SECTOR STORY · RETAIL AND PAYMENTS

Pay in four: Iran's economy, seen through the checkout

"Buy now, pay later" has just set a record in Iran, and its market is forecast to triple this year. The way Iranians now pay at the till says a great deal about their economy: a consumer market that has gone digital at scale, and two risks that few people are pricing in yet, retailers' cash and household debt.

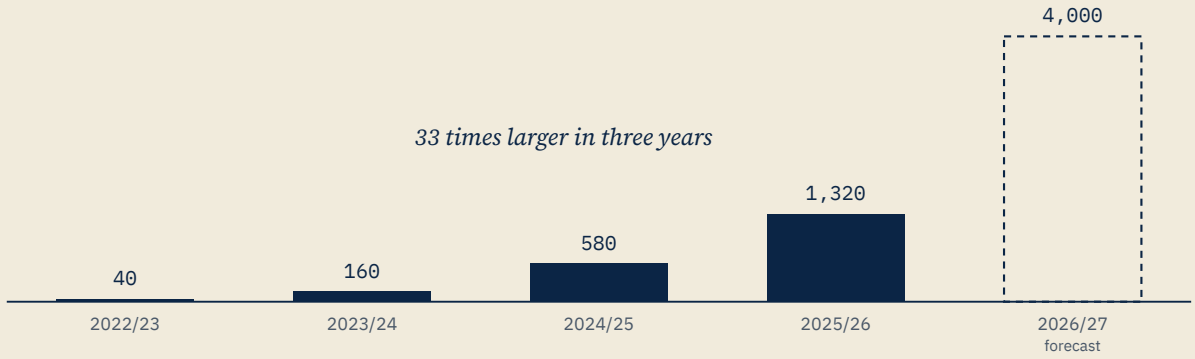
By the Sarv InSight team, Tehran · November 2026

This autumn, the hottest topic in Tehran's business meetings is not the dollar. It is four payments. On Iranian LinkedIn, in the newspapers and in the meetings we sit in, the conversation has moved from prices to how people manage to pay them.

On the evening of Monday 26 October, Snapp Pay, the payments arm of Snapp, Iran's largest ride-hailing and delivery group, gathered retailers, brands and e-commerce players for an event called "Note by note", and launched the first industry report on Iranian "buy now, pay later", or BNPL. Its figures are a record by any measure.

THE MARKET

Iran's BNPL market, trillion rial, by Iranian year (March to March)



Snapp Pay's estimates for the whole market (its industry report, autumn 2026), converted from toman. 2026/27 is the company's forecast.

A record, and a forecast of 4,000 trillion rial

Snapp Pay says it handled 175 million credit orders in the twelve months to September 2026, and passed one million orders in a single day. By its estimate, the whole market grew from about 40 trillion rial in the year to March 2023 to 1,320 trillion rial in the year to March 2026: thirty-three times larger in three years. Part of that is inflation. The cleaner measure is share: BNPL now pays for 17% of everything Iranians buy online, up from 4%, the same share as Australia and ahead of the United Kingdom and the United States.

For this year, the company forecasts about 4,000 trillion rial (400 thousand billion toman, roughly $1.5 billion at today's free-market rate), three times last year, with BNPL paying for 28% of online retail. Snapp Pay alone counts 19.1 million registered users, and more than 5 million used it in October, with credit lines from 10

million to 2 billion rial. In Tehran's business circles, people now say more than half the country has used BNPL at least once. No official count confirms it, but the direction is not in doubt.

What the record says about the economy

A market does not grow thirty-three times in three years by accident. Two forces met at the till.

Little credit. Iranians are well banked, but very few can borrow. According to World Bank data cited in the report, 77% of Iranian adults received no loan or credit from a financial institution in 2024, and by the report's estimate, credit cards account for only about 1.3% of the value of purchases, online and in shops. BNPL arrived without guarantors, cheques or paperwork, and filled an empty space.

Less money. In January 2026, the subsidised exchange rate for basic goods was removed. Cooking oil, rice and imported meat saw the largest price jumps, and food prices rose more than 100% over the past Iranian year, according to the head of the country's largest store network. In October, prices overall were 88.7% higher than a year earlier, and rose 4.4% in that month alone. In a September survey of 4,119 Snapp Pay users, 68% said they had bought something that cost more than the cash they had, and 55% had used it for essential, everyday goods.

It is tempting to blame easy credit for rising prices. In Iran, the causality mostly runs the other way. When prices rise every month, paying later is paying less in real terms, and a phone bought today in four instalments is cheaper than the same phone bought in cash next month. As a senior researcher at the central bank's Monetary and Banking Research Institute put it this summer, in an inflationary economy even an expensive credit line does not stop people buying, because they fear losing tomorrow's purchasing power.

> *This is not a luxury habit. For many households, it is how the month is managed.*

The other side of the record: a market that went digital at scale

Read only as a sign of hardship, the record misses half the story. In three years, millions of Iranians who had never held a credit card learned to buy, borrow and repay on their phones. Credit is now decided in seconds, scored on each user's digital footprint instead of guarantors and cheques, and so far they repay. Iran built this itself, with its own apps, its own data and its own payment rails.

The habit is also leaving the screen and the capital. In September, in-store "pay in four" orders on Snapp Pay were 8.1 times higher than a year earlier, and the share placed outside Tehran rose from 47% to 62%. Yet in physical shops, where most of the money is spent, BNPL still pays for less than 0.5% of sales, against 17% online. That gap is the room left to grow.

For a company looking at Iran, this is the other headline: a large, young consumer market that adopts new tools fast, and a local payment network that can already reach, score and lend to it, far beyond Tehran.

Kalabarg: the state's help, paid late

BNPL is not the only new way Iranians pay at the till. Kalabarg, the state's electronic food coupon, is aid for low-income households: a monthly amount per person, spent on a fixed list of basic goods in approved shops. The family pays nothing back. The government pays the shop afterwards.

The amount is modest. Since 6 November it is 15 million rial (about $5.60) per person a month. At the same time, the authorities began removing about one million households, some 3 million people, whose income is above new limits: 200 million rial a month for a household of up to three, 270 million for four. Those removed can appeal.

For retailers, the scale is striking. At Ofogh Kourosh, Iran's largest store network with 5,390 shops, kalabarg now accounts for close to 20% of sales, its management told shareholders in early November. And the "afterwards" is

getting longer: at the start, the government settled with retailers on the same day; today the delay is more than a month. Between a private credit line and a public coupon, a growing part of what Iranians buy is no longer paid for in cash, on the day.

OUR ANALYSIS

Risk one: the retailer's cash

Both systems place the retailer in the middle of the money flow, and both shift a cost onto it.

With kalabarg, the shop hands over the goods and waits for the state. It still has to pay its suppliers, its staff and its rent on time. In an economy where prices rise more than 4% a month, every month of waiting means the money finally received buys less.

OUR ESTIMATE: WHAT A MONTH'S WAIT COSTS A LARGE CHAIN

Share of sales paid through kalabarg	≈ 20%
Real value lost by waiting one month, at 4.4% monthly inflation	≈ 4.2%
Lost value, as a share of total sales	≈ 0.8%
Net profit margin of the chain last year	≈ 6.1%
Share of the margin absorbed by one month's delay	**≈ one-seventh**

Sarv InSight calculation from figures the company gave its shareholders and October's monthly inflation. Before any borrowing costs, which make it worse.

A large chain can absorb this, at least for a while: it has scale, bargaining power with suppliers, and a stock-market listing. A medium-sized retailer, a regional chain or a strong independent supermarket, has thinner margins, smaller cash reserves and less room to delay its own suppliers. For them, a month's wait on a fifth of sales can decide whether the shelves are full next month. Reports this year describe shops becoming reluctant to accept the coupon because of payment delays.

The same squeeze is visible on the capital market. This week, the company behind Digikala, Iran's largest online retailer, offered 20 trillion rial (about $7.5 million) of four-year murabaha bonds, guaranteed by a bank. The official notice states the purpose plainly: working capital, to buy stock, which press reports say is almost entirely mobile phones. The stated rate is 23%; with fees, one financial outlet estimates the company's effective cost at close to 39% a year. Murabaha is built to finance goods, so the instrument itself is normal. What stands out is the market leader raising four-year money for shelves that turn over in weeks. With inflation near 90%, that cost is still negative in real terms, which makes the deal sound. It also says something about the economy: even the strongest retailers now fund their stock outside the banks.

BNPL looks like the opposite. The credit provider, not the state, pays the shop, minus a commission, and providers compete on paying on time. But there is a structural difference that few shopkeepers think about. When a customer pays by card, Iran's banking network guarantees the shop is paid within 24 hours. With BNPL, the customer owes the provider, and the provider owes the shop: the shop's money depends on the provider's own finances. For a medium-sized retailer, it brings new customers and larger baskets. But the commission comes out of a net margin of around 5–6%, and the provider carries a cost of its own: an interest-free instalment loses value as prices rise. We estimate a "pay in four" plan loses 6–10% of its real value at today's inflation, and a 12-month plan, which Snapp Pay plans to launch, more than 20%. Someone pays for that: the merchant through commissions, or the provider through expensive borrowing. Providers fund this with their own capital, investors, bank credit lines and, in Snapp Pay's case, debt securities on the capital market. If that funding tightens, the risk is that BNPL starts to look like kalabarg, with shops waiting for their money.

Risk two: defaults, in the system and in the household

In the system, credit is being given at scale to people the banks never lent to: 95% of Snapp Pay's early users had no bank credit score. The apps score them with their own data, from taxi rides to grocery orders, and so far repayment holds: Snapp Pay says 98.5% of instalments are ultimately repaid, though late payments rose during the difficult periods of the past two years. But each provider sees only its own customers, and the rules are still catching up. The regulator stopped Snapp Pay's BNPL card for in-store use in early 2024, and the central bank's own research institute has warned of the main gap: there is no single place where anyone can see how many platforms a person has borrowed from, and how much they owe in total. Without it, the researcher warned, people may borrow from one app to repay another and slide into a crisis of many small debts.

> THE CREDIT SCORE THAT CANNOT SEE BNPL
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> Iran now has a national credit score: anyone can check their own grade online, on a website run by the central bank. But BNPL instalments do not count towards it. Only the separate loans that some providers, such as Snapp Pay and Digipay, also offer are reported, and paying one of those late does lower a person's score. So the one system built to see a person's full debts cannot see the fastest-growing part of them.

In the household, the risk is quieter. Most BNPL users have never managed credit before: 41% of Snapp Pay's users are under 30, and personal financial planning is rarely taught or practised in Iran. Each app shows only its own instalments, and the national score shows none of them; nobody, including the user, sees the full picture. Four payments for a phone, four for clothes, four for the monthly shopping: each looks small, but together they can claim a large part of next month's salary. With prices rising faster than wages, a household that loses its 360° view of its own finances can slide from managing the month to borrowing to pay for the last one.

WHAT IT MEANS FOR A FOREIGN COMPANY

1. **Price in instalments.** More and more, the question at the till is "how much per payment?" A brand entering Iran will be sold in four payments. Build the merchant commission into your margin from day one, knowing your retail partners work on net margins of around 5–6%.
2. **Check your partner's cash, not only its sales.** A distributor or retailer carrying a month of state receivables in a high-inflation economy may pay you late. Ask about payment terms, receivables and how much of its sales are coupon-based.
3. **Use the payment apps as a door to the market.** They already reach millions of customers, in Tehran and beyond, and see what people buy, where, and how they repay. They are natural partners to launch a product and test demand outside the capital.
4. **Watch household debt and the rules.** Repayment is strong today. If it weakens, credit-led categories such as phones, appliances and clothing will feel it first. Today the national credit score cannot see BNPL debt; the day it can will be a signal worth following.

Inflation tells you that Iranians can buy less. The checkout tells you how they keep buying, how fast they adopt new tools, and who is carrying the cost.

Market size, users, orders and repayment figures are Snapp Pay's own estimates and data (industry report, autumn 2026); figures on orders, users and repayment cover its network only. Store numbers, kalabarg share, settlement delay and margins: Ofogh Kourosh management at its shareholder Q&A, as reported on 2 November 2026. Kalabarg amount and income limits: official announcements, November 2026. Digikala bonds: Iran Fara Bourse subscription notice of 2 November 2026; effective cost and product mix as reported in the financial press. Inflation is point-to-point for October 2026. Central bank research institute: Monetary and Banking Research Institute, August 2026. Estimates marked as ours are Sarv InSight calculations. For information only; not investment, legal or tax advice.