Affirm

First invested: August 2019
Status: Public (since January 2021)

What does it do?

Affirm is a financial technology company offering flexible payment solutions for larger ticket purchases. Operating primarily in the United States, Affirm provides a "Buy Now, Pay Later" (BNPL) service that allows customers to split a payment into manageable instalments. This service is seamlessly integrated at the point of sale, making it easy for consumers to choose a payment plan that suits their budget. Affirm's transparent approach ensures no hidden fees, empowering consumers to make informed financial decisions.

Why do we invest?

Affirm enhances the shopping experience for both consumers and businesses. For consumers, Affirm offers a straightforward and transparent alternative to traditional credit cards, with clear terms and no late fees. This customer-centric approach has fostered trust and loyalty, driving significant growth in user adoption.

For businesses, partnering with Affirm can lead to increased sales and customer satisfaction. By offering flexible payment options, merchants can attract a broader customer base and boost conversion rates. Affirm's strategic alliances with major retailers like Shopify and Amazon further amplify its reach and growth potential.

Affirm's innovative underwriting model, which goes beyond traditional credit scores, allows it to serve a wider range of consumers, including those underserved by conventional financial institutions. This inclusivity, combined with a focus on profitability and strategic growth initiatives like the Affirm Card, positions the company for sustained success.

Who is key?

Max Levchin, Affirm's founder and CEO, is a pivotal figure in the company's success. His vision for replacing traditional credit cards with a more consumer-friendly alternative has driven Affirm's mission and culture. Levchin's focus on transparency and fairness has been instrumental in building trust with both consumers and merchants.

Important information and risk factors

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