

Highlights

25% ↑

Strong growth continues to be reported, with GMV up 25% year-on-year in January and February, with UK GMV up 38%.

175k

Over 175,000 active customers and 4,200 new merchants added over the financial year.

930k

Active customers hit 930,000, with active merchants now at 13,400 as at the end of February.

New Merchants

New merchants added in March include Bridgestone and Tony's Tyre Service, Ticketek (Super Rugby) and Pet.co.nz in ANZ.

Using machine learning to combat fraud

Globally, we are seeing marked increases in rates of attempted fraud on e-commerce platforms and BNPL providers have not been immune.

At Laybuy, we take the issue fraud seriously. We are using a range of tools and software to prevent fraud on our payment platform and in the process we are protecting retailers as much as possible from fraudulent transactions.

While fraud comes in a variety of forms, it is most often in the form of 'third party fraud', where a stolen identity is used to open an account and stolen card details are then used to pay the first instalment, but no other instalments are paid.

While fraud is an unfortunate, but universal risk to online payment providers, we are taking a number of proactive steps to minimise the risk and reduce its impact.

How does Laybuy address fraud?

When it comes to fraud prevention, e-commerce players and payment providers need to walk a tightrope – balancing the need to prevent fraud while at the same time making the payment process as simple and easy as possible.

The fraud prevention tools we use recognise that a customer's first experience of purchasing via Laybuy is critical, and the process needs to be both easy and welcoming. When a customer has made the decision to pay with Laybuy, it is important that they are not impeded in their transaction, or have their order declined without good reason.

That is why we use machine learning, which reduces the risk of fraud on the platform but protects the seamless payment experience for most of our customers. It does this through analysing large amounts of data to distinguish fraudulent behaviour from honest purchasing behaviour.



The data is used to create datasets and ‘thresholds of trust’ for various customer profiles. Customers are categorised into silos, based on how each customer behaves online. Silos include ‘known good person’ a ‘potentially good person’ a ‘potentially bad person’ or a ‘known bad person’. This allows us to step-change the fraud checks that are applied, making sure ‘good customers’ retain their seamless transaction experience.

Because the datasets include hundreds of data points on one customer, such as I.P address, location, browsing history and more, machine learning makes fraud detection more accurate, scalable and faster than other tools available.

By applying machine learning solutions, we can use the enormous amount of data we have available to identify strong trends in buying patterns and habits (both those of good customers and those of fraudulent ones) and identify potentially fraudulent activity.

Since our fraud prevention solutions approach the data objectively, machine learning can spot trends and links that humans are not able to see. This means false positives (good orders mistakenly rejected) are avoided and honest customers are not rejected.

Compared to a straight-forward e-commerce payment, Laybuy can provide our machine learning fraud prevention solutions with a wide range of data that might not otherwise available, including a greater view of customer’s inflow and outflow activity, such as their history of credit, debit, deposits, and payments.

This helps us to better ascertain who is a bad actor (and who isn’t). In this way, we are better able to assess customer behaviour, allowing potentially fraudulent activity to be flagged quicker and more accurately, and before the fraudster gets the merchandise.

As we continue to grow and collect more data, our machine learning solutions will become even more effective at fraud prevention. This, combined with advances in A.I., will make it easier for the team at Laybuy to sort good customers from the bad actors, and keep that ever-important customer experience seamless and frictionless.

The Laybuy ‘partnership program’ delivers ‘money can’t buy’ experiences to c-level retail leaders

As part of our UK growth strategy, we are continuing to roll out our ‘partnership programme’, which promotes Laybuy to some of the UK’s largest retailers by providing unique ‘money can’t buy’ experiences to critical decisionmakers and c-suite executives.

We run the partnership program in collaboration with key technology platforms, including Worldpay, Emarsys, Adyen, BigCommerce, Salesforce, who all contribute financially via a sponsorship option. This allows Laybuy and our tech partners to provide compelling offerings to leaders at large retailers.

The ‘partnership program’ runs numerous events every year, ranging from dinners with Gordon Ramsey or Heston Blumenthal, through to playing tennis with Pat Cash at Wimbledon, an annual Retail Golf Day, and even a T20 Cricket Day with New Zealand and England International players.

All events are invite-only but free to attend. As well as offering unique experiences, the partnership programme allows the UK Laybuy team to build relationships with key CEOs, COOs, CTOs, while also providing them an opportunity to meet, network, and share ideas in a common space.

Importantly, the programme is not just about having fun but provides a forum to share information so that attendees come away with new knowledge that they can apply to their respective organisations.

Past events have seen retailers discuss pain points in their respective organisations and share insights about how they have overcome specific challenges, providing a unique opportunity to listen and learn from each other.

The programme is a key differentiator between Laybuy and other BNPL providers in the UK, allowing Laybuy to build new relationships and open doors with potential retailers who may be exploring how Laybuy could successfully partner with their brand.



With market penetration of BNPL in the UK still in its infancy, but forecast to grow significantly, the partnership programme is a key part of our strategy to increase Laybuy's name recognition in the large UK retail market.

The most recent event saw a handpicked selection of c-level retailer leaders – including Gymshark, Ann Summers, Conrad Shop, Gant and Theo Paphitis – attend Gordon Ramsey's Academy, his recently opened invite-only cooking school.

At the event, guests had the opportunity to hone their French and Italian cooking skills, network with others, drink wine, and learn from Gordon's team.

Check out the video [here](#).

Laybuy strengthens leadership team with appointment of new Chief Operating Officer

Last month, we were delighted to welcome Phillip Finnegan as our new Chief Operating Officer (COO). Based in Sydney, Phillip is responsible for day-to-day operations in New Zealand, Australia and the United Kingdom.

A payments specialist, Phillip brings significant experience and expertise to the Laybuy leadership team, having held senior roles in a range for Fintechs.

Immediately prior to joining Laybuy, Phillip was Managing Director Pacific at Temonos, a leading banking software company, where he was responsible for accelerating the transformation of financial institutions to add tangible value.

His career has also seen him working with some of the world's largest financial technology providers, including holding senior roles at ACI, FIS, Clear2Pay and First Data Corporation. He has led teams across the Asia-Pacific region, and has helped a number of start-ups successfully grow into successful companies.

Phillip says that he is excited to be joining Laybuy and believes the company has the opportunity to be a leader in the BNPL sector by helping redefine the relationship between merchants and consumers.

"I've spent most of my working life working in payments with a focus on credit cards, which are really an artefact of the 1960s. But BNPL is drastically changing the payments landscape because it is removing a number of intermediaries and simplifying the transaction. This is bringing the merchant closer to the consumer," says Phillip.

"By helping facilitate this change in relationship, Laybuy has the unique opportunity to increase its value proposition to both merchants and consumers. Not only can we be a trusted partner of the consumer, helping them manage their personal finances, but we can better support our merchant partners by sharing our unique intelligence and data to help them increase their sales and improve profitably."

Phillip says while the BNPL sector has grown rapidly in recent years, it is also evolving quickly and Laybuy is well positioned to take advantage of this allowing it to distinguish itself from its competitors.

"Laybuy has a unique family-origin story that creates a strong value proposition. Being a family-founded business means being a responsible business. But this is more than just words. In my short time at Laybuy, it is already clear that responsibility is at the core of who we are as a company, which I think distinguishes us from many others in the sector.

"We are committed to genuinely helping make life easier for our customers easier by providing them with a tool to manage their money and escaping high-interest consumer credit. Consumers, especially millennials, expect to have interest-free credit options available at the point of sale and this provides an enormous opportunity to expand."

Phillip says that his priority as COO is to support strong and sustainable growth by developing a stronger customer value proposition that differentiates Laybuy from both banks and other BNPL providers, positioning it as a premier customer-focused business.



“We don’t want to be just another payment option on a website, we want to be the payment provider of choice. We’ll do that by providing a unique and seamless buying experience for our customers so that they continue to use Laybuy time and again.

“At the same time, I want to look at how we use our data to transform our value proposition for merchant partners, so that we can continue to exceed their expectations every time, allowing us to build strong and enduring relationships over the long-term.

“The opportunities for Laybuy are enormous and I am extremely excited to be part of the next phase of its journey as we focus on sustainable growth.”