



Buy Now, Pay Later

Reading Test

EXAMPLE

Copyright: These materials are photocopiable but please leave all logos and web addresses on handouts. Please don't post these materials onto the web. Thank you

Student

Time: *Approximately 1hour*

Two types of lesson

Lesson#1: [Easy] ***** [B2/C1]

1. Predict the content of the text by reading the title. Write down the key terms & ideas.
2. Read the text. Check the unknown words with a dictionary.
3. Answer the comprehension questions.
4. Check your answers with the provided key (pass mark is 70%).

Lesson #2: [Hard] ***** [C1]

1. Read the text without looking up any words.
2. Answer the comprehension questions.
3. Check your answers with the provided key (pass mark is 70%).

Teacher

Two types of lesson

Lesson#1: [easy] ***** [B2/C1]

1. Distribute **text 1 (without reference words underlined)** a week before the test. Students read, check vocabulary & meanings.
2. Test day. Distribute **text 2 (with reference words underlined)** & the **questions** (no dictionary or notes).
3. Set 1 hour to read the text & answer the questions.
4. Take in & correct or go through answers in class (pass mark is 70%).
5. Extra activity. Students write the *summary (add 30 minutes to the test).

Lesson #2: [hard] ***** [C1]

1. Test day. Distribute **text 2 (with reference words underlined)** & the **questions**.
2. Set 1 hour to read the text & answer the questions.
3. Take in & correct or go through answers in class (pass mark is 70%).
4. Extra activity. Students write the *summary (add 30 minutes to the test).

*Summary writing: www.academic-englishuk.com/summary

Buy Now, Pay Later (Text 1) EXAMPLE

By A. Watson (2022)

Buy now, pay later (BNPL) is a type of short-term, interest-free, convenience- and technology-driven [redacted], cost of an [redacted] with a fixed payment schedule. According to Sheikh (2021), of the estimated 15 million UK adults that actively use BNPL options, which are offered by [redacted], a third of those are in their twenties and thirties. Some of these major providers include Klarna, Clearpay, Laybuy and [redacted] and beauty industries. Meanwhile, whereas Zilch allows customers to purchase groceries in instalments, [redacted] the BNPL market with its Monzo Flex scheme, as has PayPal with the launch of its own digital version of a [redacted] (2021) reports that despite these providers only accounting for approximately 1% of the total credit market, [redacted] to [redacted] when these types of transactions more than tripled.

The BNPL option can benefit the provider and the retailer alike. Retailers look to collaborate with BNPL [redacted] potential higher purchase size and frequency that the providers often market, which then allows the providers [redacted] that they have helped to sell from the retailer (Sheikh, 2021). To exemplify, it has been estimated that a BNPL option [redacted] and the average ticket size by up to 50%, but it can also lead to further engagement with and acquisition of a new range of customers, with the aim of returning for future [redacted] (Reagan, 2021). For those customers, on the other hand, accessing BNPL options is free and relatively simple, through the use of [redacted] and online. According to Fieldhouse et al. (2021), BNPL options make payments more manageable due [redacted] average, and therefore allow customers to budget more easily. Furthermore, these options can be [redacted] to access mainstream credit elsewhere, perhaps due to a lack of credit history, or those who may be new to [redacted] who [redacted] processes daunting, and much prefer to view it as a 'try before they buy' concept (Financial Conduct Authority, 2021).

It is perhaps the ease of use and somewhat [redacted] who use these schemes to spend more than double on purchases than if paying upfront. What seems a small amount owed [redacted] due to the possibility of being able to sign up with multiple BNPL companies at the same time [redacted] checked nor shared across the platforms (BBC Panorama, 2021). The Financial Conduct Authority (2021) [redacted] displayed on websites can lure consumers into thinking they act the same way as a debit card [redacted] them [redacted] displaying the terms and conditions regarding late fees, for example. Moreover, as the sector is currently unregulated in the UK, most providers only need to undertake a very basic credit assessment, [redacted] affordability, meaning that customers who are already in arrears and struggle to keep track of and meet repayments, and [redacted] damage their long-term financial prospects (Sheikh, 2021). Therefore, although BNPL [redacted], it seems more and more people are using them to try to manage their debts.

Thus, despite the enhanced convenience, [redacted] people [redacted] BNPL phenomenon is financially damaging and will only exacerbate an already-growing debt crisis. As argued [redacted],

the approach to regulating the credit sector must look at 'how products are used in the real world', so that both [REDACTED]. The underlying hope is that the more the BNPL market expands, the more [REDACTED].

Reference list

BBC Panorama, (2021). [REDACTED] ? [online]. Available at: <https://www.bbc.co.uk/programmes/m0012jqk> [Viewed 03.04.2022].

[REDACTED] (2021). *'Tis the season for buy now, pay later* [online]. Available at: https://insight.equifax.com/podcast-tis-the-season-for-buy-now-pay-later/?intcmp=homepage_hero--featured [Viewed 05.04.2022].

Financial Conduct Authority, (2021). *The Woolard Review* [REDACTED] *credit market* [pdf]. Available at: <https://www.fca.org.uk/publication/corporate/woolard-review-report.pdf> [Viewed 05.04.2022].

[REDACTED] (2021). *Retailers bid farewell to layaway, as shoppers embrace buy now, pay later options* [online]. Available at: <https://www.cnbc.com/2021/09/25/why-retailers-are-embracing-buy-now-pay-later-financing-services.html> [Viewed 04.04.2022].

Sheikh, R., (2021). [REDACTED] <https://www.bbc.co.uk/news/explainers-59582188> [Viewed 05.04.2022].

Buy Now, Pay Later (Text 2) EXAMPLE

By A. Watson (2022)

1. Buy now, pay later (BNPL) is a type of short-term, interest-free, convenience- and technology-driven [redacted], cost of an [redacted] with a fixed payment schedule. According to Sheikh (2021), of the estimated 15 million UK adults that actively use BNPL options, which are offered by [redacted], a third of **those** are in their twenties and thirties. Some of these major providers include Klarna, Clearpay, Laybuy and [redacted] and beauty industries. Meanwhile, whereas Zilch allows customers to purchase groceries in instalments, [redacted] the BNPL market with its Monzo Flex scheme, as has PayPal with the launch of **its** own digital version of a [redacted] (2021) reports that despite these providers only accounting for approximately 1% of the total credit market, [redacted] to [redacted] when these types of transactions more than tripled.

2. The BNPL option can benefit the provider and the retailer alike. Retailers look to collaborate with BNPL [redacted] potential higher purchase size and frequency that the providers often market, which then allows the providers [redacted] that they have helped to sell from the retailer (Sheikh, 2021). To exemplify, it has been estimated that a BNPL option [redacted] and the average ticket size by up to 50%, but it can also lead to further engagement with and acquisition of a new range of customers, with the aim of returning for future [redacted] (Reagan, 2021). For those customers, on the other hand, accessing BNPL options is free and relatively simple, through the use of [redacted] and online. According to Fieldhouse et al. (2021), BNPL options make payments more manageable due [redacted] average, and therefore allow customers to budget more easily. Furthermore, these options can be [redacted] to access mainstream credit elsewhere, perhaps due to a lack of credit history, or **those** who may be new to [redacted] who [redacted] processes daunting, and much prefer to view it as a 'try before they buy' concept (Financial Conduct Authority, 2021).

3. It is perhaps the ease of use and somewhat [redacted] who use these schemes to spend more than double on purchases than if paying upfront. What seems a small amount owed [redacted] due to the possibility of being able to sign up with multiple BNPL companies at the same time [redacted] checked nor shared across the platforms (BBC Panorama, 2021). The Financial Conduct Authority (2021) [redacted] displayed on websites can lure consumers into thinking **they** act the same way as a debit card [redacted] them [redacted] displaying the terms and conditions regarding late fees, for example. Moreover, as the sector is currently unregulated in the UK, most providers only need to undertake a very basic credit assessment, [redacted] affordability, meaning that customers who are already in arrears and struggle to keep track of and meet repayments, and [redacted] damage **their** long-term financial prospects (Sheikh, 2021). Therefore, although BNPL [redacted], it seems more and more people are using them to try to manage their debts.

4. Thus, despite the enhanced convenience, [redacted] people [redacted] BNPL phenomenon is financially damaging and will

only exacerbate an already-growing debt crisis. As argued [redacted], the approach to regulating the credit sector must look at 'how products are used in the real world', so that both [redacted]. The underlying hope is that the more the BNPL market expands, the more [redacted].

Reference list

BBC Panorama, (2021). [redacted] ? [online]. Available at: <https://www.bbc.co.uk/programmes/m0012jqk> [Viewed 03.04.2022].

[redacted] (2021). *'Tis the Season for Buy Now, Pay Later* [online]. Available at: https://insight.equifax.com/podcast-tis-the-season-for-buy-now-pay-later/?intcmp=homepage_hero--featured [Viewed 05.04.2022].

Financial Conduct Authority, (2021). *The Woolard Review* [redacted] *credit market* [pdf]. Available at: <https://www.fca.org.uk/publication/corporate/woolard-review-report.pdf> [Viewed 05.04.2022].

[redacted] (2021). *Retailers bid farewell to layaway, as shoppers embrace buy now, pay later options* [online]. Available at: <https://www.cnbc.com/2021/09/25/why-retailers-are-embracing-buy-now-pay-later-financing-services.html> [Viewed 04.04.2022].

Sheikh, R., (2021). [redacted] <https://www.bbc.co.uk/news/explainers-59582188> [Viewed 05.04.2022].

Comprehension Questions

1. Headings: Choose a subheading for each paragraph. One title is not needed.

1	<i>C (example)</i>	A	The way BNPL works in practice
2		B	
3		C	The definition of BNPL
4		D	
		E	Market share of BNPL

___ / 3

2. True / False / Not Given: One question per paragraph.

		T / F / NG
Paragraph 1		
i.	Around 30% of consumers using BNPL are between 20-30 years old (<i>almost a third of those are in their twenties and thirties</i>).	<i>T (example)</i>
Paragraph 1		
i.	The BNPL _____ industries.	
Paragraph 2		
ii.	Consumers _____ BNPL.	
Paragraph 3		
iii.	One issue _____ how it works.	
Paragraph 4		
iv.	The global _____ accessing credit.	

___ / 4

3. Open Answer Questions: One question per paragraph.

Paragraph 1	
i.	What is BNPL?
Paragraph 2	
ii.	Who _____ appealing?
Paragraph 3	
iii.	What checks do BNPL providers _____ ?
Paragraph 4	
iv.	What _____ unregulated BNPL industry?

___ / 4

4. Reference Words: What do these words connect to? (underlined in the text).

Paragraph	Word	Connection
1	<u>Those</u>	<i>UK adults who use BNPL (example).</i>
1	Its	
1	These	
2	They	
2	Those	
3	They	
3	Their	

___ / 6

5. Author's Stance: What does the writer think about BNPL?

Q1.	What does she think [redacted] for the consumer?
	i. <i>It's free and simple (example).</i>
	ii.
	iii.
Q2.	What does she think [redacted] of BNPL for the consumer?
	i.
	ii.
	iii.

___ / 5

6. Key language: Search for the word in the paragraph that means:

Paragraph	Explanation	Word
1	<i>A person, shop or business that sells goods to the public.</i>	<i>Retailer (example)</i>
1	A sum of money due as one of several equal payments for [redacted] period of time.	
1	Faster than usual.	
2	To [redacted] a special purpose.	
2	The [redacted] something.	
2	Ideas and beliefs [redacted] people.	
3	The thing that exists [redacted] change it intentionally.	
3	The state of being cheap enough for anyone to buy.	
4	The [redacted] money.	

___ / 8

Overall Total: ___ / 30

Comprehension Questions **ANSWERS**

1. **Headings:** Choose a subheading for each paragraph. One title is not needed.

1	<i>C (example)</i>	A	The way BNPL works in practice
2	<i>A</i>	B	A need for better regulation
3	<i>D</i>	C	The definition of BNPL

___ / 3

ALL ANSWERS INCLUDED IN PAID VERSION...