



Capitol CU elevated its banking experience with a BNPL program members love

3.7x

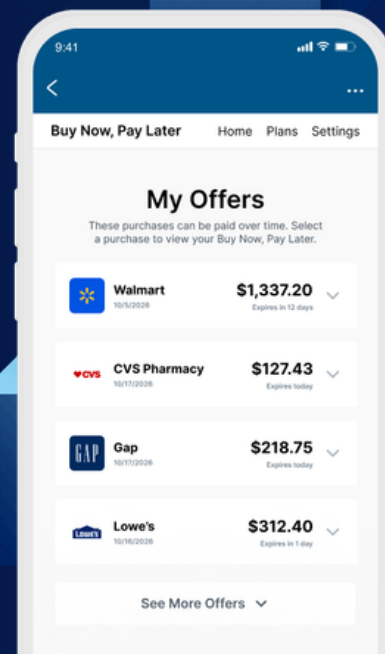
growth in BNPL usage YoY

80%

of BNPL users stayed active users in year 2

\$1,350

average BNPL usage per user



Background

Capitol Credit Union (Capitol) is a financial institution in Austin, Texas with \$215 million in assets and serving over 13,200 members.

As a smaller credit union, Capitol stayed competitive with big banks by ensuring that its members had access to top-tier digital banking products and experiences. Pierre Cardenas, the President & CEO of Capitol, had been looking for a way to deepen engagement, particularly with Millennial and Gen Z members. When he noticed Buy Now, Pay Later (BNPL)'s popularity with next gen consumers, he started to look into how Capitol could provide it for its members.

Problem

At the time, BNPL was seen as a fintech product, and both its technology and loan type were new to credit unions. Smaller credit unions found it difficult to develop, test, and manage the product internally.

Nevertheless, Pierre knew BNPL was a must-have. He looked to equipifi, a CUSO helping credit unions launch their own white label BNPL programs.

With equipifi's expertise and turnkey onboarding process, Capitol connected its banking core to the platform and embedded BNPL into its digital banking with little internal resources needed.

While Capitol's members used its BNPL program with high return usage, they did not always know when they had offers. Pierre needed to expand the program's reach so more members could experience its benefits.

We're in a hyper competitive environment with very large financial institutions all around us. We need technology to differentiate ourselves and play bigger.

– Pierre Cardenas, CEO & President

Solution

Capitol needed to drive more awareness to its BNPL program to see meaningful increases in adoption. Most importantly, it needed a way to let members with BNPL offers know when they were available, and guide them toward the BNPL experience.

To accomplish this with minimal resources from Pierre's team, equipifi helped Capitol launch automated offer notifications. Delivered weekly through email, members with qualified offers were alerted what recent debit card transactions they had that could be split to pay over time. They were also notified of any pre-purchase BNPL offers they could use prior to going shopping. Once set up, Capitol would not need to manually manage any part of the BNPL process, including driving awareness.

We've got to give consumers a reason to want to bank with us. equipifi has made it very easy to compete in a very tough market.

– Pierre Cardenas, CEO & President

Results

With automated offer notifications launched, Capitol's BNPL program soared in adoption, performing at the level of financial institutions many times its size, and is still growing. When Capitol launched pre-purchase BNPL, member began using the product before marketing could begin.

"We hadn't even advertised to our membership yet," Pierre recalled. "It was simply put on the app. Members found it and were actually using it, and it was unbelievable the traction we were getting."

Capitol also drove high member engagement with its BNPL program. Not only did it see 3.7x year over year growth in its BNPL usage since launch, 80 percent of its members that adopted its BNPL in year one have stayed active users into year two. Active users of Capitol's BNPL program take out \$1,350 in loans on average.

Pierre reported that the credit union has also seen efficiencies due to its BNPL program running on automated workflows. "It has allowed us to focus on the bigger transactions. The smaller ones just take care of themselves."

Schedule a demo today to launch Buy Now, Pay Later!

To learn more about equipifi and how to supercharge your digital banking experience by unlocking Buy Now, Pay Later, visit www.equipifi.com or contact us at hello@equipifi.com

