

# U.S. Consumer Payment Experience: A Blueprint for Creating Positive Behaviors

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The VISA logo is displayed in a bold, blue, sans-serif font.The logo for ACI Universal Payments, featuring the letters 'ACI' in a large, bold, black font, followed by the words 'UNIVERSAL PAYMENTS' in a smaller, black, sans-serif font, with a small 'SM' trademark symbol.

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## IMPACT POINTS

- This report is based on a Q3 2018 survey of 2,425 U.S. consumers designed to explore consumers' behaviors, consumers' frustrations, and the appeal of certain tools to improve paying on time and reduce inbound calls to billers across the following verticals: auto finance, higher education, health insurance premiums, medical services, and mortgages.
- Sixty percent of consumers indicate they can comfortably pay their standard monthly bills for their household, even when they have a few extra bills that month.
- Six out of 10 customers indicate they get anxious when they think about their bills, and 57% worry about money and whether they will be able to pay their monthly bills.
- Recurring/automated payments are underutilized, as 61% of consumers make each payment individually or as a one-time payment compared to 39% on a recurring basis.
- Consumers employ a structured strategy to pay bills—most of which center around paydays—but these structured approaches are not paying off, as 46% of consumers pay bills late. That breaks down to 23% paying within 30 days after the due date, 18% paying after 30 days, and 5% never paying on time.
- The top three frustrations of a payment experience are paying processing fees, the time it takes for a refund to process, and a hard-to-understand bill; the latter is particularly frustrating in the medical services arena and addressing it will help consumers pay their bills.
- The impact of real-time payments on helping consumers pay on time is highest among nine tools (reminders, card bill payment, real-time bill payment, online customer communication tool, pay by text, virtual collection agent, debit card refund, patient financial engagement) followed by billers enabling card bill payments.
- Reminders are also helpful to consumers in making their payments on time, as noted by two consumer segments: Those consumers who pay on time find reminders to be very to extremely helpful in maintaining their on-time status, and consumers who pay bills late would be more likely to pay on time if their biller offered reminders.
- Consumers like to contact customer service when paying their bills, and 39% of them do—of which 13% do so on a monthly basis and 26% do so every few months.
- An online customer communication strategy is a pathway to reduce inbound call volume for billers, attested to by 82% of consumers. These consumers, who have contacted their biller and did not have access to such a tool, indicate access to such a tool would have prevented their call.

## INTRODUCTION

Many organizations are reassessing their bill payment capabilities as consumerization in payments evolves. Consumerization is driven by factors such as shifting customer expectations and emerging technologies. Organizations can ill afford to leave these factors unchecked lest they risk presenting their customers suboptimal payment experiences that foster frustration and lead to costly bad payment behaviors. What was once a relatively simple transaction, usually involving handing over cash or writing a check, has evolved into a wide range of transactions involving many different payment methods and channels. As transactions have evolved, so have consumers, who have reprioritized how and when they pay their bills, often based on cash flow and convenience. Consumer power is growing, and switching providers is becoming easier than ever in most industries. As a result, consumer service providers are seeking to place more control into their customers' hands, giving them the power of choice and flexibility yet accomplishing this feat while intending to shape positive behaviors.

This Impact Report, sponsored by Visa and ACI Worldwide, provides a blueprint for consumer services providers and their payments vendors to set out on a path of creating a payment experience that shapes positive behaviors. The report will be of interest to executives who are interested in how U.S. consumer bill payment trends impact the payment experience and vendors servicing the auto financing, higher education, medical services, health insurance premiums, and mortgages bill payment markets. First, it provides insights into the current consumer payment experience. Next, it uncovers consumer frustrations associated with the bill payment experience and baselines behaviors. Finally, the report explores how a series of tools (reminders, card bill payment, real-time bill payment, online customer communication tools, pay by text, virtual collection agents, debit card refunds, patient financial engagement) can improve the payment experience, ward off frustrations, and impact consumers' behaviors, thus helping them pay on time and/or avoid contacting billers with payment-related questions.

## METHODOLOGY

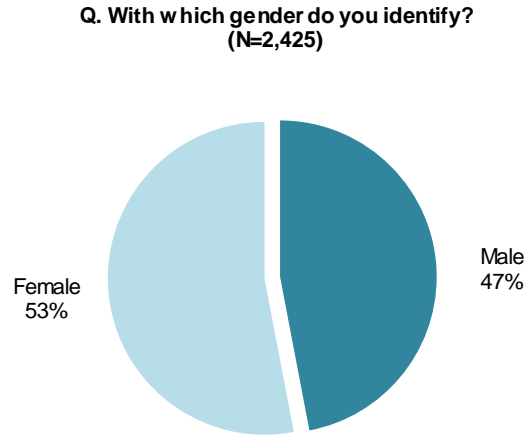
The following analysis is based on a Q3 2018 Aite Group survey of 2,425 U.S. consumers. The survey was conducted online among U.S. adult consumers who participated in a research panel. Participants in the research indicated that they paid at least one of the following bills in the last 12 months: mortgage payments, car/vehicle loan or lease payments, university/college/trade school tuition or fees, health insurance premiums (paid specifically to the health insurance company, not through an employer), or medical services payments (not including copays, but payments to meet deductibles or pay for doctors' bills, lab or hospital fees, or dentists' bills).

The data in this report have a margin of error of 2 points at the 95% level of confidence.

## RESPONDENT DEMOGRAPHICS

The study explores consumers' attitudes toward bill payment matters, determines frustration levels associated with the payment experience, and gauges consumers' willingness to use new tools that can help them change their payment behaviors. Fifty-three percent of survey respondents are female, and 47% are male (Figure 1).

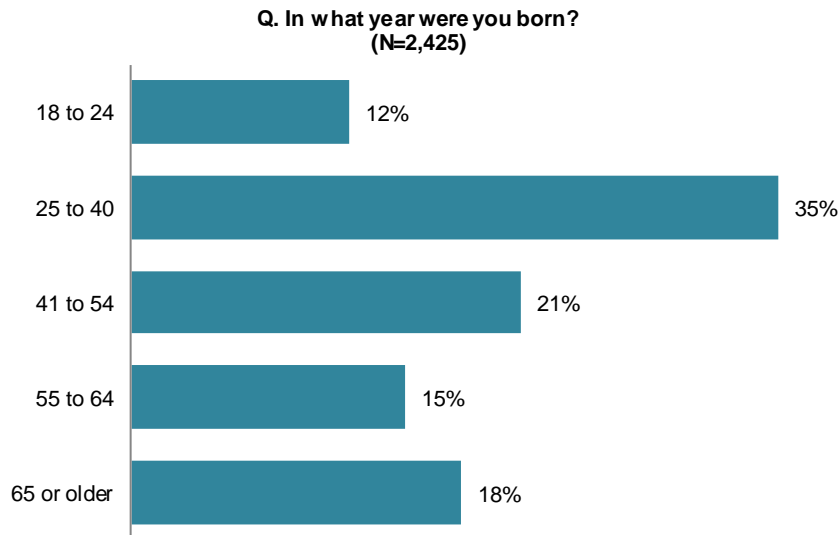
**Figure 1: Respondents' Gender**



Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

The results of this survey include 12% of participants between 18 and 24 years of age, 35% between 25 and 40 years old, 21% between the ages of 41 and 54, 15% between 55 and 64, and 18% age 65 or older (Figure 2).

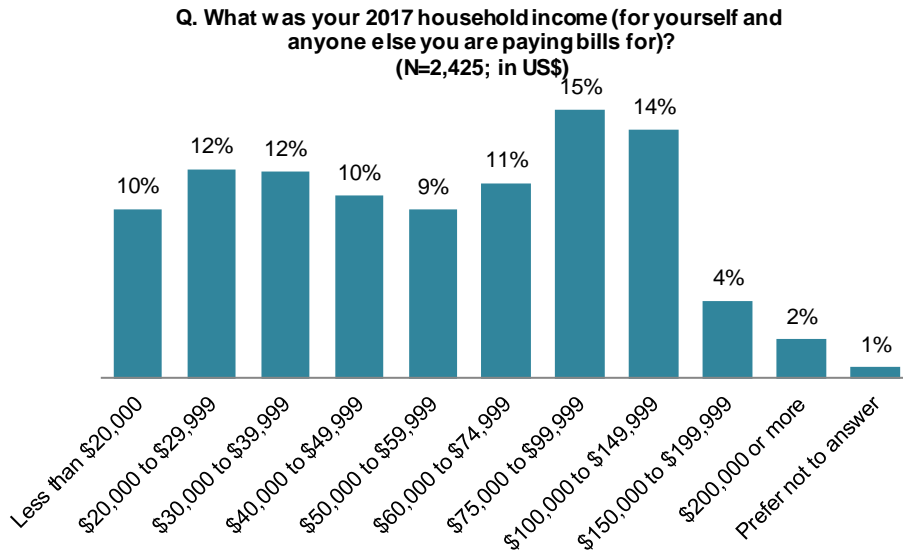
**Figure 2: Respondents' Age**



Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Forty-four percent of the respondents' household income in 2017 was less than US\$49,999, while 55% of respondents made US\$50,000 or more (Figure 3).

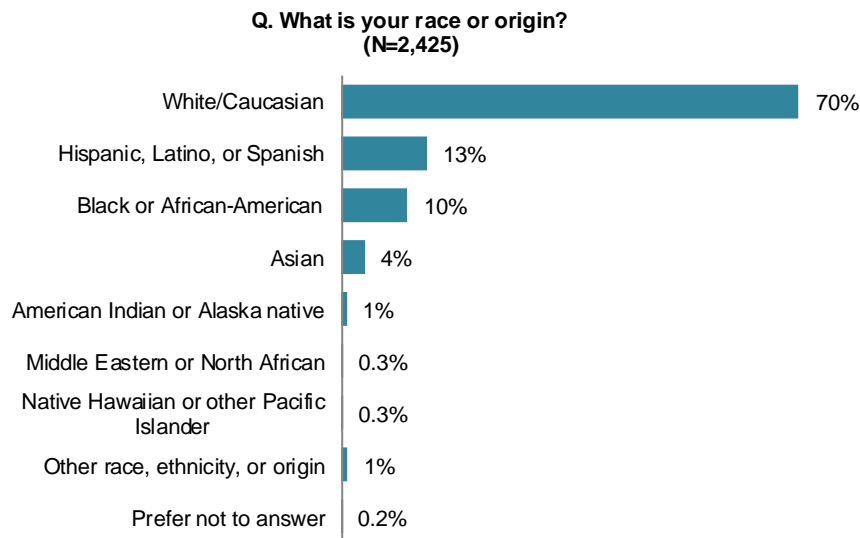
**Figure 3: Respondents' Income**



Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Over two-thirds of respondents are white/Caucasian, 13% are Hispanic, Latino, or Spanish, and 10% are black or African-American (Figure 4).

**Figure 4: Respondents' Race or Origin**



Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Table A outlines the number of respondents for each bill payment vertical, the incidence rate based on the respondents paying the bill in the last 12 months, and the bill definition.



**Table A: Bill Payment Vertical Sample Summary**

Bill payment vertical	Respondents	Incidence rate	Definition
<b>Auto financing</b>	777	57%	Auto/car loans and lease payments
<b>Higher education</b>	755	31%	For public or private universities/colleges/trade schools' tuition, fees, and room and board
<b>Health insurance</b>	777	53%	Premium paid specifically by you to the health insurance company, not through an employer
<b>Medical services</b>	820	65%	Not including copays, but payments to meet deductibles or pay for doctors' bills, lab or hospital fees, or dentists' bills
<b>Mortgage</b>	778	45%	Mortgage payments

Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

## NEW PAYMENT EXPERIENCE TOOLS

Tools were presented to respondents based on the vertical and using a least-fill priority. A respondent was presented with a maximum of three tools to avoid survey fatigue. For example, virtual collection agent applies to those consumers who displayed a delinquent payment behavior and were presented with a higher priority than pay by card, which applies to any consumer, regardless of their payment behavior. Tools presented include the following:

- **Reminders:** Payment-due notifications are sent from the billing organization to the consumer and can be sent via mail, email, text message, or phone. Respondents across all five verticals were asked about reminders.
- **Card bill payment:** Billing organizations provide the option to make a payment with a debit card or credit card (e.g., Visa, Mastercard, American Express, Discover). Respondents across all five verticals were asked about this tool.
- **Real-time bill payment:** Money for the payment is immediately taken from the consumer's checking account and deposited with the lender or leasing company; real-time bill payments are also known as instant or immediate payments. Respondents across all five verticals were asked about this tool.
- **Online customer communications:** Billers offer a secure website that provides access to account statements, account-related alerts, reminders, privacy notices, and other company notifications. Respondents across auto insurance, health insurance, higher education, and mortgages were asked about this tool.
- **Pay by text:** Billing organizations send text messages containing the payment amount owed, due date, and, in most cases, the ability to pay via a reply to the text or through a secure web link. Respondents across all five verticals were asked about this tool.

- **Virtual collection agent:** Billing organizations provide a secure website designed for past-due or delinquent customers to make payments, set up a payment plan, or negotiate the amount they owe without speaking with a person about the issue. Respondents across auto financing, higher education, medical services, and mortgages were asked about this tool.
- **Debit card refund:** Service providers can send a refund via a debit card or checking account within 30 minutes of the time the refund is prepared. Respondents across health insurance, higher education, medical services, and mortgages were asked about this tool.
- **Medical payment services:** Healthcare providers offer a suite of communication and payment services (estimation, propensity to pay, payment options) to engage consumers before the final bill is presented; these services can be rendered when an appointment is made or when services are received. Respondents for medical services were asked about this tool.
- **Health insurer medical bill payment portal:** Health insurers provide a bill payment capability within their member portals, enabling members to pay outstanding medical bills to healthcare providers. Respondents for medical services were asked about this tool (Table B).

**Table B: Payment Tools Sampling Summary by Vertical**

Tool	Auto financing respondents (n=777)	Higher education respondents (n=755)	Health insurance respondents (n=777)	Medical services respondents (n=820)	Mortgage respondents (n=778)
Reminder	409	343	388	309	343
Card bill payment	409	341	387	309	344
Real-time bill payment	407	343	390	309	342
Online customer communications	407	340	388	n/a	341
Pay by text	408	340	388	308	343
Virtual collection agent	291	216	n/a	301	279
Debit card refund	n/a	342	390	308	342
Medical payment services	n/a	n/a	n/a	308	n/a
Health insurer medical bill payment portal	n/a	n/a	n/a	308	n/a

Source: Aite Group

## THE MARKET

The shift in how consumers pay their bills doesn't mean the shift in payment tools is a one-for-one replacement of traditional payment tools with new ones. Instead, billers are juggling growing levels of payments diversification and supporting a broad variety of tools, channels, and data streams.

Billers are continually looking to improve the consumer payment experience, reduce frustrations, and enable positive outcomes for the biller and the consumer. In addition, billers face ongoing competitive pressures, and bill payment is a key area for development to differentiate billers. Billers are now actively seeking new ways to modernize their payment capabilities, as their consumers worry about paying bills in conjunction, and to adopt renegade bill payment strategies that are not focused on the bill due date, all the while underutilizing one key capability that can center bill payment strategies, including around the due date (Table C).

**Table C: The Market**

Market trends	Market implications
<b>Money and bill payments worry consumers.</b>	Sixty percent of consumers are comfortable paying their monthly bills, 64% are anxious and 57% are worried about their bills, thus identifying an opportunity for billers to provide tools enabling consumers who pay on time, who pay late, or who are delinquent to better manage the payment process.
<b>Consumers underutilize recurring payments.</b>	Given the recurring nature of auto financing, health insurance, and mortgages, the number of consumers enrolled in automatic payments points to a missed opportunity to create greater payment efficiencies that could benefit the billing organization and the consumer.
<b>Consumer payment strategies are achieving mixed results.</b>	Most consumers have a plan when it comes to paying their monthly bills, yet these plans are not materializing into making on-time payments.

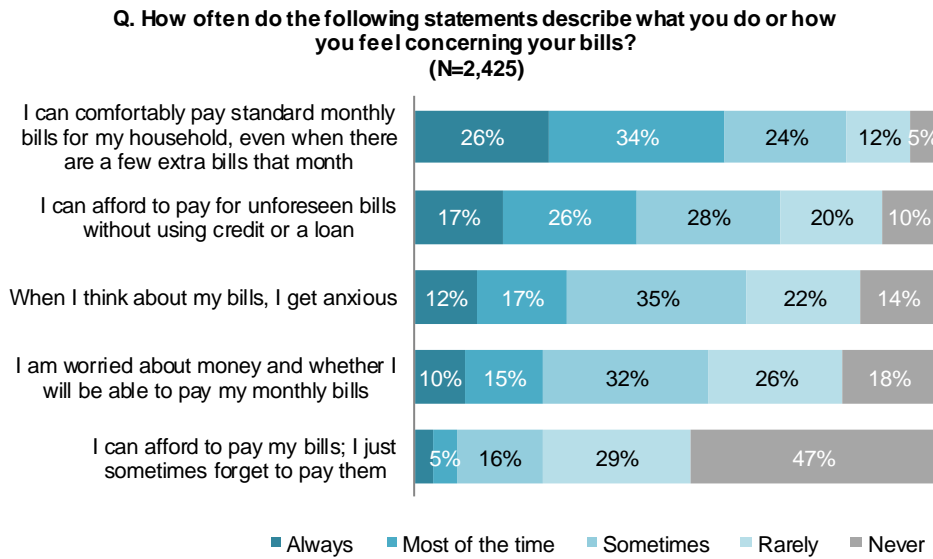
Source: Aite Group

## MONEY AND BILL PAYMENTS WORRY CONSUMERS

Sixty percent of consumers feel comfortable that they can pay their monthly bills; however, billers should take heed that anxiousness and worry lurk in many consumer households when it comes to paying their bills. Adding to the worrisome and anxious states are the prospects of unforeseen bills and consumers' ability to pay those bills without relying on a credit card or loan.

Fifty-eight percent of consumers sometimes, rarely, or never pay an unforeseen bill without using a credit card or taking out a loan, 64% are anxious to a degree thinking about their outstanding bills, and 57% display a level of worry about whether they will be able to meet their financial obligations to pay their bills (Figure 5).

**Figure 5: Consumers’ Feelings Concerning Their Bills**



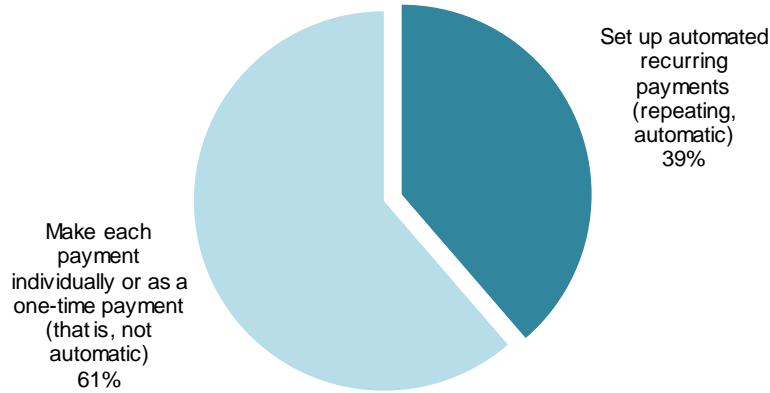
Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

## CONSUMERS UNDERUTILIZE RECURRING PAYMENTS

Consumers making one-time payments far outpace those consumers enrolled in automatic payments, which is not a good sign for bill verticals that have repetitive monthly or even quarterly bill payments. Recurring payments’ poor penetration could be a result of a lack of widespread availability, as is the case for medical bills, but it also points to an opportunity for billers to work with their customers to create predictability and therefore promote good payment behaviors, such as paying on time. The underutilization of recurring payments is evident, as only 39% of consumers set up automated, or recurring, payments compared to 61% who make each bill payment individually (Figure 6).

**Figure 6: One-Time vs. Recurring Payments**

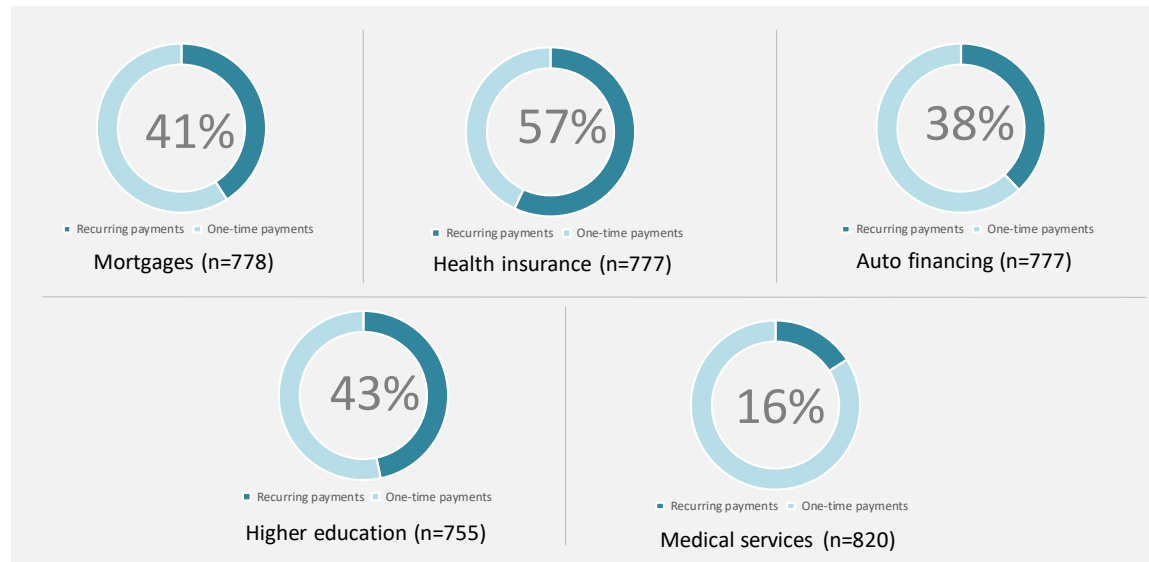
**Q. Thinking about the payment you make for (this type of bill), do you ...?**  
 (n=3,907 bill types paid by 2,425 respondents)



Source: Aite Group survey of 2,425 consumers, Q3 2018

Among billing organizations across the five verticals, health insurers lead the way in utilizing recurring payments, as 57% of consumers leverage this tool. Higher education institutions are next at 43%, followed by mortgages and auto financing. Healthcare providers that are plagued by unpredictability throughout their consumer receivables processes, given that many of the bills are unplanned, can incorporate recurring payments on a broad scale to minimize payment amounts, thereby lessening consumer worry and anxiety in the process (Figure 7).

**Figure 7: One-Time vs. Recurring Payments by Vertical**



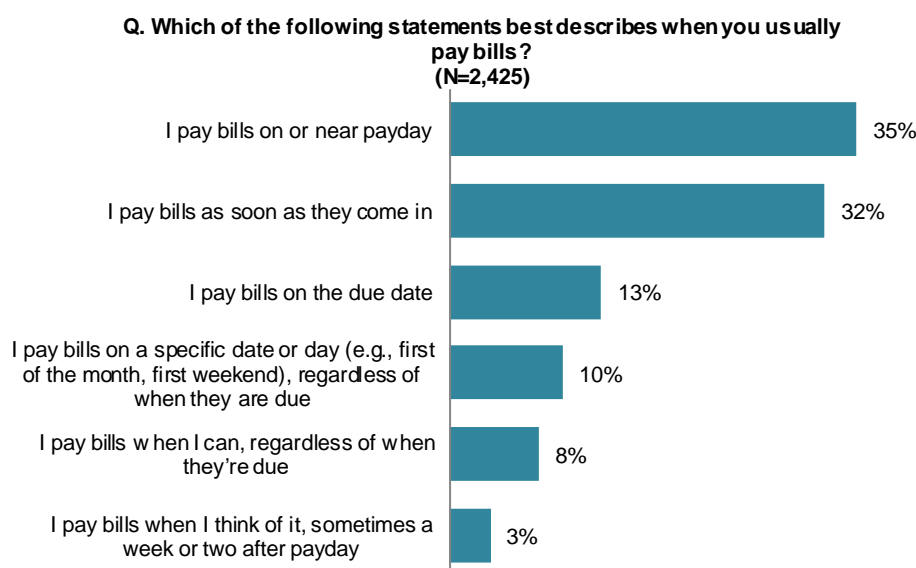
Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

## CONSUMER PAYMENT STRATEGIES ARE ACHIEVING MIXED RESULTS

Consumers adopt a structured approach to paying their monthly bills, as 89% employ a strategy for paying bills, compared to 11% who adopt a shotgun approach to payments. The two dominant strategies center on paying bills around payday and as soon as they come in.

Structured bill payment strategies include 35% planning their bill payments around payday, 32% paying bills as soon as they come in, 13% paying on the due date, and 10% paying on a specific day. Those customers who adopt a more shotgun approach to paying their bills include 8% who pay when they can regardless of the due date and 3% who pay when they think of it regardless of their payday schedule (Figure 8).

**Figure 8: Consumers’ Approaches to Paying Monthly Bills**



Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

A closer inspection of payment strategies by vertical shows that consumers who pay medical and mortgage bills tend to adopt a more structured approach overall, consumers paying auto finance and higher education revolve their structured approach around payday, consumers are more apt to pay a medical bill as soon as it comes in, and consumers paying medical bills and mortgages will do so most often on the due date (Table D).

**Table D: Consumers’ Approaches to Paying Monthly Bills by Vertical**

Situation	Auto financing (n=777)	Higher education (n=755)	Health insurance (n=777)	Medical services (n=820)	Mortgages (n=778)
<b>I pay bills on or near payday</b>	40%	38%	30%	30%	35%

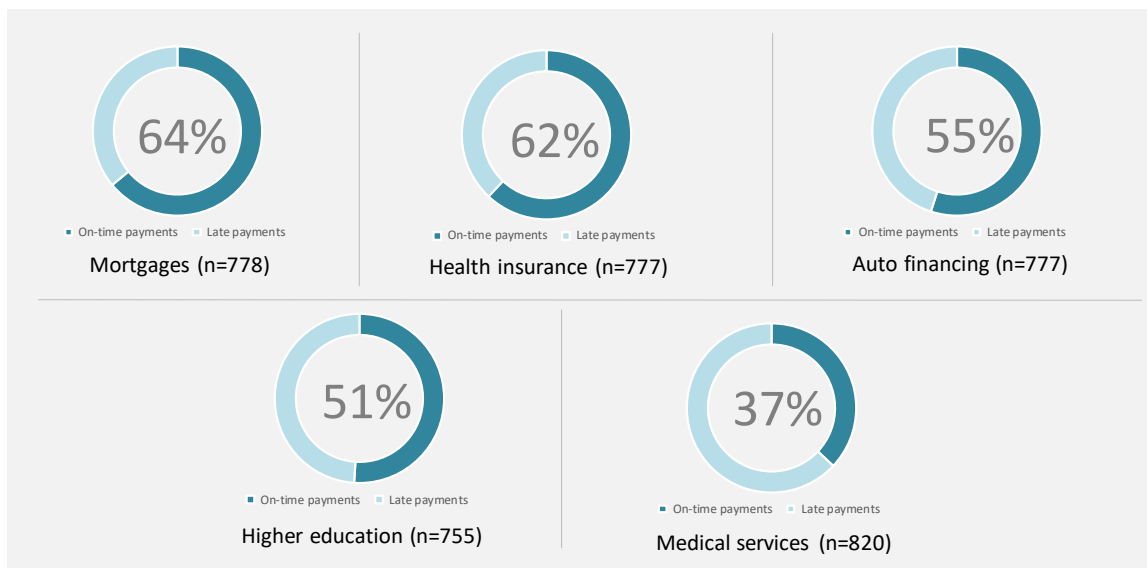
Situation	Auto financing (n=777)	Higher education (n=755)	Health insurance (n=777)	Medical services (n=820)	Mortgages (n=778)
I pay bills as soon as they come in	25%	33%	37%	35%	30%
I pay bills on the due date	13%	10%	11%	16%	15%
I pay bills on a specific date or day	9%	7%	12%	11%	10%
I pay bills when I can, regardless of when they're due	9%	8%	6%	6%	6%
I pay bills when I think of it, sometimes a week or two after payday	3%	4%	4%	3%	3%

Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Despite taking a structured approach to paying bills, billers in these verticals cannot rely on this to receive payments on time. In fact, the structured approach to paying bills is not cementing good payment behavior tied to on-time payment.

Mortgage lenders see 64% of consumers always paying their bill on or before the due date, health insurers see 62%, auto lenders see 55%, higher education institutions see 51%, and healthcare providers see 37% (Figure 9).

**Figure 9: Consumers’ Frequency of Always Paying Bills On Time by Vertical**



Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

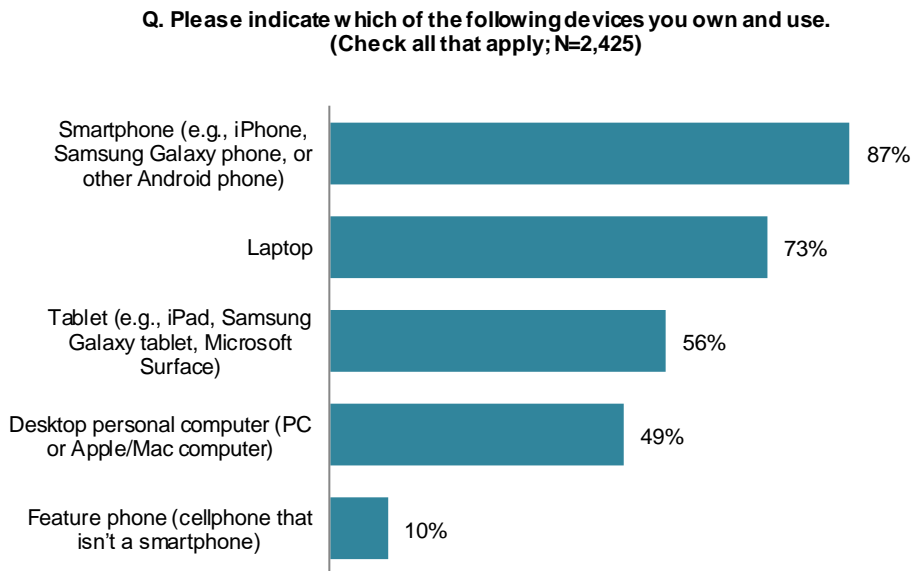
## PAYMENT EXPERIENCE OVERVIEW

For executives at billing organizations and payments vendors, it’s important to benchmark the payment experience across the utilization of payment tools, the level of frustration tied to the absence of these tools, and behaviors in terms of paying on time and inbound call frequency. These could add friction to the experience, increase costs for billers, and compound consumer frustrations. This section examines the tools and scenarios consumers experience in the bill payment process. Next, it examines consumer behaviors and outlines areas of frustration with the bill payment process.

### CURRENT SITUATION

To no surprise, smartphones are the most popular device consumers own, as indicated by 87% of respondents who own one. However, billers still have multiple ways to deploy tools in the bill payment process in parallel with a smartphone. Laptop computers are the second-most owned device among consumers, as noted by 73% of respondents; 56% own tablets, 49% own desktop personal computers, and 10% own a feature phone (Figure 10).

**Figure 10: Consumers’ Device Ownership**



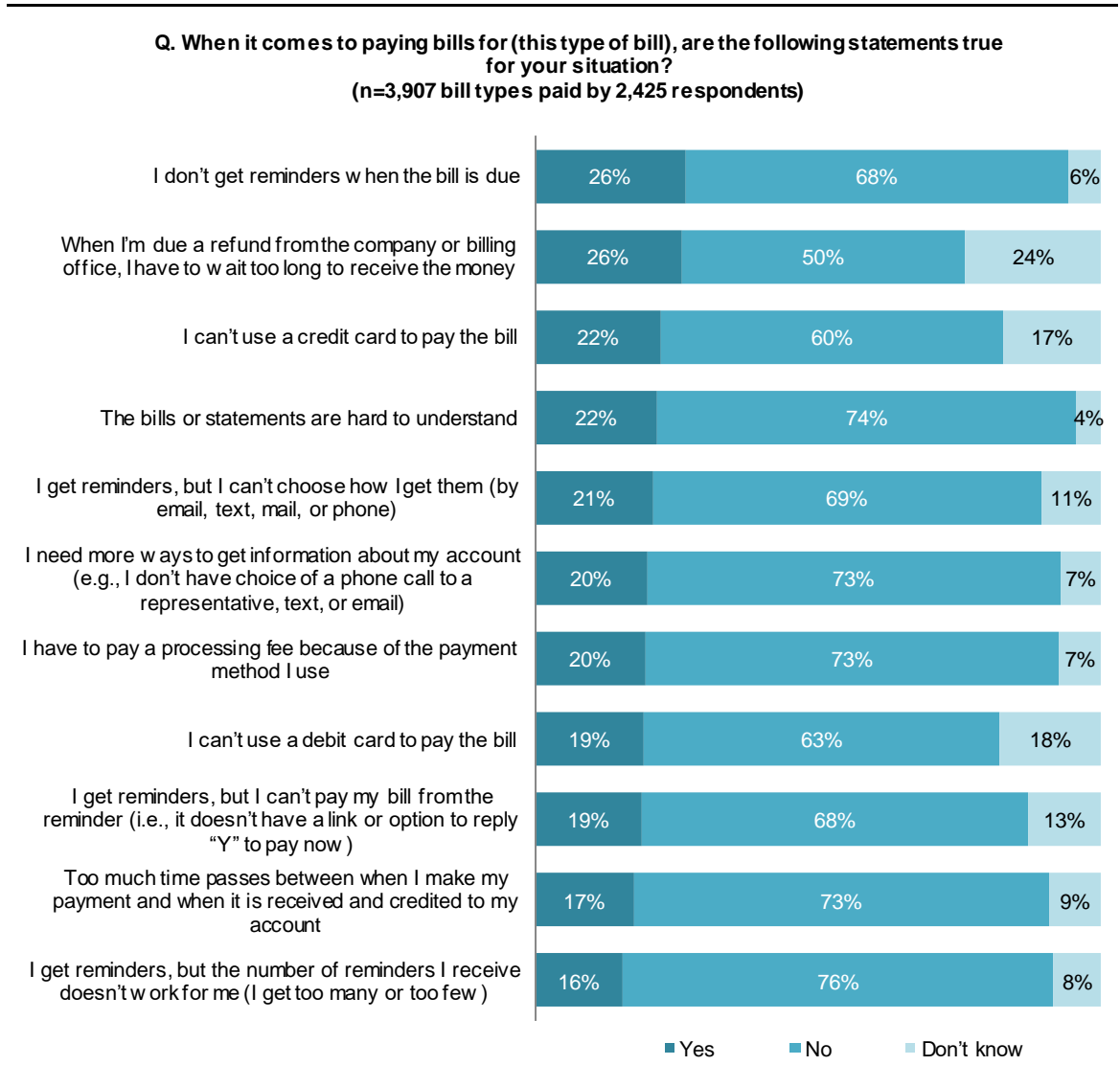
Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

For over 25% of consumer bills paid, the payers do not receive reminders or perceive their wait time is too long to receive a refund; for 22% of bills paid, the payers could not use a credit card to pay their bill; and another 22% of bills were tied to bills or statements that are too hard to understand. For another 21% of bill payments, payers received reminders but lack the convenience of being able to choose the channel to receive them; for 20% of bills paid, the payers required more ways to get account information; 20% of bills paid also included a



processing fee based on the payment the payer chooses; and for 19% of bills, the payee could not pay with a debit card (Figure 11).

**Figure 11: Current Bill Payment Experience**



Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Table E takes a closer look at the payment experience for each vertical and the three biggest gaps tied to the current situation. The following summarizes the payment experience gaps for each vertical.

- Consumers paying auto finance bills lack the availability of reminders and are unable to pay with their credit or debit card. The number of consumers who do not have reminders available to them for their auto finance bills is the greatest among all the verticals.

- Consumers paying higher education bills point to processing fees, too long of a wait for a refund, and the inability to choose the channel to receive reminders as the most common situations tied to their payment experience. The number of consumers paying a processing fee and the number of those who are unable to choose the delivery channel of reminders are the highest across all five verticals. In addition, consumers cite this vertical as the most likely among the five to lack the ability to find the right number of reminders to fit the respondent's needs (too few or too many).
- Health insurance bills are plagued by the inability to receive reminders, too long of a wait for refunds, and hard-to-understand bills.
- Consumers' medical services experience can be summed up with hard-to-understand bills, too long of a wait for refunds, and the need for more ways to access account information. The lack of clarity around bills and the refund process register as the highest concerns across all verticals. In addition, payment processing time in medical services was cited as an issue with the highest percentage across all verticals.
- The top experience truths for mortgages include the inability to pay by credit card, no reminders, and the inability to pay with a debit card. The lack of acceptance of credit and debit cards is the most common for this payment experience.

**Table E: Payment Experience Gaps by Vertical**

Situation	Auto financing (n=777)	Higher education (n=755)	Health insurance (n=777)	Medical services (n=820)	Mortgages (n=778)
<b>Do not get reminders</b>	29%	21%	27%	27%	28%
<b>Wait too long to receive refund</b>	21%	31%	25%	36%	15%
<b>Cannot use credit card</b>	25%	26%	19%	13%	30%
<b>Hard-to-understand bills</b>	10%	25%	21%	40%	11%
<b>Cannot choose how to get reminders</b>	18%	29%	18%	24%	16%
<b>Need more ways to get information</b>	13%	28%	19%	27%	12%
<b>Pay a processing fee</b>	18%	32%	16%	20%	12%
<b>Cannot use debit card</b>	20%	21%	17%	14%	24%
<b>Cannot pay bill from reminder</b>	19%	26%	16%	18%	16%
<b>Too much time between payment and account debit</b>	15%	22%	14%	24%	12%

Situation	Auto financing (n=777)	Higher education (n=755)	Health insurance (n=777)	Medical services (n=820)	Mortgages (n=778)
<b>Number of reminders is too low or too high</b>	13%	24%	14%	18%	10%

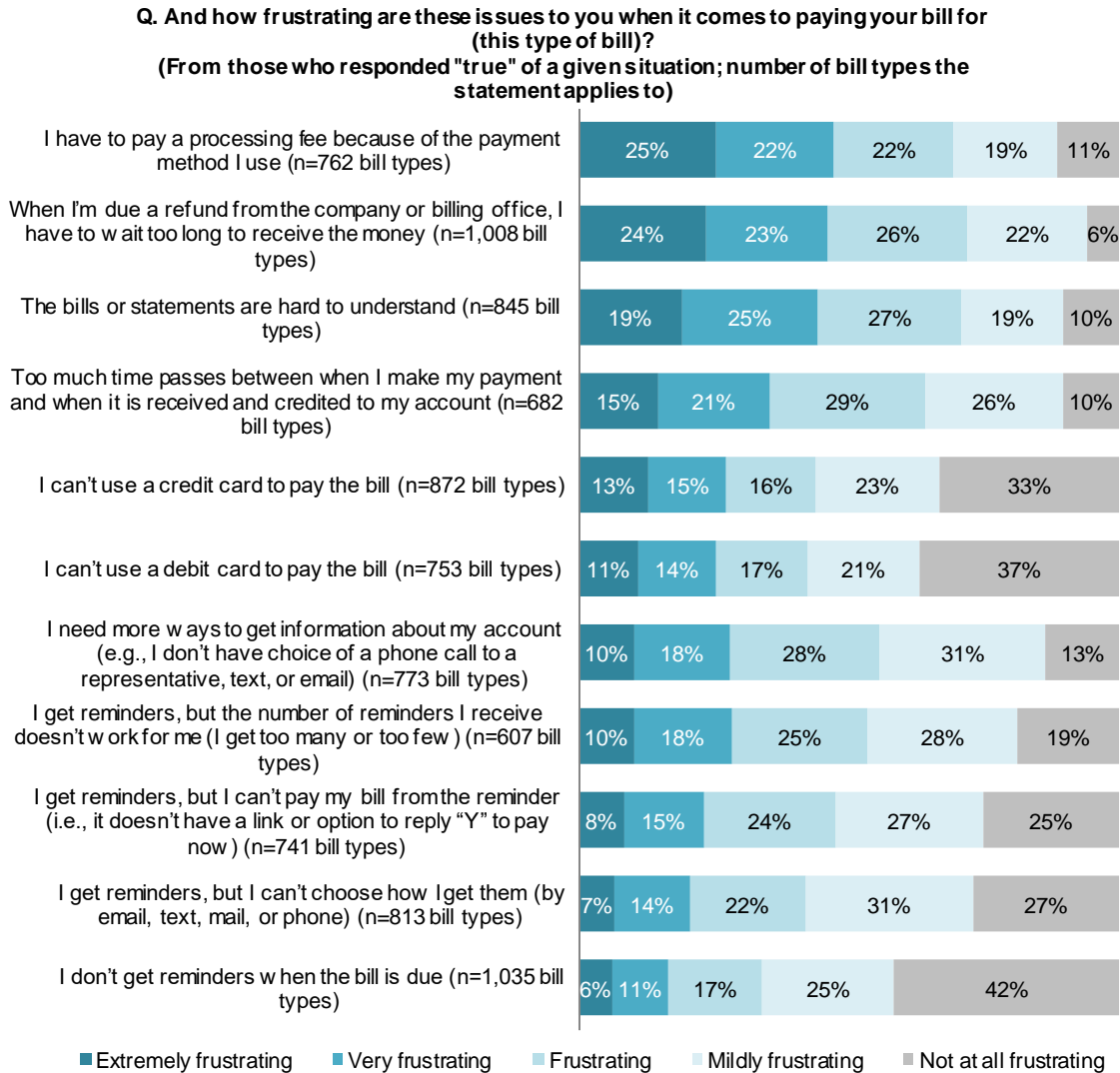
Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

## CONSUMER FRUSTRATIONS

Consumer frustration levels are highest for waiting too long for a refund, navigating hard-to-understand bills, and paying processing fees.

The intensity of consumers' frustration is high relative to the number of consumers who do not have access to a given tool or service. For example, only 20% of bills paid had a processing fee, yet 25% of those bill payment experience finds that situation extremely frustrating, 22% find it very frustrating, 22% find it frustrating, and 19% find it mildly frustrating. Next, 28% of respondents indicate they wait too long for a refund, and 24% find that extremely frustrating, 23% find it very frustrating, 26% find it frustrating, and 22% find it mildly frustrating (Figure 12).

**Figure 12: Payment Experience Frustration Levels**

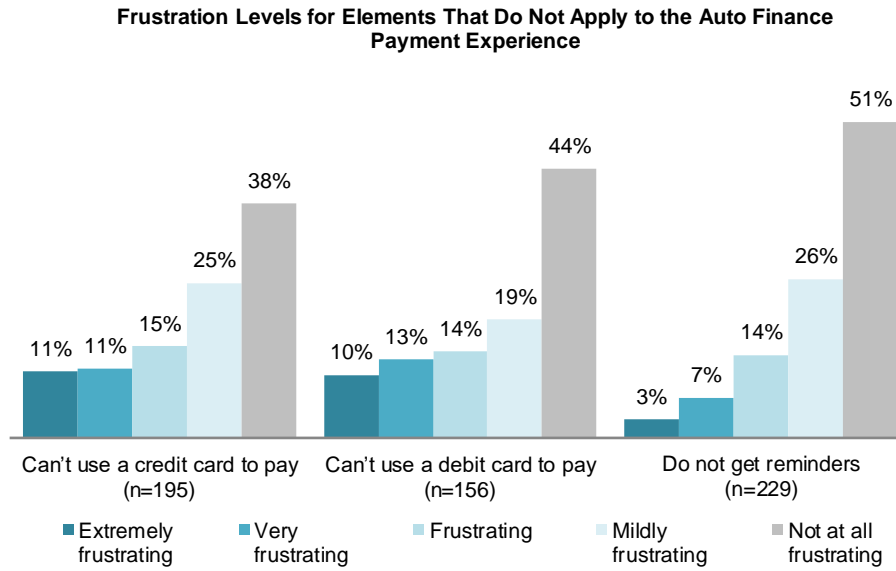


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

**FRUSTRATION LEVELS BY VERTICAL**

Next, Aite Group analyzes consumers' frustration levels tied to the top situations that are not resident in payment experiences. Consumer frustrations for the most common auto financing situations are highest for the lack of credit and debit card experience, and frustrations abate for the lack of reminders (Figure 13).

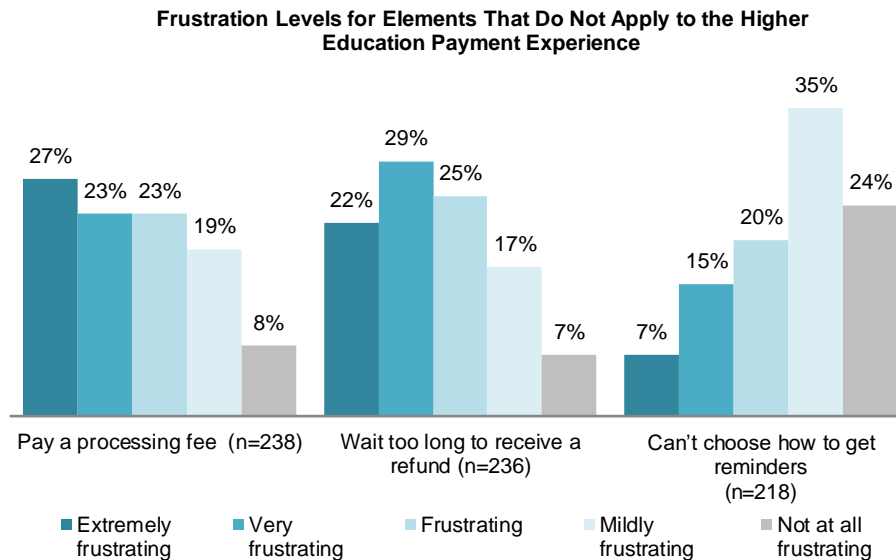
**Figure 13: Auto Finance Frustration Levels**



Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

The intensity of consumers’ frustration when paying processing fees based on the payment method used to pay the bill and waiting on a refund outpace the intensity of their frustration with the inability to choose a channel to receive reminders (Figure 14).

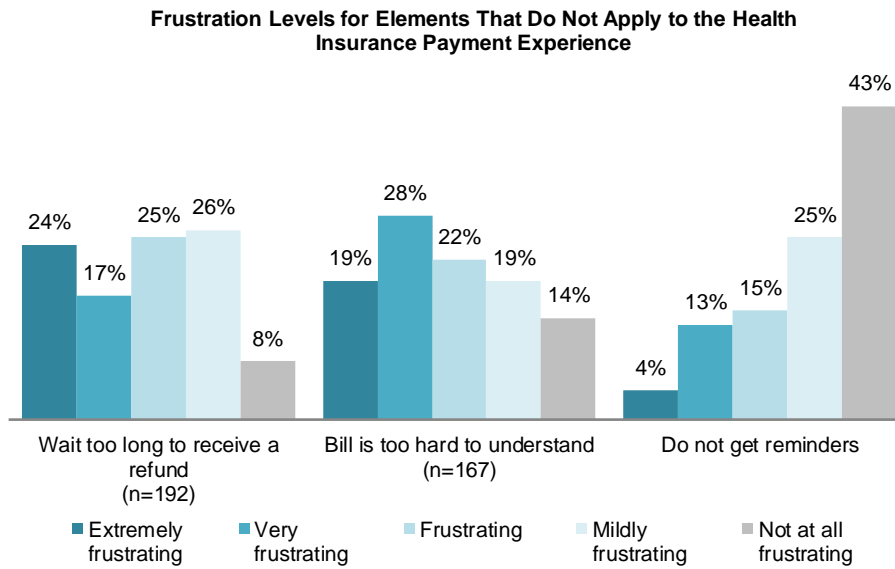
**Figure 14: Higher Education Frustration Levels**



Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

The level of consumer frustration with waiting too long for a refund and trying to decipher the bill, commonplace across the healthcare system, are ratcheted up when compared to not having the opportunity to receive reminders for this bill type (Figure 15).

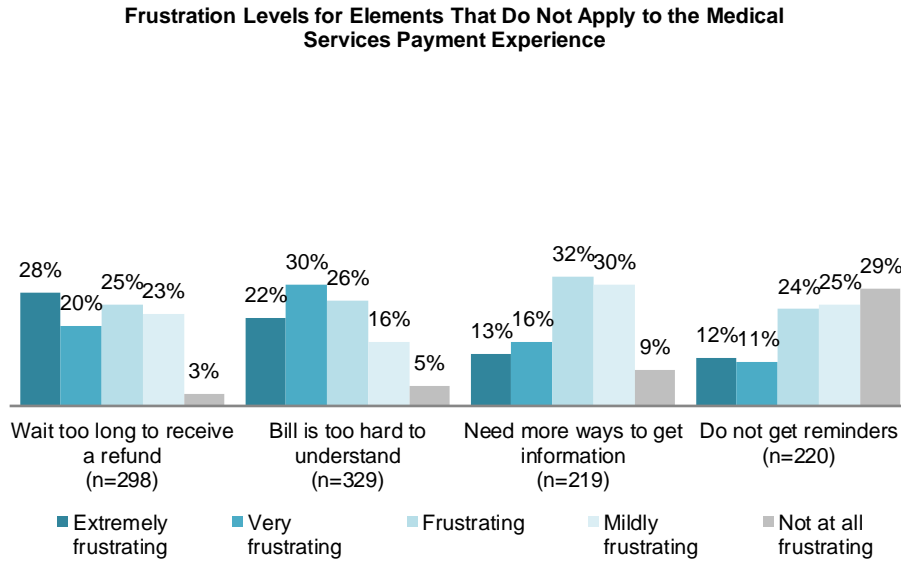
**Figure 15: Health Insurance Frustration Levels**



Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Medical services experience similar frustration intensity levels across the most common payment experience situations. Consumers’ wait time for their refund registers the strongest intensity. This represents both a challenge with the tools that estimate services and an opportunity for stronger engagement and payment tools to close the gap. Respondents attest to the long-standing anecdote in the market that healthcare providers’ bills and health plans’ explanation of benefits are both hard to understand and confusing. Once again, the lack of availability of medical services providers that offer reminders similar to other verticals does not cause consumer frustration to boil over (Figure 16).

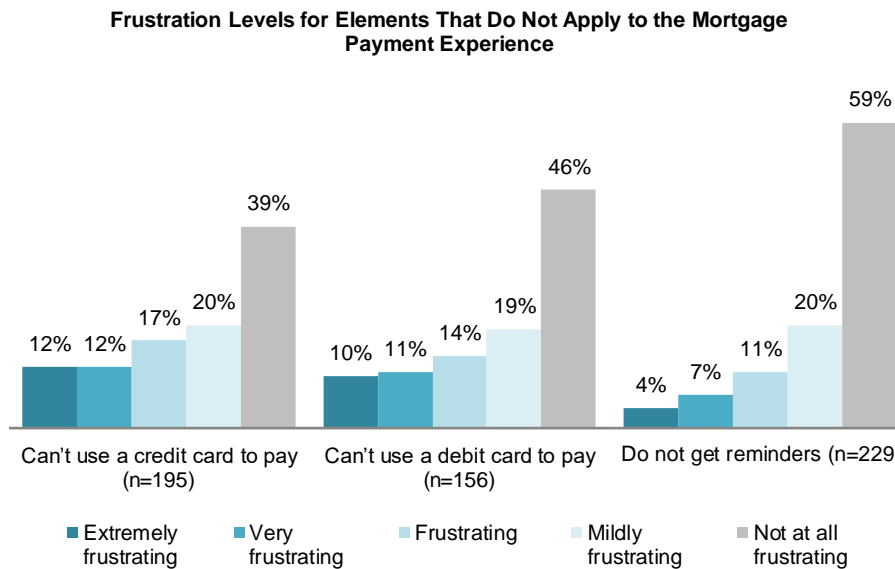
**Figure 16: Medical Services Frustration Levels**



Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Mortgages mirror auto financing when it comes to the top three items that do not apply to the current situation, and consumers display a similar distribution of frustration (Figure 17).

**Figure 17: Mortgage Frustration Levels**



Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

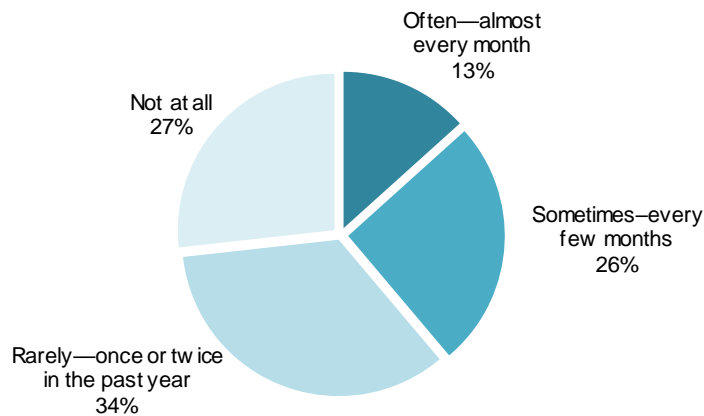
## PAYMENT BEHAVIORS

Two types of behaviors are affecting billers' bottom lines. First, consumers who contact billers add cost to the process and increase the timing of when they pay their bills.

Over the past 12 months, 73% of consumers contacted a biller they do business with, compared to 27% who did not. Of those who did contact a biller to ask a question about the service or the bill, make a payment, or arrange a payment, 13% called billers often, 26% contacted billers every few months, and 34% called billers one or twice in the past year (Figure 18).

**Figure 18: Frequency of Contacting Billers**

**Q. In the past 12 months, how often did you contact one of the companies or billers you do business with by phone, instant chat, email, etc. (to ask a question about the service or the bill itself, make a payment, or arrange a payment plan)?**  
(N=2,425)



Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

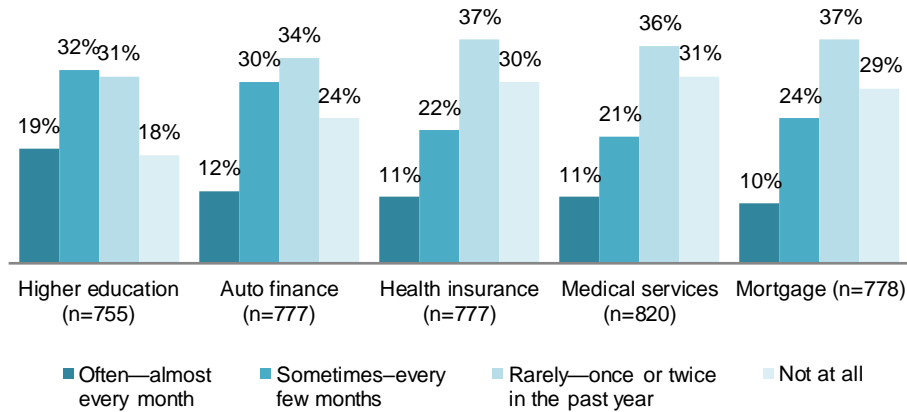
Higher education institutions face the greatest likelihood of incoming calls from customers who call monthly or every few months, followed by auto lenders.

- Higher education facilities experience monthly contact from 19% of those who owe bills, auto lenders experience contact from 12% of customers, health insurance carriers and healthcare providers experience contact from 11% of customers, and mortgage lenders experience contact from 10% of customers.
- Higher education institutions also see the most frequent semiregular contact from consumers who owe bills, as 32% of respondents call every few months, followed by auto lenders at 30% and mortgage lenders 24%.
- Medical services billers experience the smallest number of calls from the consumers who owe bills, as 31% did not contact their provider in the past 12 months, followed by health insurance carriers at 30% (Figure 19).



**Figure 19: Frequency of Contacting Billers by Vertical**

**Q. In the past 12 months, how often did you contact one of the companies or billers you do business with by phone, instant chat, email, etc. (to ask a question about the service or the bill itself, make a payment, or arrange a payment plan)?**

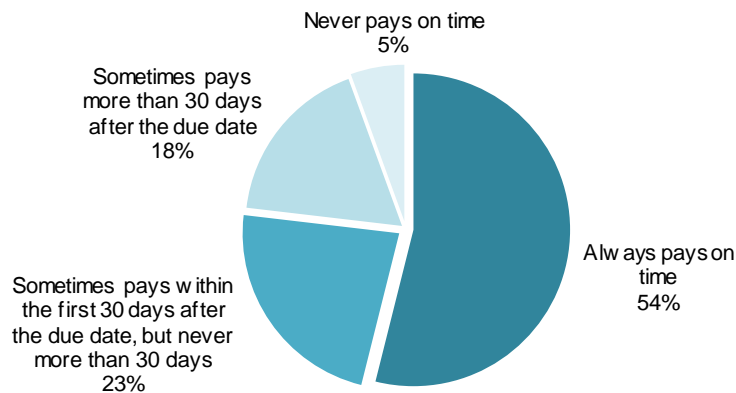


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Over the past 12 months, 54% of consumers always paid on time, compared to 46% who did not. Of those who did not always pay on time, 23% paid sometime within 30 days after the bill date but never more than 30 days; 18% sometimes paid more than 30 days past the due date, and 5% never paid on time (Figure 20).

**Figure 20: Timeliness of Paying Bills**

**Bill Payment Behavior in the Last 12 Months**  
(n=3,907 bill types paid by 2,425 respondents)

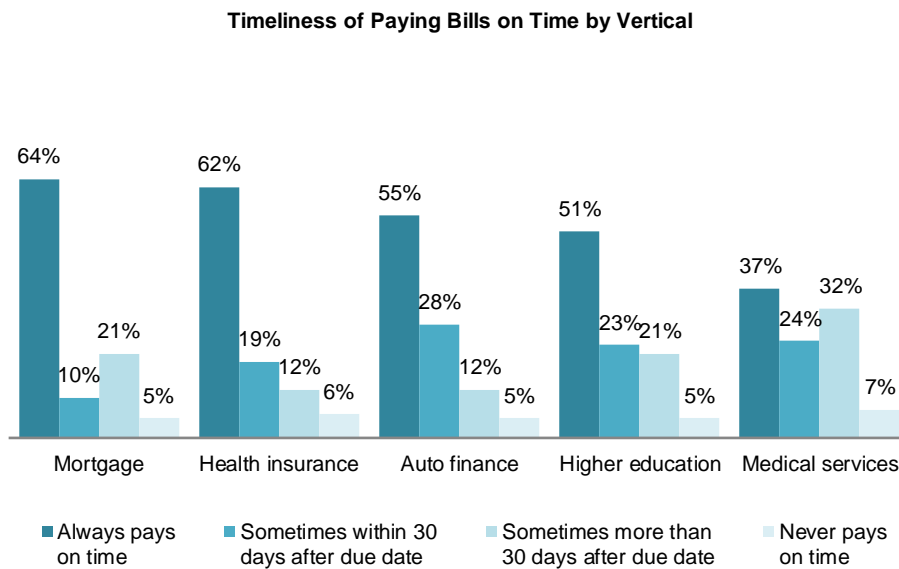


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Mortgage lenders and health insurance carriers see the most on-time bill payments, and medical services billers have the most situations that require collection agencies.

- Mortgage lenders see 64% of their payments paid on time, health insurance carriers see 62%, and auto lenders see 55%.
- Auto lenders experience the most situations in which consumers pay the bill after the due date but within 30 days of the due date, at 28% of the time, followed by medical services billers at 24% and higher education institutions at 23%.
- Medical services billers experience the greatest number of scenarios for which bills are paid after 30 days, at 32%, higher education billers experience 21%, and health insurance carriers and auto lenders experience 12%.
- Medical providers experience the most situations of consumers never paying on time, at 7%, and health insurance carriers experience 6% (Figure 21).

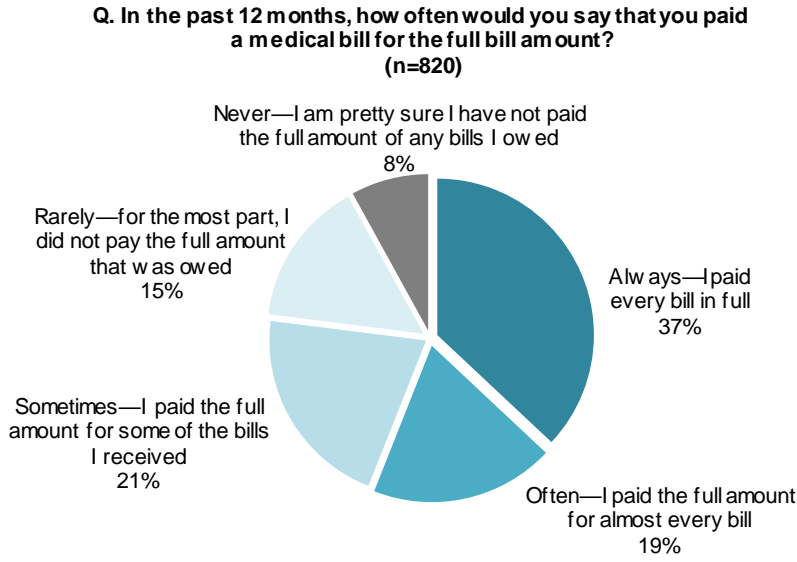
**Figure 21: Timeliness of Paying Bills by Vertical**



Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Not only do medical services providers face the most unpredictable cash flow due to bill payment behaviors, but they also face unpredictability in the amount consumers pay when they do pay. Only 37% of consumers paid the bill in full every time, 21% sometimes paid the bill in full, 15% rarely paid the bill in full, and 8% never paid the bill in full (Figure 22).

**Figure 22: Consumers' Frequency of Paying Their Medical Services Bill in Full**



Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

# NINE TOOLS FOR CREATING POSITIVE PAYMENT BEHAVIORS

This section looks at nine tools across the following dimensions: familiarity and usage of the tool, helpfulness in paying on time or preventing consumers from calling the biller, interest in the tool, and likelihood to use the tool if the biller offered it.

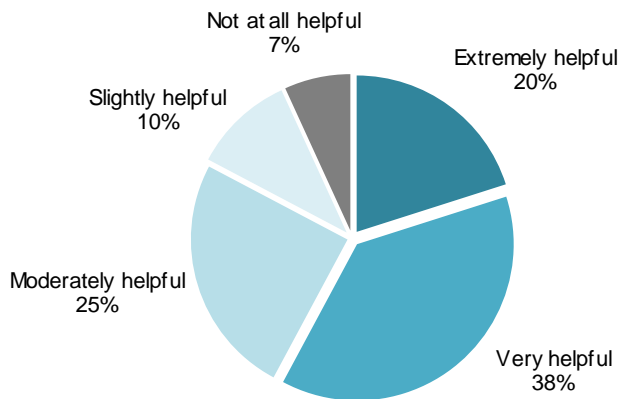
## REMINDERS

Billers send payment-due notifications to their customers via mail, email, text messages, or phone calls. These notifications include the outstanding bill amount and due date, and most provide a link or way to pay the bill. This tool is helpful for consumers to pay their bills on time—particularly in the health insurance, higher education, and medical services verticals—and most consumers prefer to receive reminders via email.

Reminders’ ability to help consumers pay on time is highlighted, as 58% of consumers who receive reminders and pay their bills find them helpful. In fact, 20% of consumers who pay their bills on time and receive reminders find them extremely helpful, 38% find them very helpful, 25% find them moderately helpful, 10% find them slightly helpful, and 7% find them not at all helpful (Figure 23).

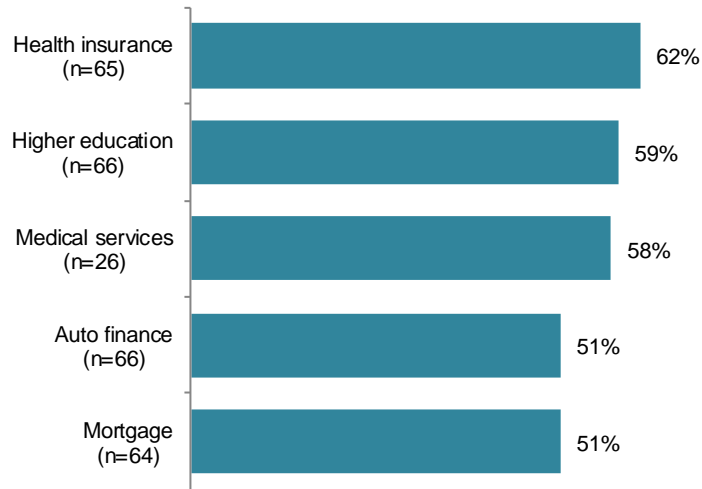
**Figure 23: Helpfulness of Reminders in Paying on Time**

**Q. How helpful are reminders about the due date in making your payments on time?**  
 (n=249 bill types paid by 232 respondents who pay on time and receive reminders)



Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Consumers who pay their health insurance bills on time and receive reminders find them the most helpful, with 62% of consumers indicating they are extremely or very helpful in that regard, followed by higher education at 59%, medical services at 58%, and mortgages and auto financing at 51% (Figure 24).

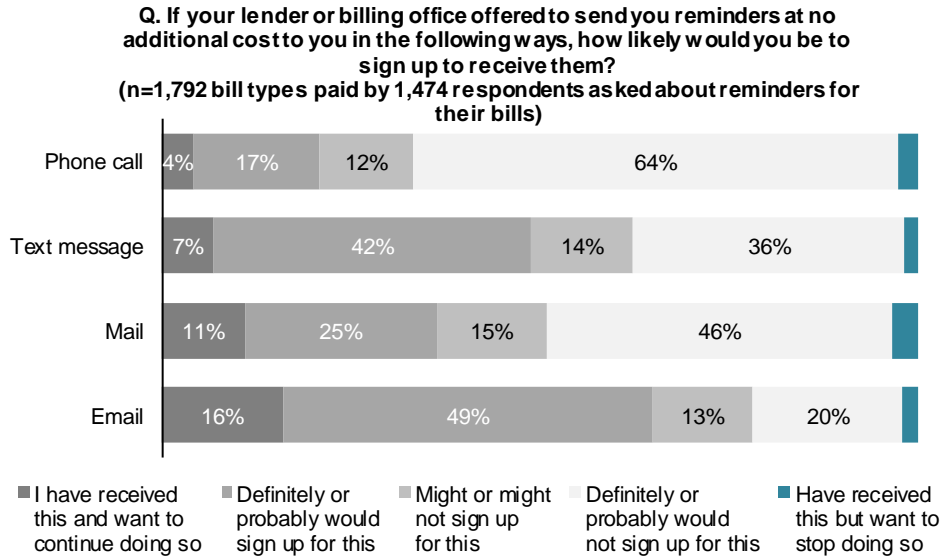
**Figure 24: Helpfulness of Reminders in Paying on Time by Vertical****Consumers Who Pay their Bills on Time and Say Reminders Are Very or Extremely Helpful in Making On-Time Payments**

Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Consumers' most owned and used device is a smartphone, yet email is their preferred reminder channel, as illustrated in the following statistics (Figure 25):

- Consumers use it and do not want to discontinue using it, as attested by 16% of consumers who receive email reminders and want to continue doing so, followed by 11% of mail users.
- Just under 50% of consumers would definitely or probably sign up to receive email alerts, followed by text message at 42%.
- Only 20% say they definitely or probably would not sign up for email, the lowest such sentiment across any channel.

**Figure 25: Likelihood to Sign Up and Receive Reminders**



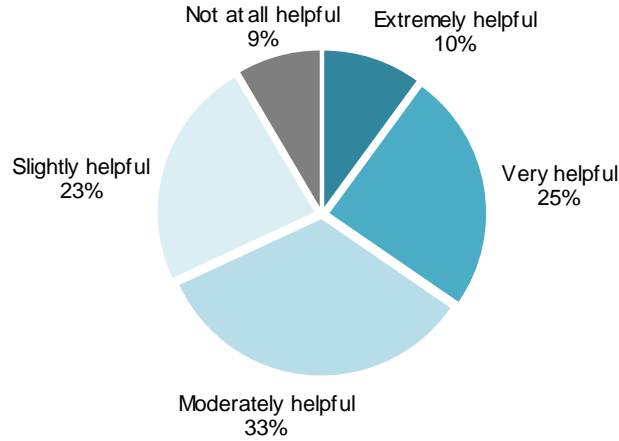
Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Consumers who are interested in signing up for reminders and who do not have reminders available in their payment experience but pay their bills on time would find them helpful in keeping their bill payment current. As such, this group interested in signing up to receive them perceive them as less helpful than those consumers who currently receive them, a strong selling point for billers trying to build enrollment numbers in the tool.

As proof, 10% of consumers who pay their bills on time and are interested in signing up find them extremely helpful, 25% find them very helpful, 33% find them moderately helpful, 23% find them slightly helpful, and 9% find them not at all helpful (Figure 26).

**Figure 26: Helpfulness of Reminders Among Consumers Interested in Receiving Them**

**Q. How helpful would reminders about the due date be in making your payments on time?**  
 (n=448 bill types paid by 410 respondents who pay on time and definitely or probably would sign up for reminders)

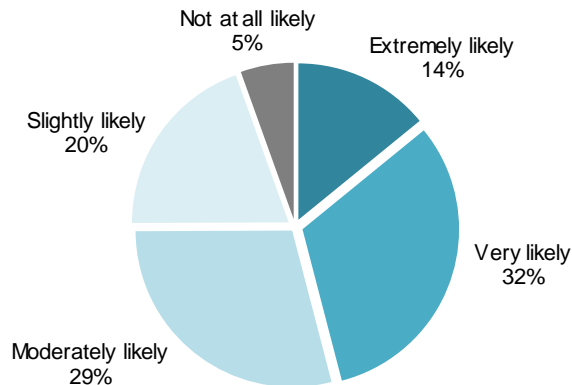


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Billers should take note of the role reminders can play in helping consumers who sometimes pay late to make more payments on time, as 14% of consumers indicate they are extremely likely, 32% indicate they are very likely, 29% indicate they are moderately likely, 20% indicate they are slightly likely, and 5% indicate they are not at all likely (Figure 27).

**Figure 27: Helpfulness of Reminders in Paying on Time More Often**

**Q. If you start receiving reminders to pay your bill before the due date, how likely would you be to make the payment on time more often?**  
 (n=383 bill types paid by 351 respondents who sometimes pay late and definitely or probably would sign up for reminders)



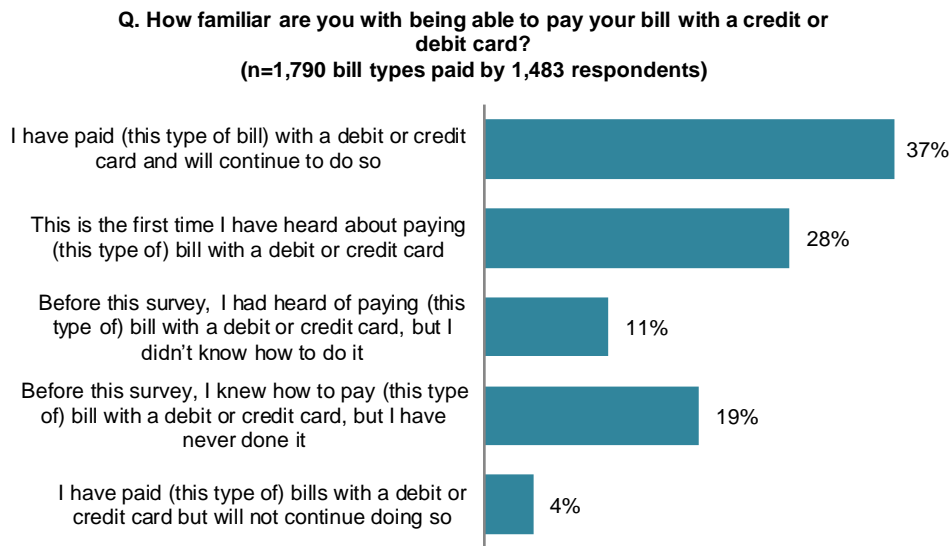
Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

## CARD BILL PAYMENT

Consumers are mostly familiar with billing organizations providing the option to make a payment with a debit card or credit card (e.g., Visa, Mastercard, American Express, Discover). Consumers who have not used card payments in the past are likely to do so if they were offered. This is good news for billers, as consumers who use cards to pay and who pay on time indicate card payments are helpful in that regard.

Thirty-seven percent of consumers have paid with a card in the past and will continue to do so, 28% have never heard of paying by card before, 11% do not know how to pay by card, 19% have heard of card bill payments but have never tried it before, and 4% have tried it but will not continue (Figure 28).

**Figure 28: Familiarity With Card Bill Payment**



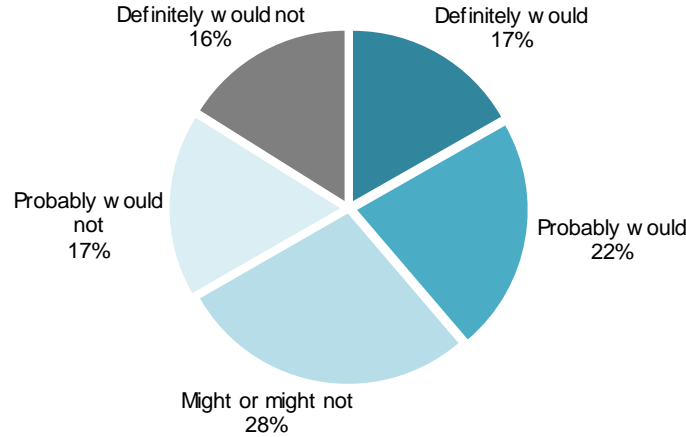
Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Thirty-nine percent of consumers who have not paid with a card in the past would definitely or probably do so, another 28% may or may not do so, and 33% would bypass using this feature if a biller offered it (Figure 29).



**Figure 29: Likelihood to Use Card Bill Payments**

**Q. If your lender or billing office offered it, how likely would you be to pay your bill with a credit or debit card?**  
 (n=1,045 bill types paid by 917 respondents who have not paid with a card in the past)

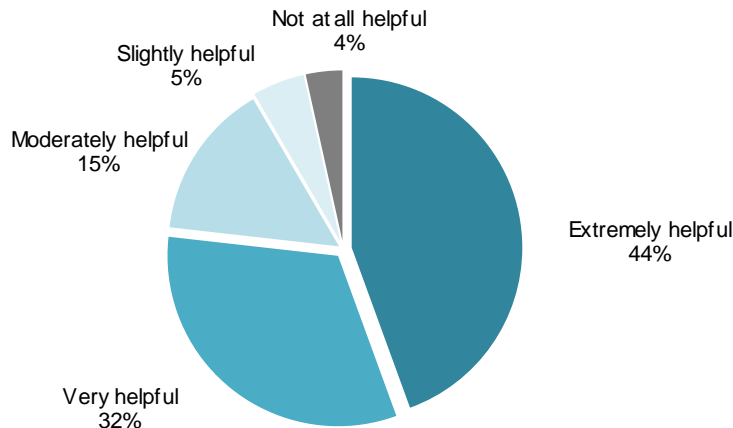


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Consumers who pay on time point to paying by card as helpful in achieving that status, a notion not lost on billers that do not offer credit and debit card acceptance as part of their payment experience. In fact, 44% of consumers say it is extremely helpful, 32% say it is very helpful, 15% say it is moderately helpful, 5% say it is slightly helpful, and 4% say it is not at all helpful (Figure 30).

**Figure 30: Helpfulness of Card Bill Payments in Paying on Time**

**Q. How helpful is paying your bill with a debit or credit card in paying your bill on time?**  
 (n=405 bill types paid by 367 on-time payers who pay with a credit or debit card)



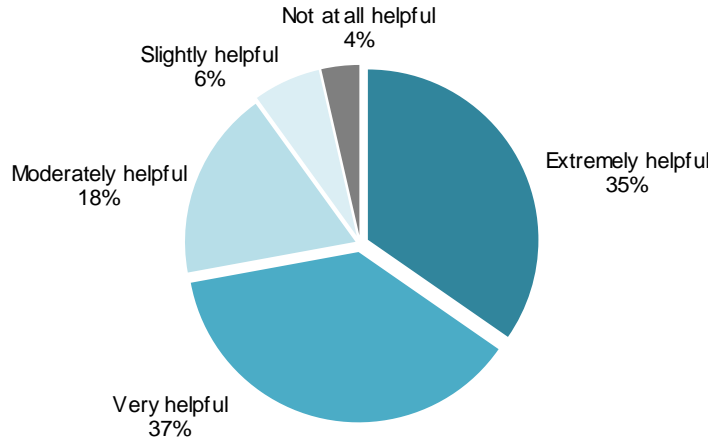
Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Consumers who pay on time point to paying by card as helpful, as noted by 35% of consumers who say it is extremely helpful, 37% who say it is very helpful, 18% who say it is moderately helpful, 6% who say it is slightly helpful, and 4% who say it is not at all helpful (Figure 31).

**Figure 31: Helpfulness of Card Bill Payments Among Consumers Interested in Using Them**

**Q. How helpful would it be in paying your bill on time to pay your bill with a debit or credit card?**

**(n=251 bill types paid by 234 on-time payers who definitely or probably would pay their bills with a credit or debit card)**



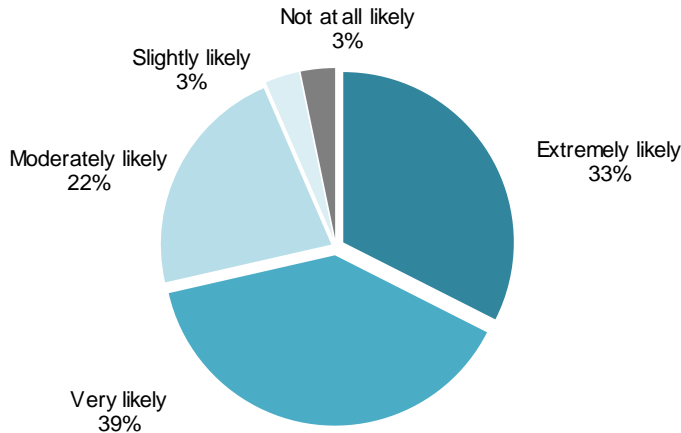
Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Thirty-three percent of consumers who sometimes pay late found it extremely likely that using a card would help them pay on time more often, 39% found it very likely, 22% found it moderately likely, 3% found it slightly likely, and 3% found it not at all likely (Figure 32).

**Figure 32: Likelihood to Pay on Time Using by Card Bill Payments**

**Q. How likely would you be to pay your bill on time or by the due date more often if you could pay with a debit or credit card?**

**(n=154 bill types paid by 149 respondents who sometimes pay bills late and definitely or probably would pay with a credit or debit card)**



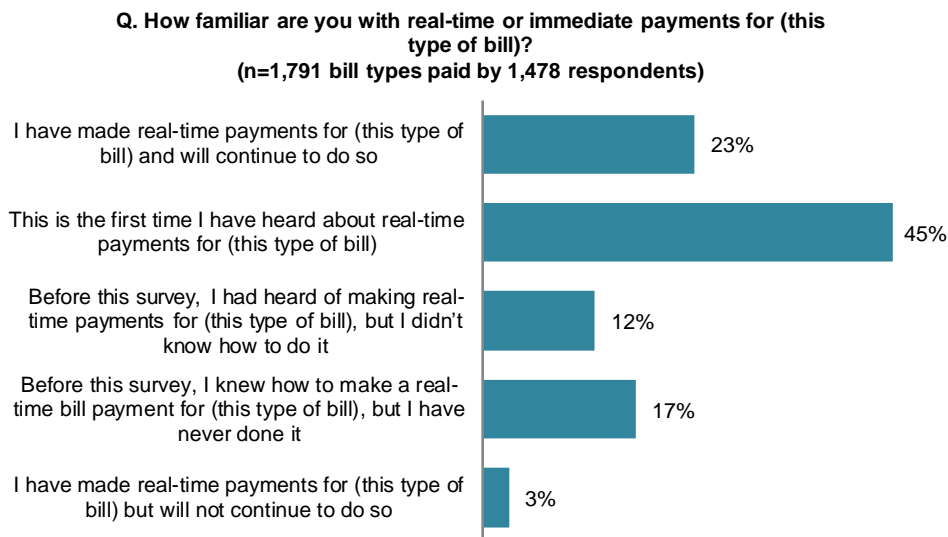
Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

## REAL-TIME BILL PAYMENT

Real-time bill payment immediately takes money from the consumer's checking account and deposits it with the biller. This tool is also known as instant or immediate payments. Consumers are not too familiar with real-time payments, which points to an opportunity for education given its benefits to paying on time. Real-time payments' contribution to on-time payments is a notion that should not go overlooked by either billers or payments vendors.

Forty-five percent of consumers are not familiar with real-time bill payments, compared to 23% of consumers who have made real-time bill payments and will continue to do so. Twelve percent heard of real-time payments do not know how to do it, 17% heard of real-time bill payments but have never tried it before, and 3% have tried it but will not continue to use it (Figure 33).

**Figure 33: Familiarity With Real-Time Bill Payments**

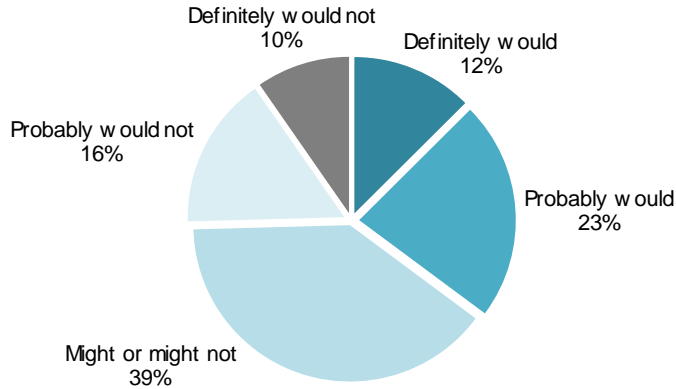


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Thirty-five percent of consumers who have not used real-time payments in the past would definitely or probably do so, another 39% may or may not do so, and 26% would bypass using this feature if a biller offered it (Figure 34).

**Figure 34: Likelihood to Use Real-Time Bill Payments**

**Q. If it were offered by the lender or billing office, how likely would you be to make real-time payments for (this type of bill)?**  
 (n=1,325 bill types paid by 1,124 respondents who have not made real-time payments)

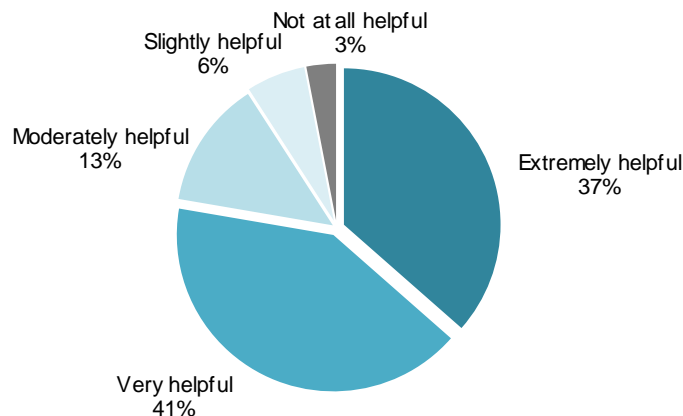


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Consumers who pay on time point to real-time bill payments as a major reason why they pay on time, as 37% of consumers say it is extremely helpful to make payments on time, 41% say it is very helpful, 13% say it is moderately helpful, 6% say it is slightly helpful, and 3% say it is not at all helpful (Figure 35).

**Figure 35: Helpfulness of Real-Time Bill Payments in Paying on Time**

**Q. How helpful are real-time payments in paying your bill on time?**  
 (n=296 bill types paid by 271 on-time payers who have made real-time payments)



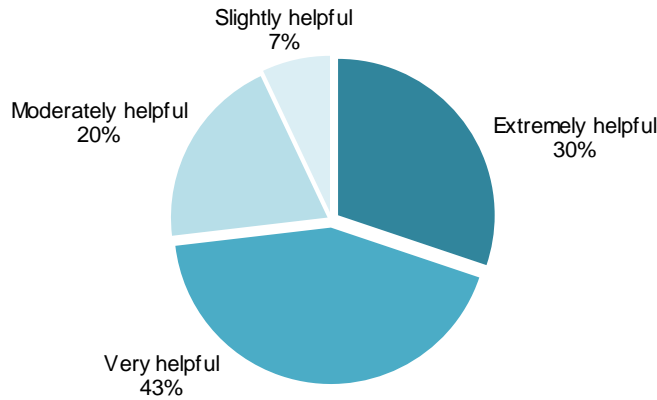
Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Consumers who pay on time but who have not used real-time payments seem poised to try real-time payments despite paying on time, as 30% say it would be extremely helpful in making on-

time payments, 43% say it would be very helpful, 20% say it would be moderately helpful, and 7% say it would be slightly helpful (Figure 36).

**Figure 36: Helpfulness of Real-Time Bill Payments Among Consumers Interested in Using the Tool**

**Q. How helpful would real-time payments be in paying your bill on time?  
(n=242 bill types paid by 220 on-time payers who definitely or probably would make real-time payments)**

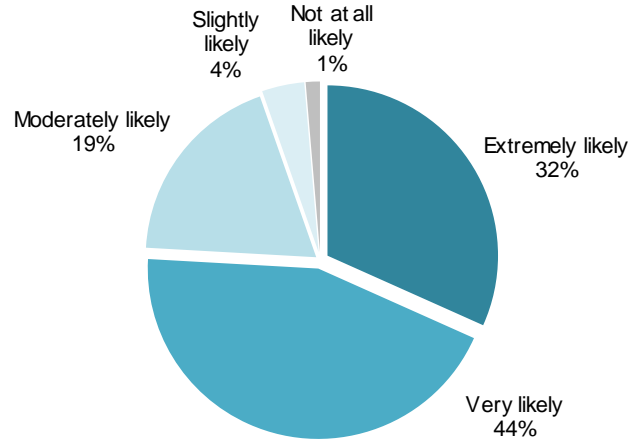


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Consumers who have paid late and who are likely to try real-time payments for the first time are bullish on the impact of this tool for making on-time payments, as 32% find it extremely likely to help them pay on time more often, 44% find it very likely to help, 19% find it moderately likely to help, 4% find it slightly likely to help, and 1% find it not at all likely to help (Figure 37).

### Figure 37: Likelihood to Pay on Time Using Real-Time Bill Payments

Q. If you could pay in real-time, how likely would you be to pay your bill on time or by the due date more often?  
(n=224 bill types paid by 210 respondents who sometimes pay bills late and definitely or probably would make real-time payments)



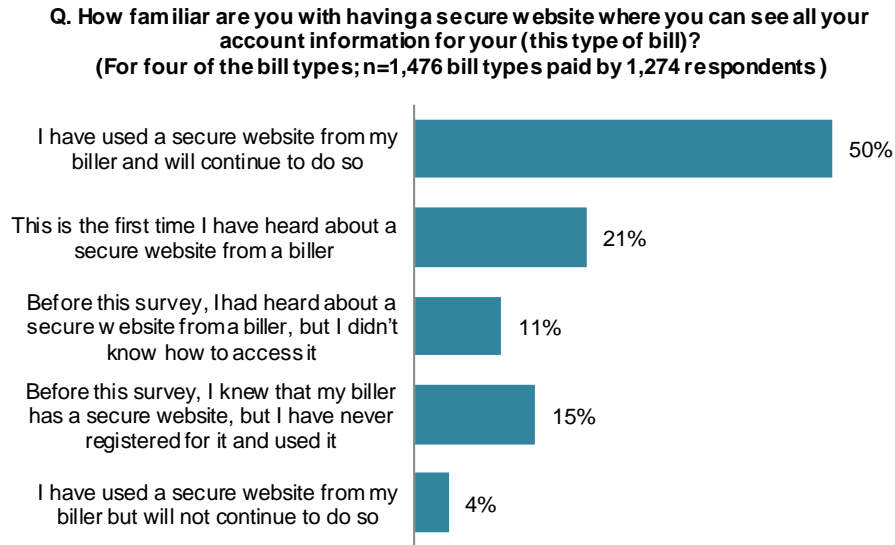
Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

## ONLINE CUSTOMER COMMUNICATIONS

This tool connects consumers with their billers through a secure website. This website is designed to provide access to account statements, account-related alerts, reminders, privacy notices, and other company notifications. Consumers hold a strong familiarity with the tool and identify with its value to billers to negate phone calls given the plethora of information available via the online site.

Consumers are familiar and see the value in this tool, as 50% will continue with their current usage, compared to 21% who have never heard of this; 11% do not know how to access this tool, 15% are familiar but have never registered, and only 4% of consumers will discontinue their current usage (Figure 38).

**Figure 38: Familiarity With an Online Customer Communication Tool**

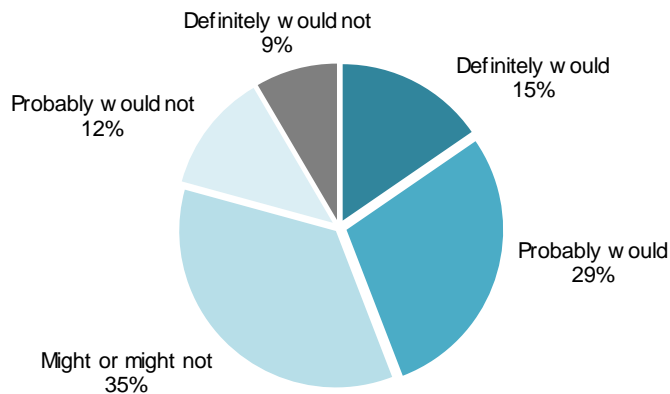


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Forty-four percent of consumers who do not use the tool today would definitely or probably use an online portal to communicate with their biller if offered, another 35% may or may not use a portal, and 21% would bypass using this feature if a biller offered it (Figure 39).

**Figure 39: Likelihood to Use an Online Customer Communication Tool**

**Q. If your biller had a secure website with your account information, how likely would you be to use it before contacting the organization directly?**  
 (For four of the bill types; n=675 bill types paid by 609 respondents who have not used a secure website from the biller)



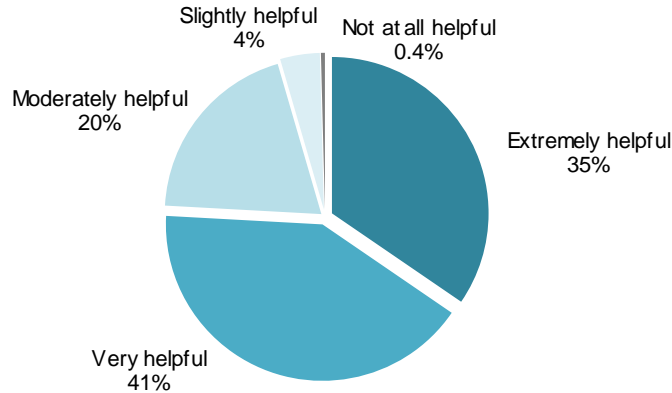
Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

An online communication tool enables consumers to virtually manage their account with information at their fingertips, replacing the need for most to call their biller. Of those who have

not used a tool in the past, 76% see the tool as very to extremely helpful in preventing calls, and 20% find it to be moderately helpful (Figure 40).

**Figure 40: Helpfulness of an Online Customer Communication Tool in Call Reduction**

**Q. How helpful is using a secure website in finding the information you need without contacting the biller?**  
 (For four of the bill types; n=489 bill types paid by 448 respondents who have used a secure website from the biller)

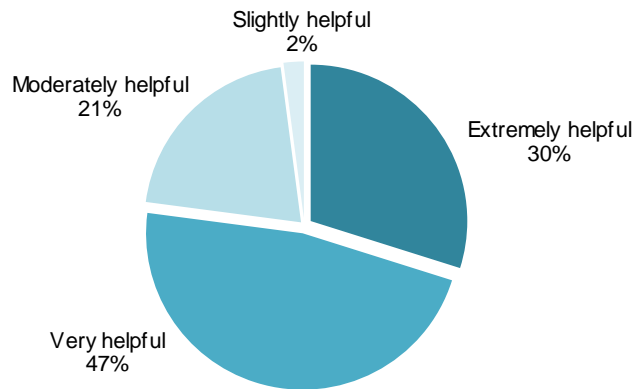


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Among consumers who would use an online communication tool and who have not contacted their biller, 77% say it is very to extremely helpful, 21% say it is moderately helpful, and 2% say it is slightly helpful (Figure 41).

**Figure 41: Helpfulness of an Online Customer Communication Tool in Call Reduction Among Consumers Interested in Using the Tool**

**Q. How helpful would using a secure website be in finding the information you need without contacting the biller?**  
 (For four of the bill types; n=144 bill types paid by 140 respondents who would use a secure website from the biller and have not contacted the biller)



Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

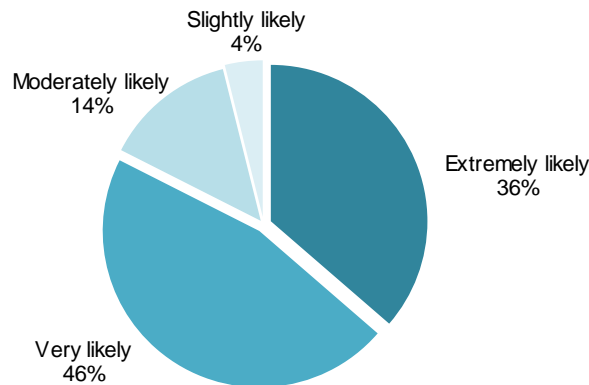


Eighty-two percent of consumers who have contacted their biller point to an online customer communications tool as a pathway to avoid calling. Thirty-six percent find it extremely likely that accessing the tool would prevent an inbound call into the biller, 46% find it very likely, 14% find it moderately likely, and 4% find it slightly likely (Figure 42).

### Figure 42: Likelihood to Use Online Customer Communications Before Contacting the Lender or Billing Office

Q. How likely would you be to use a secure website to look for the information you need before contacting the biller?

(For four of the bill types; n=154 bill types paid by 146 respondents who have contacted the biller at least once in the past 12 months, and definitely or probably would use a secure website from the biller)



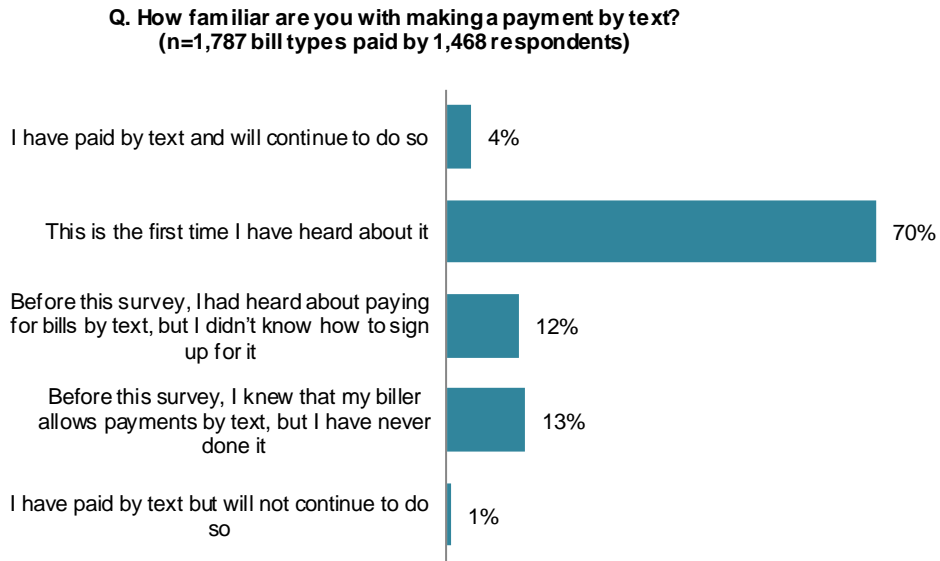
Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

## PAY BY TEXT

Seven out of 10 consumers are not aware of whether their billers send text messages containing the payment information. Pay by text helps users pay on time, given that consumers can pay by replying to the text or accessing a link within the text message. However, consumers view other tools as more germane to paying on time than text.

Consumer awareness and usage is low, as 70% of consumers have never heard of pay by text (Figure 43).

**Figure 43: Familiarity With Pay by Text**

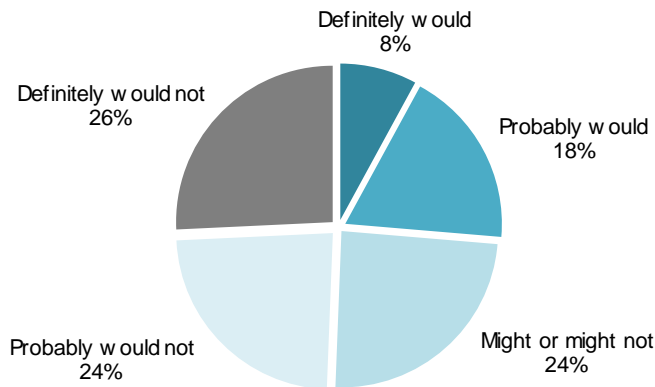


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Low overall awareness is equating to mild interest among consumers who have never used the tool, as 8% definitely would and 18% probably would (Figure 44).

**Figure 44: Likelihood to Use Pay by Text**

**Q. If offered by the biller, how likely would you be to make a payment by text?  
(n=1,701 bill types paid by 1,404 respondents who have not paid bills by text)**



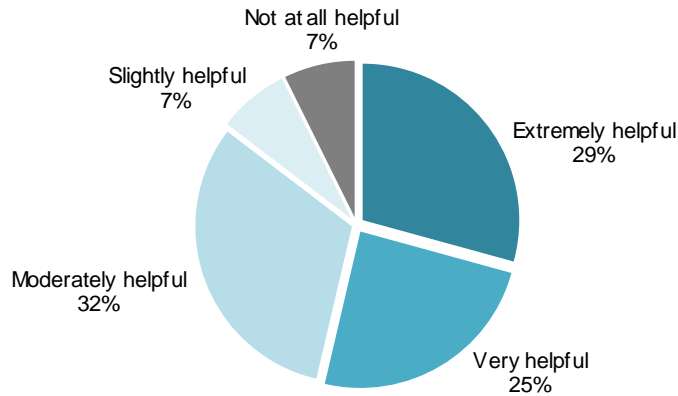
Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

The small population of loyal users attest to the helpfulness of pay by text for paying bills on time, and these users could be good focus groups for billers to identify key value propositions. Of this group, 29% say it is extremely helpful in getting bills paid on time, 25% say it is very helpful,

32% say it is moderately helpful, 7% say it is slightly helpful, and 7% say it is not at all helpful (Figure 45).

**Figure 45: Helpfulness of Pay by Text in Paying on Time**

**Q. How helpful is paying by text in making your payments on time?**  
 (n=41 bill types paid by 35 on-time payers who have paid by text)

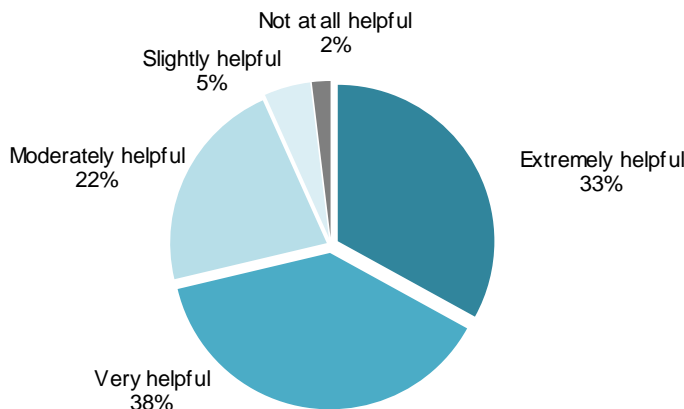


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

While pay by text users see some impact, those consumers who already pay on time but do not use the tool perceive the tool as more helpful in making an on-time payment. Of this group, 33% attest to the tool being extremely helpful, and 38% attest to it being very helpful (Figure 46).

**Figure 46: Helpfulness of Pay by Text Among Consumers Interested in Using It**

**Q. How helpful would paying by text be in making your payments on time?**  
 (n=209 bill types paid by 182 on-time payers who definitely or probably would pay by text)

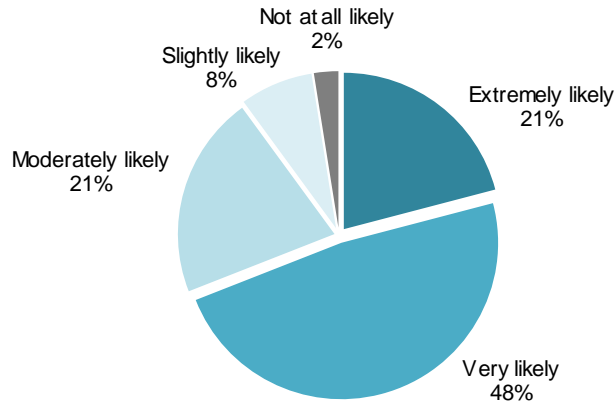


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Late payers also see value in helping to change their behavior to pay on time, as 21% of consumers believe paying by text is extremely likely to change late paying behaviors, and 48% believe it is very likely (Figure 47).

**Figure 47: Likelihood to Pay on Time Using Pay by Text**

**Q. If you could pay by text, how likely would you be to make your payments on time/by the due date more often?**  
(n=239 bill types paid by 219 respondents who sometimes pay bills late and definitely or probably would pay by text)



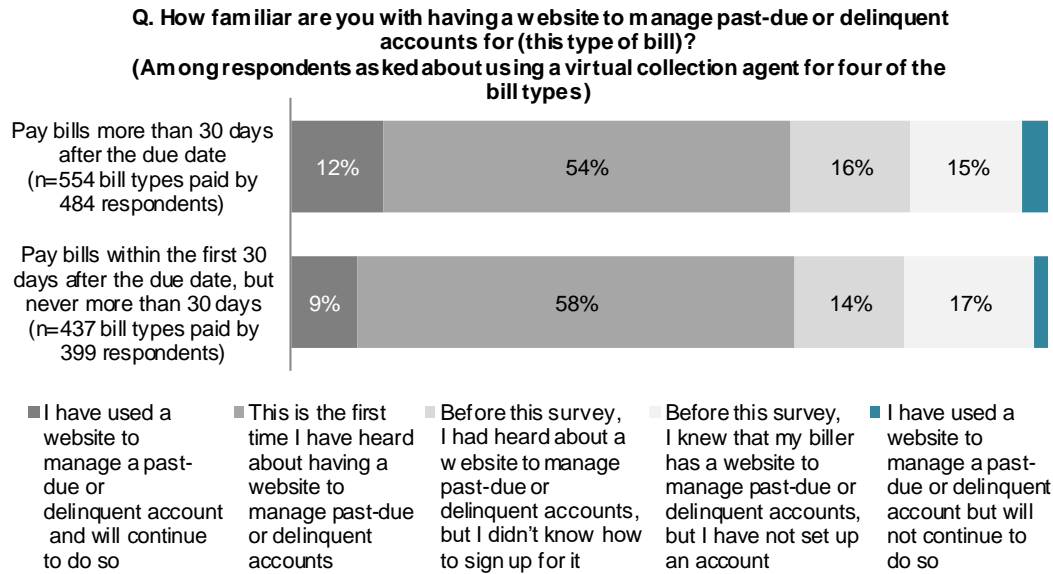
Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

## VIRTUAL COLLECTION AGENT

Billing organizations can provide a secure website designed for past-due or delinquent customers to make payments, set up a payment plan, or negotiate the amount they owe without speaking with a person about the issue. Consumer familiarity is low, but helpfulness of the tool to those with delinquent accounts is strong. Not only do consumers view this tool as helpful, but interest to use the tool is strong as well. Respondents across auto financing, higher education, medical services, and mortgages were asked about this tool.

Consumers are unfamiliar with this tool for past-due or delinquent accounts, as 54% of consumers who have had a delinquent account have never heard of this tool, and 58% of consumers who have paid past due are not aware either (Figure 48).

**Figure 48: Familiarity With a Virtual Collection Agent for Delinquent Accounts**

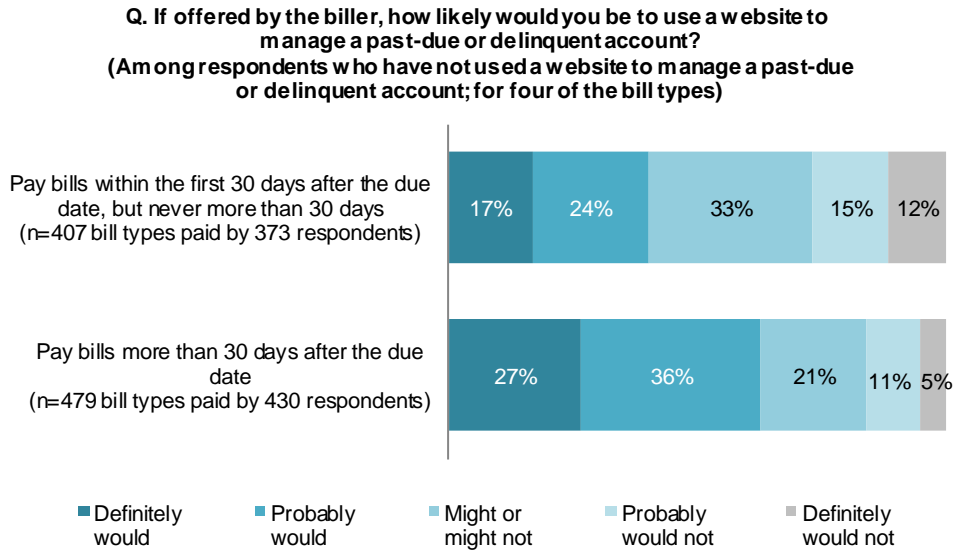


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

While the majority of consumers are unaware of billers offering this tool, interest in the tool is high, especially among consumers who have not used the tool in the past. Interest is higher in the target market of consumers who are delinquent compared to those who pay their bills within 30 days of the due date.

- Forty-one percent of consumers with past-due payments definitely or probably would use the tool.
- Sixty-three percent of consumers with delinquent accounts would definitely or probably use the tool—consisting of 27% of consumers who are definitely interested and 36% who are probably interested (Figure 49).

**Figure 49: Likelihood to Use a Virtual Collection Agent**

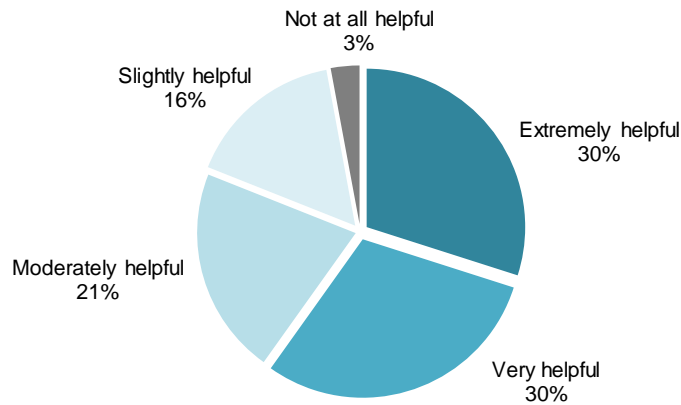


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

A virtual collection agent has the potential to not only work on truing up delinquent accounts for the biller but to also lower the cost to collect, heading off potential calls into the collection’s office. This call avoidance is illustrated through consumers who have used a virtual agent, as 30% of consumers find the agent extremely helpful to avoid contacting the biller, and 30% find it very helpful (Figure 50).

**Figure 50: Helpfulness of a Virtual Collection Agent to Prevent a Consumer Call to the Biller**

**Q. How helpful is using a website to manage a past-due or delinquent account in making payments, setting up a payment plan, or negotiating the amount you owe without contacting the biller?**  
 (For four of the bill types; n=137 bill types paid by 127 respondents who sometimes pay bills after the due date and have used a virtual collection agent)

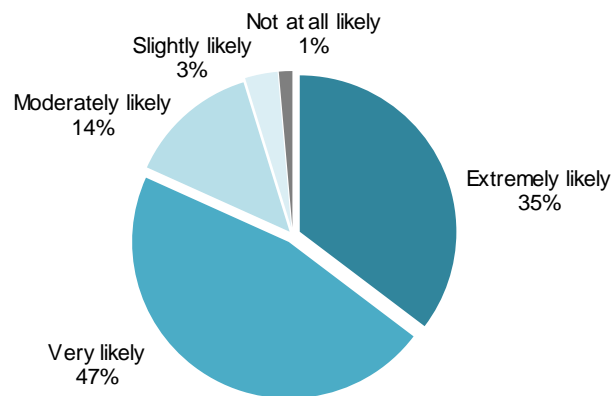


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Consumers who indicate a high interest in using the tool if their biller offered it demonstrate that interest equals activity when it comes to their likelihood to take advantage of the tool's features. Of this consumer group, 35% are extremely likely to use the features, and 47% are very likely, signaling strong demand for this tool (Figure 51).

**Figure 51: Likelihood to Use a Virtual Collection Agent Among Consumers Who Show a High Interest in Use**

**Q. If you could use a website to manage a past-due or delinquent account, how likely would you be to use it to make payments, set up a payment plan, or negotiate the amount you owe? (For four of the bill types; n=504 bill types paid by 446 respondents who sometimes pay bills after the due date and definitely or probably would use a virtual collection agent)**



Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

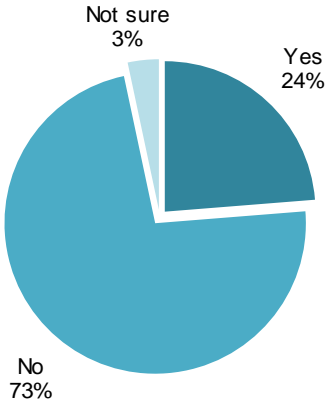
## DEBIT CARD REFUND

Service providers can send a refund via a debit card or checking account within 30 minutes from the time the refund is prepared. Respondents across health insurance, higher education, medical services, and mortgages were asked about this tool. Overall refund volume across these verticals is low, and so is familiarity with the tool. A strong group of consumers would use the tool if offered by the biller, given that wait time for a refund is a leading frustration. In addition, consumers who receive a refund via their checking account will continue to leverage this tool.

These bill types do not lend themselves to refunds, as only 24% of consumers have received a refund in the past 12 months (Figure 52).

**Figure 52: Frequency of Consumers Issued a Refund**

**Q. At least once in the past 12 months, did you receive a refund from a lender or billing office?**  
(For four of the bill types; n=1,382 bill types paid by 1,227 respondents who have received a refund to a debit card or checking account in the last 12 months)

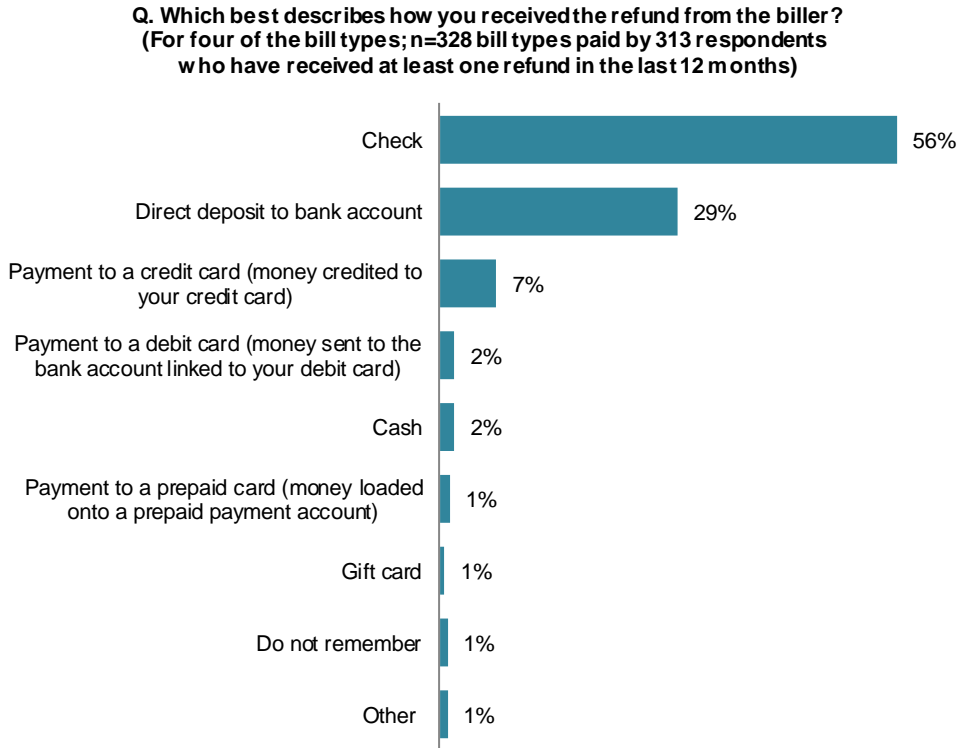


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Billers send consumers their refund via check 56% of the time, tying back to one of the top frustrations consumers have with their payment experience—waiting too long. Twenty-nine percent of consumers receive the refund back to their checking account, and 7% receive a refund directly back to their credit card (Figure 53).



**Figure 53: Method of Receipt for Consumers Receiving a Refund**

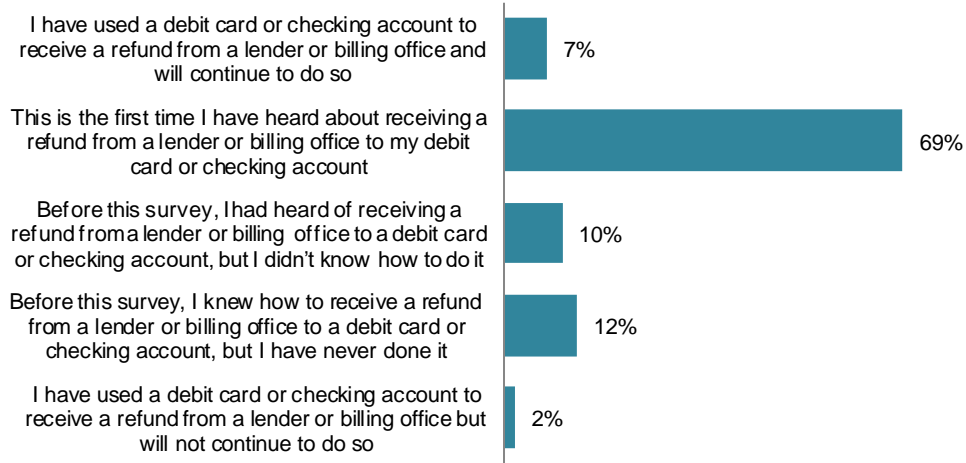


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Only 2% of consumers have received a debit card refund, showing low utilization, and this low usage is compounded with low consumer awareness. Only 31% of consumers have heard of receiving a refund by a debit card within 30 minutes, compared to 69% who have never heard of this process before. Educating consumers on this tool could alleviate a lot of consumer frustration with billers (Figure 54).

**Figure 54: Familiarity With Debit Card Refunds**

**Q. How familiar are you with being able to receive a refund from a lender or billing office to your debit card or checking account within 30 minutes?**  
 (For four of the bill types; n=1,382 bill types paid by 1,227 respondents)

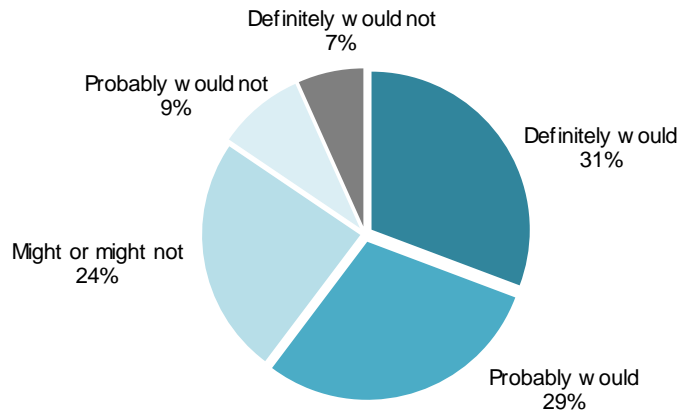


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Sixty percent of consumers would use a debit card refund, 24% might use a debit card refund, and only 16% would not use a debit card refund. Of those consumers who likely would use a debit card refund, 31% definitely would use it if offered by their biller, and 29% would probably use it (Figure 55).

**Figure 55: Likelihood to Use a Debit Card Refund If Offered by the Biller**

**Q. If your biller offered it, how likely would you be to ask for a refund to your debit card or checking account within 30 minutes from the time the refund is prepared?**  
 (For four of the bill types; n=1,256 bill types paid by 1,127 respondents who have not have not used a debit card or checking account to receive a refund from a lender or billing office)

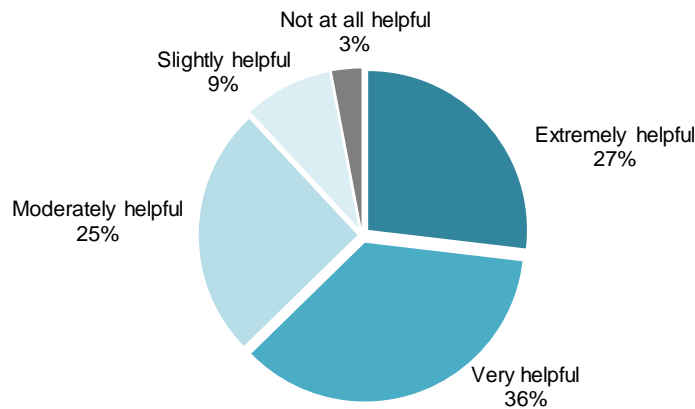


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

The immediacy of receiving a refund by debit card or directly to a checking account can offset inbound call volume for billers, as 27% of consumers who have received a refund in this manner say it is extremely helpful in preventing them from calling on the status of a refund, and 36% of consumers see it as very helpful (Figure 56).

**Figure 56: Helpfulness of a Debit Card Refund to Prevent a Consumer From Contacting the Biller**

**Q. How helpful is receiving a refund to your debit card or checking account from a biller in getting what you need without contacting the organization about the status of the refund?**  
**(For four of the bill types; n=67 bill types paid by 65 respondents who have used a debit card or checking account to receive a refund from the biller and have not contacted the lender or billing office about the status of a refund)**

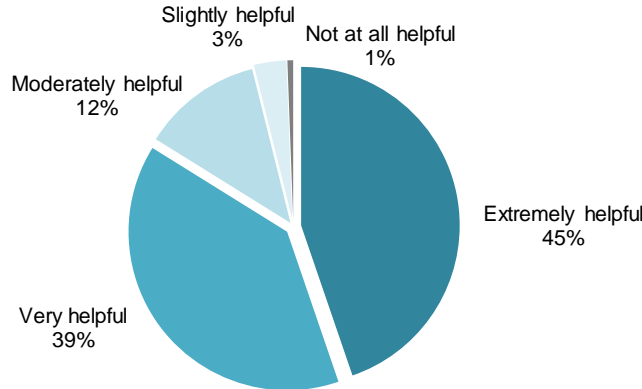


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

The helpfulness of debit card refunds to prevent consumers from calling is even more compelling across those consumers who would like to use the tool than across those who are currently receiving their refunds this way. Of this consumer segment, 45% find it extremely helpful to prevent a call to check on the status of a refund, and 39% find it very helpful (Figure 57).

**Figure 57: Helpfulness of a Debit Card Refund to Prevent a Consumer Interested in Debit Card Refunds From Contacting the Biller**

**Q. How helpful would it be to receive a refund to your debit card or checking account from a lender or billing office in getting what you need without contacting the organization about the status of the refund?**  
 (n=514 bill types paid by 476 respondents who have not contacted the lender or billing office about the status of a refund and definitely or probably would ask for a refund to their debit card or checking account)

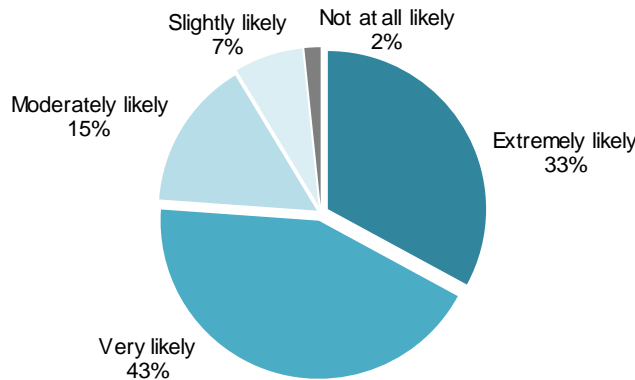


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Seventy-six percent of consumers who show an interest in the product are likely to use it if their biller offers it. Of those, 33% are extremely likely, and 43% are very likely (Figure 58).

**Figure 58: Likelihood of Using a Debit Card Refund Among Consumers Who Show a High Interest in Use**

**Q. If you could request it, how likely would you be to ask for a refund to your debit card or checking account that would be in your account 30 minutes from the time it is prepared by the office without contacting the organization about the status of the refund?**  
 (n=243 bills types paid by 233 respondents who have contacted the lender or billing office about the status of a refund and definitely or probably would ask for a refund to their debit card or checking account)



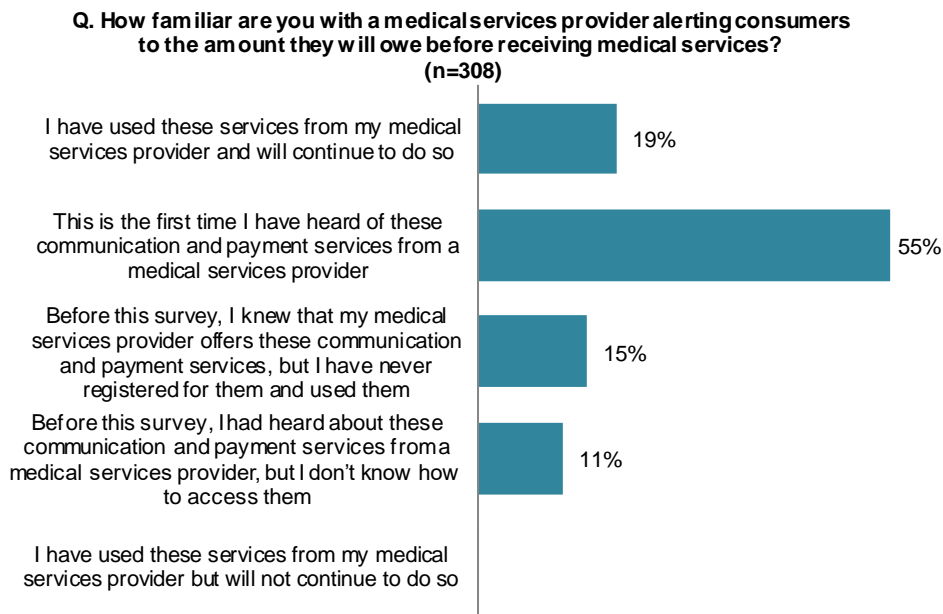
Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

## MEDICAL PAYMENT SERVICES

Healthcare providers offer a suite of communication and payment services (estimation, propensity to pay, payment options) to engage consumers before the final bill is presented. The payment can be rendered at the time an appointment is made or when services are received. Respondents for medical services were asked about this tool. Familiarity of the services within this tool are low, and interest in the suite of services is average.

Consumers are not too familiar with medical payment services, as attested by 55% who have never heard of them, but 19% of consumers have used them in the past and will continue to do so (Figure 59).

**Figure 59: Familiarity With Medical Payment Services**

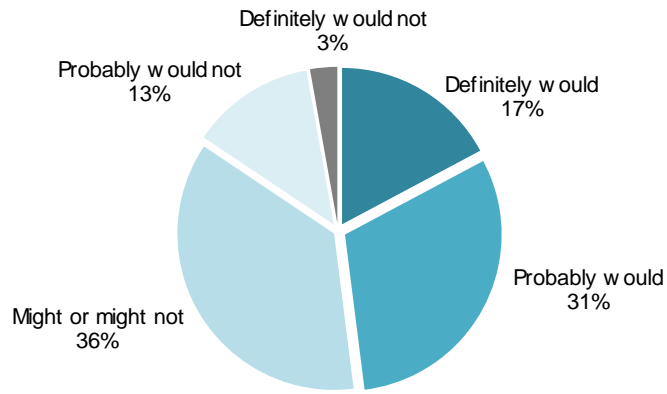


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Despite a consumer population that uses the service and will continue to do so, over a third of consumers who have never used the services remain on the fence. However, 17% definitely would use the services, 31% probably would, and 36% might or might not (Figure 60).

**Figure 60: Likelihood to Use Medical Payment Services If Offered by the Biller**

**Q. If the medical services provider had these communication and payment services, how likely would you be to use them?**  
(n=250 respondents who have not used communication and payment services from a medical services provider)

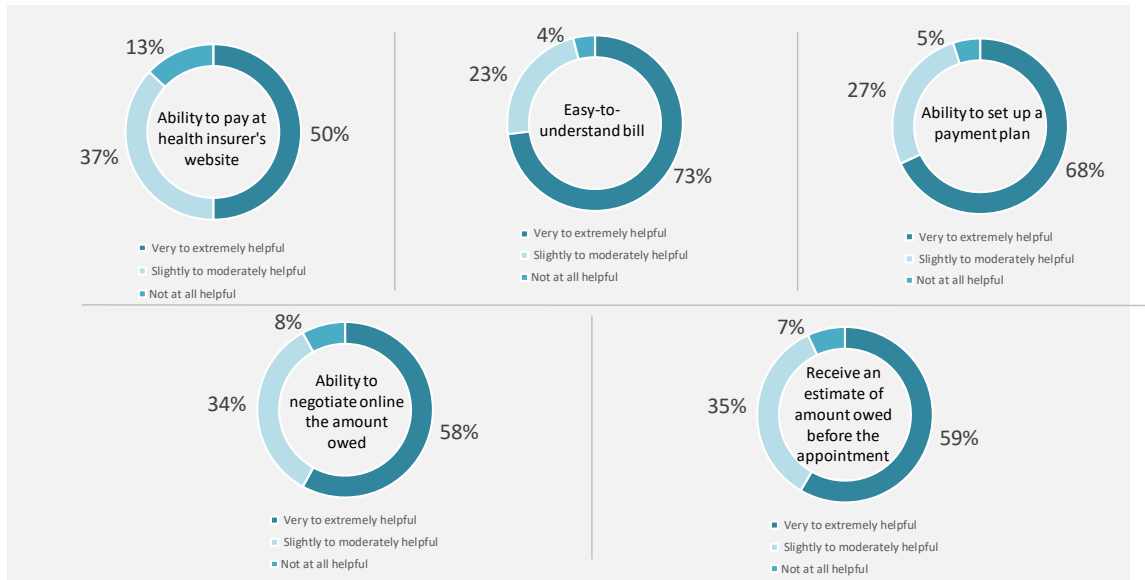


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Medical payment services aim to strike at the heart of the industry's issue, thus bringing clarity, convenience, and transparency to the payment experience. If successful, these features stand to reduce consumer frustrations and to enable billers to collect the full receivable. Consumers who do not pay their bills in full are receptive to the help that these features within medical payment services can bring for paying their bills in full.

The help of an easy-to-understand bill, the ability to set up payment plans, the estimation of costs prior to the appointment, and the ability to negotiate the amount of the bill owed and agree to pay that amount in full resonate with consumers. Conversely, paying bills at the health insurer's website is the only feature that consumers see as not helpful in double digits, but if consumers are educated on the value of delivering an easier-to-read bill through this feature, their minds would change (Figure 61).

**Figure 61: Helpfulness of Medical Payment Services' Features (n=519)**



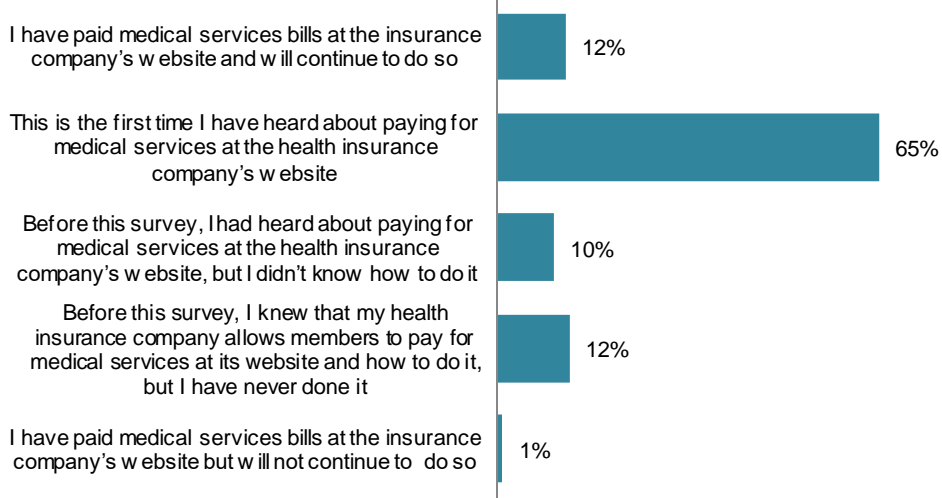
Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

## HEALTH INSURER MEDICAL PAYMENT PORTAL

Health insurers provide a bill payment capability within their member portals, enabling members to pay outstanding medical bills to healthcare providers. This tool is not widely available across health insurers, and it shows, with 65% of consumers unfamiliar with this tool compared to 12% of consumers who are current users of the tool and will continue to use it (Figure 62).

**Figure 62: Familiarity With Health Insurer Payment Portal**

**Q. How familiar are you with paying for medical services such as doctors' visits, lab work, and hospital fees from the insurance company's website? (n=308 respondents asked about member liability payments of medical services bills)**

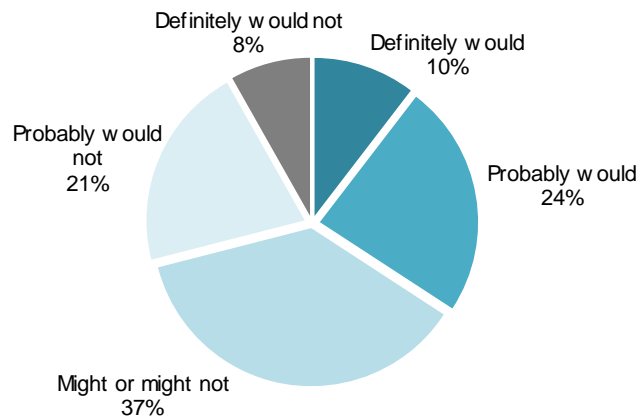


Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018

Consumer interest in a payment portal is lukewarm, as only 10% of consumers who do not use this tool definitely would, 24% probably would, 37% might or might not, 21% probably would not, and 8% definitely would not (Figure 63).

**Figure 63: Likelihood to Use a Health Insurer's Payment Portal**

**Q. If offered by your health insurance company, how likely would you be to pay medical services bills at the insurance company's website? (n=269 respondents who have not paid medical services bills at the insurance company's website)**



Source: Aite Group survey of 2,425 U.S. consumers, Q3 2018



## CONCLUSION

While many billers may not be able to transform the consumer payment experience overnight, incremental steps can be taken: improving the payment experience, providing consumers with the ability to tailor their payment experience, and promoting individual preference with new tools. Based on our study of the bill payment behaviors of U.S. consumers, Aite Group concludes the following:

- **Consumer behaviors are shifting.** Bill payment behaviors vary across the various bill payment verticals. By and large, modern consumers—consumers who, because of technology, have a whole new set of expectations—are likely to use new tools and richer capabilities that will improve their payment experience.
- **Billers should attempt to remove friction and barriers from bill payment activities.** Benefitting from a better payment experience, consumers are far more likely to use new tools, ultimately resulting in higher consumer satisfaction and diminished frustrations.
- **Billers should explore partnerships.** Billers need to think strategically as to how they want to play and compete; they should look to partner with payment providers to fill out their product offerings and to develop and implement these new payment experiences.
- **Faster payments offer a great opportunity to billers.** Billers at large have an opportunity to develop cost-effective, innovative payment solutions that take advantage of real-time processing, which will help meet consumers' expectations for immediacy.
- **Focus on real time and learn from other markets.** Allowing consumers to easily, safely, and securely originate and receive faster payments can be complex, as they are irrevocable. U.S. billers should learn from those of countries that have already rolled out real-time payment systems so that they know what to expect and can learn from missteps in other implementations.

## RELATED AITE GROUP RESEARCH

*U.S. Bill Payment Transformation: The Momentum Accelerates*, June 2018.

*U.S. Medical Bill Payments: Support for the Health Plan Model*, March 2018.

*Sizing Consumer E-Bill Adoption in the United States*, June 2017.

*U.S. Medical Bills: How Consumers Pay Their Bills*, May 2017.

*How Americans Pay Their Bills: Sizing Bill Pay Channels and Methods*, January 2017.

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