

# How to win and keep customers with **Pay Direct**

**Let's face it, your customers have never had so much choice.**

Easy access to products and services online has created fierce competition and limited differentiation. The result is that checkout is now a crucial moment in the customer experience. But despite all the competition and urgency, online transactions can still be painful.

Clearly, the online checkout experience is mission-critical for your business, and you want to do everything you can to ensure customers do not abandon their purchases. Your checkout needs to be faster, easier, more transparent and above all safer – fraud is a serious concern for consumers.

But a good customer experience is wasted if it's costing you time and money in the backend. The checkout needs to efficiently reduce complex admin headaches, speed up settlement and lower transaction cost. Otherwise you're losing the upside of a winning customer experience.

You need a solution that delivers a better payment experience and improves how you receive funds in a fast-changing environment.

Spoiler alert: **That's us and Pay Direct.**

## 3 important trends you can't ignore



### Everyone's going digital

And it's happening fast. Online self-service, uptake of the digital economy, and the Open Data revolution are accelerating at a blinding pace. And COVID-19 added rocket fuel to this growth.



### Paying is getting easier

There are more ways to pay, and your competitors are letting consumers pay the way they want, all while providing a winning customer experience.



### Cloud changed the game

You can't keep up with this rapid rate of change if your systems and software aren't built for it. But in the world of finance, cloud systems pose a risk so staying compliant is mission-critical.

## POWERED BY OPEN BANKING – PAY DIRECT

**Open Banking is here and it's huge. We've got you (and your customers) covered:**

- ✓ We're fully FCA regulated and approved to power our Pay Direct service with Open Banking.
- ✓ We've developed smart, simple, secure solutions which use Open Banking to deliver services you can white-label, including Pay Direct.
- ✓ Our Pay Direct service is connected to all the key UK banks, with access to 98% of consumer bank accounts.

## Taking payments is easier said than done

Getting money in should be easy, but expectations have shifted. Our research showed a rise in the number of cancelled Direct Debits during the pandemic. Collecting recurring or one-off payments while providing a great customer experience got a lot tougher. Businesses realised they needed to offer alternative payment options as a back-up – these are crucial if a payer has insufficient funds and requires an extension or a part-payment option.

And to make matters worse, customers are spread out along the path of digital adoption, each with their own needs and concerns.

## LET'S MEET SOME OF THEM



**Louise,**  
50, London.

**Louise is no stranger to online shopping but she has trust issues – who can blame her – and she struggles to keep track of her spending.**

"When I'm typing in all my card and address details the scary thoughts start tumbling in. How are they using my data? How are they keeping it safe? Are they keeping it safe!? What happens if I enter something wrong? It can stop me completing the purchase. And to top it all off I struggle to keep track of how much money I spend."



**Sandra,**  
69, Hertfordshire

**Sandra was driven by necessity to become a late adopter of online shopping. She was excited but understandably nervous about sharing sensitive information online.**

"I was very worried about getting food delivered during the COVID-19 lockdown, but my local dairy started offering a doorstep service. I'd not bought food online before, so this was all new to me and it seemed very risky to just enter your credit card information online. The checkout was clear enough but when it came to paying, I wasn't sure which option to pick. I don't like spending on my cards, as I don't want to get into debt – it all adds up, you know."



**Tommy,**  
21, Bristol

**Tommy's a digital native and clued up about the dangers of online fraud but he's pretty carefree about password security – and his budget, apparently.**

"I buy everything online and I'm sure I'll get hacked eventually. It happens to everyone. Trying to remember each password is so annoying! I expect to have payment options when I check out. I don't want to be forced into a payment method just because I used it last time. I think some of the money I spend goes missing but who can keep track. I definitely over-spend – which is a bit of a worry given how much student debt I'm racking up."

## What makes a bad payment experience?

**Our recent survey of 900 consumers says:**

- Cumbersome user experience – manual entry, too many screens, extra clicks, no guest-checkout, and lengthy processes are all frustrating.
- Lack of payment status – uncertainty if payment is complete, unable to make a payment without good reason, and being unsure if a payment was taken twice all cause concern.
- Security & privacy concerns – being uncomfortable about payment method, using a questionable webpage or being redirected to another page scares users off.
- No back-up payment method – no alternative method in case of failed payment, or and being unable to choose a preferred payment option causes abandoned payments.
- Bad communication – a lack of bill details, not knowing the payment due date, and no clear contact details leaves users flailing.

**Read the full results of the survey [here](#).**

## AND IT'S NO PICNIC FOR YOU EITHER

You face frustratingly slow payment into your accounts and exorbitant costs associated with collection charges, slow settlement, chasing debts and reconciliation. All this causes administrative headaches and clogs up processes. Worst of all a poor customer experience causes abandoned payments.

## Let's hear from the people on the ground

### ALL BUSINESSES CAN BENEFIT FROM PAY DIRECT

- Professional Services firms; Legal, Accountancy and Financial Services
- Membership Organisations; e.g. annual payment
- Charities
- Education Organisations
- Real Estate; e.g. deposits
- High-Value Retailers; e.g. Car Dealerships
- Retailers of non-refundable or perishable products; e.g. groceries
- Local Authorities

#### FINANCE DIRECTOR – EXECUTIVE HOMES

"In the home building sector, customers start the payment journey but give up because they don't want to put such large amounts on their credit card. For those that do complete, whether on a credit card or by other means, I have to wait an age before I actually receive the money. And then I've got all the costs; cost of collection, cost of slow settlement, cost of debt and so on. This adds up. Not to mention the cost of staff to sort out the admin of reconciliation, especially for unmatched payments."

#### FINANCE DIRECTOR – QUALITY USED CARS

"Some customers buy cars on their credit cards, which is really painful for me. Their money is slow to arrive and it's really expensive. I've got all the usual costs plus the absolutely extortionate cost of the card transaction fees. And these are obviously big transactions."

#### FINANCE DIRECTOR – DOORSTEP DAIRY

"In the dairy business, we can't afford to delay dispatch – dairy is a product with a limited shelf life! So failed Direct Debits, unmatched payments and late payments are a nightmare. Reconciling who's paid and who hasn't is an admin headache (and headcount) I could do without. And some people actually pay on their credit cards which means I'm carrying more cost than I want to and waiting longer for the money than I'd like to. COVID-19 has accelerated our online business and I'm sure demand will outlast the pandemic, so now I have to rethink our whole ecommerce experience."

#### FINANCE DIRECTOR – INSURANCE COMPANY

"We like to encourage our customers to pay a preferential price at the beginning of the year, rather than spread the cost of their insurance over the year. This helps accelerate our cash flow as well and reduces our customers' costs. Unfortunately, matching payments to invoices to customers is a real administrative hassle, especially if there are charge-backs."

#### FINANCE DIRECTOR – PREPAID CARD COMPANY

"Our customers top up their cards with a bank transfer, which is fine as long as the right reference follows the money all the way through the transaction. If the reference gets garbled the reconciliation is a total nightmare – we spend ages trying to sort it out and the end beneficiary gets paid late. Then no one's happy."

#### FINANCE DIRECTOR – UTILITY COMPANY

"During the pandemic, we saw lots of customers cancel their Direct Debits, but we didn't see a corresponding spike in non-payment. Persuading customers to set up another Direct Debit is the easy part but, making it a recurring payment is tough because the temptation to cancel is too great. Cards are a huge cost and leave us exposed to charge-backs, what we need are irrevocable, real-time payments."

## A better way, called Pay Direct

**You can relieve all your pain points and deliver a really great customer experience.**

With Pay Direct, your customers simply pay directly from their bank account without leaving your website. There's no risk of incorrect payments because details are pre-populated, and there's no need to provide loads of details like passwords and billing addresses.

Unlike cards, the sensitive payment details are never shared with, or stored by you, so there's no need to worry about some hacker taking a crack at your website. And consumer confidence increases just when you need it most: at the checkout.

Pay Direct transfers the customer directly to their bank and uses their bank's authentication, making fraud much, much harder. In the unlikely event of an unauthorised transaction, the customer can get their money back. And they can stay in control of their finances by checking their balance before they pay.

**Check out the full explainer video [here](#).**

## EASY TO SET UP. EASY TO USE.

1. Simply add a button to your payment page giving your customers the option to 'pay by bank' transfer.
2. Your customers choose 'pay by bank,' select their bank, log in as usual and authorise the pre-populated payment.
3. The customer is returned to a point chosen by you to continue their journey.
4. You receive the funds directly into your bank account via Faster Payments along with the transaction reference details for easier reconciliation.
5. You also get instant access to transaction details in your PTX portal and have the option to get them posted to your back office.

And the UK's Open Banking regulations now mean your customers can pay you easily and in real time direct from their bank account

## What does this mean for you? A lot.

**You get the money faster via UK Faster Payments, and save big.** Without interchange or acquirer fees, you save up to 50% relative to a card payment – and much, much more if the average transaction values are high.

Even better, there's no risk of charge-backs or indemnity claims, and these payments are not subject to card data security standards (PCI DSS).

Pre-populated payment details reduce the error rate, improving reconciliation and massively reducing admin headaches.

And it's a smooth experience as customers complete payment within their checkout flow without leaving your website – just like they do with a card payment.



LET'S REVISIT THE DOORSTEP DAIRY TO SEE WHAT THIS LOOKS LIKE IN NUMBERS.

**As you may remember their online demand accelerated during the pandemic it's projected to continue.** They need to rethink their model. Let's see how much they can save, and how else they can benefit, by using Pay Direct.

### 62,500 card transactions

They're projecting 62,500 card transactions over the next year with an average value of £80 per transaction with a total card turnover of £5,000,000.

### Cost per transaction of £0.80

Using a traditional card payment with a card fee of 1% would result in a cost per transaction of £0.80 and total card fees over the year of £50,000.

### That's an annual saving of £19,375.

**With Pay Direct the doorstep dairy will see huge savings.** The fee per transaction is £0.49, which means total fees over the year will be £30,625. That's an annual saving of £19,375. And even if they only convert half their card paying customers to Pay Direct they'll still save £9,688.

And that's just the savings in fees. They will save time and money in administration and headcount, reconciliation will be easier and security will improve.



## Issuing refunds with ease

- Make one-off payments simple, secure and customer-friendly, using Pay Direct's add-on refund service.
- Perfect for refund payments, claims processing, promotional campaigns or compensation payouts.
- Securely capture the end-users' bank details and automatically generate a payment. No need for cash or cheques, just a simple direct credit to their bank account.
- Keep data safe at all times. Using a secure, digital process mitigates the risks associated with traditional channels such as paper, telephone or email. We safeguard the data you hold, avoiding the need to save personal information locally, helping you stay GDPR-compliant.
- Ensure refunds land in the right hands – by automatically reviewing bank account details at the point of capture, we can help ensure that the payment reaches the correct person.
- Save time and money further down the line, by keeping an eye out for duplicate and unauthorised payments.

Read the full guide to issuing refunds with ease [here](#).

## DISPUTE MANAGEMENT

Our service is built on Open Banking's Code of Best Practice for dispute management. The primary principle of which is for parties to make every effort to ensure that claimants are treated fairly, impartially and receive the best possible outcome.

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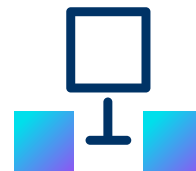
## How do we do this? With Open Banking



**We're fully FCA regulated and approved to power our Pay Direct service with Open Banking**



**We've developed smart, simple, secure solutions which use Open Banking to deliver services you can white-label, including Pay Direct**



**Our Pay Direct service is connected to all the key UK banks, covering 98% of consumer bank accounts**

## Easy does it

We like to keep things as simple as possible for you. Pay Direct is built on three pillars of simplicity:



### SIMPLE PRICING

Pay Direct fees are pennies per transaction and are designed to reduce card fees by up to 50%, or considerably more if average transaction values are high.



### EASY TO USE

Just add a button to pass an encrypted dynamic link with the payment details to a customisable payment page hosted by us. An account manager and our implementation team are on hand to help you at every step.



### ONE PLATFORM, A HOST OF SERVICES

Pay Direct is part of our award-winning 'Money In' portfolio, which includes Refunds, Card Acceptance, Direct Debit and Invoice Automation. The same platform and login also provide access to our 'Money Out' and 'Money Management' solutions.

**See our full range of solutions [here](#).**

## Conclusion

There's a new way to pay at the online checkout and it's going to help you sell more, bank the money faster, and save big. It improves the check-out experience, turning buyers into repeat customers and leaves everyone smiling.



Connect with us



#### About Bottomline

Bottomline (NASDAQ: EPAY) makes complex business payments simple, smart and secure. Corporations and banks rely on Bottomline for domestic and international payments, efficient cash management, automated workflows for payment processing and bill review, and state of the art fraud detection, behavioral analytics and regulatory compliance solutions. Thousands of corporations around the world benefit from Bottomline solutions. Headquartered in Portsmouth, NH, Bottomline delights customers through offices across the U.S., Europe, and Asia-Pacific.

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