

The One-Stop Bill Pay Playbook, a PYMNTS and Mastercard collaboration, examines the views and behaviors of consumers regarding the bill payment experience. We surveyed 2,099 consumers between April 22, 2022, and April 29, 2022, to determine their levels of satisfaction when paying their bills.

FEBRUARY 2023 ■

THE ONE-STOP BILL PAY

PLAYBOOK

FRICION WITHIN THE BILL PAYMENT EXPERIENCE

THE ONE-STOP BILL PAY

PLAYBOOK

TABLE OF CONTENTS

Introduction	04
Key findings	06
Conclusion	18
Methodology	19

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The One-Stop Bill Pay Playbook was produced in collaboration with Mastercard, and PYMNTS is grateful for the company's support and insight. PYMNTS retains full editorial control over the following findings, methodology and data analysis.

INTRODUCTION

Approximately half of the adults in the United States pay six or more bills each month, and many want their banks to deliver better bill payment experiences in terms of convenience, payment options and security.

PYMNTS' latest research shows that most bill-paying consumers in the U.S. encounter friction in the bill payment process. More than half experienced at least one key pain point in the past 90 days, such as a lack of payment options or security concerns. The latter stands out as a key factor: 52% of bill-payers identify security as highly important to their digital bill payment experiences, with 20% naming it as the most important factor.

A bill payment portal, or “one-stop shop,” offers a powerful upgrade to the bill payment status quo. This solution provides consumers with a single platform for tracking and paying all their bills, along with enterprise-level security and convenience features. Currently, there

is no widely adopted one-stop shop in the consumer bill payment space, and the first mover will likely have a substantial competitive advantage in a space with hundreds of millions of potential users.

Our research shows that 59% of consumers are already interested in using a bill payment portal. However, many view this solution as a convenience-related benefit and overlook the security advantages — a gap financial institutions (FIs) offering one-stop shops should seek to address.

Friction Within the Bill Payment Experience, a PYMNTS and Mastercard collaboration, analyzes new data that provides insight into the state of play for consumer bill payments. We surveyed 2,099 consumers in the U.S. to determine their levels of satisfaction with their bill payment experience, identify the key causes of friction they encounter and gauge how they feel about these portals.

This is what we learned.

Bill-payers place greater value on security than any other aspect of the bill payment experience.



One-stop shops can deliver exactly the capabilities that bill-payers rate as most important: security and centralized bill management.

Consumers are increasingly prioritizing security when they select bill payment methods. Our study shows that 52% of bill-payers identify security as a key capability in the digital bill payment process, with 20% identifying it as the most important capability.



52%

OF BILL-PAYERS **IDENTIFY SECURITY**
AS A KEY CAPABILITY IN THE DIGITAL
BILL PAYMENT PROCESS.

The other most wanted capabilities primarily relate to convenience and ease of use. Aside from the ability to view online billing statements — basic table stakes in digital bill payments — bill-payers name the ability to view and pay bills from a single online platform as the next most crucial feature after security, with 38% rating this as important and 13% saying it is the single most important feature.

TABLE 1:

Key digital bill payment system features consumers prefer

Share of consumers citing digital capabilities as important when tracking, reviewing or paying monthly bills

	Most important capability	important, but not the most	TOTAL
• Secure payments	19.8%	32.0%	51.8%
• Access to online billing statements	6.7%	35.9%	42.6%
• Ability to view and pay bills from the same site or app	13.4%	24.5%	37.9%
• Access to online payment options	8.1%	29.6%	37.6%
• Easy access to customer service	4.4%	29.8%	34.3%
• Paperless billing	4.6%	29.2%	33.8%
• Autopay	12.1%	19.6%	31.7%
• Easy access to payment portals with billing details	7.2%	24.2%	31.5%
• Real-time payments	7.3%	23.5%	30.8%
• Multiple payment options	4.3%	23.7%	28.1%
• Flexible payment, repayment or collection plans	4.3%	15.0%	19.3%
• An integrated system of billing and payment	2.4%	14.2%	16.6%
<hr/>			
None of these	5.3%	0.0%	5.3%

Source: PYMNTS

The One-Stop Bill Pay Playbook, February 2023

N = 2,099: Complete responses, fielded April 22, 2022 – April 29, 2022

**More than half of
U.S. bill-payers
experienced friction
when paying bills
in the past 90 days.**

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Most bill-payers say they encountered friction when attempting to pay their bills in the past 90 days, with 52% running into at least one pain point — such as missing features and lack of payment options — and 29% experiencing multiple.

The level of friction bill-payers experience heavily impacts their satisfaction with the bill payment process. Our data reveals that highly satisfied bill-payers faced 48% fewer pain points than relatively unsatisfied ones. This underscores a one-stop shop’s potential to boost customer engagement and satisfaction by reducing points of friction.

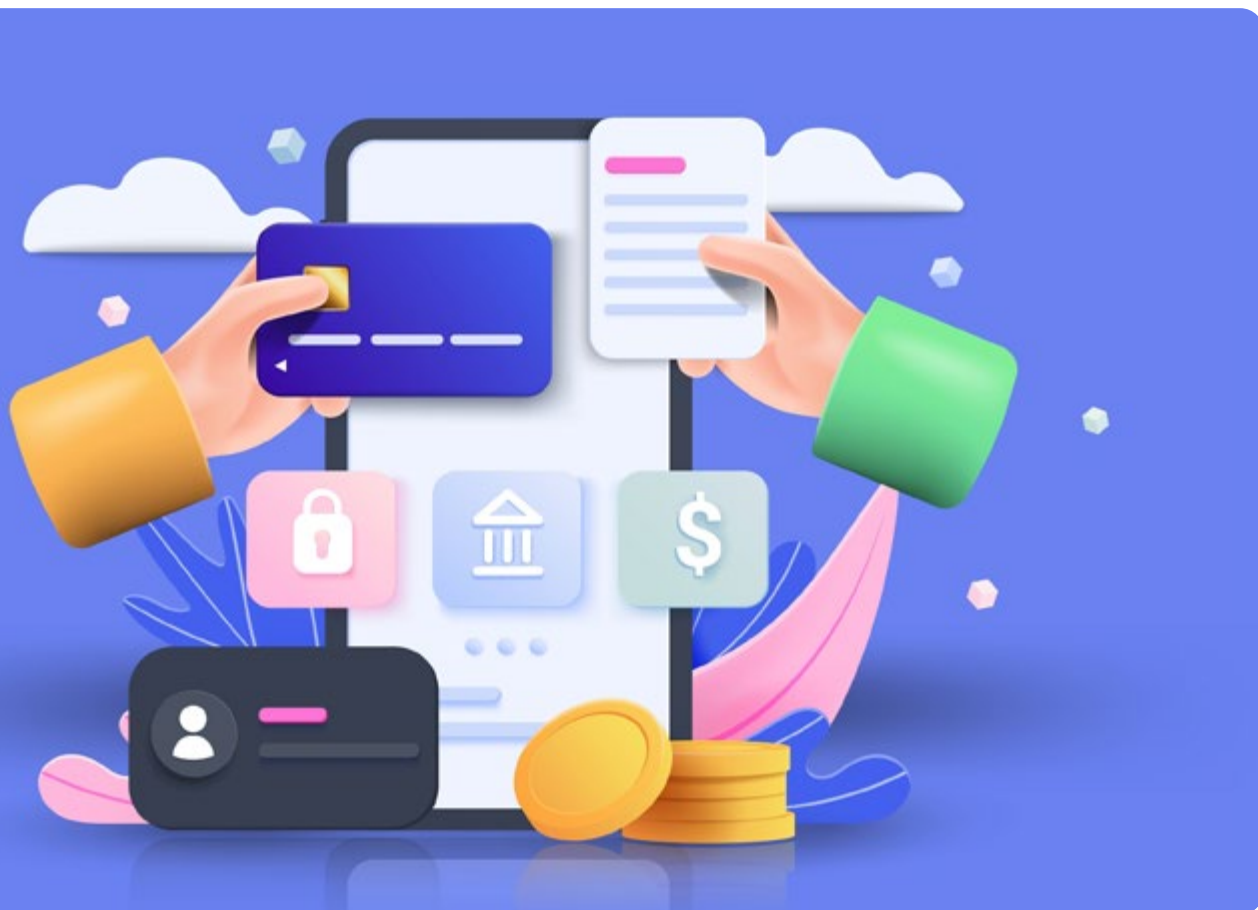


TABLE 2:

Friction in the bill payment process

Share of consumers who experienced pain points when paying bills in the last three months, by demographic

	Did not experience any	Experienced one	Experienced multiple
TOTAL	47.7%	23.7%	28.6%
INCOME			
• More than \$100K	44.9%	21.9%	33.1%
• \$50K-\$100K	46.7%	23.1%	30.3%
• Less than \$50K	51.7%	26.1%	22.2%
GENERATION			
• Baby boomers and seniors	64.6%	23.3%	12.1%
• Generation X	44.0%	24.2%	31.8%
• Bridge millennials	33.0%	22.4%	44.6%
• Millennials	29.6%	23.9%	46.5%
• Generation Z	29.0%	22.5%	48.5%
NUMBER OF BILLS PAID			
• More than 10	48.1%	16.5%	35.5%
• Six to 10	50.0%	23.3%	26.8%
• Five or fewer	45.1%	27.5%	27.4%
FINANCIAL LIFESTYLE			
• Do not live paycheck to paycheck	58.1%	21.1%	20.8%
• Live paycheck to paycheck without issues paying bills	47.5%	24.3%	28.2%
• Live paycheck to paycheck with issues paying bills	33.1%	26.3%	40.6%

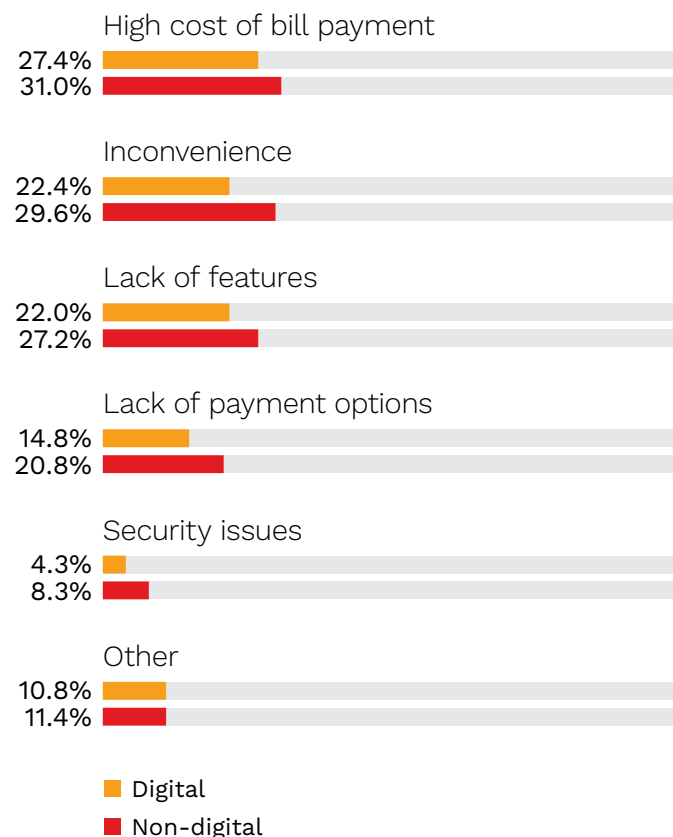
Source: PYMNTS

The One-Stop Bill Pay Playbook, February 2023

N = 2,099: Complete responses, fielded April 22, 2022 – April 29, 2022



FIGURE 1:
Top pain points in different channels
 Share of consumers experiencing select pain points, by type of channel used



Looking more closely at the data, we find that consumers who use existing digital bill payment channels still widely report encountering pain points. For example, 22% complained about a lack of features and 15% about a lack of payment options. That said, bill-payers who primarily use non-digital payment channels, such as phone and physical mail, are even more likely to experience pain points than those who have gone digital.

Source: PYMNTS
 The One-Stop Bill Pay Playbook, February 2023
 N = 1,905: Used digital channels; N = 601: Used non-digital channels, fielded April 22, 2022 – April 29, 2022

15%

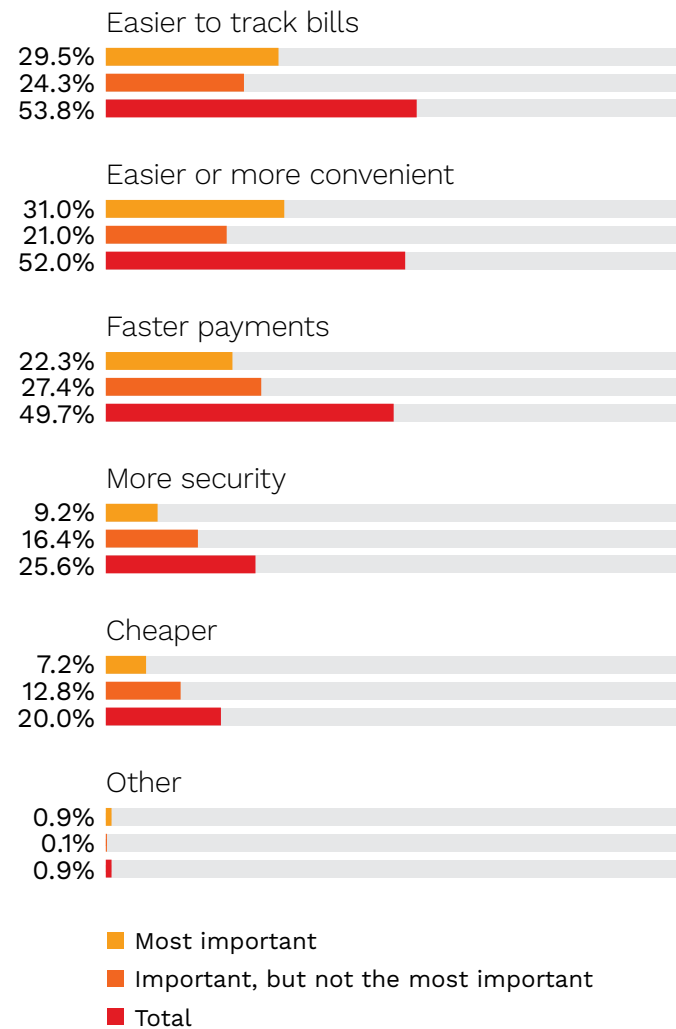
OF BILL-PAYERS WHO
 PRIMARILY PAY THROUGH
 DIGITAL CHANNELS COMPLAINED ABOUT
A LACK OF PAYMENT OPTIONS.

**Most bill-payers
 are open to
 using one-stop
 bill payment portals.**



FIGURE 2:
Reasons bill-payers might turn to a one-stop solution

Share of consumers citing select reasons for being interested in using a one-stop bill payment solution to manage their bills in the next year



Source: PYMNTS

The One-Stop Bill Pay Playbook, February 2023

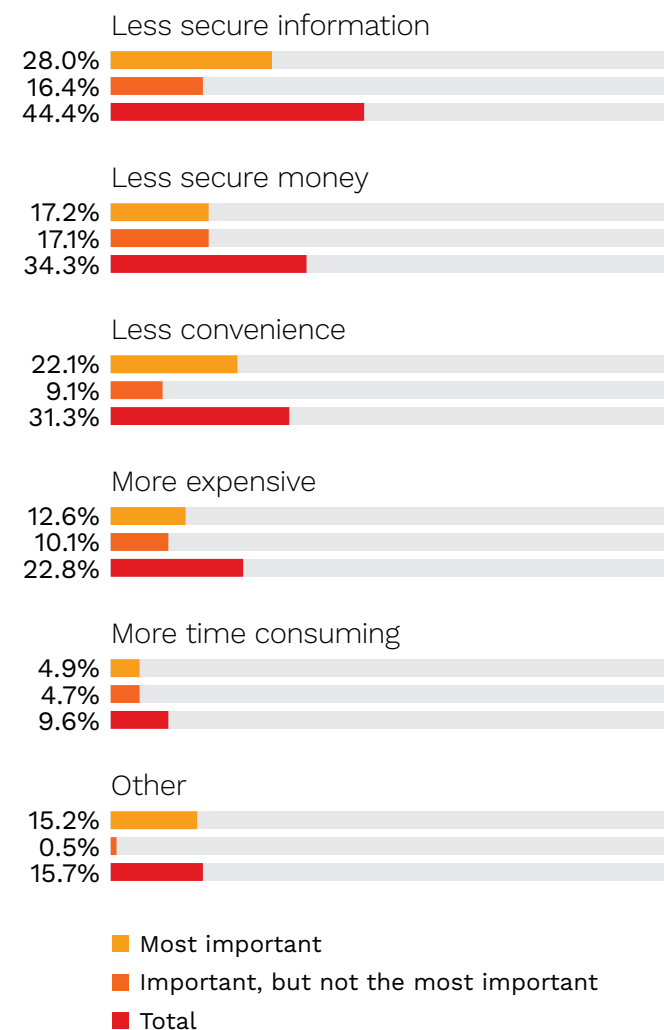
N = 1,213: Consumers interested in a one-stop bill payment service, fielded April 22, 2022 - April 29, 2022

Our data shows that 59% of bill-payers are open to using a bill payment platform to manage their monthly bills. These respondents identified several key reasons for their interest: 54% said a one-stop shop would make tracking bills easier, 52% said it would make paying bills easier and more convenient, and 50% said it would enable faster payments.

Notably, just 26% of bill-payers open to using a portal cited improved security as a key reason for their interest — and a mere 9.2% named security their most important reason. This indicates that relatively few consumers view greater security as a primary benefit offered by one-stop shops, highlighting a gap in consumer perception that FIs can address to increase the interest in and adoption of these solutions.

FIGURE 3:
Concerns about one-stop bill payment portals

Share of consumers not interested in a one-stop solution who cited reasons for their lack of interest in using such a system to manage monthly bill payments in the next 12 months



Source: PYMNTS

The One-Stop Bill Pay Playbook, February 2023

N = 742: Respondents not interested in using a one-stop service to manage their monthly bill payments, fielded April 22, 2022 - April 29, 2022

Moreover, perceived security concerns play a central role in why some consumers said they were not interested in using a one-stop bill payment platform. PYMNTS discovered that 44% of bill-payers cited less secure information as the reason for their lack of interest in using a bill payment portal, with 28% naming this as the most important reason. Another 34% pointed to concerns about the security of their money, half of whom identified this as their top concern.





The one-stop shop opportunity

Consumers want an upgrade to the bill payment status quo — and the service provider that gets this offering right will have a first-mover advantage in a market with hundreds of millions of potential users.

Four key capabilities for a bill payment portal:

CENTRALIZED BILL MANAGEMENT

The ability to easily track and pay for all bills in the same place across multiple devices

01

ENTERPRISE-GRADE SECURITY

Enhanced security capabilities that make users feel fully secure and give them options to add security features — such as biometric authentication — according to their preferences

02

PAYMENT OPTIONS

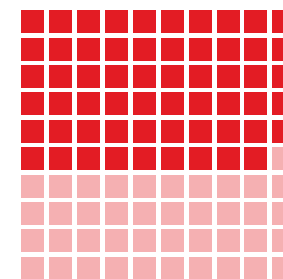
Access to a wide range of payment methods available for payments to all billers, regardless of what forms of payment a biller may accept

03

CONVENIENCE-FOCUSED FEATURES

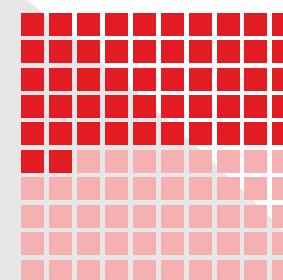
Everything to make paying and managing bills as painless as possible: options such as paying multiple bills at once, auto payment, easy access to billing and cost details, multi-user access and more

04



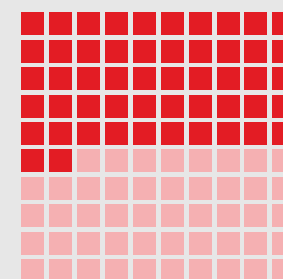
59%

of bill-payers are open to using a bill payment platform **to manage their bills.**



52%

of bill-payers identify **security** as highly important to their digital bill payment experience.



52%

of bill-payers recently **experienced friction** in the bill payment process.



CONCLUSION

The bill payment process remains a source of frustration for many consumers. Security stands out as the top concern for bill-payers, while general inconvenience and lack of payment options and features rank among their most frequent complaints.

Billers must minimize all this friction to maximize customer satisfaction, and most bill-payers believe a bill payment portal would do exactly that. However, relatively few consumers perceive one-stop shops as offering security advantages, despite these portals' security benefits. Given the central role of security in bill-payer preferences, FIs should seek to close this perception gap to increase interest in and adoption of digital bill payment portals. More broadly, a substantial first-mover advantage awaits the FI seeking to become the go-to provider of a one-stop bill payment solution.

METHODOLOGY

The One-Stop Bill Pay Playbook, a PYMNTS and Mastercard collaboration, examines the views and behaviors of consumers regarding the bill payment experience. We surveyed 2,099 consumers between April 22, 2022, and April 29, 2022, to determine their levels of satisfaction when paying their bills.



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