



EXCLUSIVE DATA & INSIGHTS



SNAP RESEARCH

Closing the credit gap: Major purchase study

Snap Finance research reveals the impact of
subprime credit on big-ticket purchase decisions



How credit shapes major purchase decisions

Many households need to pay over time to bring home a major purchase or access big-ticket services. But for those with low or subprime credit, access to financing is often denied. That credit gap not only limits financing options but also shapes how consumers shop for, compare, and select what they need most.

Snap Finance wanted to learn more about how credit shapes the customer journey for major purchases and services – when credit access can be critical. For this survey, we asked consumers with and without credit scores below 670 about recent purchases of goods or services of \$300 or more.

Our insights are designed to help retailers better understand and serve customers with low or subprime credit.



Highlights

- 1 Understanding consumers with low or subprime credit
- 2 Shopping for major purchases with low or subprime credit
- 3 Paying for major purchases with low or subprime credit
- 4 How Snap Finance can make a difference for your business



Understanding consumers with low or subprime credit

A growing number of consumers find themselves caught between what they need and their ability to secure traditional financing. Bridging this credit gap represents a sizable opportunity for your business.

Who are subprime customers?

Although it can vary from lender to lender, a subprime borrower is generally defined as someone with a FICO® score below 670.¹ A FICO score between 580 and 669 is considered fair, and one between 300 and 579 is considered poor.²

29% of all consumers have a FICO score below 670³

Low credit scores may reflect past financial difficulties or being new to credit with a limited credit history that makes it difficult to establish a traditional credit profile.

The numbers tell a compelling story. More than **47 million Americans are considered subprime borrowers** – up 1.2 million people just in the last year.⁴ This is not a niche market. It's a substantial portion of your potential customer base who find it difficult to pay for major purchases and essential services.

Among consumers with credit scores below 670, 78% have been turned down for financing – up 2% from the previous year.⁵

Real and immediate financial challenges

This is a consumer segment under financial pressure. Our survey reveals that 46% of consumers with lower credit scores describe their current financial situation as unstable or very unstable, compared to 11% of consumers without credit challenges.⁶ And it's not getting better.

37% of those with lower credit scores say their financial situation has worsened in the past three months, compared to 15% of those with higher credit scores⁶

The hidden opportunity

Despite their financial challenges, including inflation and economic concerns, consumers with credit challenges haven't stopped being consumers. Although 70% of those with lower credit scores have cut back on nonessential spending, Snap Finance found that for purchases of more essential categories, such as appliances, electronics, tires, and mattresses, consumers of all financial backgrounds are shopping at similar rates.⁷

Key demographics of consumers with credit challenges



38% are millennials



36% are Gen X



19% are boomers or older



6% are Gen Z



47% work full-time



42% are homeowners



43% are married or in a domestic partnership



73% have annual household income below \$75K

Source: Snap Finance 2025⁶

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Shopping for major purchases with low or subprime credit

Our study found that credit-challenged consumers are more likely to shop out of necessity – to replace furniture in disrepair or fix a car that isn't working, for example. And when money is tight, people tend to delay purchases as long as possible.

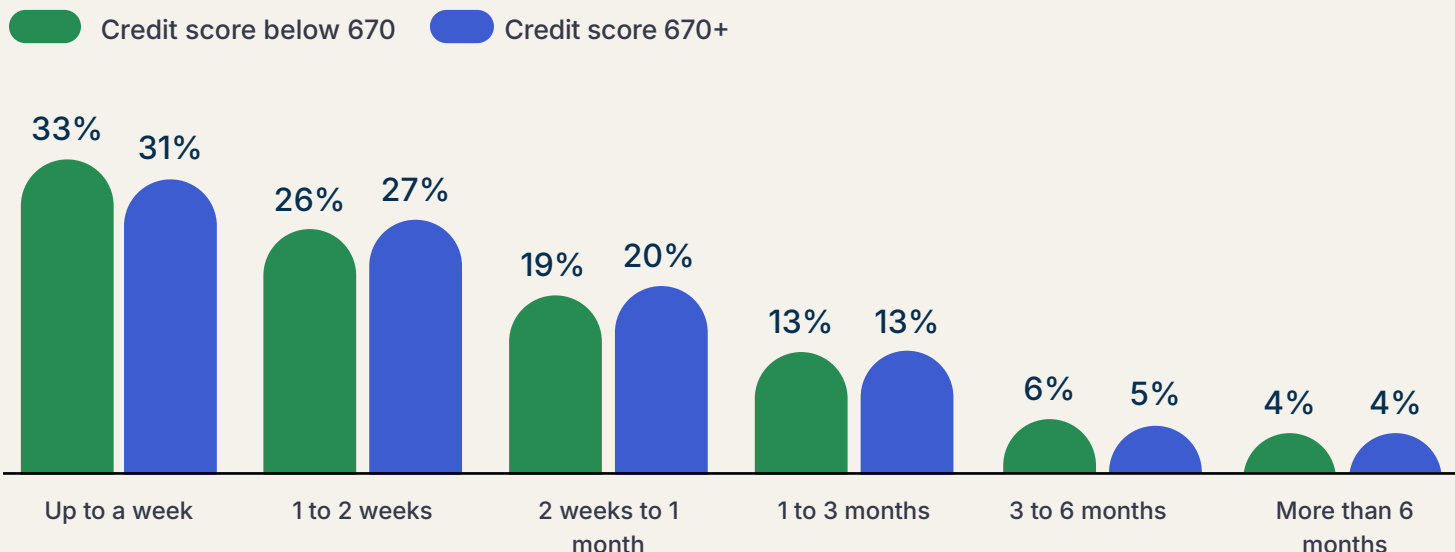
38% of consumers with lower credit scores delayed a major purchase due to their financial situation or concerns about the economy, compared to 24% of those with higher scores



Other factors can accelerate purchases for consumers of all credit types.

- **30%** of all consumers made a major purchase sooner than planned because they worried about **prices going up due to inflation**
- **30%** of all consumers purchased sooner than planned due to **limited-time sales or promotions**

Length of time before making a major purchase

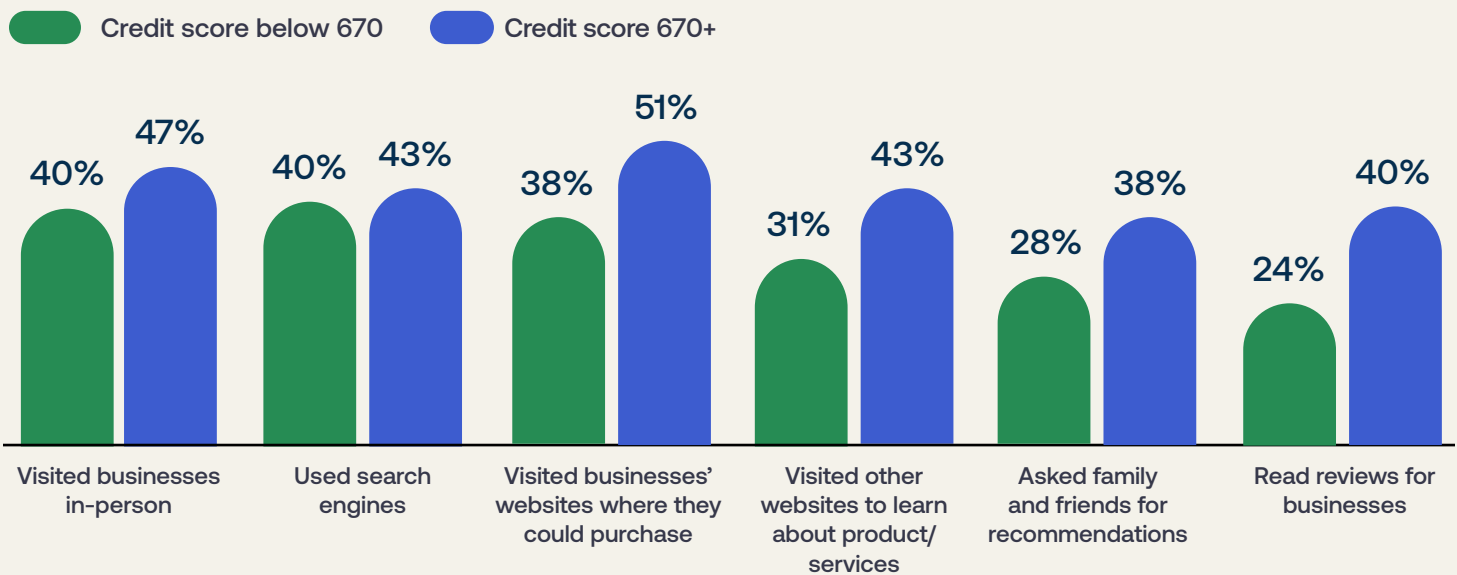


Research habits before major purchases

Consumers with low or subprime credit typically conduct less extensive prepurchase research than their higher-credit counterparts. This pattern likely reflects the urgent, reactive nature of many of their purchases.

56% of all consumers compared prices across businesses before making a major purchase

Prepurchase research methods



Deciding where to shop

Credit-challenged consumers are looking for efficiency and value. While ease of purchase is important, price is the most important factor when choosing where to shop.

65% of consumers with lower credit scores considered one to two businesses, compared to 54% of those with higher credit scores



Top factors for business selection

(Among those with lower credit scores)

- 1 Total price of purchase
- 2 Ease of making the purchase
- 3 Ability to get items/services quickly
- 4 Previous experience with the business
- 5 Knowledgeable employees
- 6 Carried preferred brand
- 7 Wide selection
- 8 Warranty/protection availability
- 9 Positive online reviews
- 10 Ability to check out the product in-person

Customers are looking for financing when they shop. Among those with lower credit scores, 65% said financing availability was an important factor in selecting where to buy

How brand factors in business selection

Consumers with low or subprime credit are less likely to have a specific brand in mind before they shop, so they're likely more flexible in their choices. When they do consider brands, their priorities focus on practical factors: Is the product in stock? Does it have a lower price? Is it on sale?



Top factors when selecting a brand or product

(Among those with lower credit scores)

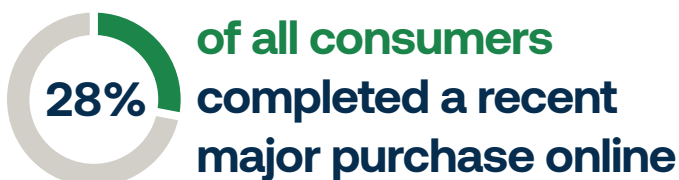
- 1 Product or brand is in stock
- 2 Good customer reviews
- 3 Warranty or guarantee is included
- 4 Previous experience with the brand
- 5 Product is on sale or discounted

The economic pressures credit-challenged consumers face sometimes force difficult compromises: 26% of those with lower credit scores **purchased lower quality items** due to their financial situation or economic concerns, compared to just 16% of those with higher credit scores.

When money is tight and financing options are limited, consumers may feel forced to choose products or brands that might not serve their long-term needs.

Completing purchases

Despite the growth of e-commerce, consumers of all credit types most often complete their major purchases in-store. Shoppers may want to examine products firsthand and get questions answered by knowledgeable staff. For credit-challenged consumers, these in-person interactions can be particularly valuable when financing options need to be discussed and arranged.



Top Reasons for purchasing in-store

(Among those with lower credit scores)

- 1 Check out products in-person
- 2 Get questions answered
- 3 Take home purchase that day
- 4 Get a better deal/price
- 5 Talk to someone about financing



Top reasons for purchasing online

(Among those with lower credit scores)

- 1 Get a better deal/price
- 2 Easier than in-person purchases
- 3 Item only available online
- 4 Decided to purchase at home
- 5 More private than in-person purchases

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Paying for major purchases with low or subprime credit

A consumer's credit score significantly influences how they pay for essential, big-ticket items and services. Those with low or subprime credit often lack savings to pay upfront and face limited financing options. Alternative financing, including lease-to-own financing and installment loans, can bridge this credit gap.

46%

of credit-challenged consumers rely on financing to make major purchases

65%

of credit-challenged consumers say financing makes major purchases more affordable



Learning about financing options

In our survey, consumers with lower and higher scores recall learning about financing options at a similar rate – around 45%. For both groups, the information most often came from the business's website, a store employee, or in-store signage.

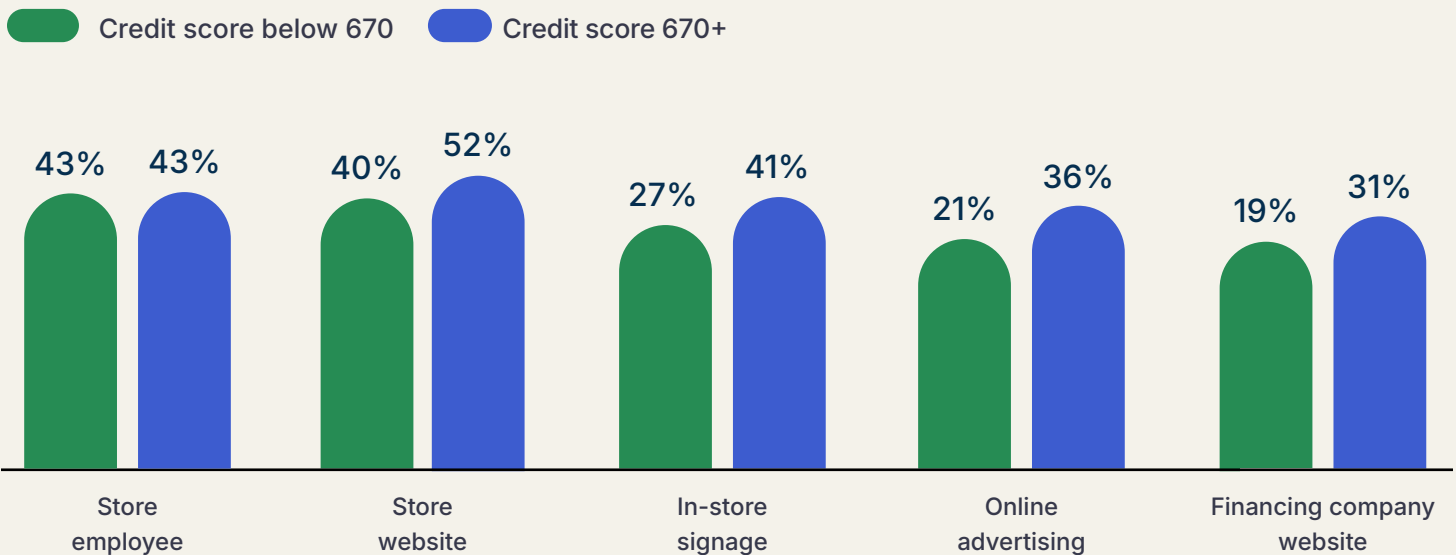
Do not assume a customer's need for financing. Talking about all available financing options, including lease-to-own financing and installment loans, is an essential part of the sales process. Those conversations can directly translate into sales that might otherwise be lost.



45% of those with lower credit scores would have used financing had they known it was available

(among those who didn't recall learning about financing during the sales process)

How customers learned about financing options



Making the decision to use financing

Financing is often necessary to complete a major purchase. Consumers with lower credit scores use debit cards, cash, lease-to-own financing, and longer-term installment loans significantly more than those with higher credit scores, who more often use general-purpose credit cards and payment apps.

Among those with lower credit scores who used lease-to-own financing (8%) or longer-term installment loans (6%), 53% knew they needed financing when they first decided to get the product or service – a much greater percentage than their counterparts with higher credit scores (36%).

When determination was made to use financing

(Among those who used lease-to-own or installment loans)



The impact of inclusive financing options

When asked what they would have done if financing was not available for their recent purchase, credit-challenged consumers who used lease-to-own or longer-term installment loans made clear the importance of financing in making a major purchase.



would have delayed the purchase until they saved money to pay upfront



would not have made the purchase



would have gone to a different business that offered financing for them

The impact of financing on sales

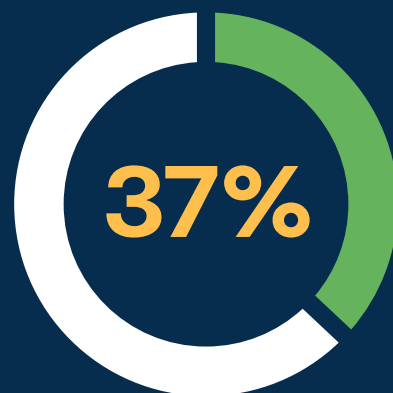
Financing not only enables a purchase but also helps shoppers get more of what they need or choose better quality merchandise.



of credit-challenged consumers who used lease-to-own or an installment loan said they **spent more** because financing was available



of that group reported spending **up to 20% more** than they would have otherwise.



of consumers with lower credit scores **could not have paid for a major purchase without financing**

Among small businesses that use it, 76% said subprime financing increased their sales.⁵





How Snap Finance can make a difference for your business

Consumers with low or subprime credit are shopping with you and are actively looking to make a major, essential purchase or big-ticket servicing decision. Are you ready to close the sale?

Snap Finance can help you reach more customers, including those with less-than-perfect credit, with lease-to-own financing and installment loan options. Partnering with Snap can help increase customer retention, grow your overall revenue, and boost incremental sales of major purchases of durable goods and essential big-ticket services.

Experience the difference Snap Finance makes for our retail partners⁸



say partnering with Snap increased their sales



report customers get more with Snap



say they're more likely to close the sale with Snap

Make customers aware of your partnership with Snap Finance through conversations, in-store signage, and your website. Let them know inclusive financing options may be available to them, no matter their finances.

Did you know a customer's financing experience – good or bad – reflects directly on your business? Snap found that more than half of consumers (54%) won't return to a business after a bad financing experience.⁶ With our exceptionally high customer satisfaction score of 96% and a Net Promoter Score of 84,⁹ you can be confident in partnering with Snap Finance.



About this survey

Snap Finance's proprietary research on credit-challenged consumers was conducted in August 2025 through Accelerant Research's Agora panel with 2,700 U.S. consumers who are household financial decision makers who have made a \$300+ purchase in the prior six months across 14 product categories. Respondents' answers were categorized by their self-identified credit scores above or below 670.



About Snap Finance

Snap Finance harnesses the power of data to empower consumers of all credit types to get what they need. Launched in 2012, Snap's technology utilizes more than a decade of data, machine learning, and nontraditional risk variables to create a proprietary platform that looks at each customer through a more holistic lens. Snap's flexible solutions are changing the face and pace of consumer retail finance.

For more information, visit [Snap Finance](#).

Snap-branded product offering includes retail installment contracts, bank installment loans, and lease-to-own financing. For more detailed information, please visit snapfinance.com/legal/financing-options.

Sources

¹ Louis DeNicola, "[What Does Subprime Mean?](#)" Experian, July 9, 2022.

² [670 Credit Score: Is it Good or Bad?](#)" Experian.

³ Horymski, Chris. "[What Is the Average Credit Score in the US?](#)" Experian, August 8, 2025.

⁴ Hardy, Andy. "[Credit Score Trouble: 1.2 Million More Americans Just Became Subprime Borrowers.](#)" Money, April 4, 2024.

⁵ Proprietary research, "[2025 Subprime Financing Study.](#)" Snap Finance, March 2025.

⁶ Proprietary research conducted through Accelerant Research's Agora panel with 2,736 household are financial decision makers who made a \$300+ purchase in the prior 6 months across 14 product categories. Snap Finance, August 2025.

⁷ Proprietary research, "[Understanding and Meeting the Needs of Consumers Facing Credit Challenges.](#)" Conducted through Accelerant Research's Agora panel with 1,300 U.S. consumers. Snap Finance, October 2024.

⁸ Merchant Pulse Study. Snap Finance, 2023.

⁹ Voice of the Customer Survey. Snap Finance, Q2 2025.