Merchants want to offer pay by bank. Why aren't they?

Article

By the numbers: **Only about 12% of all consumer service companies use pay by bank**, per a July survey from PYMNTS and Trustly. But more than **91% of companies are interested in offering the payment method.**

- 32.5% of surveyed companies said the most important benefits of pay by bank were customer attraction and retention.

- 25% of companies cited lower fraud costs.

- And 20% prioritized receiving faster or instant payments.

What's holding them back?

- **78% of companies say the cost of implementing pay by bank was a key concern**.

- 93% are concerned that adopting pay by bank is too difficult, saying smooth adoption requires customers to trust the method.

  How to overcome this: Providers need to show merchants how pay by bank can actually help them save money, PYMNTS and Trustly said in their report.

- The costs of accepting card payments go beyond interchange rates. They also include chargebacks, false positives, and fraud losses. Given all of these factors, companies end up paying **between 4% and 10% of their revenue to offer card payments**, per PYMNTS and Trustly.

- But with pay by bank, there are no interchange fees, and they can reduce chargebacks and fraud because they're authenticated by a consumer's online banking credentials.

  What else needs to happen? For pay by bank to take off, customers must also get on board. And to switch from card payments—which often come with rewards and other benefits— to pay by bank,consumers need to be incentivized.

  The good news is that merchants seem ready to do this:

- 95% of companies would be willing to offer cash-back incentives to get customers to use pay by bank, per PYMNTS and Trustly.

- And 68% of merchants would be willing to offer a purchase price discount, per PYMNTS and Trustly.

  Our take: While pay by bank is still quite limited for consumer payments, momentum is building., especially with [Walmart's recent push](#).

Overcoming hurdles like cost concerns and a lack of incentives will help spur consumer adoption and get more big name merchants to accept the payment method.