

# Decoding Australian Bill Payment Trends: Insights For Success

Consumer Trends Research

GLIDER

 PayPal



# About the Research Report

This research report was produced by Glider and PayPal Australia, based on a study conducted by Fifth Quadrant with n=1,000 consumers. It contains general observations about bill paying behaviours, late bill payments, bill paying experiences and attitudes towards different elements of billing.

The research consisted of a 10-minute online survey of n=1,000 Australian bill payers, aged 18 – 75 years. Numbers may not add to 100% due to rounding.

Consumers surveyed had to be personally responsible for paying at least three bills, with one of these three being electricity / gas, water, home phone / internet or their mobile phone bill.



## CONSUMER SAMPLING

The consumer research consisted of a sample of n = 1,000 Australian bill payers aged 18 – 75. The sample was weighted by age, gender and location to ensure data was nationally representative.



## METHODOLOGY

Online self-completion survey. The research was carried out in compliance with The Research Society Guidelines and National Privacy Principles. Sample was sourced through consumer panels, with participants incentivised for completing the survey.



## TIMING

The research was in field from 29 September to 8 October 2023.

## View from the Leaders

Consumer expectations for online payments have evolved significantly, driven by e-commerce experiences. Today, consumers demand seamless, fast, and secure payment processes, whether it's for shopping or for bill payments. And the current economic landscape means individuals are being even more considered in their purchasing decisions and bill payment strategies.

Recognising this shifting landscape, and the pressing need to understand and adapt to these changing expectations, Glider and PayPal have undertaken a comprehensive research study with 1000 Australian consumers. Delving into their behaviours and attitudes on bill payments, this report uncovers compelling insights that underscore the urgency and importance of meeting consumer expectations for bill payments:

- **53%** of bill payers admit to making late payments, highlighting a critical challenge for billers in the current economic environment.
- **33%** paid late due to payment process issues, shedding light on one of the hurdles that consumers face in the payment journey.
- **53%** want 'one-click' bill payments, signaling clear opportunity to improve the customer experience and ensure timely payments.

This report is essential reading for services organisations looking to enhance their customer experience and increase collections. It provides valuable insights into consumer preferences and behaviours in bill payments, offering guidance for staying ahead in this ever-evolving landscape.

We hope you enjoy it.



**Shaun Dobbin**  
CEO and Founder  
Glider



**Simon Banks**  
Managing Director  
PayPal Australia

## Six Key Facts & Figures

**63%**

say cost-of-living pressure is making it harder to pay bills on time



**53%**

of bill payers admit to making late payments



**33%**

pay late due to payment process issues



**77%**

say a good bill payment experience is important to them



**53%**

of bill payers want their service providers to offer 'one-click' bill payments



**33%**

say instalment options would help them pay their bills on time



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- 1 Bill Payment Landscape
- 2 Late Payment Trends
- 3 Customer Experience Impacting Loyalty



Section 1

# Bill Payment Landscape

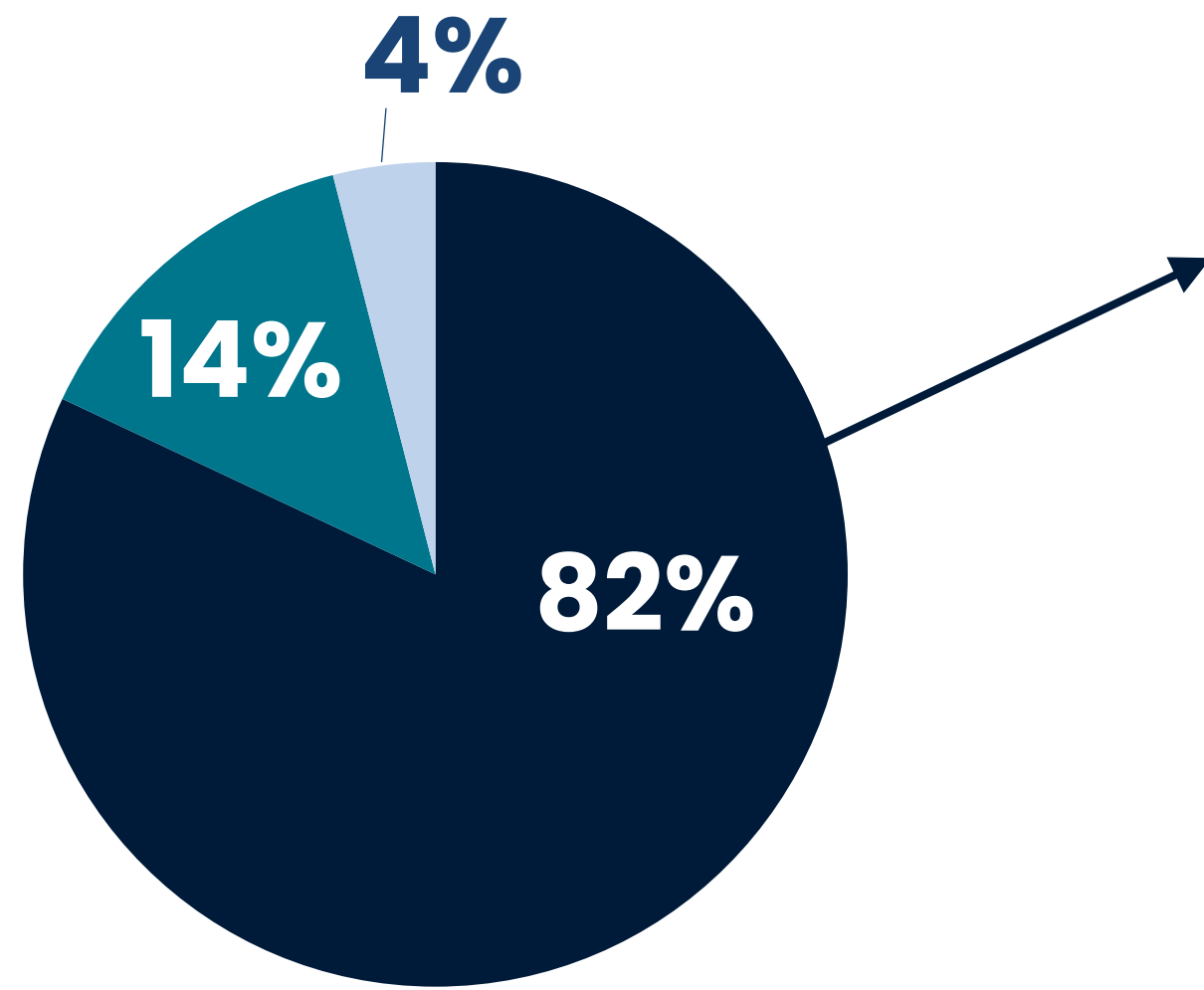




# More than 4-in-5 Australians are regular bill payers, including almost two-thirds (65%) of Gen Z

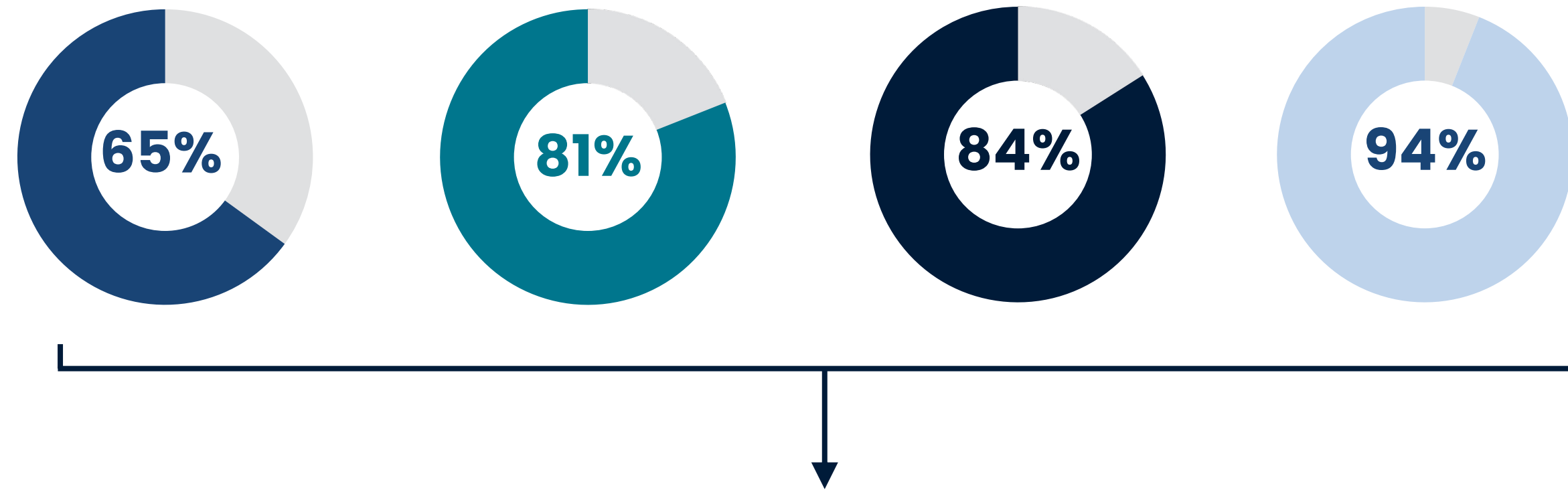
## No. of services that bills are paid for

All Australians aged 18-75



## Regular bill payers, by generation

All Australians aged 18-75



## Average no. services paid by regular bill payers



- No bills
- Occasional bill payers (1-2 services)
- Regular bill payers (3+ services)

8-in-10 Australians (82%) classify as regular bill payers in that they pay the bills for more than three services.

The majority of Australians across all age groups are regular bill payers, starting with just under two-thirds (65%) of Gen Z and increasing from there with age, with nearly all Boomers being regular bill payers.

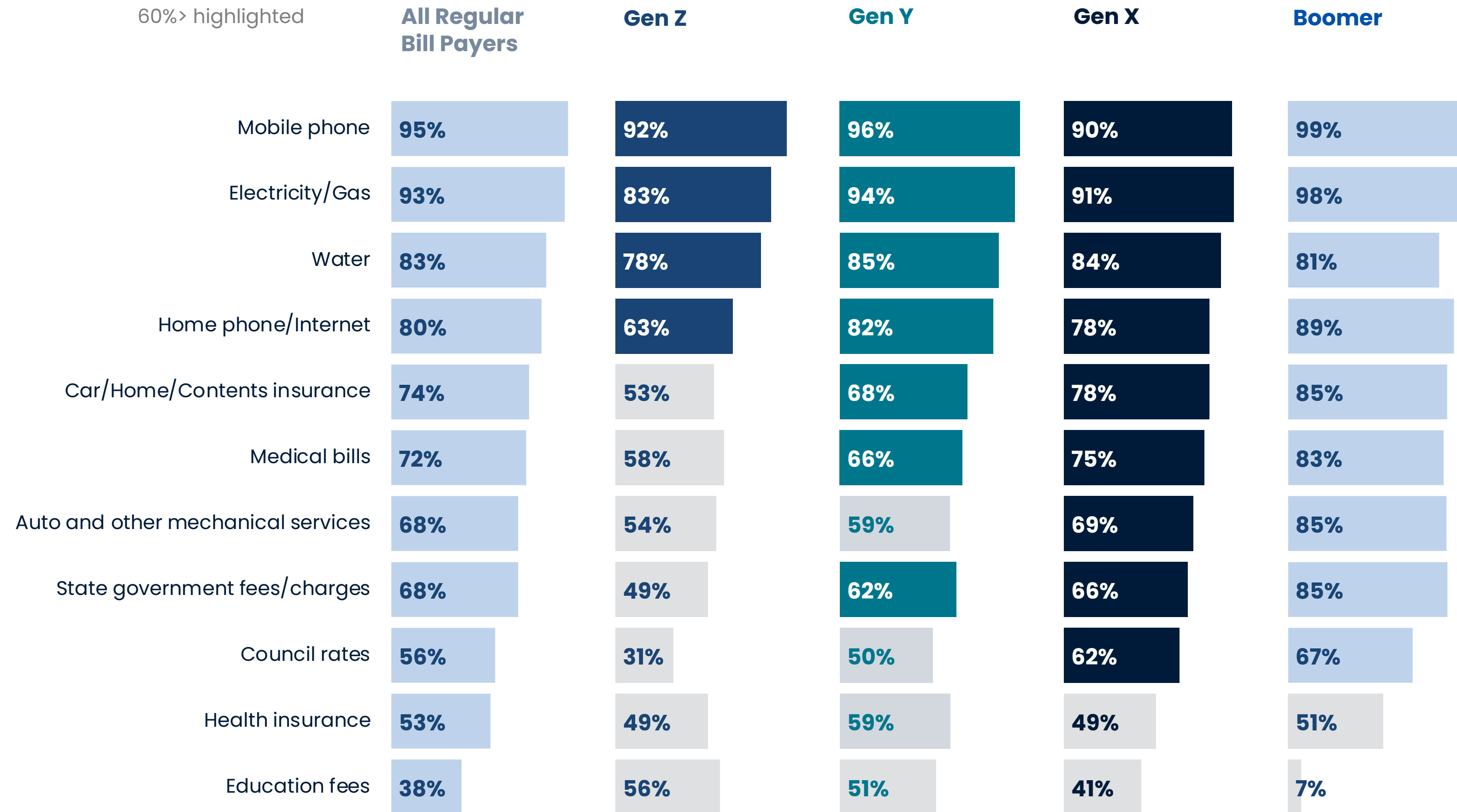
While the number of bill types being paid also increases with age, regular bill payers are typically paying the bills for between six and nine services.

S7. Thinking about the following bills, which of the following, if any, are you personally responsible for paying?  
Base: All Australians aged 18-75, n=1,221; Gen Z, n=207; Gen Y, n=379; Gen X, n=363; Boomers, n=272

# Telco and utilities are top of the 'bills list', with older consumers also facing a range of household bills and medical expenses

## Bills responsible for paying

Regular bill payers



Mobile phone service is the most common bill type, followed by core utilities like electricity/gas and water.

The range of bill types paid gets wider with age, with options like medical bills, insurance, state government fees/charges, and council rates, becoming more prominent among older generations.

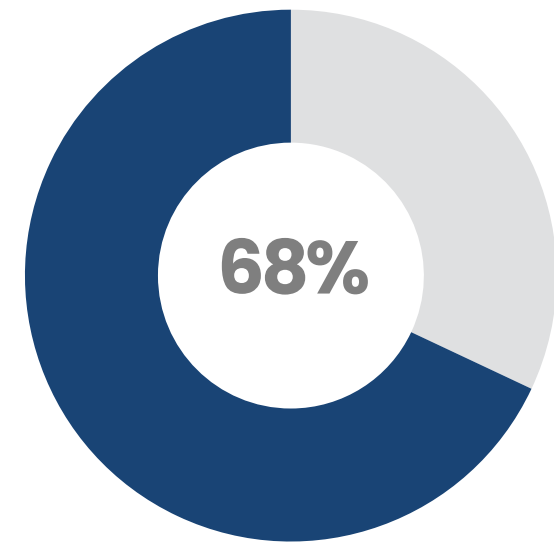
S7. Thinking about the following bills, which of the following, if any, are you personally responsible for paying?  
 Base: All regular bill payers, n=1,000; Gen Z, n=136; Gen Y, n=310; Gen X, n=300; Boomers, n=254



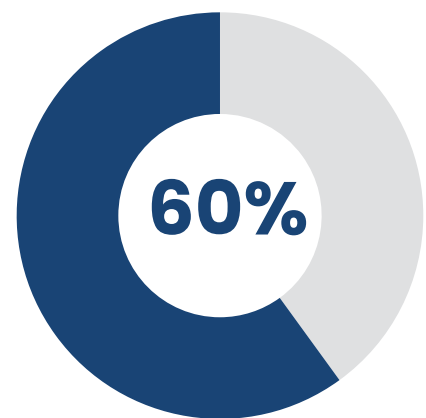
# Two-thirds (68%) of all bills are paid manually, as consumers work to maintain control of their finances in a challenging economic environment

## Manual bill payments

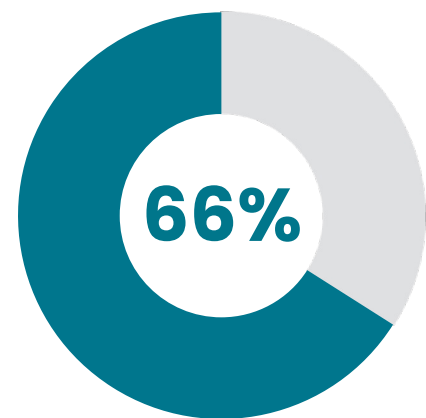
Regular bill payers



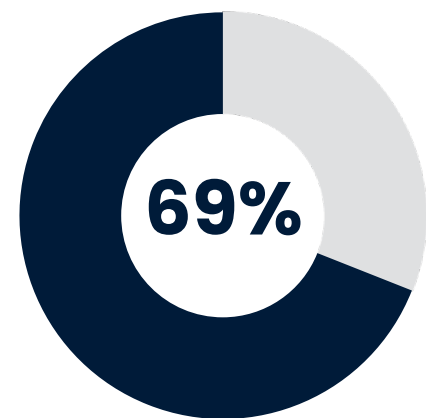
Of all bills are paid manually



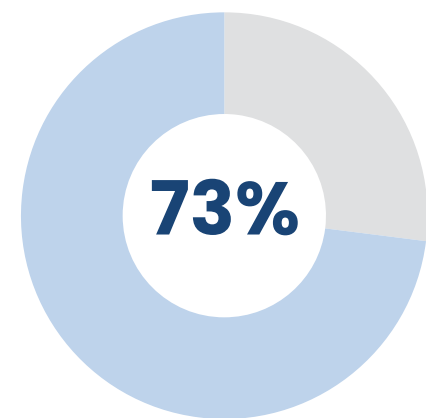
Gen Z



Gen Y



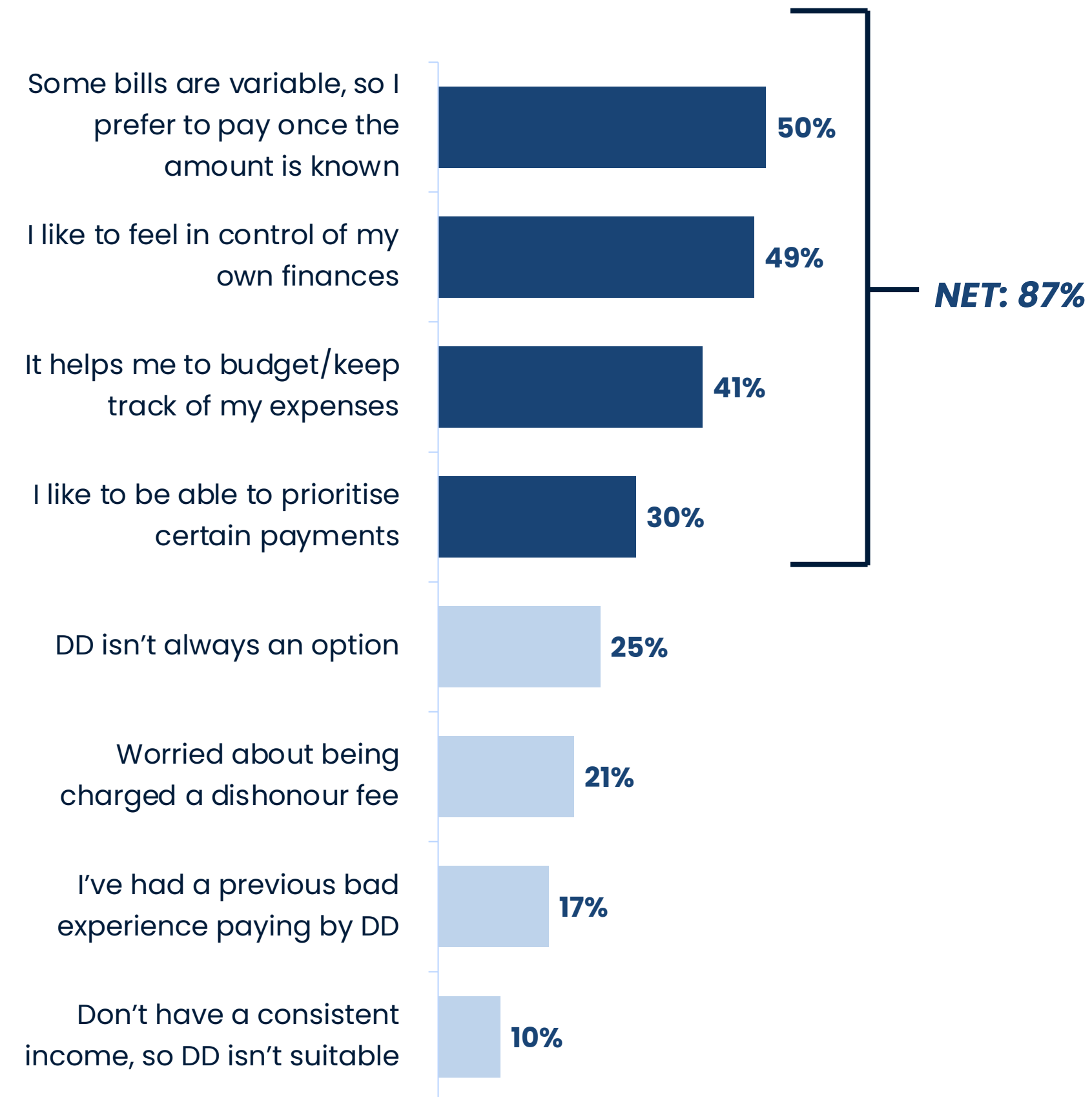
Gen X



Boomer

## Reasons for paying bills manually

Regular bill payers using manual payments for bills



Regular bill payers are choosing to pay most of their bills manually (as against automating with direct debits), with Gen Z more likely to be paying by direct debit, while Boomers are least likely.

At an overall level, 87% of manual payers opt to pay manually to have a greater sense of control over their finances.

This includes knowing how much bills are before they are paid (avoiding bill shock), keeping track of expenses, and maintaining the ability to prioritise some bills over others in the current challenging economic environment.

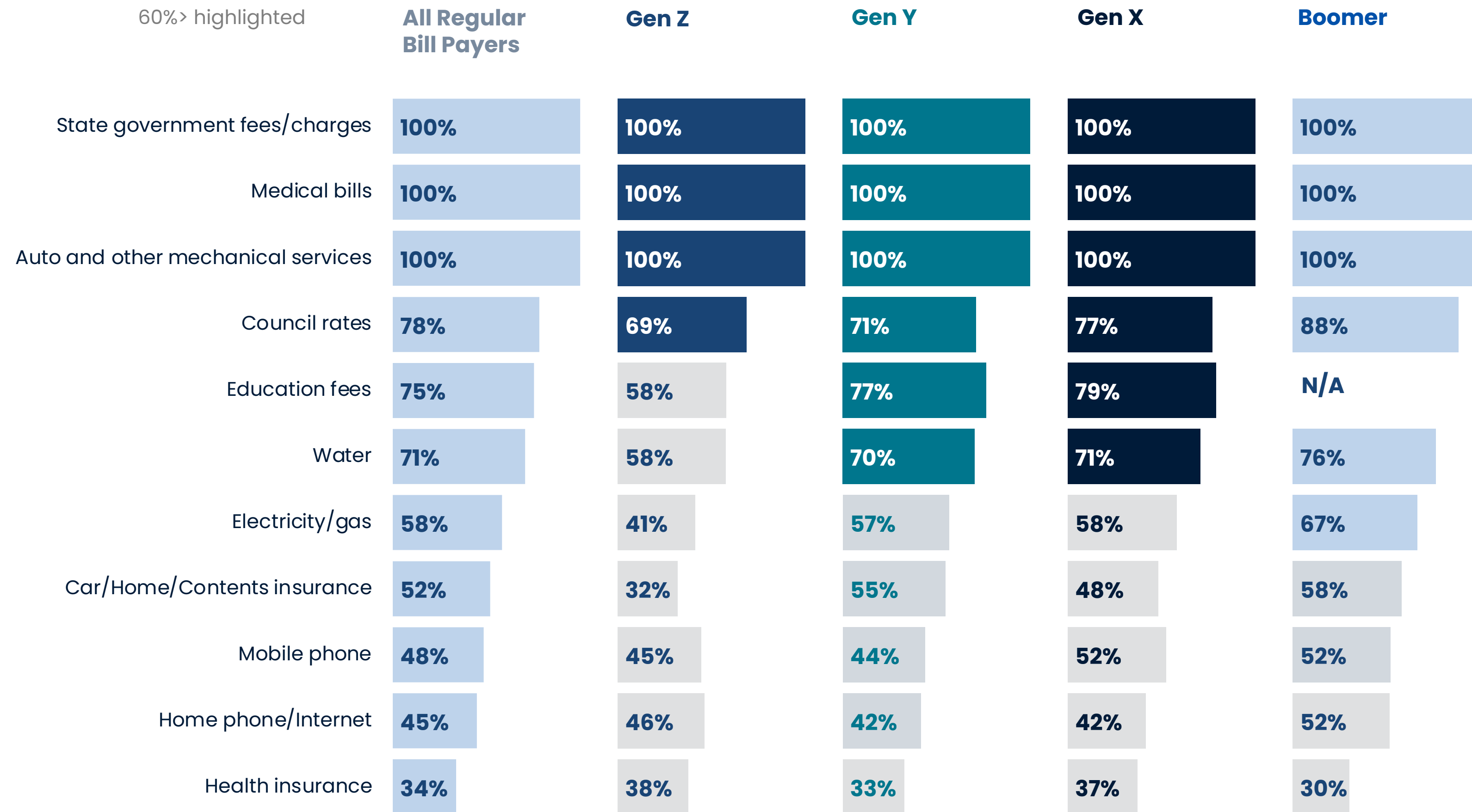
Q1. Which of the following do you pay by automated Direct Debit, versus making a manual payment once the bill arrives?  
Base: All regular bill payers, n=1,000; Gen Z, n=136; Gen Y, n=310; Gen X, n=300; Boomers, n=254



# Government fees, medical and automotive costs are most likely to be paid manually, with telco and insurance more likely to be 'set and forget'

## Manual bill payment % per bill type

Regular bill payers responsible for paying each type of bill



Not all services offer the ability for direct debit. State government fees/charges, medical bills and auto/other mechanical services are all paid manually.

Council rates (78%), education fees (75%), Water bills (71%) and Electricity and gas (58%) are also paid largely by manual means.

Health Insurance is the most likely service to be paid automatically, with only 34% being paid manually.

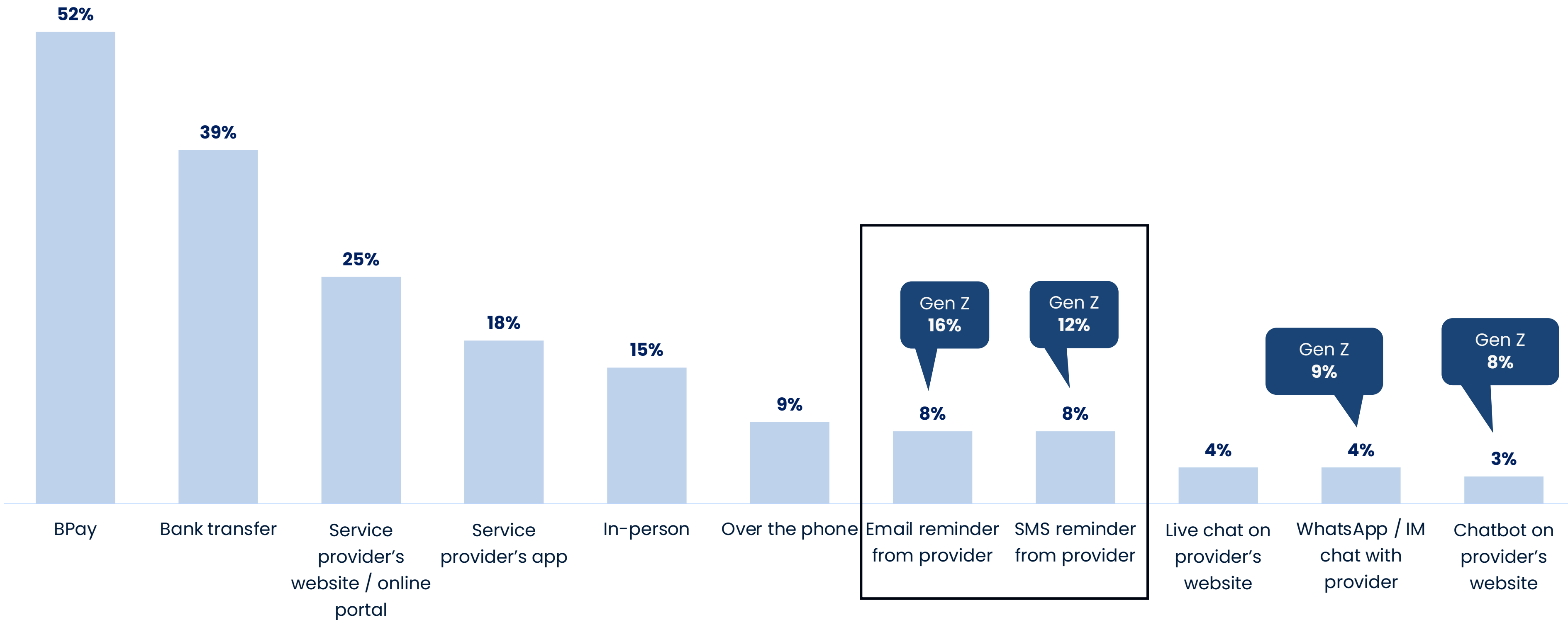
Q1. Which of the following do you pay by automated Direct Debit, versus making a manual payment once the bill arrives?  
Base: Regular bill payers responsible for paying each type of bill, n=365-943; Gen Z, n=45-124; Gen Y, n=146-298; Gen X, n=120-277; Boomers, n=130-251



# Aussie bill payers largely default to 'traditional' payment methods, but we can see that Gen Z are more likely to adopt newer alternatives

## Methods of paying bills

Regular bill payers



While BPay is still the 'default' for bill payment, Gen Z are about twice as likely to seek alternatives, using a wide range of channels to engage directly with service providers.

Close to 1-in-10 bill payers (8%) have recently paid bills via email and SMS, although for Gen Z this increases to around 1-in-6 (16%) via email and 1-in-8 (12%) via SMS.

This younger cohort are also the most likely to have engaged with service providers using instant messaging or chatbots.

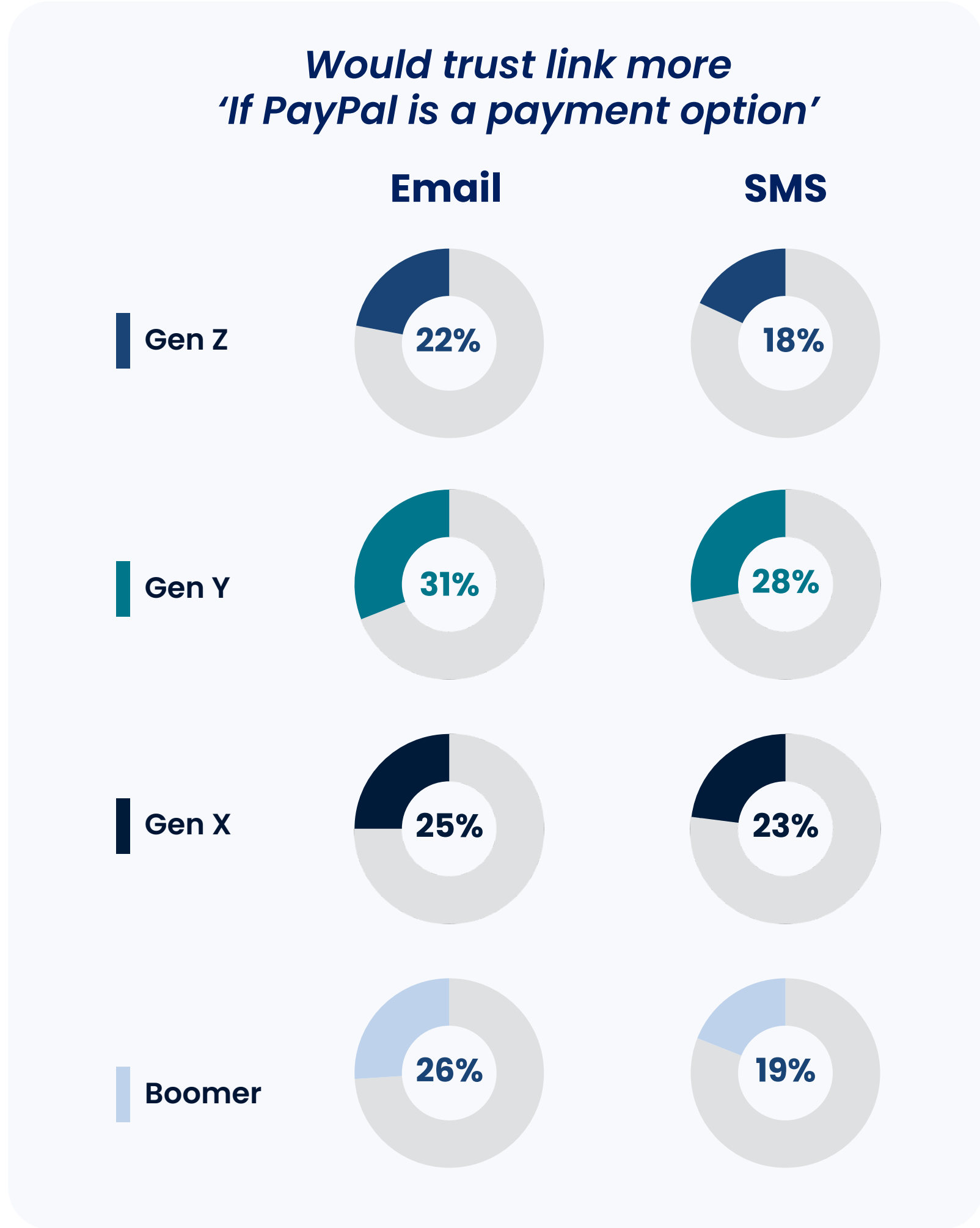
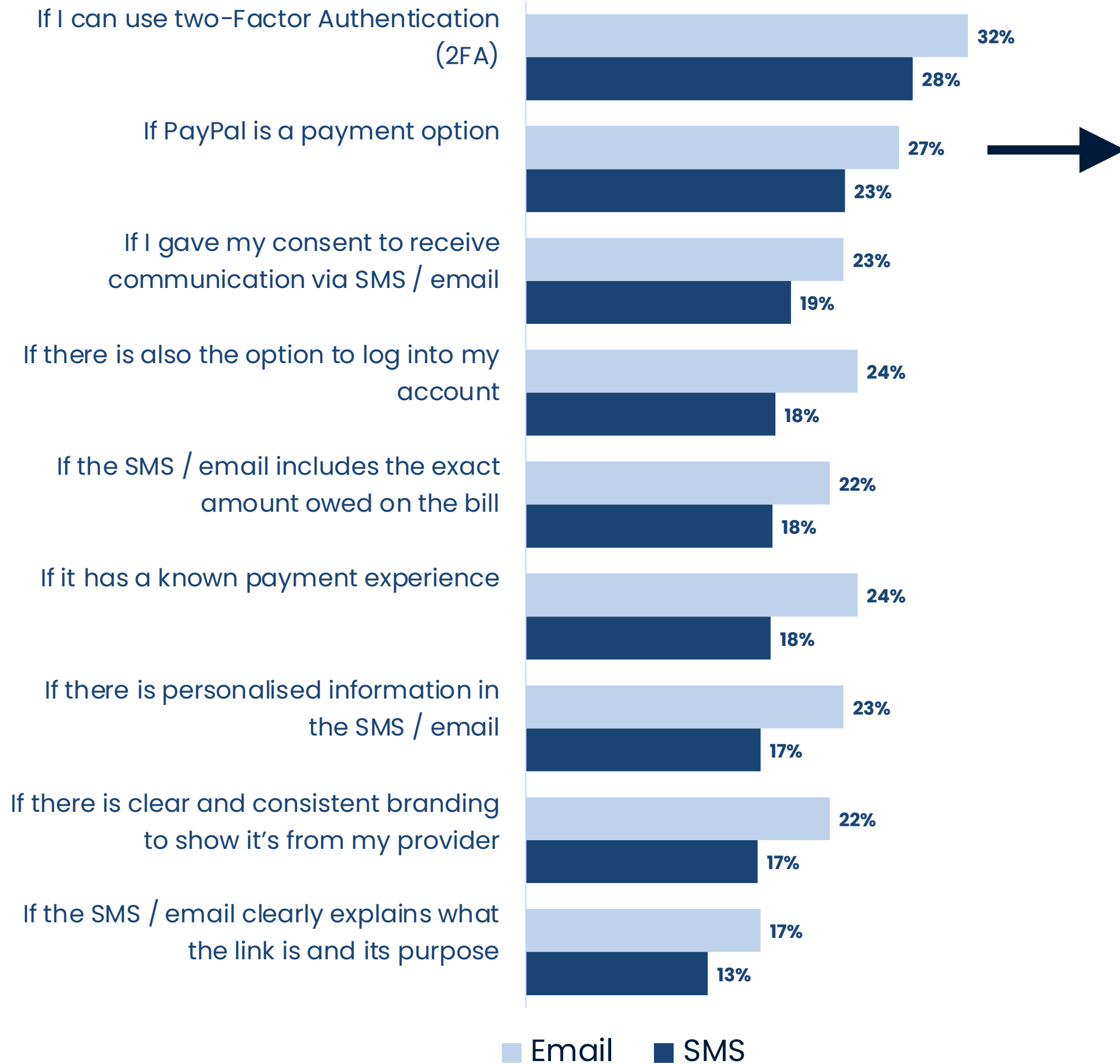
Q4a. Again, thinking about the bills you pay manually, how have you paid these in the last 6 months?  
 Base: All regular bill payers, n=1,000; Gen Z, n=136; Gen Y, n=310; Gen X, n=300; Boomers, n=254



# While 1-in-10 currently use email and SMS to pay their bills, there are a number of actions that can be taken to increase people's trust in paying this way

## Increasing trust for links in email / SMS

Regular bill payers



While there is generally more trust in email communications than in SMS, there are opportunities to develop both channels through the use of elements such as Two-Factor Authentication (2FA) and offering PayPal as a payment method.

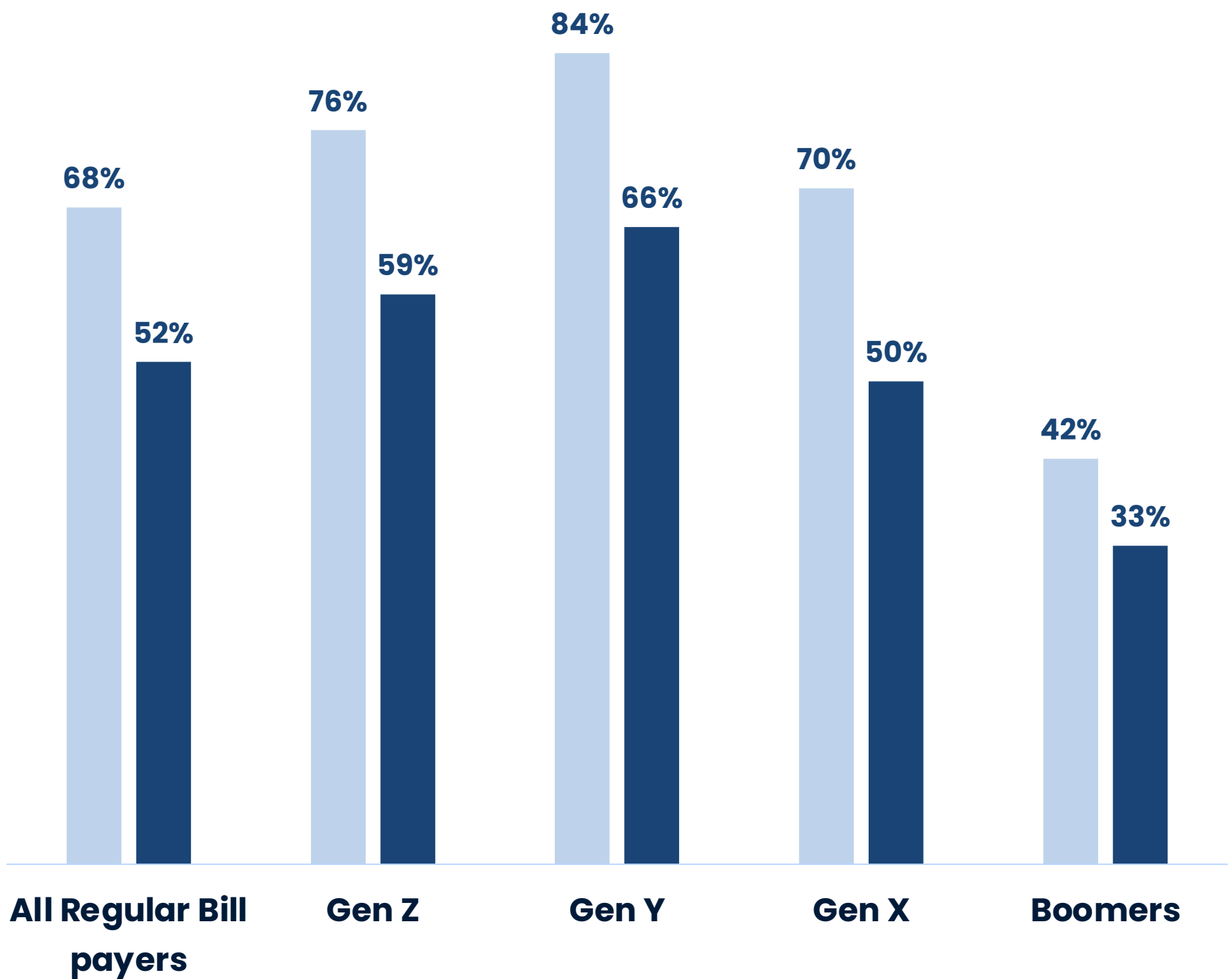
Consumers across all cohorts respond positively to the option of paying via PayPal, regardless of whether the message is delivered via SMS or email.

Q7. Which, if any, of the following would make you more likely to trust paying a bill using a payment link in an SMS message from your service provider? Q8. Which, if any, of the following would make you more likely to trust paying a bill using a payment link in an email message from your service provider?  
 Base: All regular bill payers, n=1,000; Gen Z, n=136; Gen Y, n=310; Gen X, n=300; Boomers, n=254

# Most consumers use (and prefer) mobile devices when paying bills; a mobile optimised bill payments experience is a fundamental consumer expectation

## Mobile device use & preference for paying bills

Regular bill payers



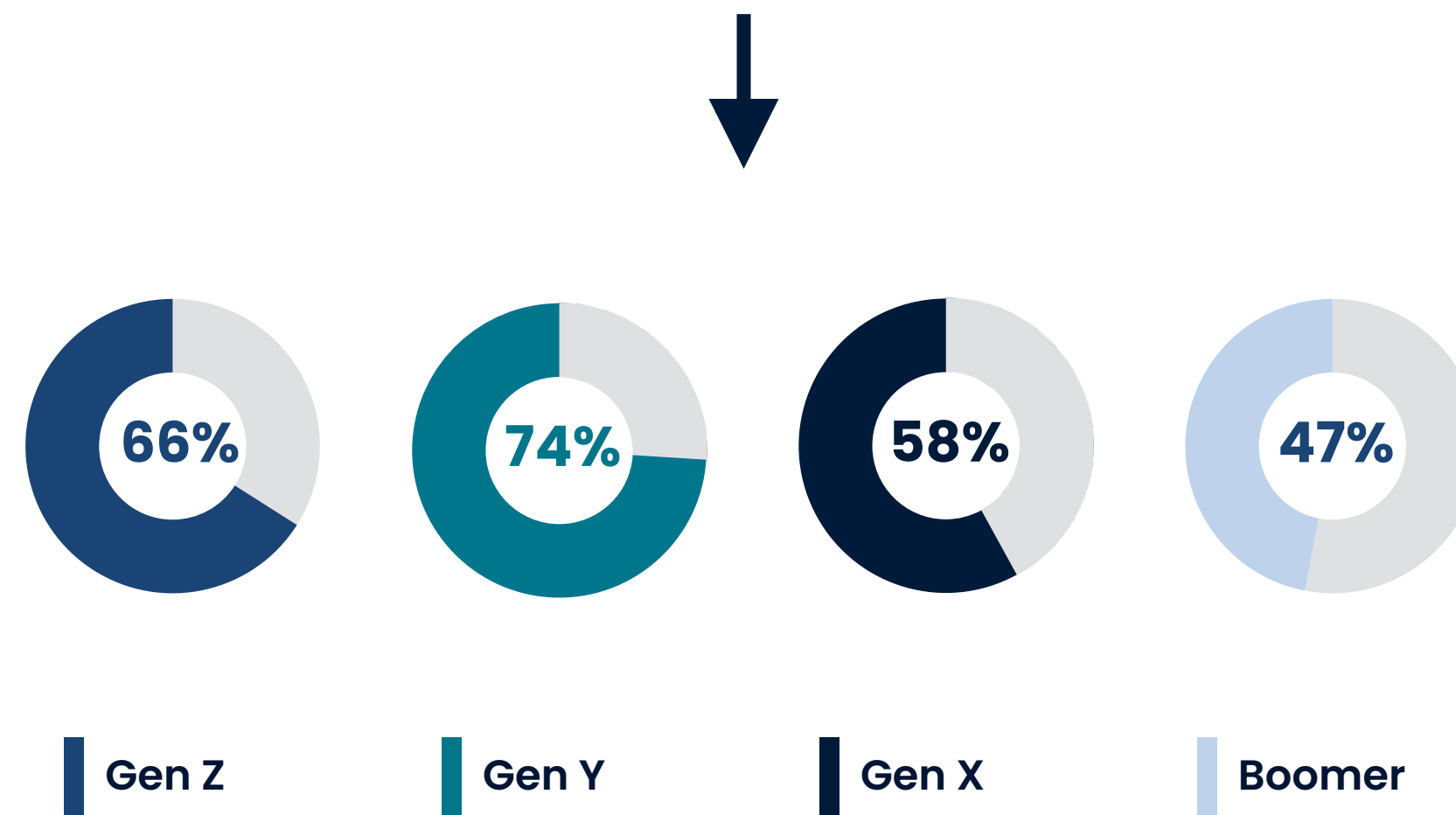
■ Used mobile devices\* to pay bills in L6M ■ Prefer to pay bills using mobile devices

\* Mobile devices incorporates smartphones and tablets

## Importance of mobile optimised bills

Regular bill payers

**61% of bill payers agree it is important that businesses offer mobile optimised bill payments**



Mobile devices are the most used and preferred devices to pay bills, with Boomers the only group bucking this trend, with a preference for desktop computers.

In line with this, 61% of consumers think it's important that their services offer bill payment experiences that are mobile optimised.

Despite lower usage, even half of Boomers (47%) think it's important that providers deliver mobile optimised bill payment experiences.

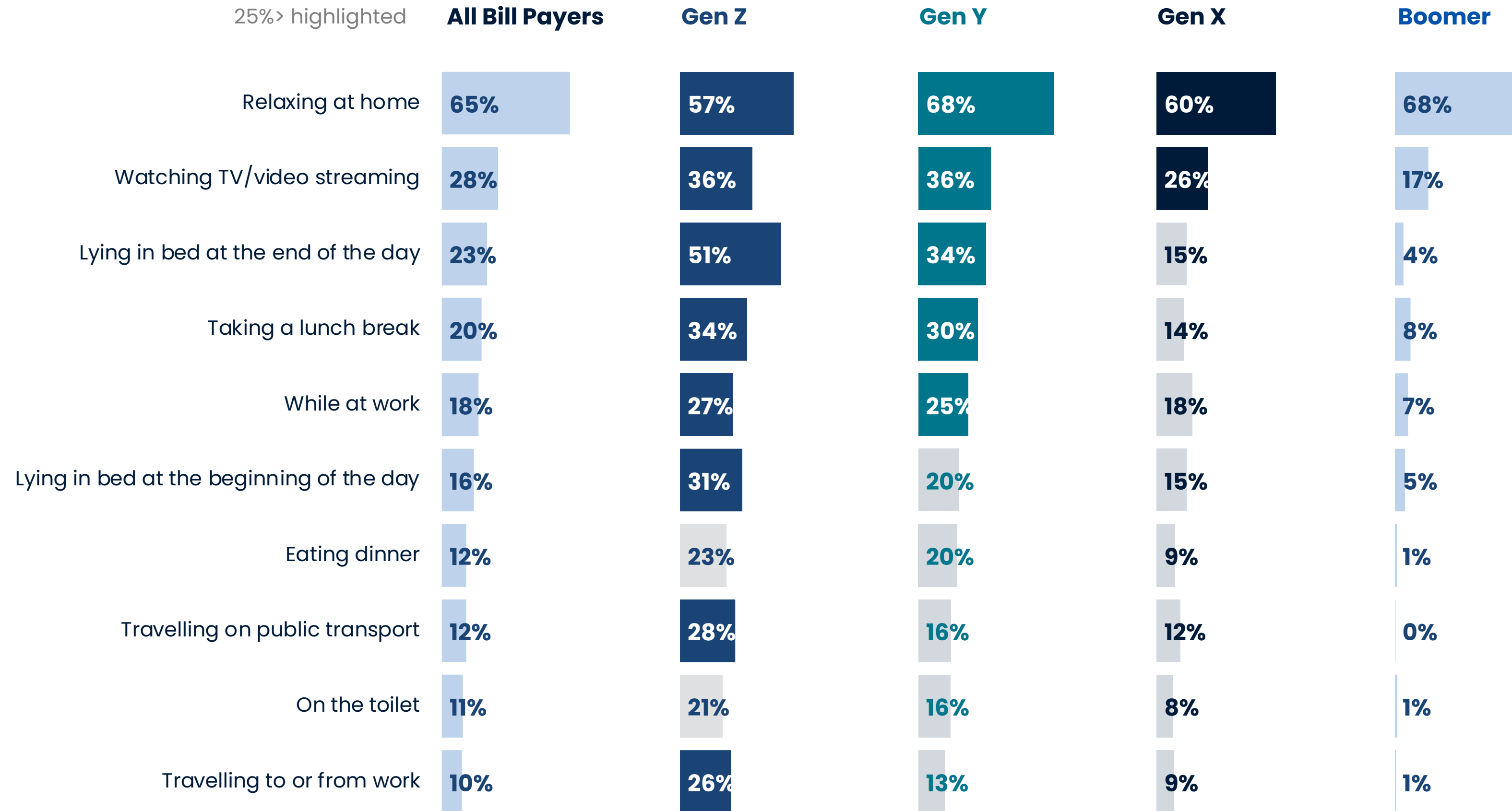
Q5a. In the last 6 months, which of the following devices have you used when paying bills manually? Q5b. What is your preferred device to use? Q20. To what extent do you agree or disagree with the following statements? - Agree  
Base: All regular bill payers, n=1,000; Gen Z, n=136; Gen Y, n=310; Gen X, n=300; Boomers, n=254



# Younger consumers pay bills throughout their day, interspersed between other activities; while older consumers allocate standalone time

## Activities while paying bills

Regular bill payers



Younger consumers, particularly Gen Z, pay bills at various points throughout their day – multitasking and second screening.

They also appear less overtly concerned about security as they are more likely to pay their bills while on public transport, travelling to or from work.

On the other hand, Boomers and, to a slightly lesser extent, Gen X are more likely to schedule bill payments into their day, finding time at home to complete this task.

Q6. Which, if any, of the following might you be doing whilst making these bill payments?  
Base: All regular bill payers, n=1,000; Gen Z, n=136; Gen Y, n=310; Gen X, n=300; Boomers, n=254



Section 2

# Late Payment Trends

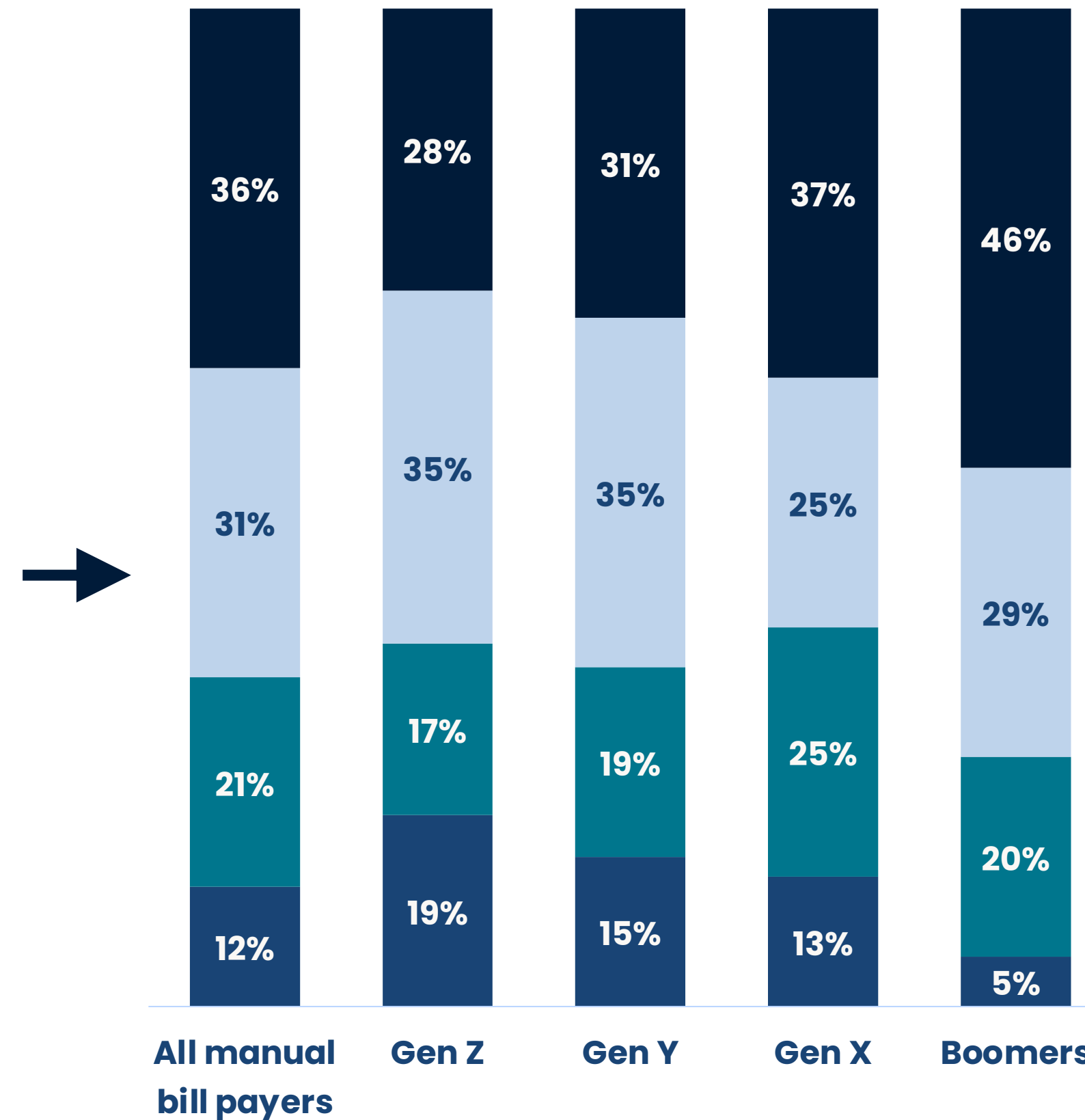
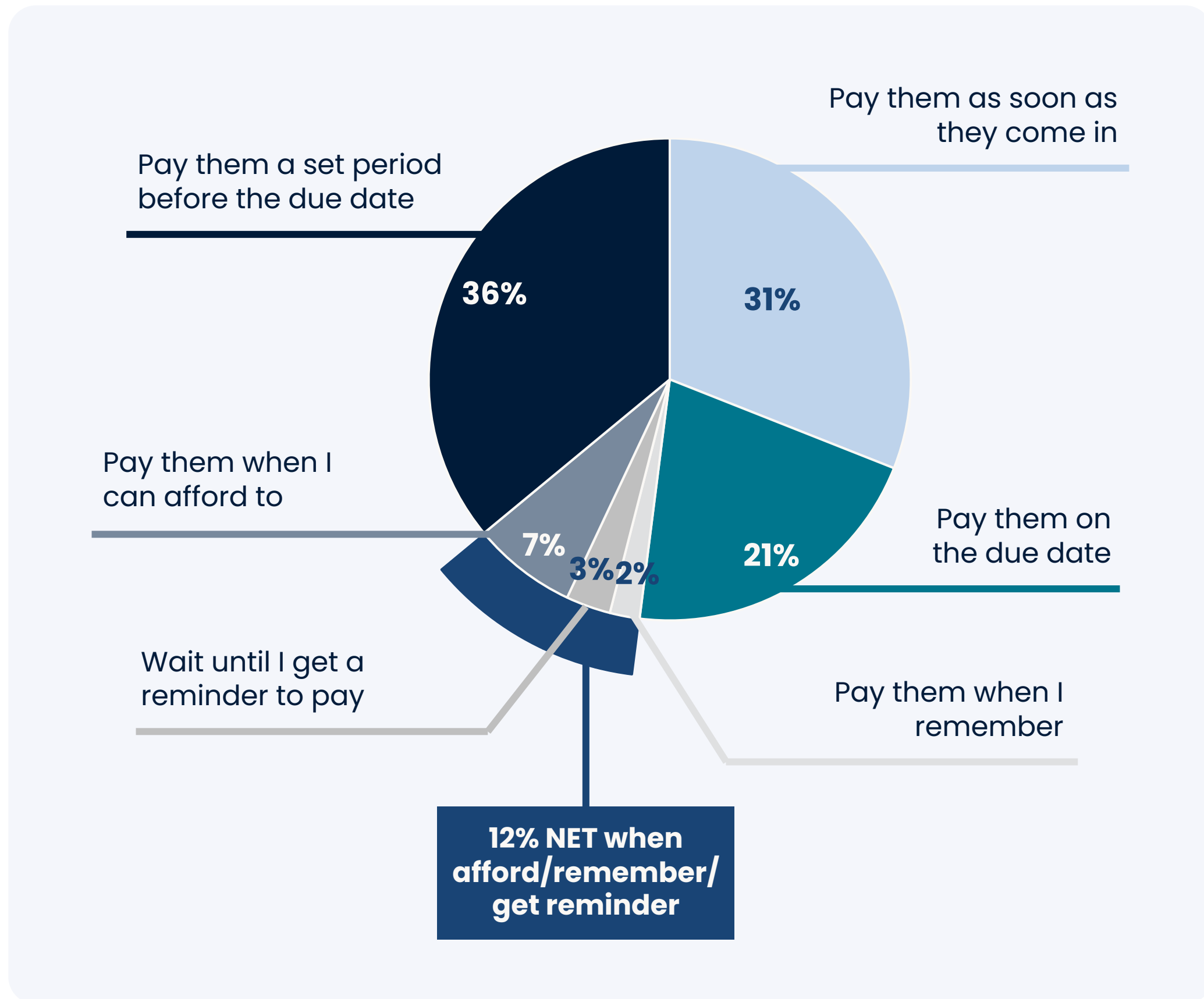




# Most consumers intend to pay bills on time with 88% of consumers saying they plan to pay bills before or on the due date

## Approach to paying bills

Regular bill payers



Almost 9-in-10 Australian regular bill payers say their general approach to paying bills is to pay before or on the due date.

Only 12% say their approach is to wait for a reminder or to pay when they can afford it.

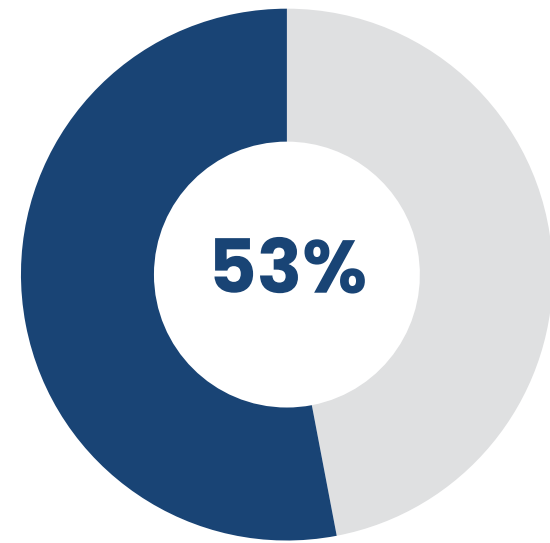
The intention to pay on time is highest with older consumers and reduces steadily across younger generations.

Q3. From now on, we're going to be asking about the payments you make manually once a bill comes in. Firstly, which of the following best describes your approach to paying these bills?  
Base: All regular bill payers, n=1,000; Gen Z, n=136; Gen Y, n=310; Gen X, n=300; Boomers, n=254

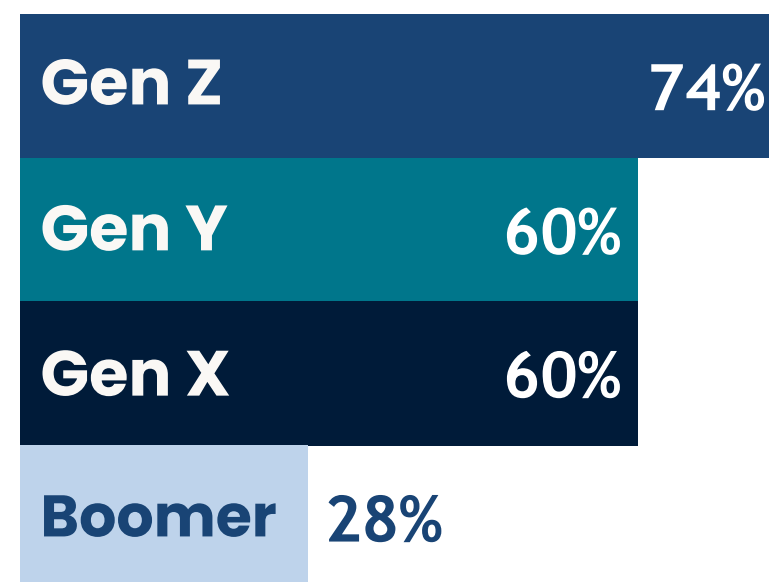
# Looking beyond intention to actual behaviour, more than half (53%) admit to paying bills late, most commonly due to financial constraints or forgetfulness

## Late billing

Regular bill payers

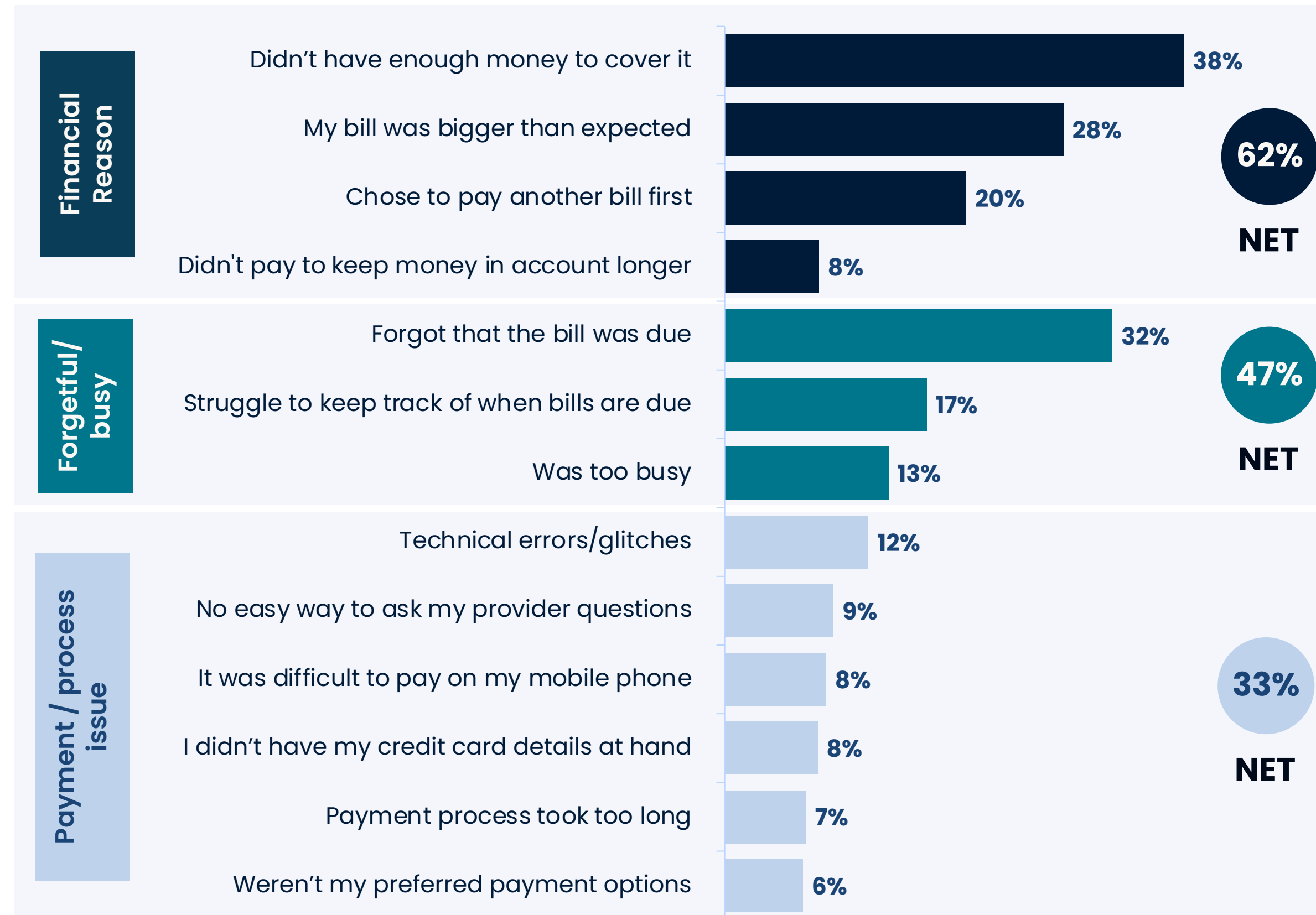


**Pay their bills late**



## Reasons for late bill payments

Late bill payers



Despite their best intentions to be organised in their bill paying approach, more than half of regular bill payers (53%) admit to paying their bills late to some degree.

For almost two-thirds (62%) of this group, this is due to financial considerations.

Nearly half (47%) of late bill payers do however simply forget, struggle to keep track of, or are too busy to pay their bills on time.

A third (33%) cite payment process issues as the reason for late bill payments.

Younger cohorts are more likely to pay their bills late than older consumers.

Q9. Again, thinking about the bill payments you make manually (i.e., not using Direct Debit), do you usually pay these on time or late? Q10. You mentioned that you sometimes pay bills late. What are the reasons you've paid bills late?

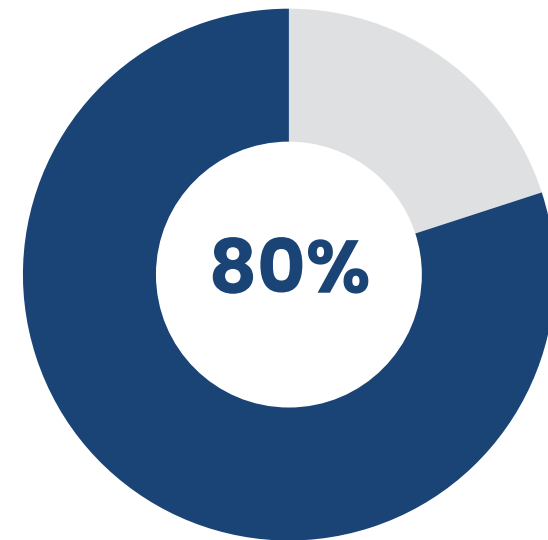
Base: All regular bill payers, n=1,000; Gen Z, n=136; Gen Y, n=310; Gen X, n=300; Boomers, n=254; Late bill payers, n=546; Gen Z, n=101; Gen Y, n=196; Gen X, n=177; Boomers, n=72



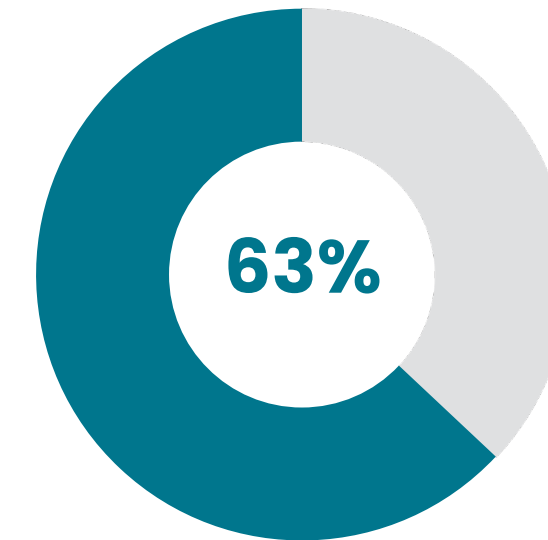
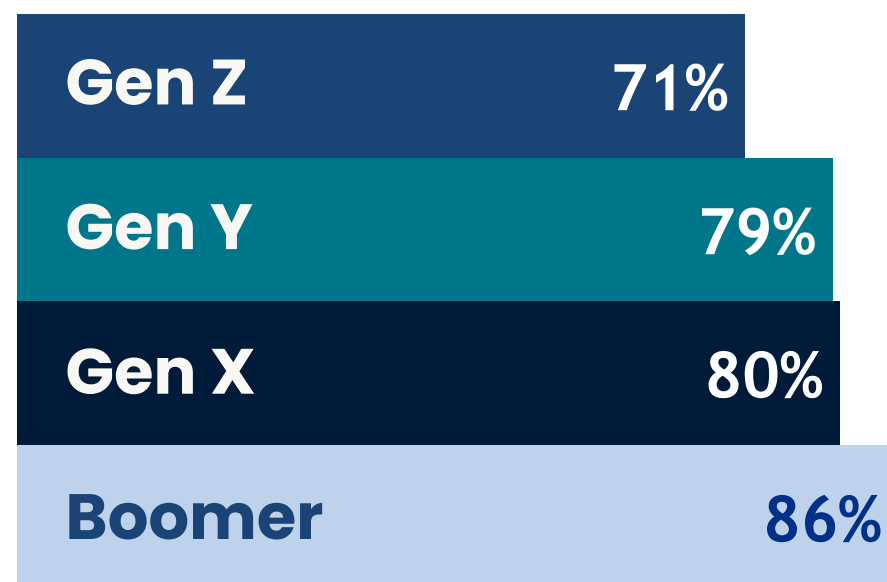
# Cost-of-living increases have made it more challenging to pay bills on time, with 80% of consumers reporting significant cost increases over the last year

## Cost of living impact

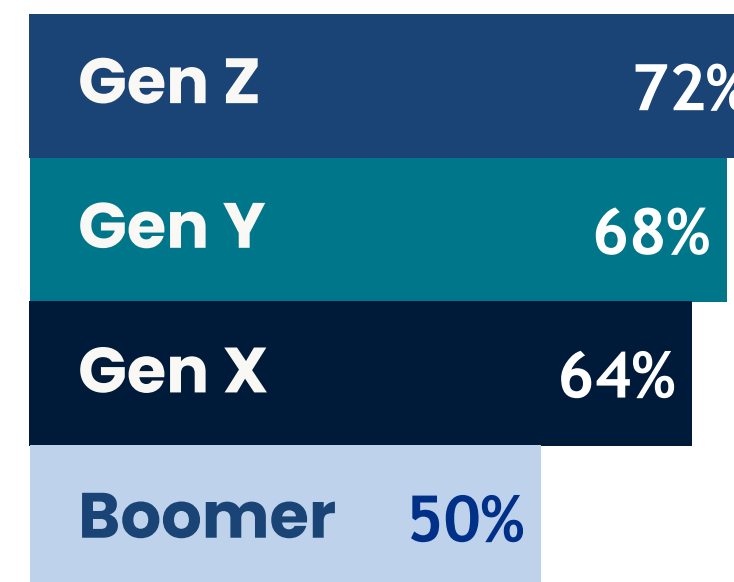
Regular bill payers



Say their bill payments have gone up significantly over the past 12 months



Say increasing cost of living pressure is making it harder to pay bills on time



Unsurprisingly, cost-of-living factors are having an increasing impact on consumers' ability to pay their bills on time.

8-in-10 (80%) regular bill payers report their bill payments have gone up significantly in the past 12 months, with nearly two-thirds (63%) saying that increasing cost-of-living pressure is making it harder to pay their bills on time.

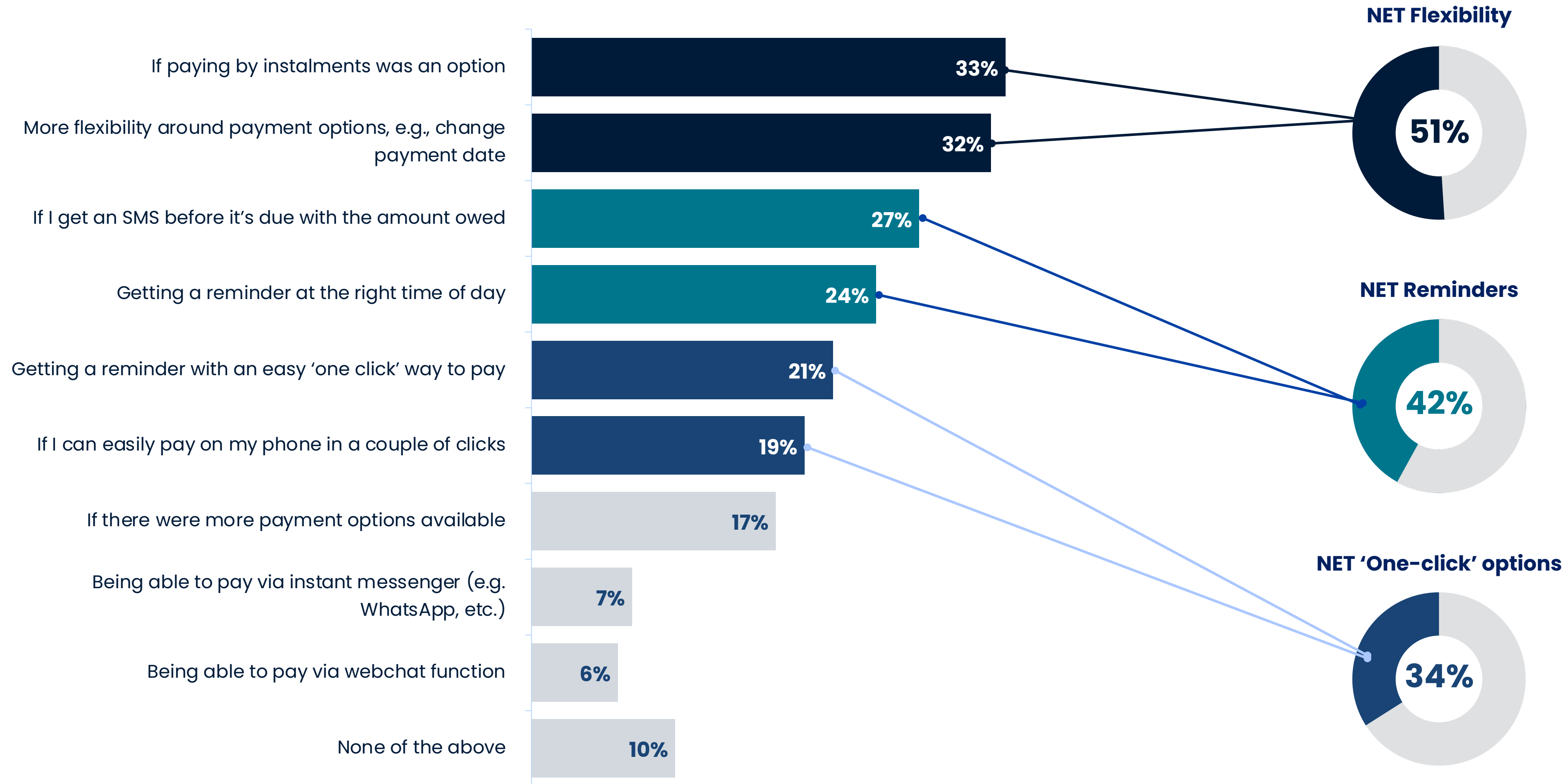
This particularly impacts Gen Z, with almost three-quarters (72%) of this group finding it challenging to keep up to date with bill payments.

Q20. To what extent do you agree or disagree with the following statements – Agree  
 Base: All regular bill payers, n=1,000; Gen Z, n=136; Gen Y, n=310; Gen X, n=300; Boomers, n=254

# Late bill payers report that more flexibility around payment options, SMS reminders and streamlined digital payments would help them pay bills on time

## Ways to help pay bills on time

Late bill payers



Half of late bill payers (51%) say more flexible payment options, including the availability of instalments, would increase on-time bill payment

In addition, 42% of them say that well-timed SMS and other reminders would help, and a third (34%) say streamlined digital payments that could be accomplished in a minimum of clicks would help them pay their bills on time.

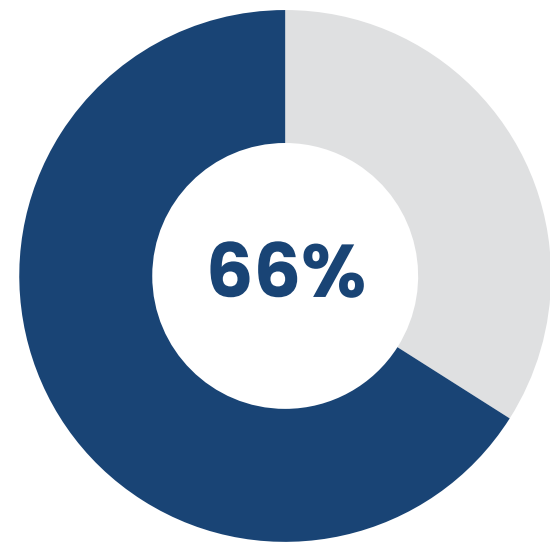
Q11. Which, if any, of the following would help you pay bills on time?  
 Base: Late bill payers, n=546; Gen Z, n=101; Gen Y, n=196; Gen X, n=177; Boomers, n=72



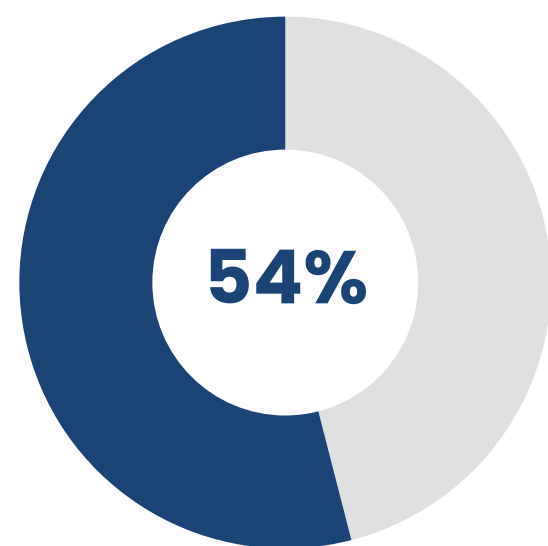
# 4-in-10 (42%) bill payers would like reminders, with 1-in-7 (15%) wanting multiple reminders, and the majority preferring reminders a week out

## Bill payment reminders

Regular bill payers



Would like to be reminded about bills via SMS



Would like to be reminded about bills via email

Gen Z

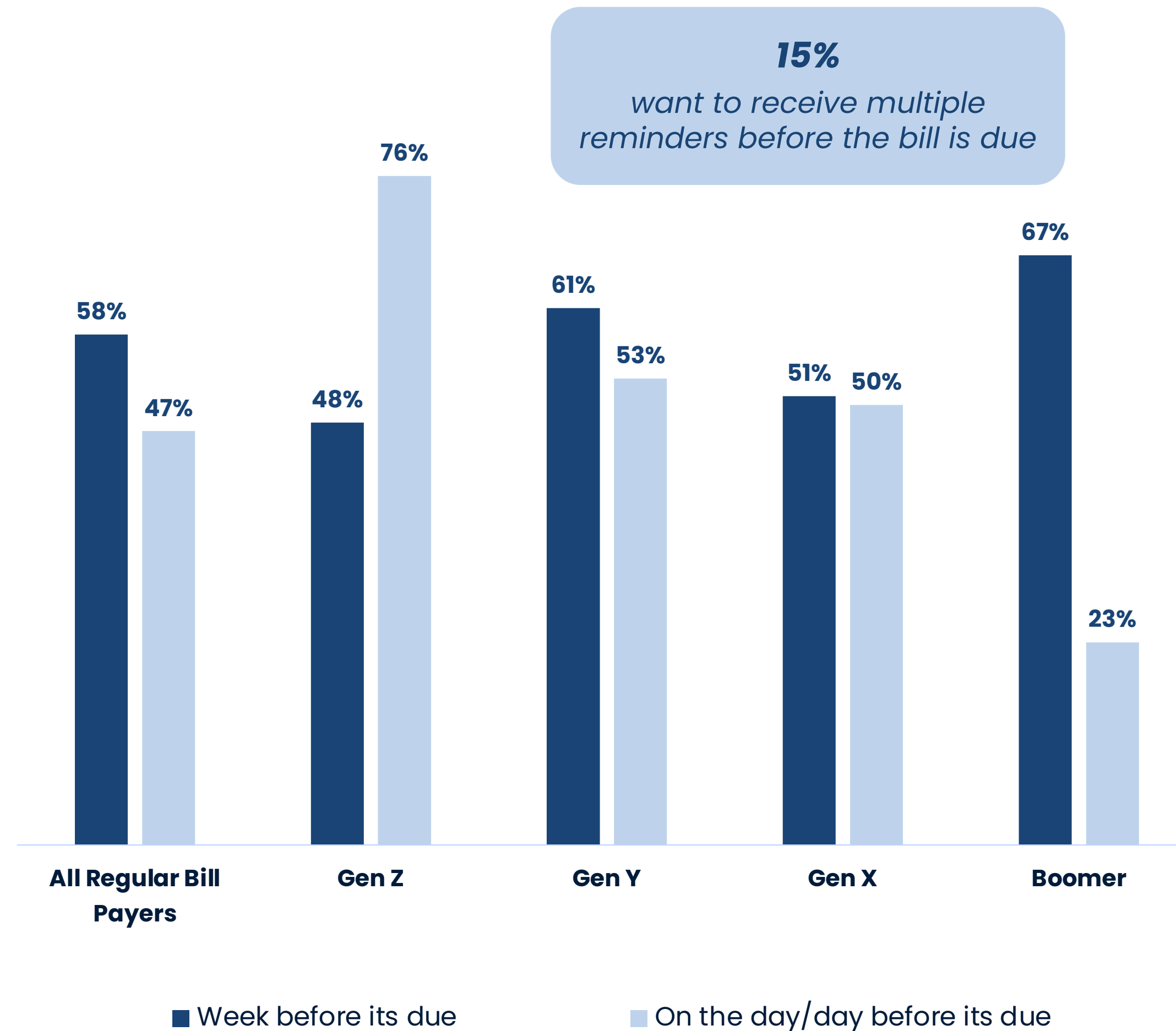
Gen Y

40%

Said their preferred time for reminders is 8-10am

## Timing of bill payment reminders

Regular bill payers



When it comes to reminders to help them stay on top of due dates, two-thirds (66%) of bill payers would like to receive the reminder via SMS and just over half (54%) would like to receive it via email.

The majority (58%) of bill payers want a reminder a week out, with 47% wanting a reminder on the day before or the day of the due date.

And 1-in-7 (15%) indicated they would appreciate multiple reminders.

The morning was the preferred time of day for getting reminders, with the most popular window being 8-10am (40%).

Q12. When would you like to receive reminders that you have an upcoming bill payment? Q14. How would you like to receive reminders about upcoming bill payments?  
Base: All regular bill payers, n=1,000; Gen Z, n=136; Gen Y, n=310; Gen X, n=300; Boomers, n=254



Section 3

# Customer Experience Impacting Loyalty

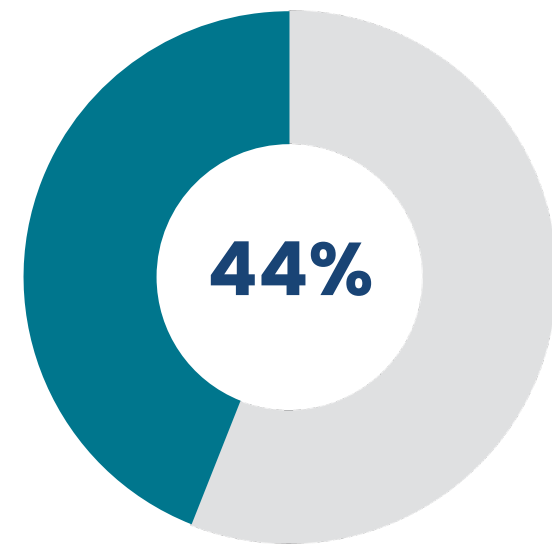




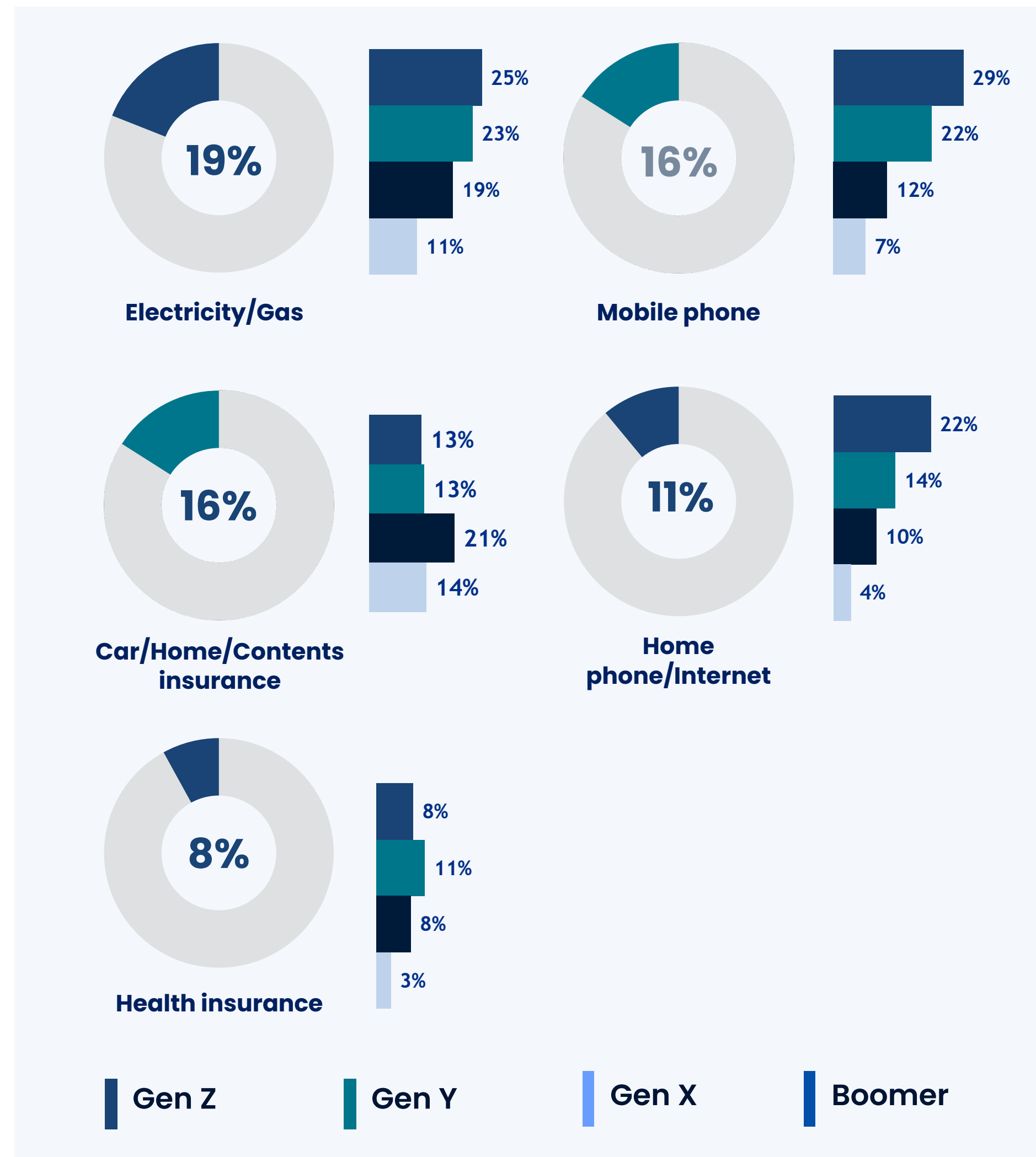
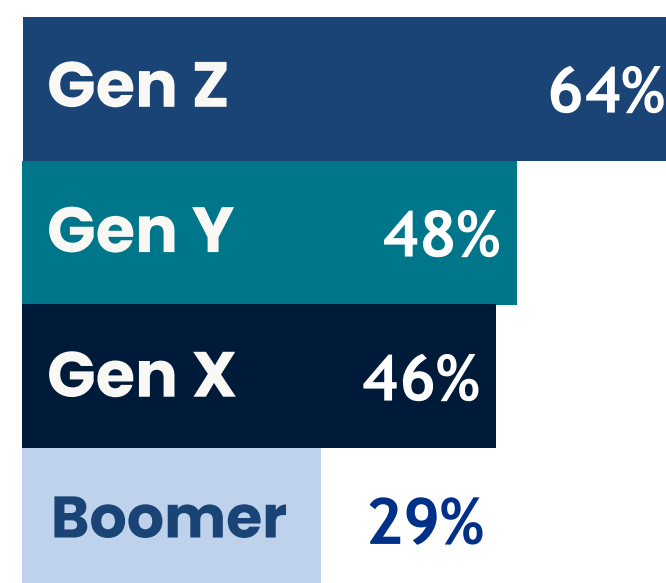
# More than two-in-five (44%) bill payers have switched providers in the past 12 months, rising to almost two-in-three (64%) Gen Z

## Switching of service providers

Regular bill payers responsible for paying each type of bill



Of regular bill payers have switched at least one of their service providers in the past 12 months



More than 2-in-5 regular bill payers have switched at least one of their service providers in the past year, highlighting the competitive nature of the market.

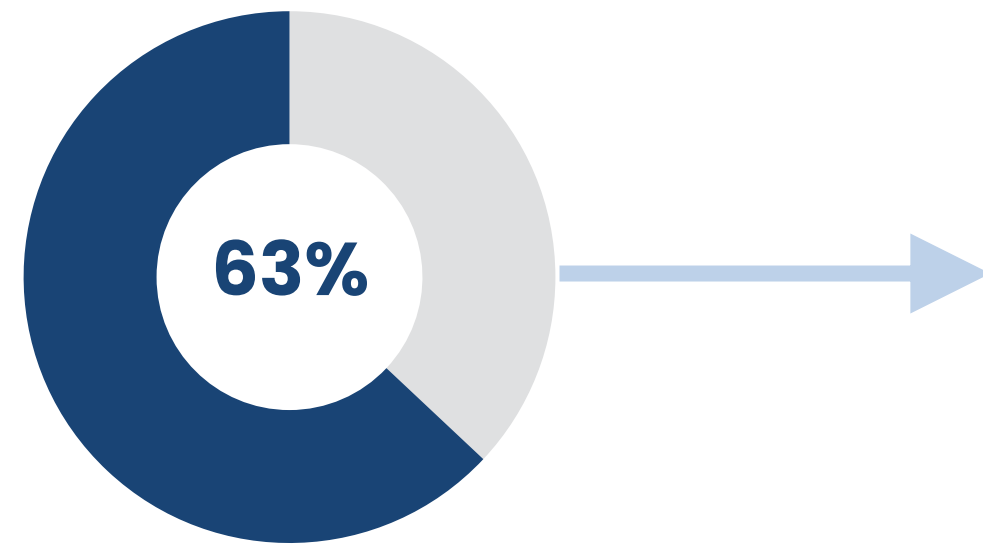
Gen Z (and to a lesser extent Gen Y) are the most likely to have switched services, particularly their mobile phone and home phone / internet services.

Q16a. Which of the following services, if any, have you switched over the past year?  
 Base: Regular bill payers responsible for paying each type of bill, n=365-943; Gen Z, n=45-124; Gen Y, n=146-298; Gen X, n=120-277; Boomers, n=130-251

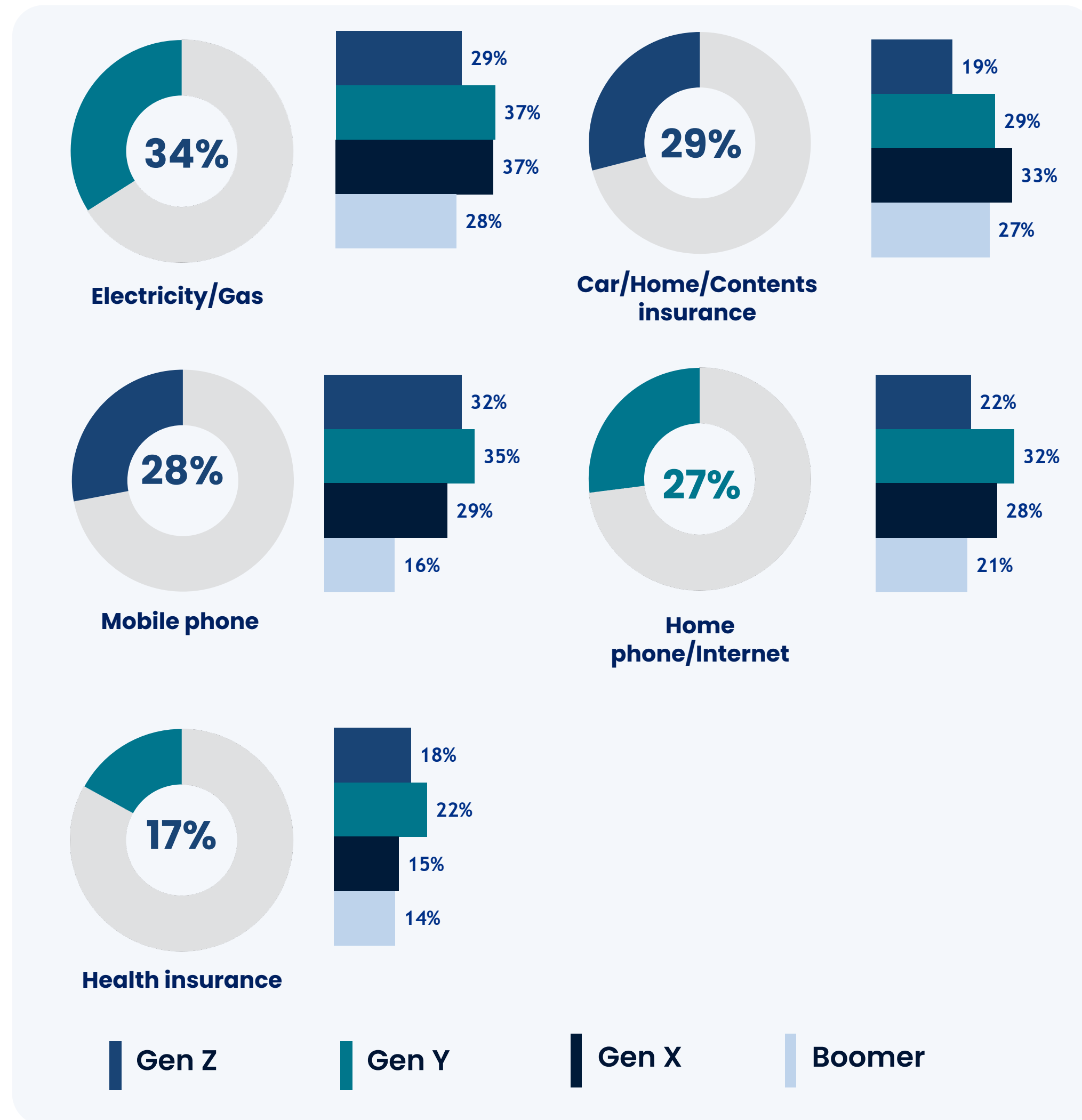
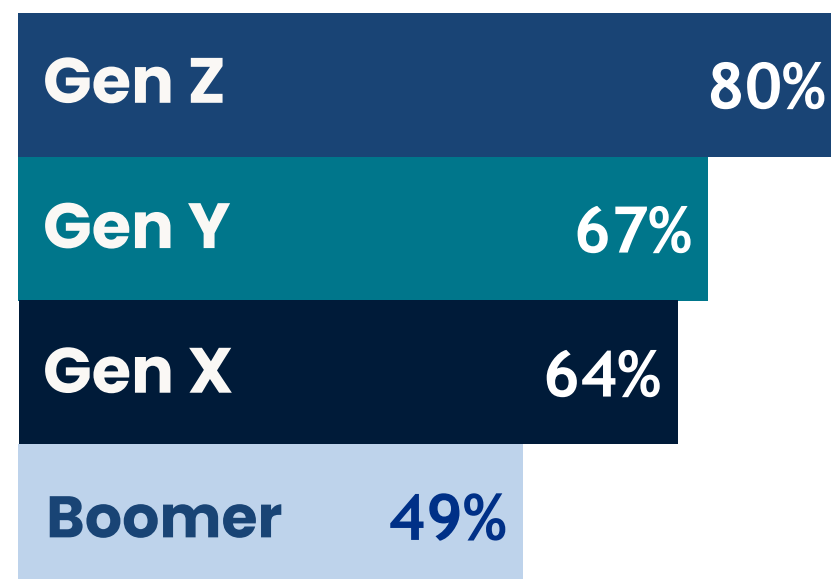
# Nearly two-thirds (63%) of bill payers would consider switching service providers in the future, with Gen Z again the most likely to switch, rising to four-in-five (80%)

## Consideration of switching of service providers

Regular bill payers responsible for paying each type of bill



Of regular bill payers would consider switching service providers in the future



Consideration of switching service provider(s) in the future is high, with almost two-thirds (63%) saying they would consider switching at least one of their providers.

Switching consideration is significantly higher among Gen Z bill payers (80%), while even half (49%) of Boomers are open to switching.

Top of the list of services for switching are electricity / gas (34%), closely followed by car/home/contents insurance (29%) and telco services (mobile – 28%, home phone / internet – 27%).

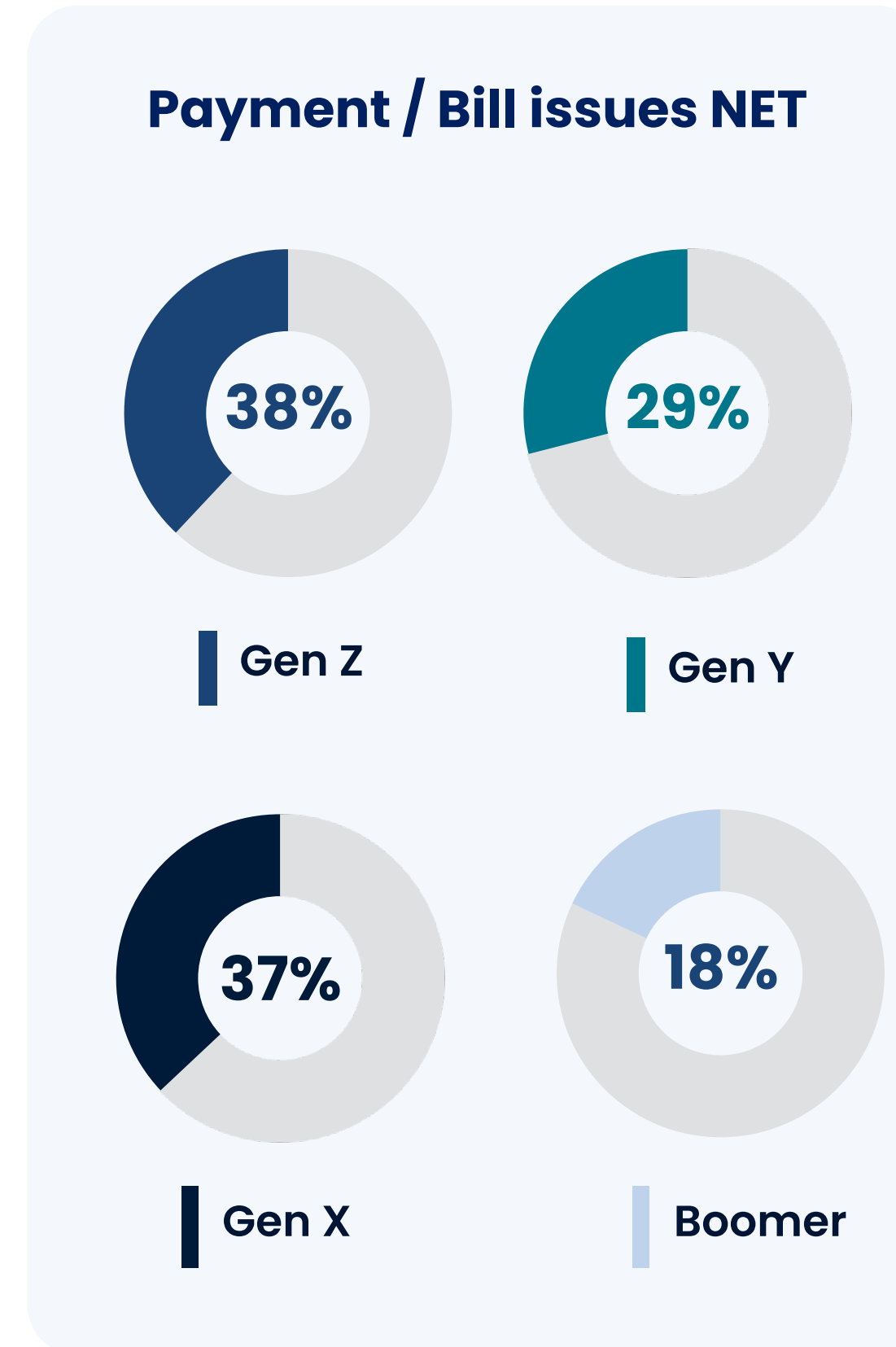
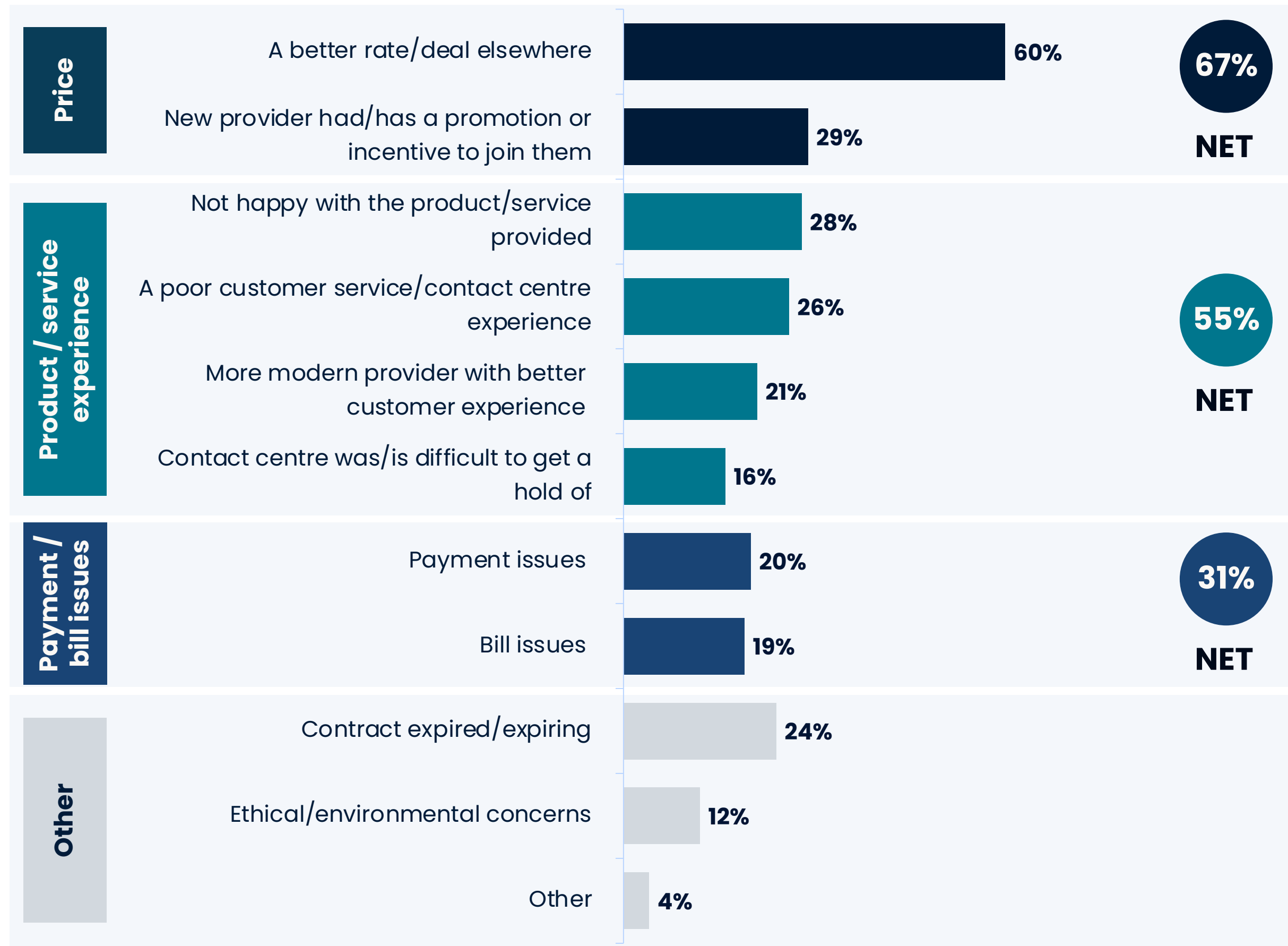
Q16b. And which, if any, would you consider switching in the future?  
 Base: Regular bill payers responsible for paying each type of bill, n=365-943; Gen Z, n=45-124; Gen Y, n=146-298; Gen X, n=120-277; Boomers, n=130-251



# Consumers will typically switch for a better price, but almost one-in-three (31%) switchers mention some type of billing or payment issue as a contributing factor to their decision

## Reasons for switching provider(s)

All regular bill payers who have switched providers



A significant driver of switching behaviour is the lure of a better rate or deal elsewhere, which is understandable given the current economic environment.

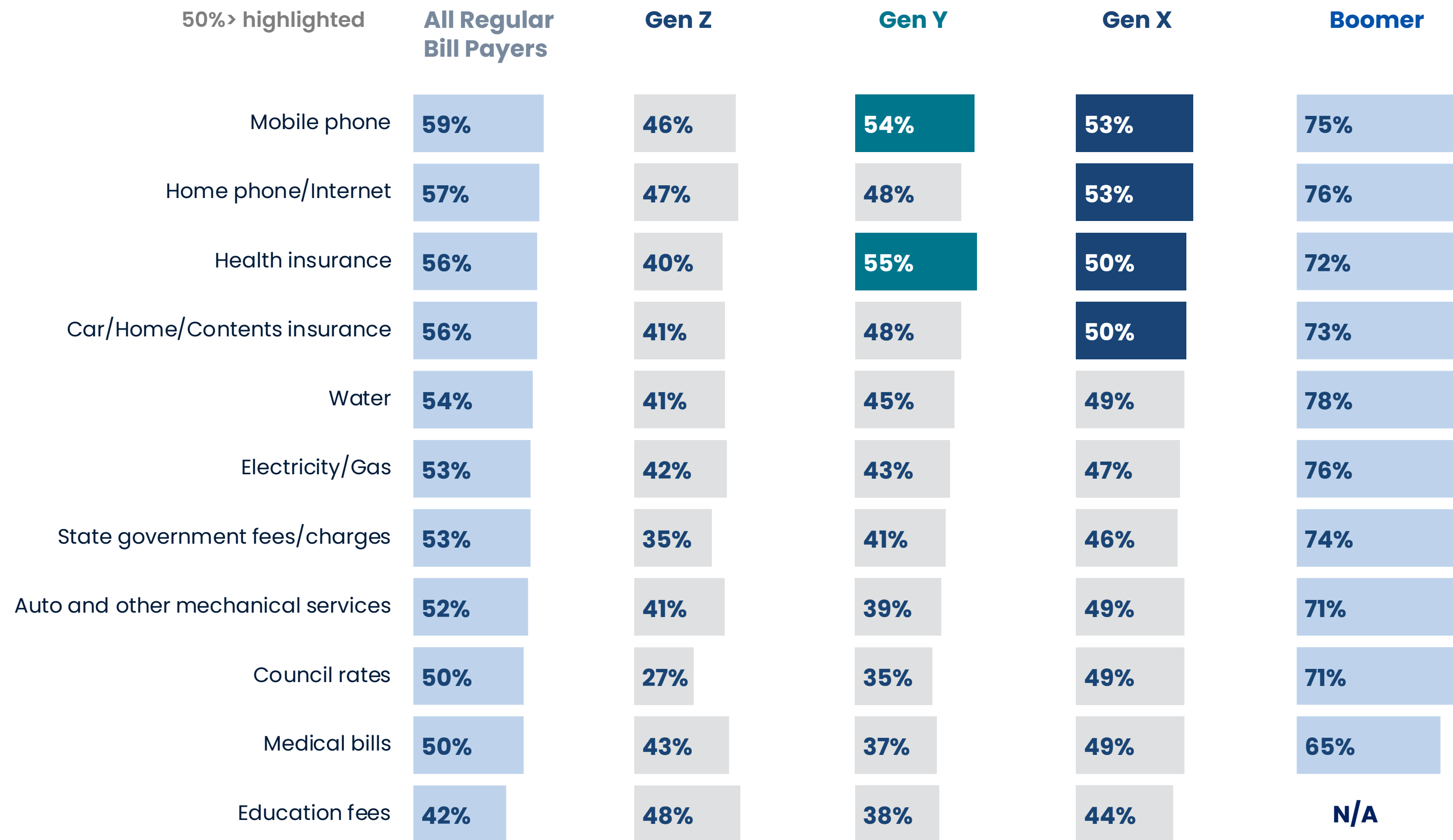
Other factors do however play a significant role, with switchers also citing poor product or service experiences (55%) or payment issues (31%) as drivers of switching.

Q17a. Of the following reasons, which ones have driven you to switch / would drive you to switch provider?  
Base: All regular bill payers who have switched provider, n=454; Gen Z, n=89; Gen Y, n=150; Gen X, n=139; Boomers, n=76

# Less than 3-in-5 bill payers are highly satisfied with the billing experience of their providers in any category; younger generations are less satisfied across the board

## Bill paying experience – % rating of 8 out of 10 or above

Regular bill payers paying for each type of bill



Across all bill types, less than 3-in-5 said their service provider was delivering a great bill payment experience.

The outliers here are Boomers, who are generally more satisfied with their service providers.

While at the other end of the spectrum, Gen Z have the lowest levels of satisfaction across most categories.

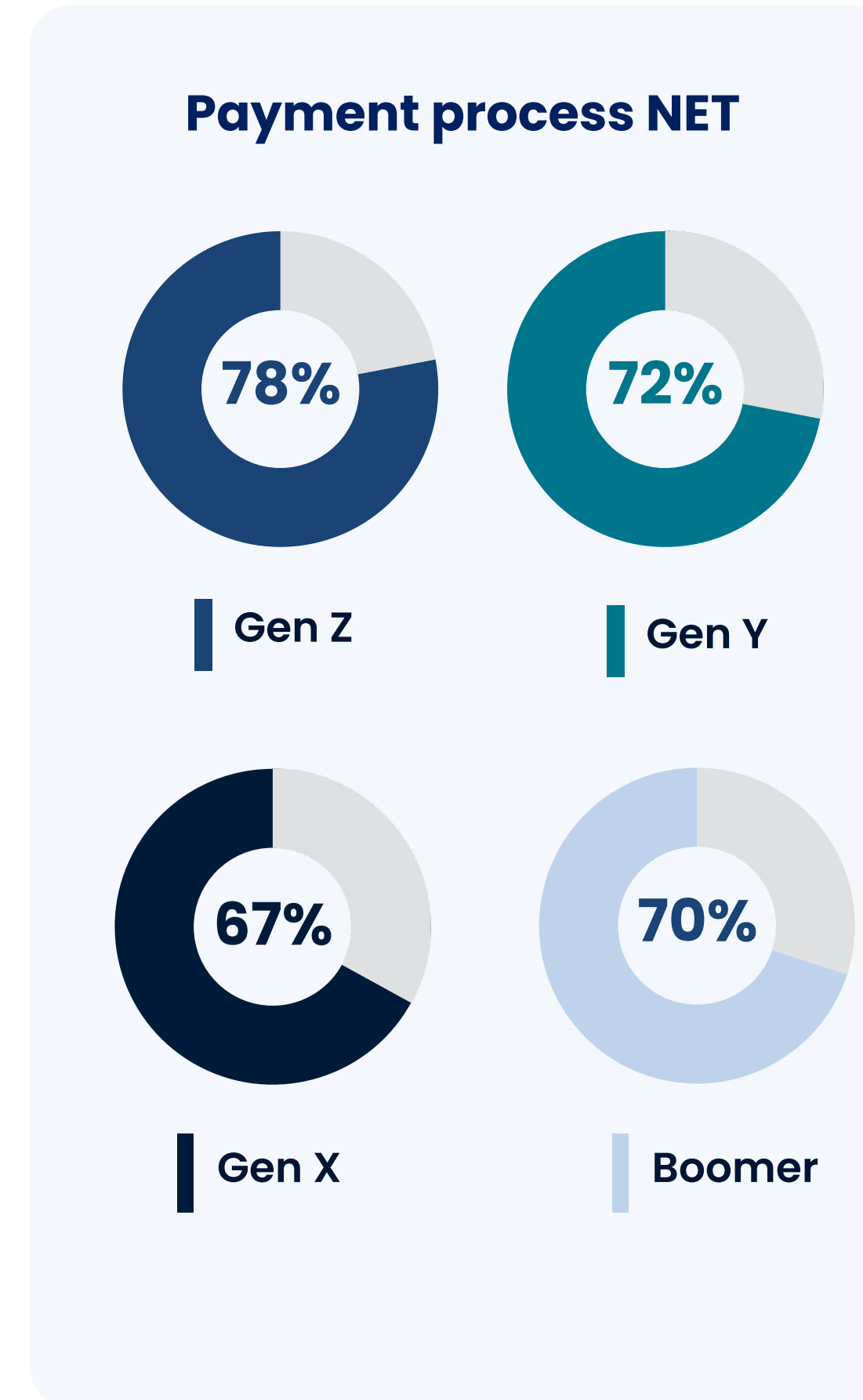
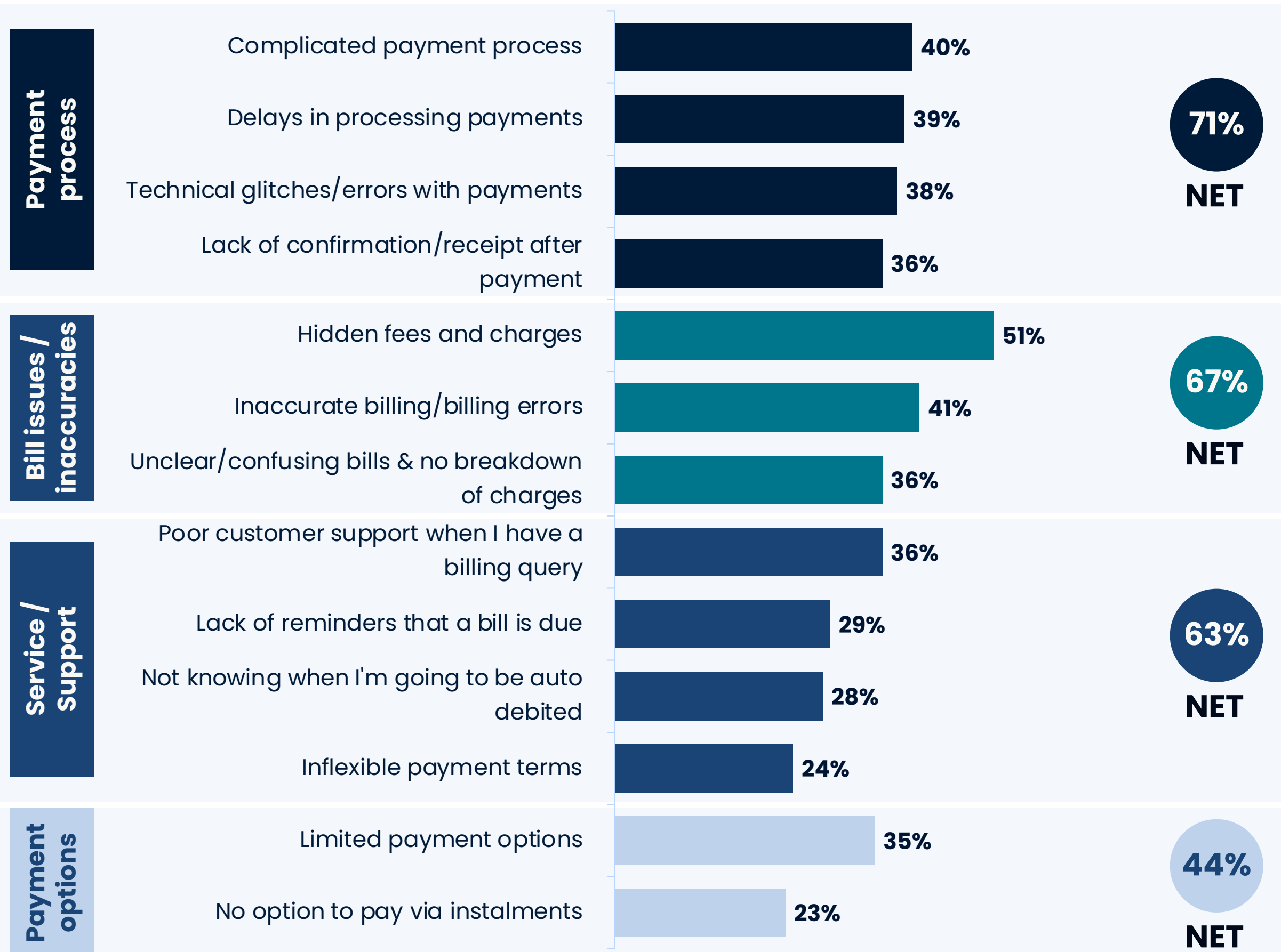
Q19. How would you rate the bill payment experience offered by your providers of the following services? Please rate on a scale of 0-10, where 0 is extremely poor and 10 is extremely good  
Base: Regular bill payers responsible for paying each type of bill, n=365-943; Gen Z, n=45-124; Gen Y, n=146-298; Gen X, n=120-277; Boomers, n=130-251



# A range of factors contribute to poor bill paying experiences, most notably issues with the payment process (71%) or billing issues and inaccuracies (67%)

## What makes a poor bill paying experience?

Regular bill payers



Poor bill payment experiences result from a number of factors, with consumers talking to billing issues or inaccuracies (67%), service or support issues (63%) and limited payment options on offer (44%).

Top of the list however are issues with the payment process (71%), with Gen Z most likely to cite payment processes as contributing to a poor bill payment experience.

Q15. What do you think makes a poor bill paying experience?  
Base: All regular bill payers, n=1,000; Gen Z, n=136; Gen Y, n=310; Gen X, n=300; Boomers, n=254

# Key takeaways to improve the customer experience and increase bill collection

## 1 Payment friction matters

Consumers want bill payments to be as seamless as an ecommerce purchase.

Timely bill payments become more likely when friction in the payment process is reduced.

Businesses have the potential to drive increased collections through optimising the billing experiences.

## 2 Expectations vary by generations

There were significant differences in expectations by generations - from where and how they pay, to reminder preferences.

Unsurprisingly cost-of-living pressures impact younger generations more, driving high desire for payment flexibility and options.

Businesses should consider how they can tailor their services to meet the varying consumer needs.

## 3 Billing experience helps drive loyalty

Cost-of-living issues are driving many people to look for better deals, but there are areas beyond pricing that impact customer loyalty.

Bill payers are looking for flexible payment options, timely reminders, and ability to pay via their preferred methods and channels.

Businesses can improve retention with better billing experiences.



Thank you.

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