

Online bill paying making inroads

November 20 2005

More than half of U.S. online households pay at least one bill online, according to a survey by CheckFree.

CheckFree Corp. said this week the most recent results of a survey conducted twice annually by CheckFree Analytic Research Services with The Marketing Workshop Inc. and Harris Interactive, revealed that 56 percent of U.S. online households are paying at least one bill online, up from 52 percent in June 2004.

CheckFree is an online financial services company.

The survey also found that 87 percent of users who pay their bills from a single "consolidated" Web site, such as a bank, brokerage, credit union or Internet portal, say they receive the service for free.

Also, for the first time online banking and bill pay features surpassed the more traditional bank-selection criteria of bank branch and ATM proximity to home. The availability of online banking and bill-pay features ranked third among the top three factors in selecting a bank for personal accounts, following "availability of free checking" and "reasonable fees and service charges," the survey reported.

"Today's Internet user has several options when choosing to pay bills online. Consumers can pay individual bills at a 'biller direct' Web site, such as a utility, telecommunications or credit card company, or pay any bill from a single 'consolidated' Web site like their bank," said Matt Lewis, executive vice president and general manager of CheckFree's

Electronic Commerce Division.

"Paying bills online is in the mainstream, and for the first time online banking and bill pay has moved into the top three factors considered by consumers when choosing a bank," he added.

For those not using online bill paying, the CeckFree study found that 18 percent were concerned about the security of their personal information. Also, 21 percent of those who don't pay online said that protection against fraud and late fees would be an attractive incentive in encouraging them to adopt an online payment service.

For those who do use an electronic billing and payment service, the survey said these online bill payers reported the benefits included.

- Convenience -- 27 percent of consumers stated the most important benefit was saving the paper, stamps and hassle of paying bills by check, while 17 percent stated that paying online was the easiest way to pay bills.

- Speed -- 13 percent of consumers stated the most important benefit was that it is faster than paying by check.

- Control -- 9 percent of consumers stated the most important benefit was the ability to ensure bills are paid on time as specified by the consumer.

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