



Deferred Payment Credit (previously known as the Buy Now Pay Later scheme) regulation goes live on 15 July 2026 – **are you ready?**

Final countdown for lenders

Key actions for lenders ahead of the FCA deadline

The FCA's new regulatory regime for Deferred Payment Credit (DPC), previously known as Buy Now Pay Later, comes into force on 15 July 2026.

For many firms, the countdown is now measured in days rather than months. Firms that intend to continue offering regulated DPC products after 15 July need to be confident that both their permissions and operational arrangements are in place.

While much of the industry has been preparing for some time, the FCA has made it clear that firms should already be implementing the changes required under its final rules.

A quick reminder – what is changing?

From 15 July 2026, many third-party DPC arrangements will become regulated consumer credit agreements.

From that date, firms carrying on relevant DPC activities will need to:

- hold the appropriate FCA permissions or be operating under the Temporary Permissions Regime (TPR)
- comply with the FCA's consumer credit rules
- meet Consumer Duty requirements
- undertake appropriate affordability and creditworthiness assessments
- provide required customer disclosures and communications (pre-contractual disclosures)
- give access to the Financial Ombudsman Service
- have appropriate finance agreements, a key product information guide and additional product information for use
- have appropriate governance, oversight and reporting arrangements in place

Importantly, agreements entered into **before 15 July 2026** will remain **exempt**.

Five things firms should be checking now

1. Have you secured the right permissions?

Any firm intending to continue carrying on regulated DPC activities after 15 July must either:

- already hold the relevant consumer credit permissions; or
- have successfully registered for the FCA's Temporary Permissions Regime.

The FCA's notification window closes on **1 July 2026** and firms should not leave this to the last minute.

2. Are your customer journeys ready?

The FCA expects firms to provide clear information that helps customers make informed borrowing decisions.

This includes reviewing:

- website journeys
- customer communications
- pre-contract disclosures
- terms and conditions
- arrears and collections communications
- complaints processes

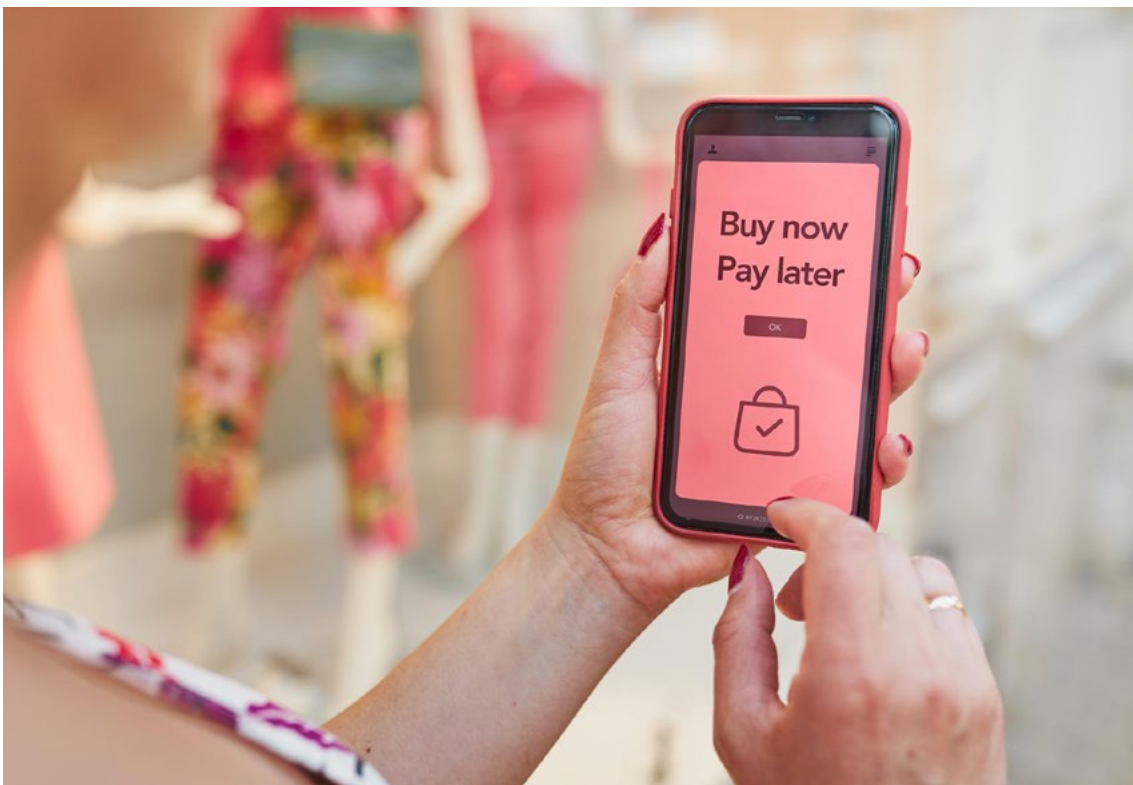
Many firms are finding that customer journeys developed in an unregulated environment require significant updating to align with FCA expectations.

3. Have affordability and creditworthiness processes been reviewed?

The FCA's final rules introduce expectations around responsible lending and affordability assessments.

Firms should be comfortable that:

- policies and procedures are documented
- affordability processes are operating as intended
- governance and oversight arrangements are in place
- management information supports effective monitoring



4. Is your governance framework ready?

As with any newly regulated activity, the FCA will expect appropriate oversight from senior management.

This includes:

- ownership and accountability
- board and committee reporting
- Consumer Duty monitoring
- risk management arrangements
- complaints and customer outcome monitoring

5. Can you evidence compliance?

One of the biggest challenges for firms entering regulation for the first time is demonstrating compliance.

Firms should be considering:

- policies and procedures
- training records
- governance documentation
- monitoring and testing activity
- customer outcome assessments
- management information

The FCA will expect firms to be able to demonstrate not only that controls exist, but that they are operating effectively.



What happens next?

The FCA has indicated that it wants to support firms through the transition to regulation, but firms should not assume there will be additional implementation periods after 15 July 2026.

Businesses that have not yet completed their readiness assessments should be acting now to identify any remaining gaps before regulation day.

How Auxillias can help

We are already supporting lenders, retailers and DPC providers with their readiness programmes ahead of the new regime.

Our support includes:

- DPC readiness reviews and gap analysis
- Consumer Duty assessments
- writing regulated DPC finance agreements along with relevant terms and conditions, key product information guide and additional product information
- financial promotions and website compliance reviews
- customer journey reviews
- affordability and creditworthiness framework reviews
- governance and oversight arrangements
- policies and procedures
- complaints and vulnerability frameworks
- staff training and workshops
- ongoing legal, regulatory and compliance support through Auxillias On Demand

If you would like an independent review of your DPC readiness, or support addressing any remaining gaps before 15 July, please contact a member of the Auxillias team.



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