

Consumers use online banking - but not to pay bills

CHICAGO, US: Mintel Comperemedia, a service that provides direct marketing competitive intelligence, found that 45% of adults with access to the Internet have bypassed their banks' online bill payment service and go directly to the biller's website instead.



In fact, 22% of online banking customers have never paid a bill online at all.

The same survey found that 70% of adults who use the Internet use online banking. Another 7% have signed up for the service, but have never used it. Consumers aged 25-44 are slightly more likely than their counterparts to use online banking, with 79% reporting usage. Banks are pushing these services, as approximately 40% of all checking direct mail offers include a mention of online banking.

"Despite the high penetration, banks are still eager to increase the usage of online banking," says Susan Wolfe, vice president of financial services at Mintel Comperemedia. "It's no secret that online banking creates deeper relationships between banks and customers, so banks are keen to pull in more users."

Banks urged to offer eBills

93% of respondents use online banking to check balances, 38% use it to receive account alerts and 65% use it to transfer money. 30% log on to pay their mortgages or credit cards issued by their banks. Consumers, on average, receive 3.5 paperless statements a month from other sources, so Mintel Comperemedia suggests that banks provide eBills* on their sites.

"Offering eBills is a way for banks to ensure that customers continually return to their website and rely on the banks' services, rather than turning to other third party sources," adds Wolfe. "Consumers opt to pay bills on the biller's website because their statement is readily available. If banks provided the same thing, it could potentially increase consumer usage of online bill pay services."

**An eBill is an electronic version of a bill that is sent to the bank, instead of to the consumer and delivered through the bank's web site.*

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