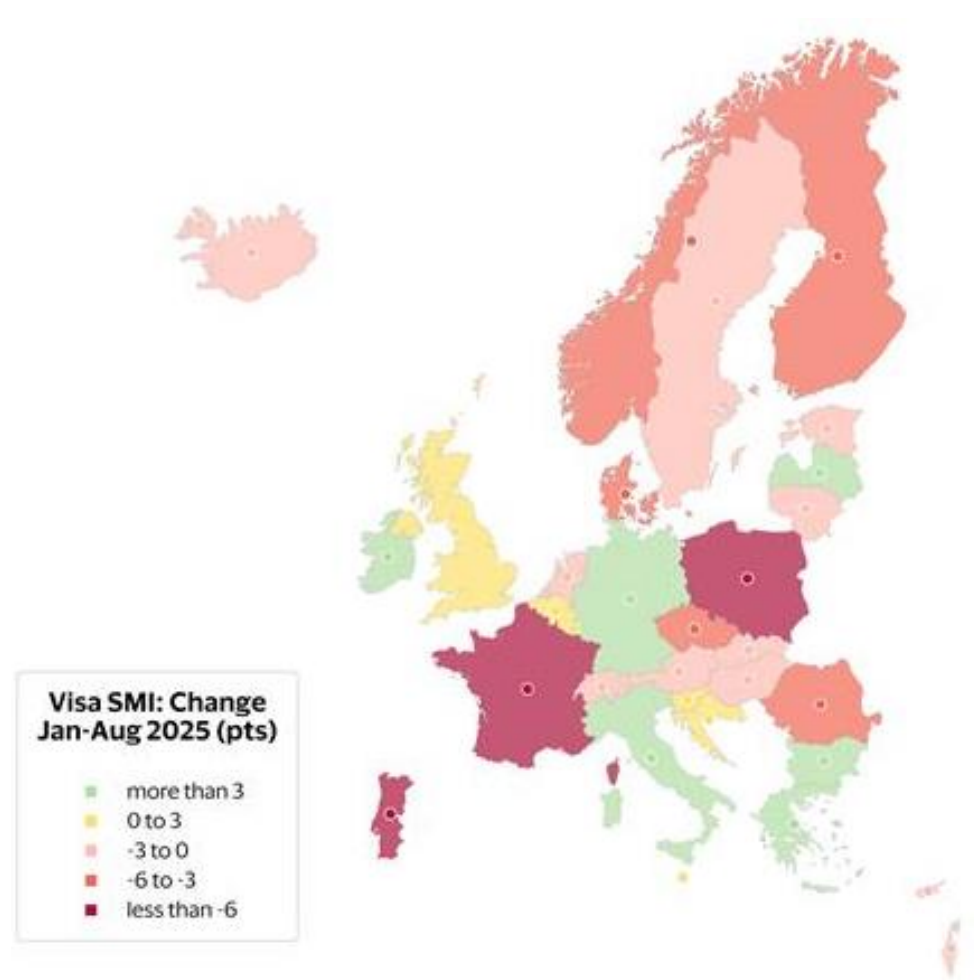
■ <95, ■ 95-100, ■ 100-105, ■ ≥105



# Europe spending momentum: steady, not surging



# Consumer spending has been broadly stable across Europe

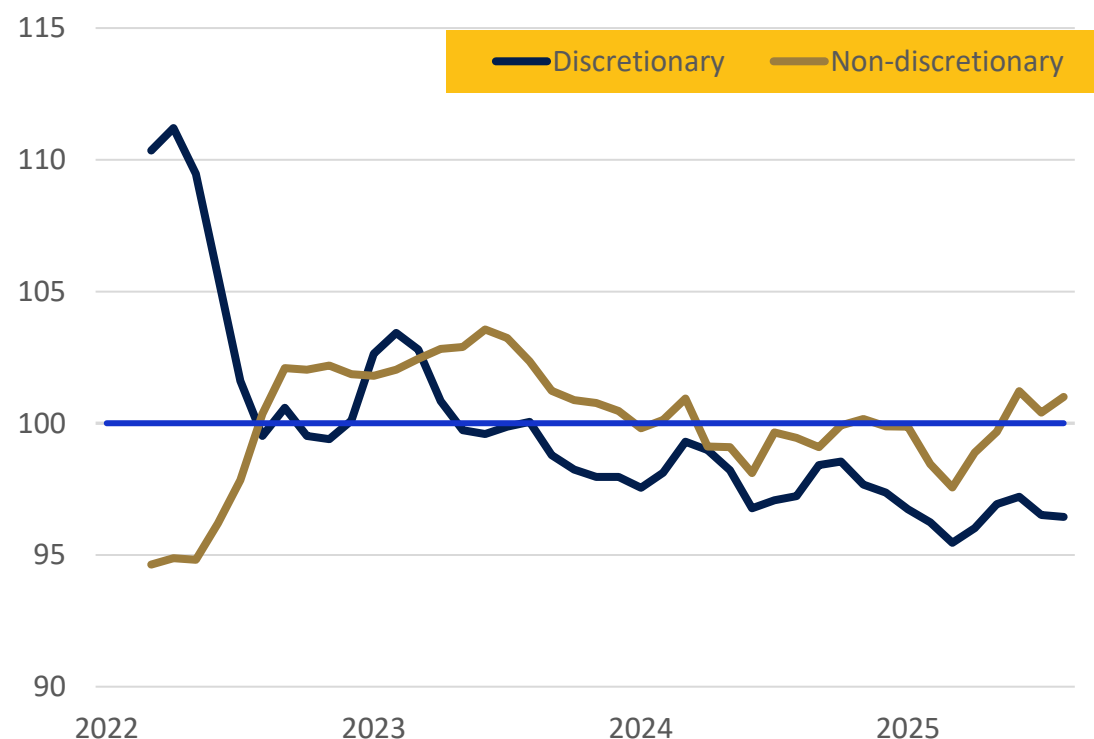


# Debit spending on non-discretionary items is bolstering spend momentum in Europe

Non-discretionary spending momentum has been stronger in the euro area

Visa Spending Momentum Index: euro area  
(Index, 3mmav)

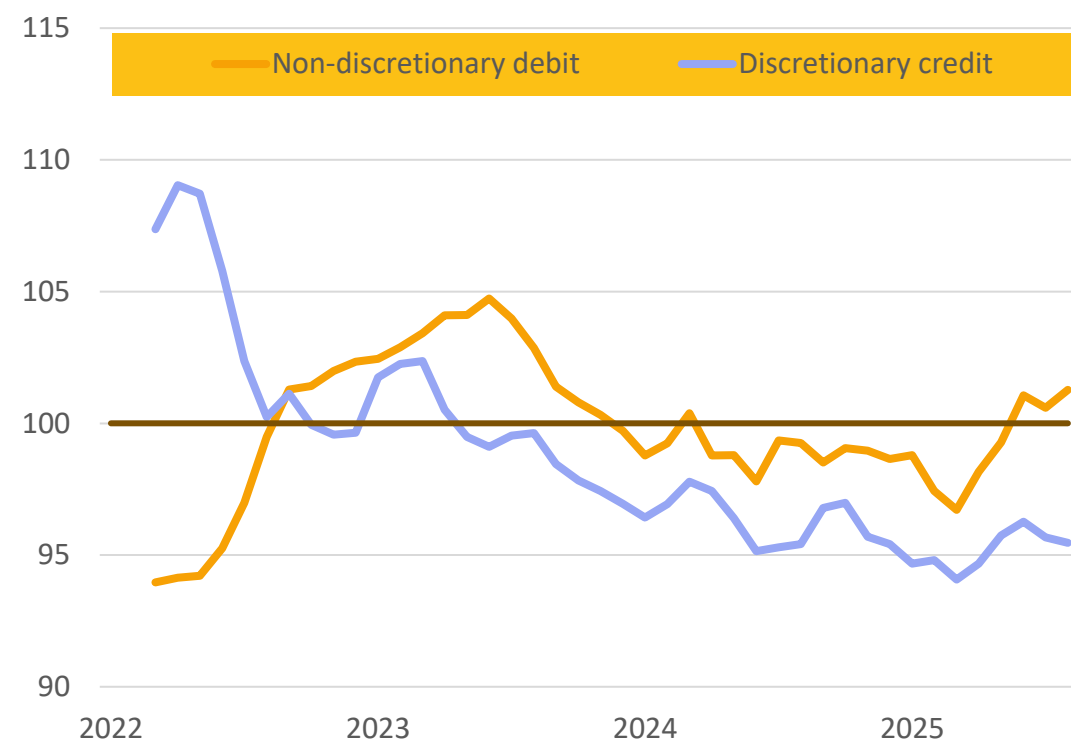
Last actual: August 2025



Driven by spending on debit cards

Visa Spending Momentum Index: euro area  
(Index, 3mmav)

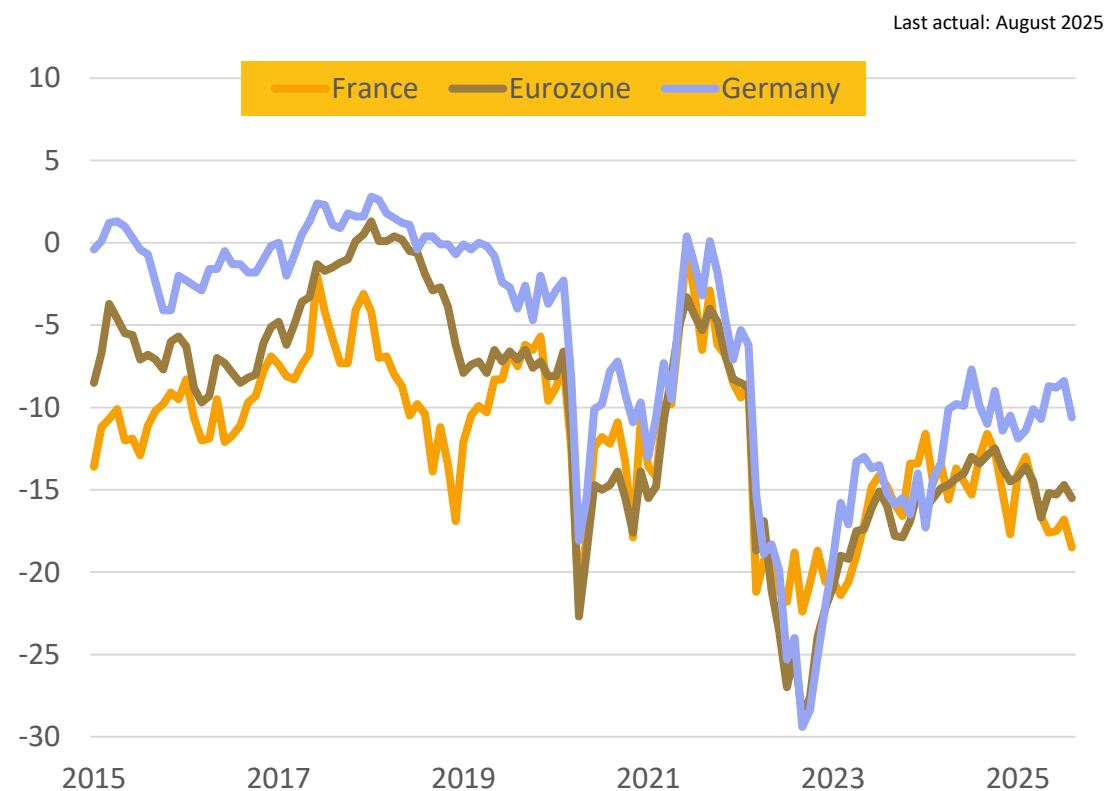
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# Households remain cautious but confidence is gradually firming

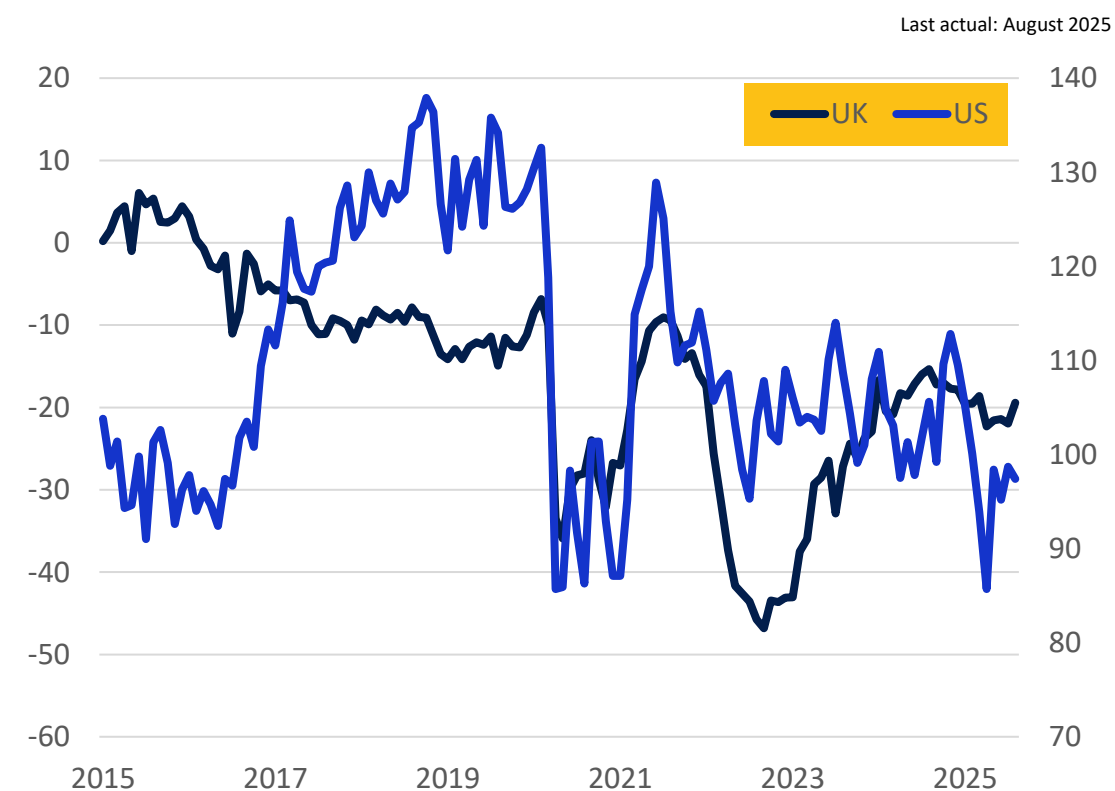
Consumer confidence is varied across the euro area

Consumer confidence indicator  
(SA, percent balance)



But clear that consumers everywhere are still wary

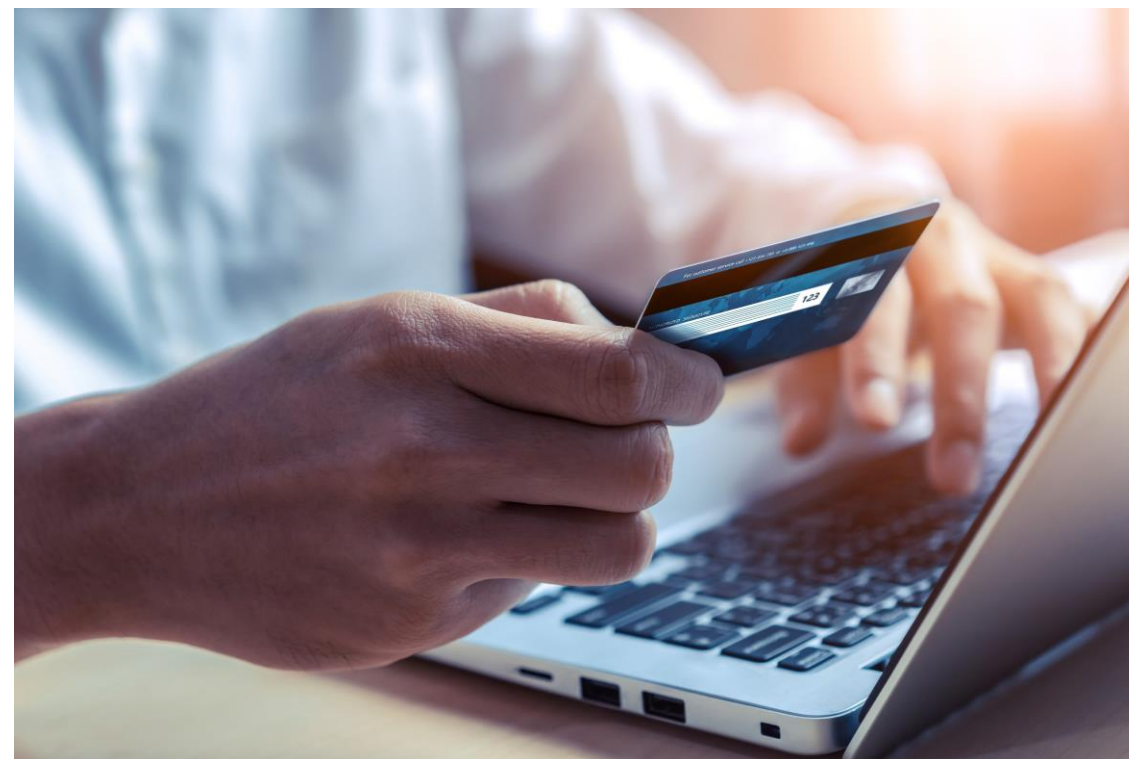
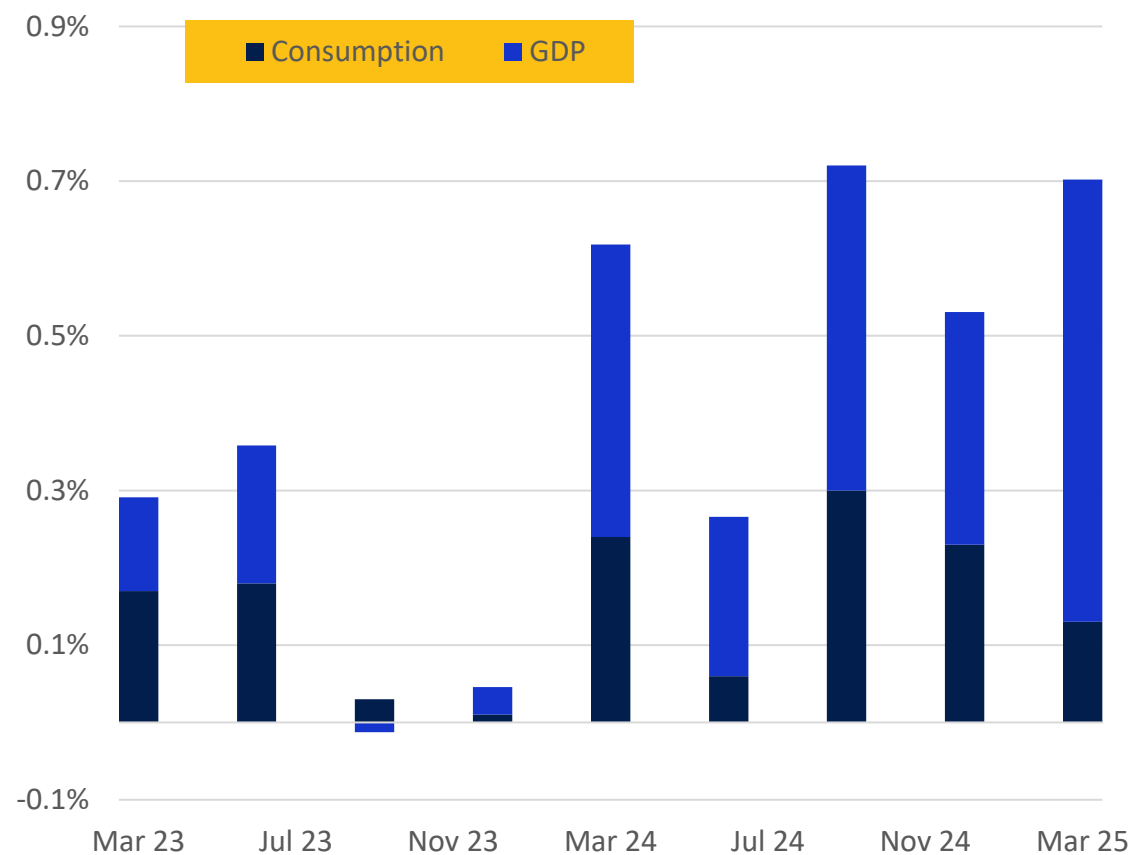
Consumer confidence indicator  
(SA, percent balance (LHS) Index (RHS))



# Consumer spending fading as a growth engine in the euro area

Euro area real GDP growth  
(SA, percent YoY)

Last actual: August 2025

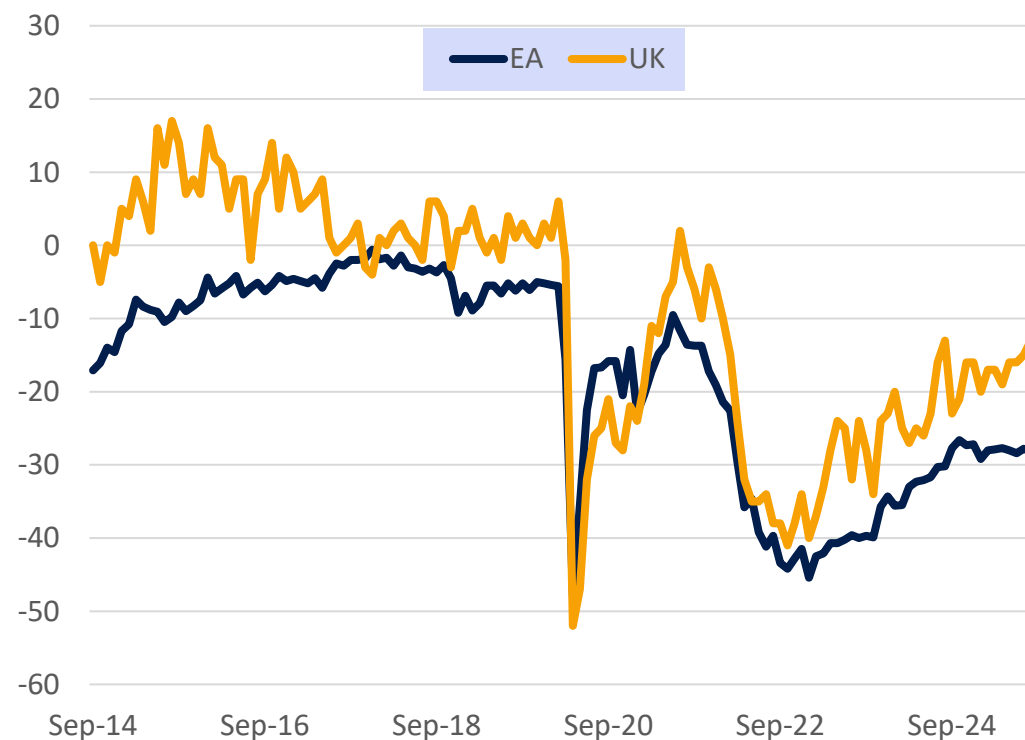


# Credit quality holds firm despite rate pressures

Consumers are still holding off on making big purchases

Consumer: major purchases at present  
(NSA, percent balance)

Last actual: August 2025



Balances on credit cards have been ticking down

Consumer: major purchases at present  
(NSA, percent balance)

Last actual: June 2025

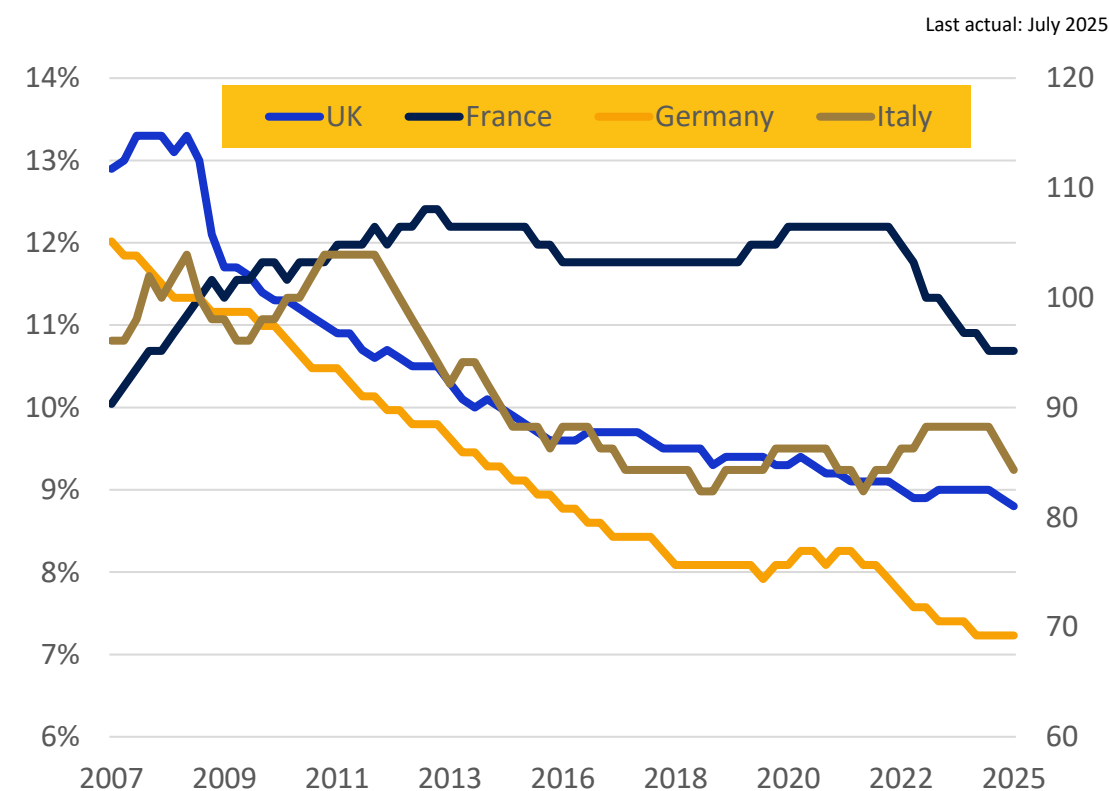


## Healthy labour market has kept consumer credit in check



### Debt service levels have remained stable across Europe

Debt service ratio of households and NPISH  
(percent (LHS), Index, Q4 2008 =100 (LHS))

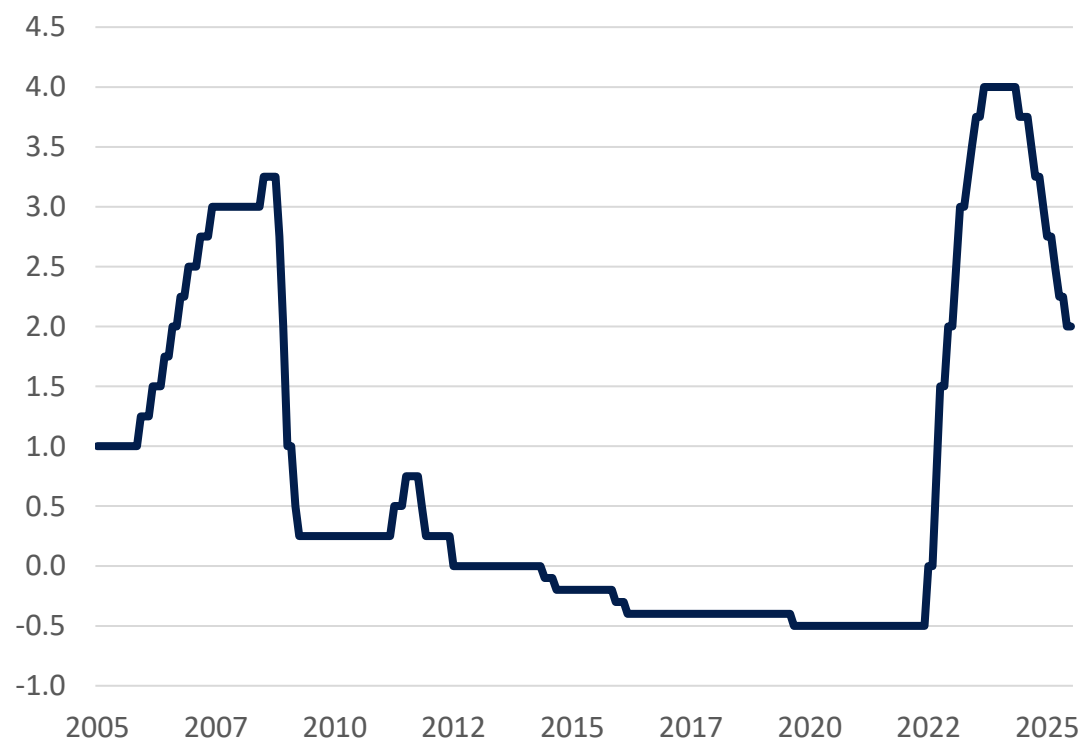


# Interest rates: from zero to a new “old” normal

A younger generation meets older interest rates

Monetary policy: Euro area deposit rate  
(percent)

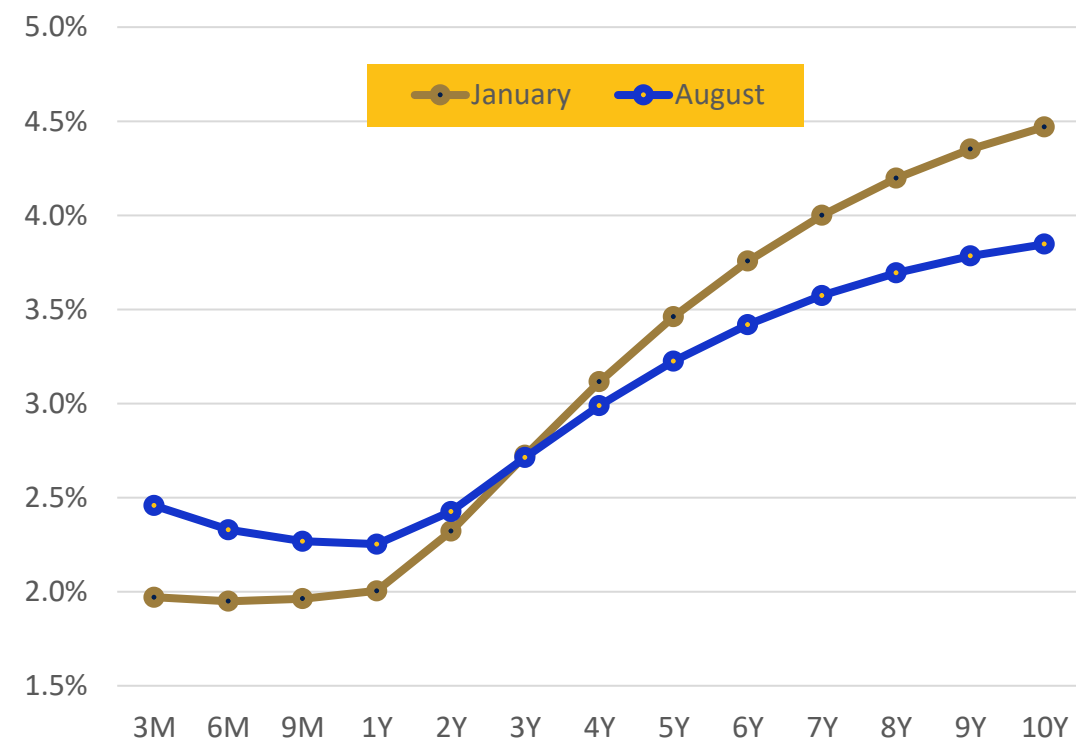
Last actual: August 2025



The new normal is the old one as rates settle into historic ranges

Euro area yield curve  
(percent)

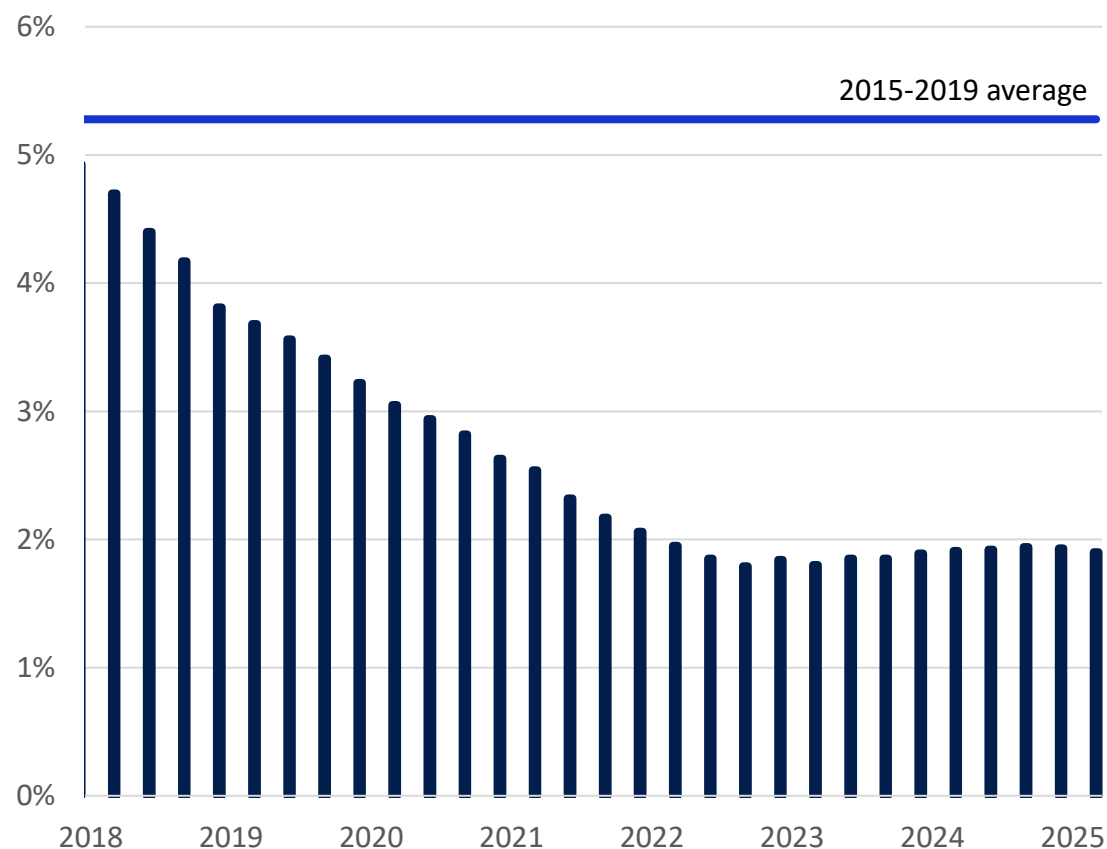
Last actual: August 2025



## Household non-performing loans are at historically low levels

Euro area non-performing loans ratio  
(NSA, percent)

Last actual: Q1 2025



# Consumer credit has picked up in 2025 after a slowdown

Bank lending to households grew at fastest pace in over two years in July

Consumer credit loans to euro area households  
(percent YoY)

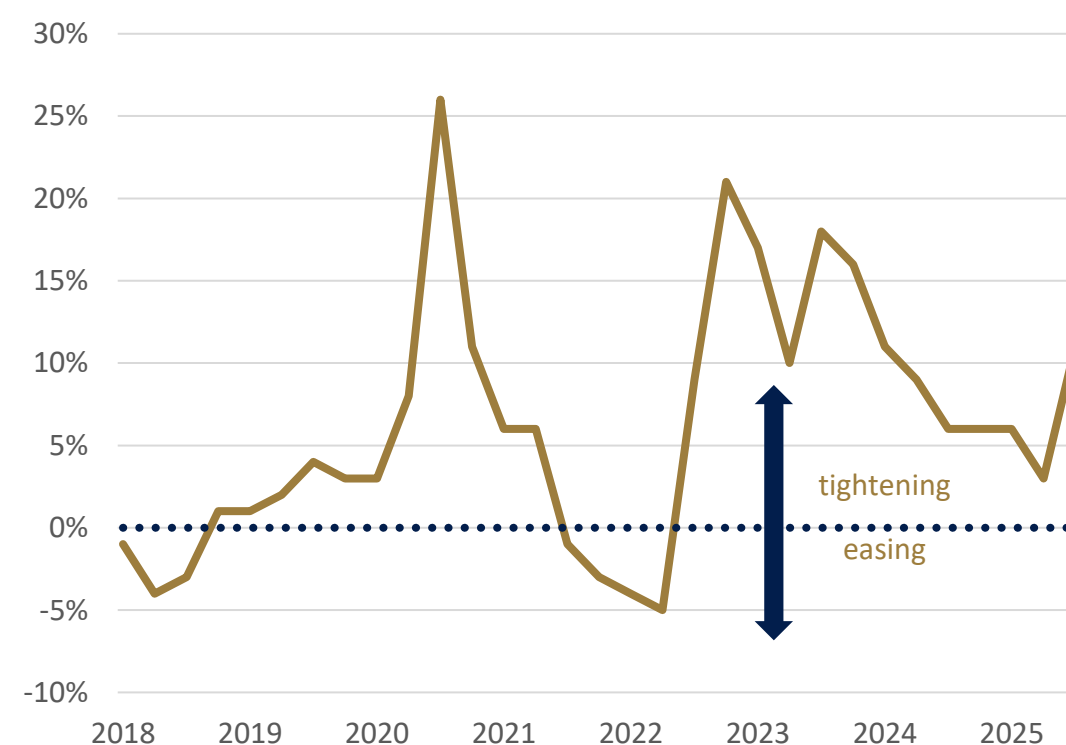
Last actual: July 2025



Banks remain somewhat cautious despite higher demand

Change in euro area credit standards  
(percent balance)

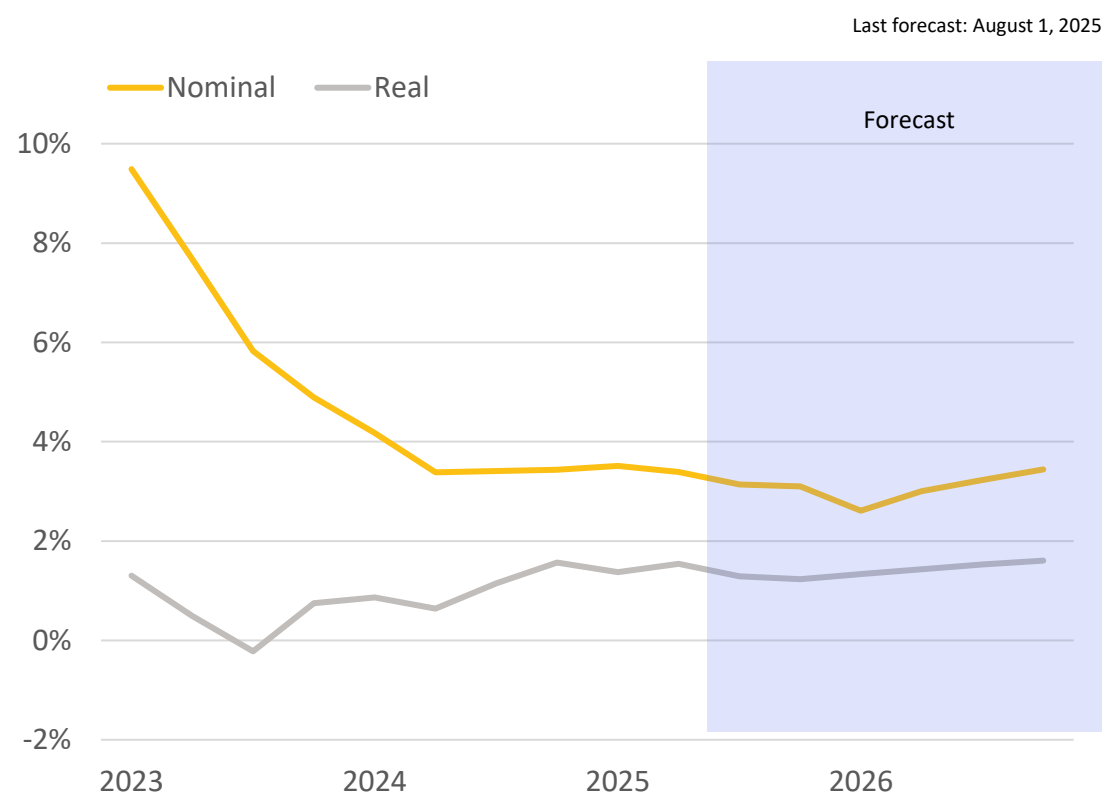
Last actual: Q3 2025



## The outlook for 2025-2026: consumer spending

European consumers will stay the course amid elevated uncertainty

Consumer spending  
(SA, percent, year ago)



### Factors to watch



**Wages and salaries:** Tight labour markets are expected to support wage growth, although uncertainty could lead to higher precautionary savings and dampen discretionary spending.



**Inflation and interest rates:** Receding inflation and lower interest rates may boost spending via rising purchasing power and easier access to consumer credit.



**Geopolitical Risk:** Trade tensions and geopolitical volatility pose downside risks, as they potentially threaten jobs, income, and confidence.



**Public Finance:** A mixed picture, by country. Planned fiscal loosening in 2026 could boost consumer spending in Germany and Sweden; tightening may occur in UK and France.

# Panel discussion



**Moderator:**  
**Alex Rolfe**  
CEO, Payments Cards and Mobile



**Shayne Wilson,**  
Senior Strategy Manager, Global  
Network Partnerships, Worldpay



**Adhikar Babu,**  
Senior Product Manager,  
Visa

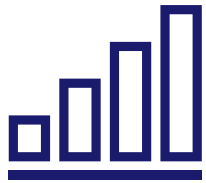
# Proof Points

Survey research, anecdotal evidence and usage statistics all point to the imperative of offering instalments

## More Spending

34%

spent more than originally planned because instalment option was available<sup>1</sup>



## Higher Conversion

33%

Would not have made a purchase if an instalment plan hadn't been available<sup>2</sup>

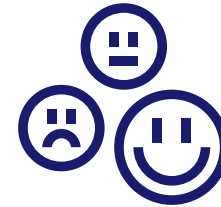


## Repeat Customers

Live data

40%

Repeat purchase rate (1m rolling) – customers have used VIS before<sup>3</sup>



## High Usage

Live data

25%

acceptance rate when VIS offers are presented to users<sup>4</sup>





Offers surfaced  
at checkout



Single, one-off  
integration



Debit\* & Credit  
support



Scheme  
agnostic\*



Flexible  
commercials



E-comm & face-  
to-face\*



Issuer as the  
lender



Cross-border\*

Visa Instalments Solution (VIS) is a **suite of APIs** enable participants to provide instalment payments to cardholders.

A **card-based solution** means that issuers and merchants can leverage customer familiarity and top-of-wallet status.

A **single integration**: build the tech once and scale as we continue to roll out globally.

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# Ready to get started?

Scan the QR code to connect with our leading payment experts and learn more about Visa Instalments for your business.



**Q & A**

PAYMENTS INDUSTRY INTELLIGENCE  
**Payments**  
Cards & Mobile

**worldpay**

**VISA**