

More Rewards, More Flexibility: PayPal Introduces 5% Cash Back on Buy Now Pay Later Purchases this Holiday Season

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Customers have more ways to earn rewards when they pay over time for purchases in-store and online

SAN JOSE, Calif., Oct. 6, 2025 /PRNewswire/ -- PayPal today announced that U.S. customers will earn 5% cash back on PayPal Buy Now Pay Later (BNPL) purchases between now and the end of the year¹. As 60%² of shoppers feel more financial stress heading into this holiday season, PayPal, one of the leading BNPL providers worldwide, is helping to make it easier to manage spending this holiday season. With PayPal's BNPL offering, shoppers can split purchases into convenient payments and earn cash back, thus making their money go further during the holidays. PayPal is also introducing Pay Monthly³ in-store in the U.S., providing customers with more choice and flexibility to pay over time wherever they shop.

Whether shoppers are looking to buy gifts, fashion, electronics, or planning travel, PayPal's BNPL options now give them ways to earn rewards with convenience. Beginning today, shoppers can save the 5% cash back offer through the PayPal app and it will automatically apply to all eligible in-store and online PayPal BNPL transactions now until the end of the year.

"Our customers seek payment options that make holiday shopping easier and more rewarding," said Michelle Gill, General Manager, Small Business and Financial Services at PayPal. "With cash back on Buy Now Pay Later products, we're giving them a smarter way to pay and more flexibility to shop the way they want. And for merchants, PayPal BNPL is a proven way to attract more shoppers and increase conversion during the busiest season of the year."

Over 80% of consumers who have used or considered BNPL are open to using it for holiday shopping this year²,

making PayPal BNPL a critical opportunity for merchants looking to capture increased sales and increase conversion. PayPal's BNPL options help make it easy for merchants to boost sales and loyalty by giving shoppers flexible payment options and cash back incentives that reduce cart abandonment and build loyalty at checkout during this holiday season.

The expansion of PayPal Pay Monthly³ in-store provides shoppers access to the same flexibility, 5% cash back, and choice at checkout in store. Within the PayPal app, customers apply for their desired loan amount and once approved will be issued a single-use virtual card that can be added to their mobile wallet and used within 24 hours. PayPal makes it easy for customers to stay on top of spending with the ability to schedule automatic payments, track their loans and receive proactive reminders ahead of scheduled payments.

Pay Monthly for in-store use will begin rolling out to U.S. customers over the coming weeks. Merchants interested in adding PayPal's BNPL solutions ahead of the holiday season can learn more [here](#).

About PayPal

PayPal has been revolutionizing commerce globally for more than 25 years. Creating innovative experiences that make moving money, selling, and shopping simple, personalized, and secure, PayPal empowers consumers and businesses in approximately 200 markets to join and thrive in the global economy. For more information, visit <https://www.paypal.com>, <https://about.pypl.com/> and <https://investor.pypl.com/>.

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Talker research online Holiday 2025 Survey, commissioned by PayPal. 1,000 U.S. respondents., Sept. 2025.
Pay Monthly is subject to consumer credit approval and eligibility. Pay Monthly is currently not available to residents of AK, CT, HI or WA. The lender for Pay Monthly is WebBank. PayPal, Inc. (NMLS #910457): RI Loan Broker Licensee. VT Loan Solicitation Licensee.

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