Fees Could Alienate Online Bill Pay Users

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Online banking continues to grow in popularity, and according to Mintel, 79% of consumers visit their banksâ€™ online website on a daily or weekly basis.

But it seems that loyalty to online banking would vanish if the service wasnâ€™t complimentary, as just less than 80% of consumers would stop using their banks online bill pay services if their financial institutions charged a monthly fee.

When asked how much they would be willing to pay, just 7% of consumers said that they would continue using online bill pay if they were charged $5. The number willing to pay $10 for online bill pay services is a mere 5%, while only 2% said they would pay $25 or more per month. The final 7% said they didnâ€™t know at what price they would stop using online bill pay services.

â€œMost consumers would be loathe to pay for an online bill pay service, simply because there are other services that are offered free of charge,â€• says Susan Wolfe, VP of financial services at Mintel Comperemedia. â€œSo if banks start charging fo online bill pay, they run the risk that customers will use another payment mechanism or go to one of the free third party services.â€•

Despite the popularity of online banking, writing checks is still a popular way to pay - 62% of consumers who are responsible for paying their householdâ€™s recurring bills report that theyâ€™ve paid a bill with a check.

Forty-five percent have paid their bills through the billerâ€™s website and 42% have paid a bill with a credit card in the past six months. Online bill payment through a bank comes in fourth, at 40%.

â€œThe wide range of payment mechanisms means customers have choices,â€• adds Susan Wolfe. â€œGetting customers to s up for online banking is the easy partâ€”getting them to use the full online offering is much more challenging.â€•

Source: Mintel Comperemedia

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