

Expectations & Experiences

Our Quarterly Consumer Trends Research

Consumer Payments



- 1 Online payment activities are on the rise.** Several types of online transactions show modest increases over last year, including automatic/recurring payments. Boomers and seniors often show the largest increases, though still trailing younger generations overall.
- 2 Security concerns are waning.** Although many consumers remain at least somewhat concerned about the security of receiving or paying bills, this is down from last year. Several digital channels are now perceived to be more secure than in previous years.
- 3 Need for a physical paper trail is diminishing.** The proportion of consumers not paying any bills via online/mobile has declined significantly, particularly among older consumers.
- 4 Familiarity and confidence in the security of P2P are keys to attracting users.** Users like the convenience of P2P, while nonusers say lack of knowledge and concerns about security keep them from using the service.

1 Online Payment Activities Are Up, Mostly Among Boomers and Seniors

Several types of online financial transactions show modest increases in usage compared to last year. Those increases are most often driven by increased adoption among older consumers, although their usage continues to trail younger groups.

Three banking services in particular demonstrate increased usage: online bill payments, receiving bills electronically and automatic/recurring payments online.

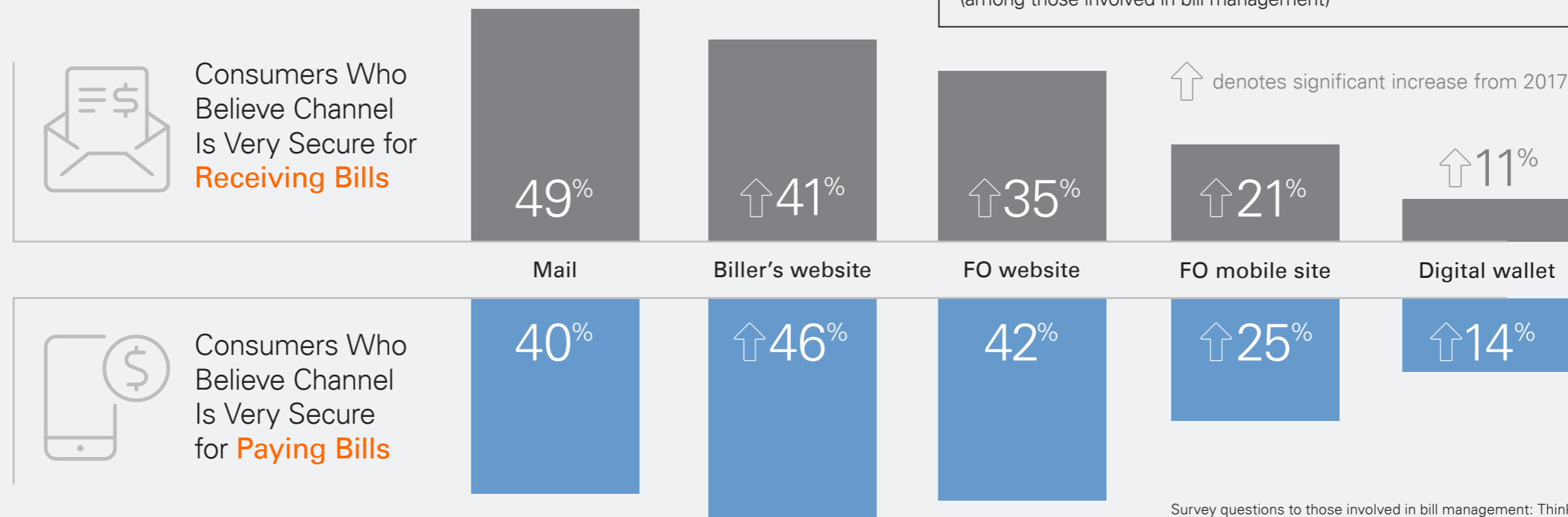
Although usage remains highest in the younger generations, boomers and seniors are starting to bridge the gap.

Survey question to all qualified respondents: In the past 30 days, approximately how many times have you or your household used the following banking services? Selected behaviors displayed showing significant increases from prior year.



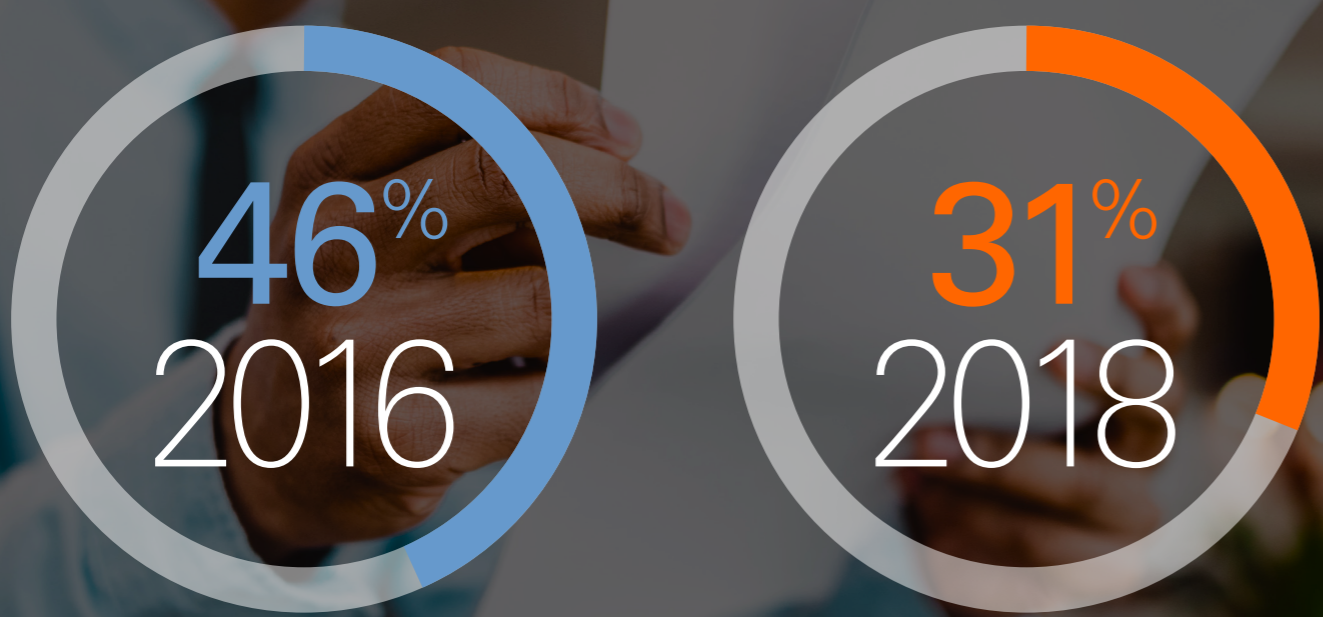
2 More Consumers See Digital Channels as Secure

Channels Believed To Be **Very Secure** for Receiving & Paying Bills (among those involved in bill management)



Survey questions to those involved in bill management: Thinking about paying (or receiving) bills, which of the following methods do you believe are very secure? Not all responses are shown.

Proportion of Older Consumers (age 65+) Who Use **Neither** Online nor Mobile Payments



3 Perceived Need for a Physical Paper Trail Is Declining

The desire to have a paper trail is among the top reasons cited by those who do not use their financial organization's bill pay service. The percentage of consumers who do not use online or mobile bill pay has declined in the past two years (from 37 percent in 2016 to 28 percent in 2018).

The make-up of consumers who don't use online or mobile payments has also changed over time. In 2016, paper-reliant consumers skewed more toward older consumers. In 2018, the distribution is more evenly distributed across ages, suggesting that it is now attitudinal factors and not generational factors involved in pursuing digital payment options.

Survey question: In the past 30 days, approximately how many times have you or your household used the following?

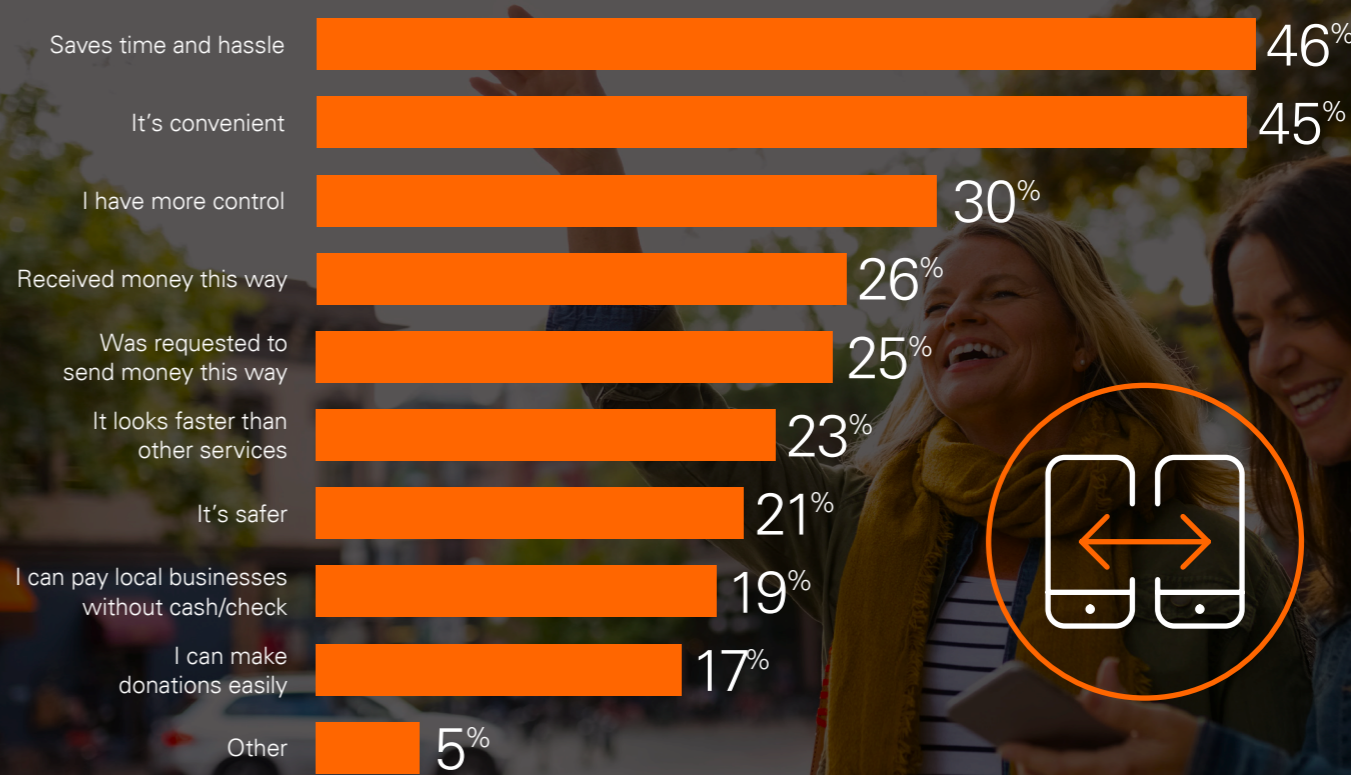
4 Security Drives P2P Usage, With Convenience a Key Benefit

A significant majority of consumers (78 percent) have the need to pay another person at times. This suggests significant opportunities for P2P services. One in five consumers (20 percent) have used a financial organization's P2P service in the past year. Those who use the service report time savings (46 percent) and convenience (45 percent) as the primary reasons.

Familiarity with P2P payment services may impact usage, with 26 percent of nonusers saying lack of knowledge is a reason for not using the service. Another barrier is perceived security of P2P, which is cited by 16 percent of nonusers.

Survey question to those who use P2P services: For which of the following reasons, if any, do you use a financial organization's online or mobile person-to-person payment service to send money to, or receive payments from, people for any reason in the past year? Select all that apply.

Reasons People Use a Financial Organization's P2P (among those who have used it in the past year)



About Fiserv

Fiserv, Inc. (NASDAQ:FISV) enables clients to achieve best-in-class performance by driving innovation in payments, processing services, risk and compliance, customer and channel management, and business insights and optimization. For more than 30 years, Fiserv has been a global leader in financial services technology. Fiserv is a FORTUNE 500 company and this year was honored to be named to the FORTUNE Magazine list of World's Most Admired Companies® for the sixth consecutive year. For more information, visit fiserv.com.

About The Harris Poll

The Harris Poll is one of the longest running surveys in the U.S. tracking public opinion, motivations and social sentiment since 1963 that is now part of Harris Insights & Analytics, a global polling and market research firm that delivers social intelligence for transformational times. We work with clients in three primary areas: building twenty-first-century corporate reputation, crafting brand strategy and performance tracking and earning organic media through public relations research. Our mission is to provide insights and advisory to help leaders make the best decisions possible. To learn more, visit theharris.com.

Methodology

The survey was conducted online within the U.S. by The Harris Poll from November 14–November 27, 2018. A total of 3,050 interviews were conducted among U.S. adults ages 18 and older who met the following criteria: Someone in the household currently has a checking account with a bank, credit union, brokerage firm or other financial organization and has used their checking account to pay a bill or make a purchase in the past 30 days. The data were weighted to ensure that relevant demographic characteristics of the sample matched those of the U.S. general population. All respondents (not only those who met the qualifying criteria) were weighted to U.S. Census Bureau demographic profiles for the U.S. population, age 18+ on education, age, gender, race, income, region, marital status, employment status, household size and number of hours spent on the internet (with targets for this variable coming from Nielsen Scarborough).

Notes: The reference questions and answer text provided here have in some cases been shortened due to space constraints. The complete text for any questions referenced in this report is available upon request. Age groups referenced in the survey are defined as follows: early millennials (18–26), late millennials (27–37), Gen X (38–52), early boomers (53–63), late boomers (64–71) and seniors (72+).