SNAP RESEARCH

Closing the credit gap: Major purchase study

Snap Finance research explores how subprime credit shapes big-ticket decisions

2026

EXCLUSIVE SNAP FINANCE DATA & INSIGHTS

How credit shapes major purchase decisions

Retailers know that many major purchases and services – appliances, furniture, auto repair – depend on access to financing. But for customers with low or subprime credit, traditional financing is often out of reach.

That credit gap shapes more than how customers pay – it influences how they shop, 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 credit scores above and 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. A closer look at shoppers 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 helps businesses close the credit gap

1

A closer look at shoppers with low or subprime credit

Limited access to traditional financing stops millions of high-intent credit-challenged shoppers from getting essential major purchases and services. Better serving customers with low or subprime credit begins with understanding who they are and the challenges they face.

How large is the subprime consumer segment?

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 very poor.[2] For our study, we categorized consumers by their self-identified credit scores above and below 670.

29% of consumers have a FICO score below 670[1]

More than 63 million Americans who are considered subprime or "credit marginalized" borrowers and another 32 million consumers are considered unscoreable due to a limited credit history.[4]

These numbers represent a substantial portion of your potential customer base who find it difficult to pay for major purchases and essential services.

Financial uncertainty continues for many consumers

For many consumers, financial uncertainty remains a constant factor in daily life. That's especially true for those with credit challenges.

41% of consumers with lower credit scores say their current financial situation is unstable or very unstable, compared to 12% of consumers with higher scores.[5]

Financial pressure remains widespread, although our findings show a year-over-year improvement. In 2025, 46% of those with lower credit scores described their financial situation as unstable or very unstable.[6]

Lower household income is closely tied to financial instability and credit challenges – 71% of those with credit scores below 670 have income below $75,000.[5]

Key demographics of consumers with credit challenges

- **7%** are Gen Z
- **35%** are millennials
- **35%** are Gen X
- **23%** are boomers or older
- **50%** work full-time
- **46%** are homeowners
- **46%** are married or in a domestic partnership
- **71%** have annual household income below $75K

Source: Snap Finance 2026[5]

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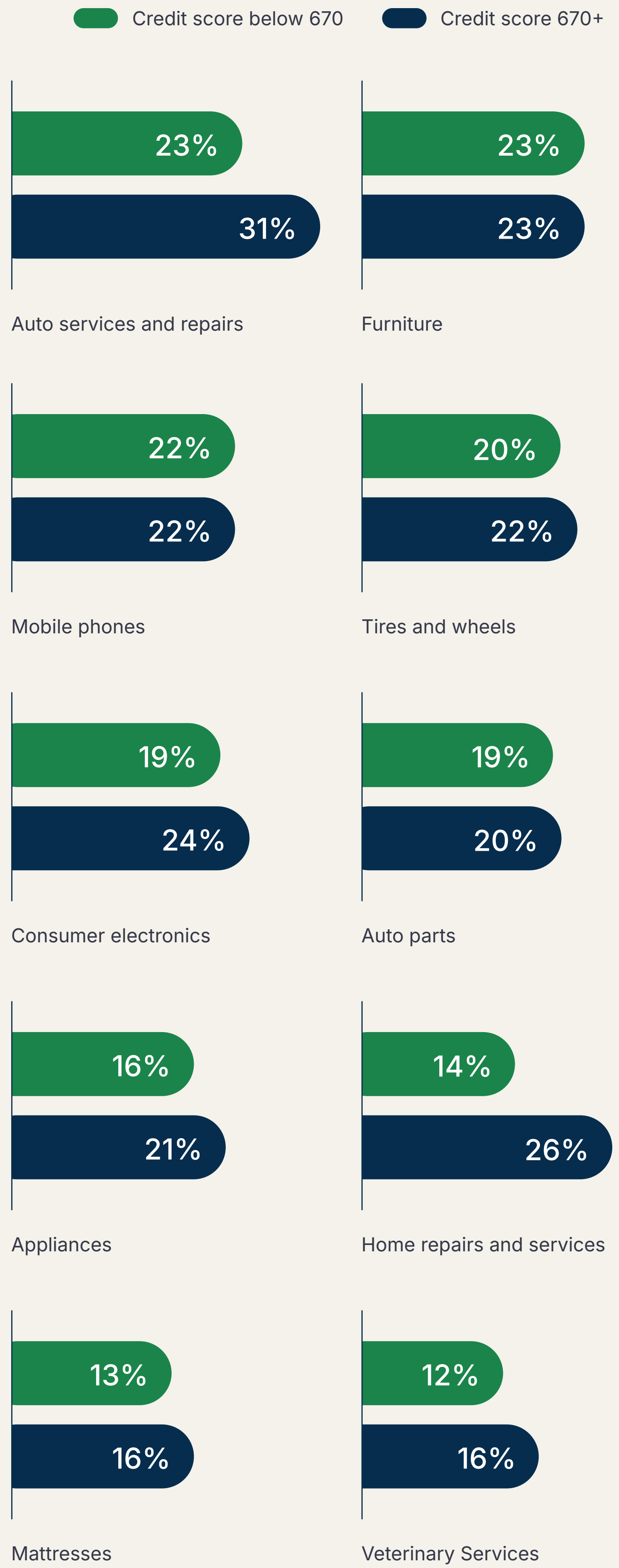
Shopping for major purchases with low or subprime credit

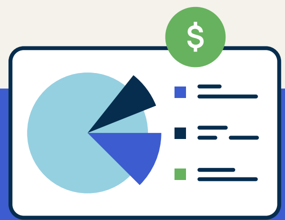
Despite ongoing financial pressure, consumers with credit challenges continue to make major purchases of essential products and services. Our study found that consumers with lower credit scores are actively shopping across a range of major purchase categories, often at rates similar to those with higher credit scores.

Product or service purchased in past six months



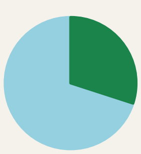
Findings based on proprietary research. Snap Finance, 2026.

Especially for consumers with credit challenges, major purchases are often triggered by necessity, such as replacing furniture or mattresses in disrepair or fixing a car that's not working. And when money is tight, people tend to delay purchases as long as possible.

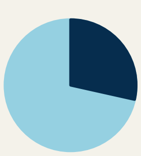


38% of consumers with lower credit scores delayed a major purchase due to their financial situation or concerns about the economy, compared to 19% of those with higher scores

Other factors can accelerate purchases for consumers with lower credit scores:

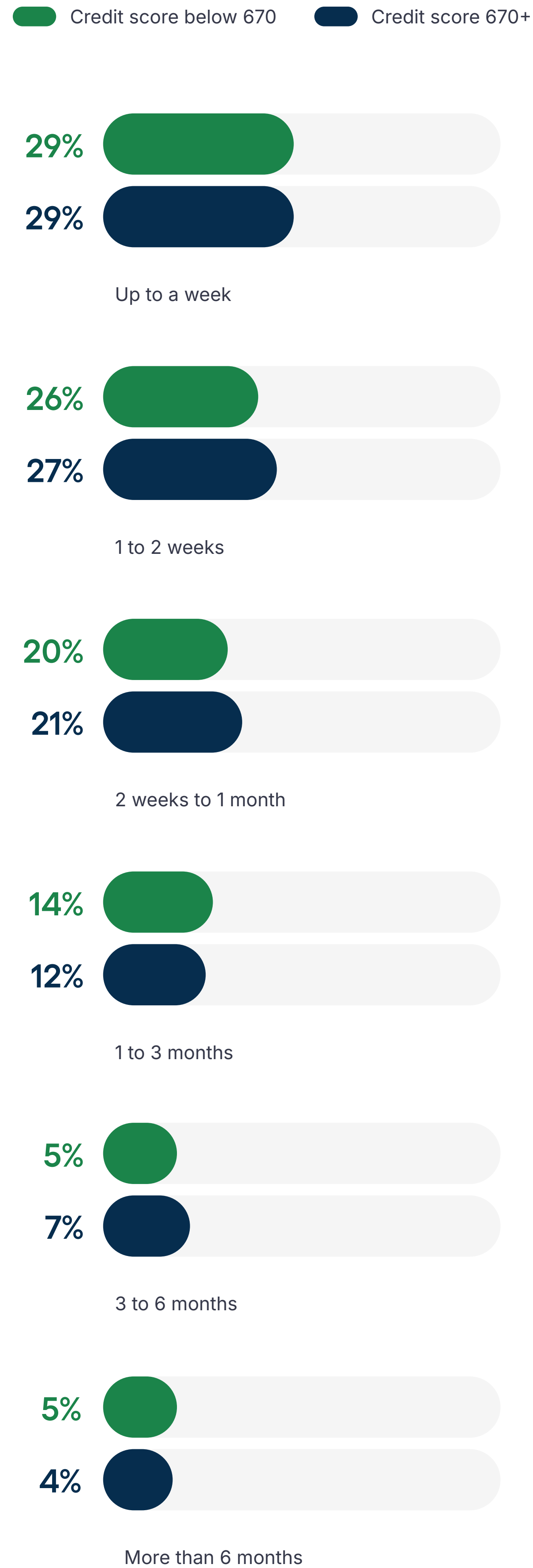


34% made a major purchase sooner than planned because they were worried prices would continue to rise due to **the economy or tariffs**



32% purchased sooner than planned due to **limited-time sales or promotions**

Length of time before making a major purchase



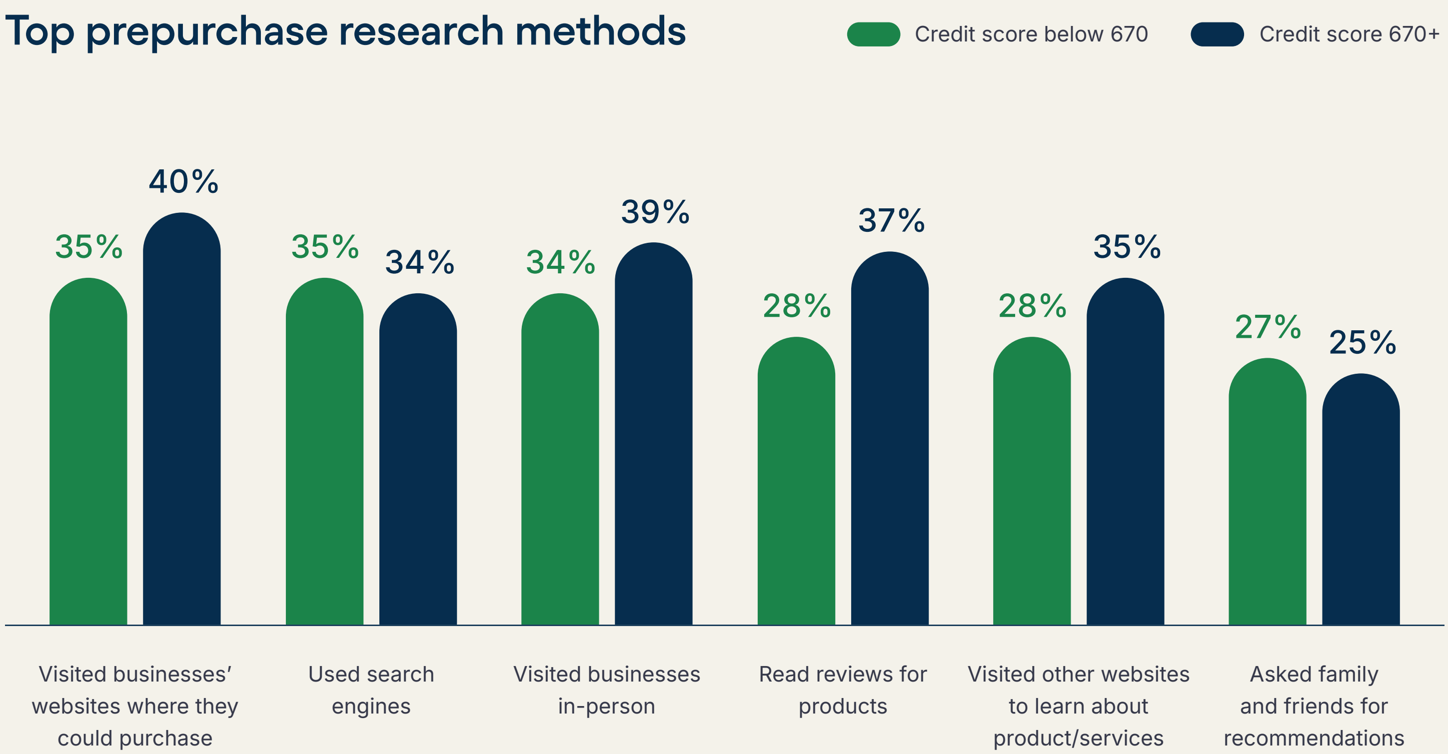
How consumers research major purchases

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.

Visiting business websites, shopping in-store, and using search engines are the most common forms of prepurchase research for all consumers.

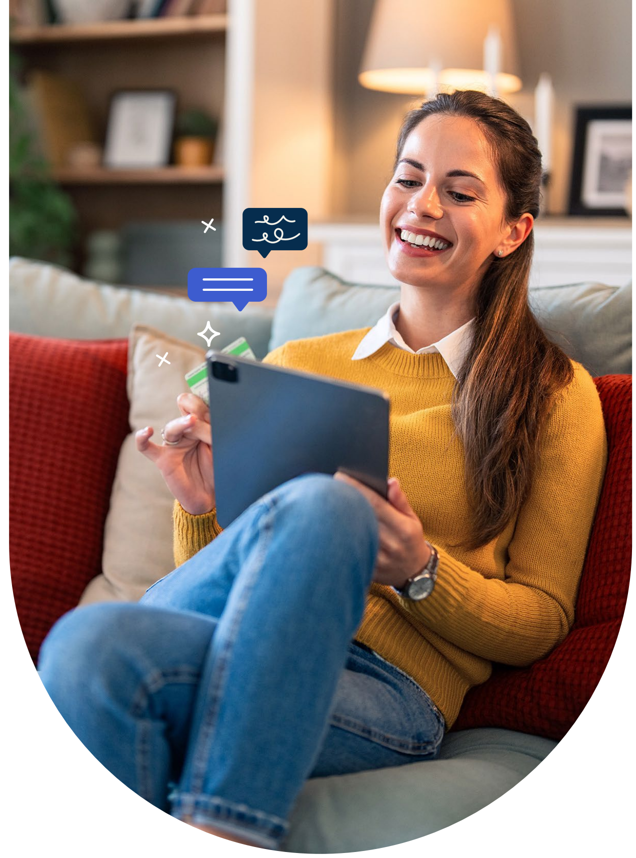
Before making a purchase 13% of all consumers used AI to research products and 7% used AI to research businesses

Top prepurchase research methods



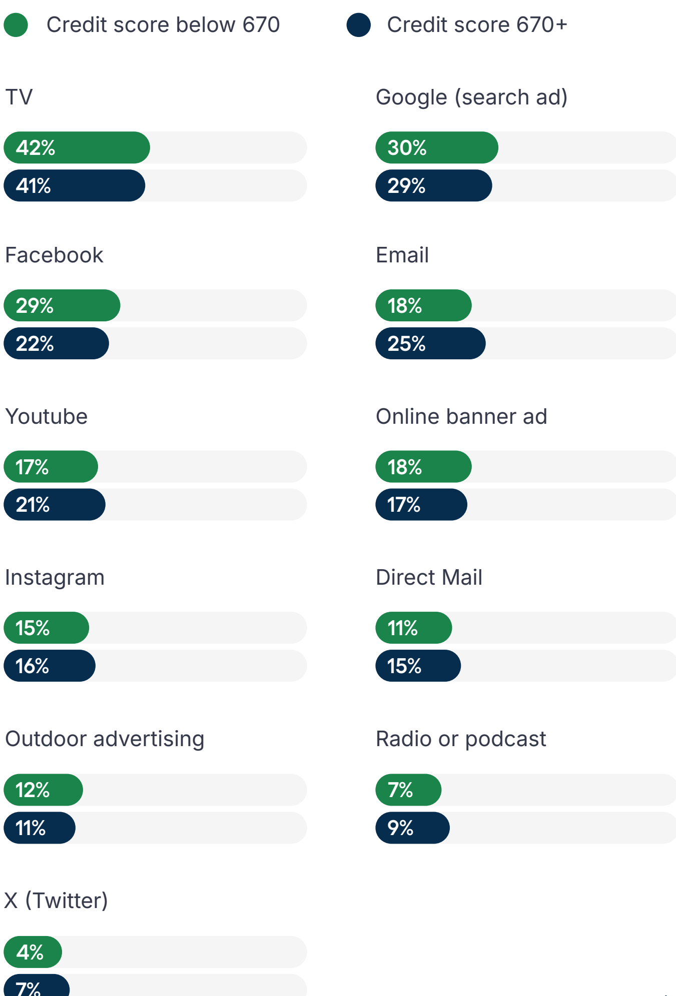
The role advertising plays in major purchases

Advertising builds awareness and influences where consumers choose to buy – 41% of all consumers recall seeing advertising from the business where they ultimately made their major purchase. For consumers making urgent or essential purchases, repeated exposure to advertising may help businesses stay top of mind when it's time to make a decision.



Where consumers recall seeing advertising

(For business where they made a recent major purchase)



Deciding where to shop

Credit-challenged consumers are looking for efficiency and value. Snap Finance found ease of purchase and price are the most important factors when consumers with lower credit scores choose where to shop.

Among all consumers in our study, most considered two businesses when choosing where to make their major purchase.

36% of consumers with lower credit scores considered two businesses for their major purchase or service

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. Knowledgeable employees
5. Previous experience with the business
6. Wide selection
7. Carried preferred brand
8. Positive online reviews
9. Warranty/protection availability
10. Ability to check out the product in-person

How brand factors in business selection

Shoppers with low or subprime credit typically don't have strong brand preferences, so they may be more flexible in their product choices. Instead of prioritizing brand, their decisions are often driven mainly by whether the item is available, competitively priced, or offered at a discount.

Top factors when selecting a brand or product

(Among those with lower credit scores)

1. Product or brand is in stock
2. Price was lower than other products/brands
3. Previous experience with the brand
4. Well-known brand
5. Warranty or guarantee is included

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. Our survey found 28% of those with lower credit scores purchased a lower quality item due to their financial situation or economic concerns, compared to just 13% of those with higher credit scores.

Among those with lower credit scores, **47% said financing availability was an important factor** in choosing where to buy, compared to 32% for those with higher scores.

Completing purchases

Even as online shopping continues to expand, most consumers, regardless of their credit profile, still prefer to make major purchases in-store. Seeing products in person, comparing options directly, and speaking with sales associates can provide added confidence before committing to a big-ticket purchase or service. For credit-challenged consumers, in-person interactions can be particularly valuable when financing options need to be discussed and arranged.

Among consumers with lower credit scores:

Completed a recent major purchase **in-store**

Completed a recent major purchase **online**

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. Easier than online shopping

Top reasons for purchasing online

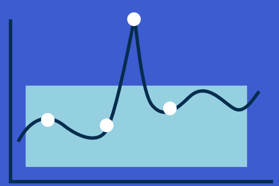
(Among those with lower credit scores)

1. Get a better deal/price
2. Easier than in-person purchases
3. Item only available online
4. Decided to purchase at home
5. At home when purchase decision made

3

Paying for major purchases with low or subprime credit

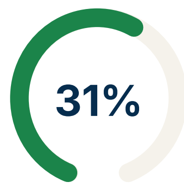
Securing financing is an important part of the shopping experience, which moves quickly from “What do I want?” to “How do I pay for it?” Those with low or subprime credit often lack savings to pay upfront and face limited financing options.



44% of credit-challenged consumers rely on financing to make major purchases

63% of credit-challenged consumers say financing makes major purchases more affordable

Alternative financing, including lease-to-own financing and installment loans, can bridge this credit gap. Among those with lower credit scores:



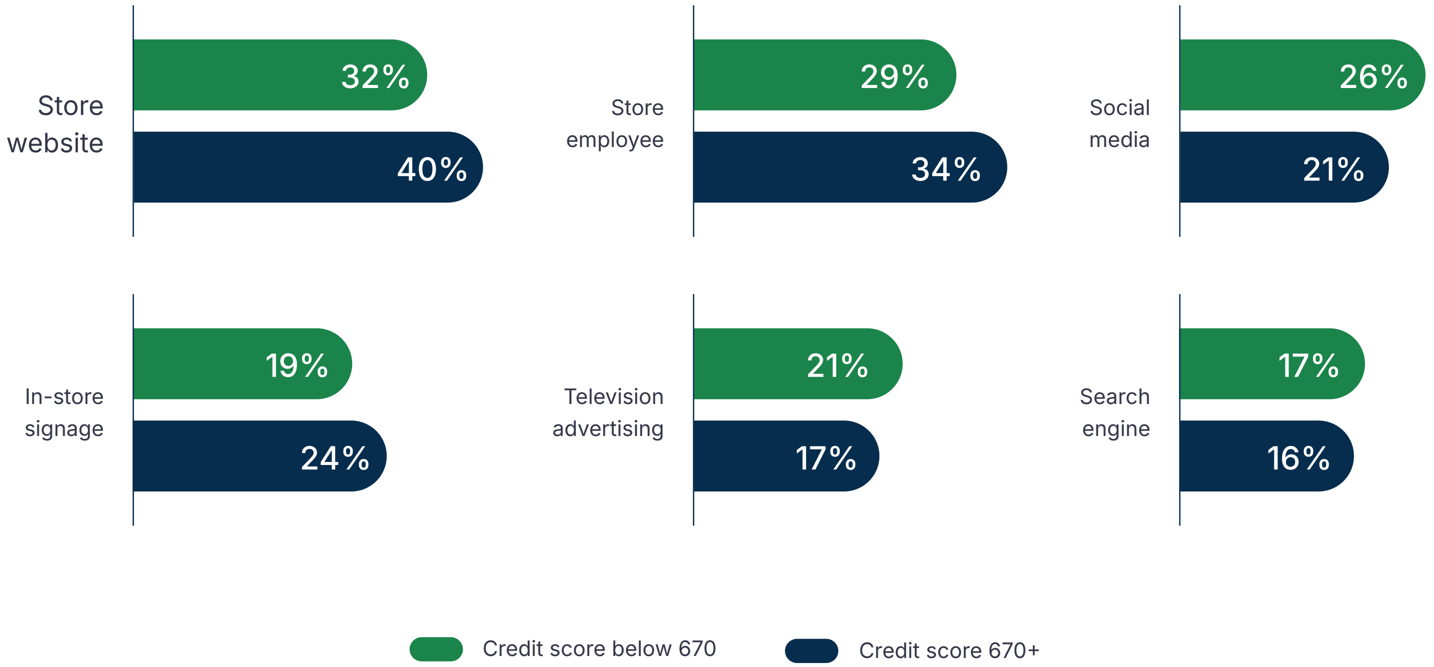
are interested in using **lease-to-own financing** to pay for major purchases

are interested in **long-term installment loans** to pay for major purchases

How consumers learn about financing

In our survey, 46% of shoppers with lower credit scores recall learning about financing options for their major purchase, compared to 35% of those with higher scores. Buyers in both groups most frequently learn about available financing through store websites, store employees, social media, and in-store signage.

How customers learned about financing options



When is the right time to start the conversation about financing with customers? Don't wait too long or assume which customers may need pay-over-time options. Discussing available financing, including lease-to-own financing and longer-term installment loans, is an essential part of the sales process. Those conversations could translate into sales that might otherwise be lost.

37% of those with lower credit scores would have considered financing had they known it was available (among those who didn't recall learning about financing during the sales process)

Making the decision to use financing

Among those with lower credit scores who used lease-to-own financing or installment loans, 60% decided they needed financing at the same moment they knew they needed the product or service – a year-over-year increase of 7%. Early conversations about financing availability may help customers move forward with confidence – and help prevent lost sales.

When determination was made to use financing

(Among those with lower credit scores who used lease-to-own or installment loans)

60% when they determined a need for the product or service

22% when shopping for the product or service

18% when completing the purchase or checking out

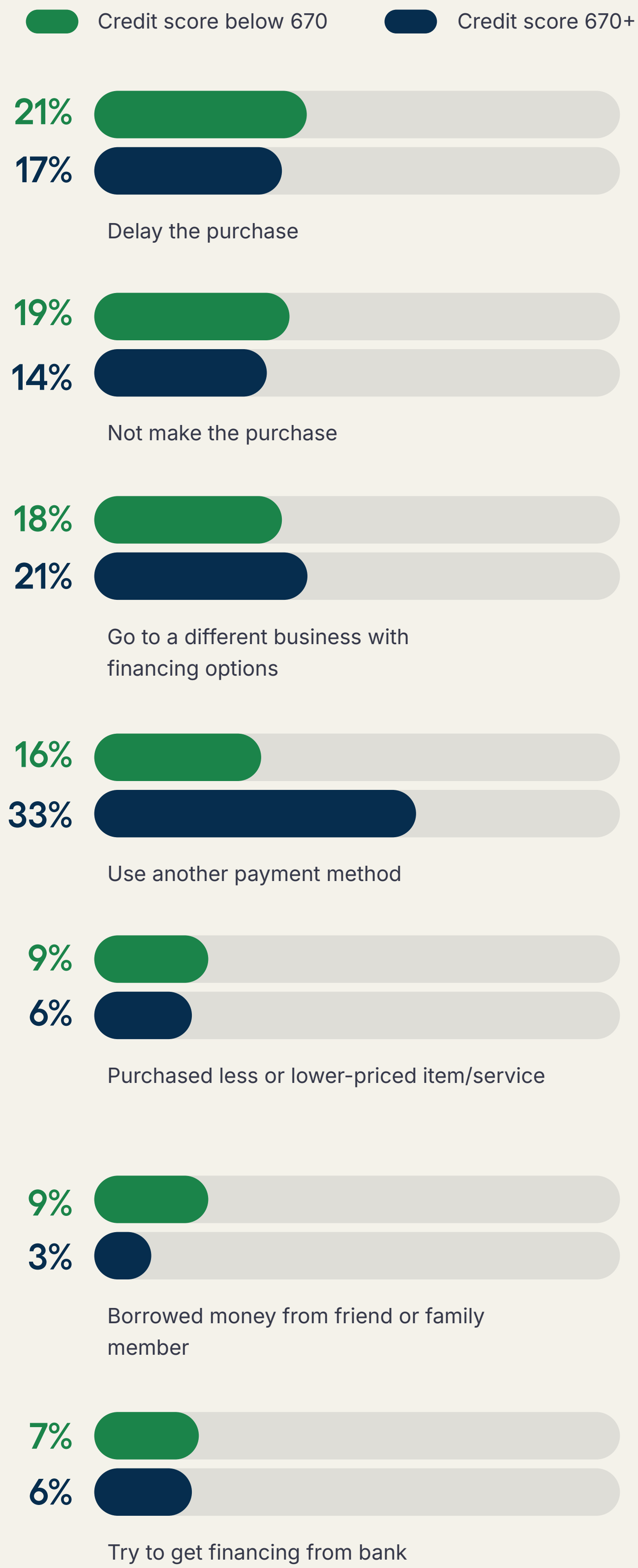
What happens when financing isn't available

Securing a pay-over-time option is often the only way a customer can complete a major purchase. Among those who used lease-to-own financing or longer-term installment loans, many said they would have delayed, changed, or abandoned their purchase entirely if financing had not been available for their recent major purchase.

39% consumers with lower credit scores could not have paid for a major purchase without financing – up 2% year over year

Action taken if financing was not available

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



The impact of financing on sales

Not only does financing help consumers complete purchases, it also helps them get more of what they need or choose better quality merchandise.

39%

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

53%

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

Among small businesses that use it, **76% said subprime financing increased their sales and 74% said customers spend more when it's available.**[7]

83% of Snap's retail partners say they're **more likely to close the sale with Snap**[8]

How Snap Finance helps businesses close the credit gap

Many businesses are facing growing operational and financial challenges in today's economy. With little room for error, they're looking for support and a competitive edge.

Snap Finance and subprime financing could be that differentiator, offering important benefits for your business and your customers. Consumers with low or subprime credit are shopping with you and are actively looking to make a major, essential purchase or service 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. Subprime financing isn't just another payment option.

It can help more of your customers access the products and services they need – and be a powerful tool for your business.

From enhancing average order values to expanding your customer base, partnering with Snap could help increase customer retention, grow your overall revenue, and boost incremental sales of major purchases of durable goods and essential big-ticket services.

Ready to help more customers access major purchases and services? Learn how Snap Finance can help your business drive sales and customer growth.

Visit snapfinance.com/partner to learn more.

About this survey

Snap Finance's proprietary research on credit-challenged consumers was conducted in March 2026 through Accelerant Research's Agora panel with 2,873 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® is a technology-driven provider of flexible financing solutions designed to help consumers and businesses thrive. Since 2012, Snap has used advanced data science and proprietary risk modeling to view each consumer through a more holistic lens, helping more people get the things they need while empowering retailers to grow. Snap's expanding ecosystem of products and services, including lease-to-own, loan solutions, and the Seen™- branded line of credit cards, promotes transparency, responsible credit use, and long-term financial confidence. For more information, visit snapfinance.com.

[1] Louis DeNicola, "What Does Subprime Mean?" Experian, October 22, 2025.

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

[3] "Will Macro Pressures and 'FICO Creep' Be a Boon for Pay Later Options?" PYMNTS, March 2025.

[4] "Consumer & Community Context." Board of Governors of the Federal Reserve System, October 2025.

[5] Proprietary research conducted through Accelerant Research's Agora panel with 2,873 household are financial decision makers who made a $300+ purchase in the prior 6 months across 14 product categories. Snap Finance, April 2026.

[6] Proprietary research, "Closing the Credit Gap: Major Purchase Study." Snap Finance, August 2025.

[7] Proprietary research, "2025 Subprime Financing Study." Snap Finance, March 2025.

[8] Proprietary research from survey of Snap Finance merchants, 2023.