



Afterpay Limited ASX: APT

ASX Announcement

3 February 2021

Media Release

Afterpay Limited (Afterpay) attaches a Clearpay media release to be distributed in the UK regarding the release of the Woolard Review and the report's proposal to bring the 'Buy Now Pay Later' industry under FCA oversight with proportionate regulation.

Authorised by:

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Clearpay welcomes Woolard Review proposal to bring 'BNPL' under FCA oversight with proportionate regulation

Tuesday 2 February 2021:

Clearpay welcomes the publication of the Woolard Review. The report acknowledges the varied nature of the market and acknowledges that the BNPL industry needs proportionate regulation to protect consumers going forward.

Clearpay has always supported fit for purpose regulation that recognises the diversity of the industry and desire from consumers for flexible payment options that don't trap them in long term debt.

Damian Kassabgi, EVP Public Policy at Clearpay said: *"We welcome today's recommendations and look forward to working with the FCA, the government and stakeholders to build on the consumer protections we already provide to create the applicable regulation for the sector.*

"It has always been Clearpay's view that consumers will be best served by products designed with strong safeguards and appropriate industry regulation with oversight from the FCA.

"We are pleased that many of the suggestions we put forward in our submission to the Woolard review have been acknowledged and that the review has recognised the diverse nature of the industry."

[Clearpay](#) is one of the UK's leading 'BNPL' services and prides itself on delivering a customer-centric product with strong in-built consumer protections. Clearpay has flipped the traditional credit model on its head and makes the majority of its revenue from merchant fees rather than consumer charges.

Our inbuilt protections produce superior consumer outcomes compared with traditional credit products using legacy credit checks that punish consumers and result in higher interest charges. Our product:

- requires 25% of a payment up front
- starts with low initial consumer spending limits, that increase only with positive payment behaviour
- includes a cap on late fees
- has no interest charges
- freezes accounts if a payment is not made on time

With more than 1.2 million people currently using Clearpay in the UK, consumers are voting with their feet and rejecting traditional credit products which can trap them in expensive long term debt.

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