# Booze now, pay later – the dangerous cocktail of alcohol and Afterpay

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### Buying alcohol via credit services like Afterpay can come with a high cost to the most vulnerable people in our community.

'Buy now, pay later' services are the new credit service on the block, which by their very nature are posing a threat to the most vulnerable groups in our community.

These services turn the concept of lay-by on its head. Rather than paying a deposit in store to secure an article for later purchase, shoppers can get their goods straightaway and can use them and consume them before making a single payment.

The biggest provider of buy now, pay later services Afterpay, does not charge interest, but instead slaps the consumer with late fees if a fortnightly repayment is missed.

Afterpay raked in $28.4 million from late fees, and Australian shoppers [tallied nearly $1 billion in debt](https://www.9news.com.au/2018/12/11/17/50/afterpay-buy-now-pay-later-christmas-warning) across all buy now, pay later services.

Buying alcohol via this credit service can come with a high cost for Australian consumers, especially for the most vulnerable in our community.

At FARE, we are concerned about some of the people who might have recourse to using this type of financial instrument to purchase their alcohol.

The use of buy now, pay later services for alcohol subverts established mechanisms to minimise harm to public health from alcohol, by enticing the consumer with a much lower upfront price.

Buying alcohol at low or no cost upfront [has the potential to increase alcohol harm](https://www.smh.com.au/national/increased-harm-the-push-to-ban-sales-of-1-50-alcohol-via-afterpay-20181219-p50nab.html) because price is a crucial modifier in alcohol purchasing behaviour.

Making it easier to access and buy alcohol is associated with increased harm to innocent third parties, including assaults, domestic violence, road crashes, and child maltreatment.

In its [submission to the Senate Economics References Committee oncredit and financial services targeted at Australians at risk of financial hardship](https://fare.org.au/submission-credit-and-financial-services-targeted-at-australians-at-risk-of-financial-hardhsip/), FARE has called on the Australian Government to ban the sale of alcohol through buy now pay later services.

https://twitter.com/MichaelTThorn/status/1077055357803847682

Using Afterpay for addictive consumables like alcohol via cheap, prominent online promotion is of particular concern for vulnerable groups; people who engage in risky drinking practices, those who have an alcohol dependency issue that puts them at risk to themselves and also at risk to their families and young people – particularly children.

Alcohol is no ordinary commodity because of the health and social harm it causes, which costs the Australian public almost $36 billion per annum.

Alcohol is a psychoactive drug and a group one carcinogen, which makes it one of the leading contributors to death and disability, and is a causal factor in over 200 disease and injury conditions

Yet Afterpay and other similar services further normalise alcohol by allowing it to be purchased along with other everyday goods such as clothing, electronics, car repairs, or even dental work, Having more options to buy alcohol on impulse is a lose-lose scenario, and when combined with easy delivery options this can lead to poor decisions that are later regretted.

Enticing the consumer with a much lower upfront price creates a substantial risk that this will simultaneously increase alcohol and credit dependency.

Even if alcohol doesn’t make up a big proportion of sales now, these credit services are still in their infancy, and we don’t know how they will evolve.

Regulators would be well advised to take a good hard look at these services and clamp down on them now before they become an entrenched problem.

**Michael Thorn speaks to 6PR's Peter Vlahos about how the Afterpay service is posing a threat to the most vulnerable groups in our community.**

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