

Digital bill payments gain steam even as pandemic conditions improve

Article

Trendspotting: A reopening economy and glimmers of normalcy haven't stopped US consumers from turning to digital payment methods to pay their bills, with **21.4%** of US consumers polled by [ACI Worldwide](#) in H1 2021 reporting they use digital channels to pay their bills more frequently than before the pandemic. That's up roughly **30%** from H2 2020,

suggesting that even as pandemic conditions improve, consumers are still growing more interested in digital bill payment options.

Why it's worth watching: The bill pay industry—payments for things like rent and utilities—is a massive opportunity for payment firms as it shifts toward digital channels. And companies with credit cards and mobile wallets are primed to take advantage of it:

- Credit cards were one of the most preferred payment methods for both one-time and recurring bill payments, per ACI's survey, trailing only checking account deductions in both categories and debit cards in one-time payments. And as digital payment channels replace consumers' ability to use checks or cash, more consumers may turn to credit cards to handle their bills, positioning issuers and card networks to tap into the payments volume opportunity.
- More than one-quarter (**26.7%**) of US consumers reported using mobile wallets to pay bills more frequently during the pandemic, which bodes well for their ability to rack up bill pay volume as the industry digitizes. And many US consumers said the convenience of using various wallets to pay bills is “important” or “very important,” with **PayPal** (43%), **Apple Pay** and **Google Pay** (32%), and **Venmo** (27%) leading the pack, per a PayNearMe [report](#). Consumers have a clear interest in digital wallets, which should mean operators will become a bigger player in bill payments in the years to come.

The bigger picture: Credit card issuers, card networks, and digital wallet operators will likely develop and introduce new solutions to seize the bill payments opportunity. **Mastercard** and **Evolve Bank & Trust** have already taken a step in this direction by [introducing](#) a cobranded credit card for renters that lets cardholders earn 2x rewards for rent payments—they'll even mail checks to users' landlords on their behalf to ensure it's universally accepted. Launching this card will help Mastercard and Evolve tap into rent payments, and other issuers, card networks, and digital wallets will likely follow suit with products, perks, and capabilities meant to encourage consumers to use them for bill payments.

US Consumer Use Of Digital Channels To Pay Bills

H1 2021



- I use digital channels to pay bills more frequently now than before COVID
- I use digital channels to pay bills with the same frequency as I did before COVID
- I use digital channels less frequency to pay bills now than before COVID

Note: Figures may not sum to 100% due to rounding.

Source: ACI Speedpay Pulse, 2021

Methodology: These figures are from ACI Speedpay Pulse, a longitudinal study conducted by Brownstein Group in partnership with ACI Worldwide. Each data set includes responses from a survey of at least 3,000 unique respondents, and each sample is survey sample is U.S. Census-balanced among adults age 18 and older who are responsible for submitting payments for at least two of their household's monthly bills. Respondents were asked "How would you characterize your use of digital channels (website, mobile apps, etc.) to pay bills during the pandemic as compared to before"?

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