



Moment of Truth:
Modernising Payouts to Meet
the New Standards of Trust

With regulatory scrutiny intensifying, pressures from complex supplier networks mounting and energy markets acting increasingly volatile, utilities are under sharper focus than ever.

At the same time, legacy systems and manual processes are colliding with more vocal customers who expect faster, fairer and more transparent services – pushing the bar for trust and accountability higher.

While much investment has gone into infrastructure and billing, one crucial area still flies under the radar – how utilities pay money out.

Refunds, rebates and compensation payments might sound routine, but they've become defining “moments of truth” for customer trust and compliance. When payments are made quickly and accurately, they send a clear signal of integrity; when they fail, confidence erodes instantly. This pressure is only intensifying across the utilities sector.





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State of Play in Utilities

Today, utilities are making more payments to more people, more often. Service outages, supply interruptions and regulatory schemes are driving up volumes, while regulators tighten expectations around speed, transparency and cybersecurity.

There's also trust to consider. When households are under financial strain, how a company handles giving money back speaks volumes about its values. Each payment – no matter how small – signals whether a provider stands behind its promises.

As a result, payouts have become a litmus test for compliance and credibility: delays can bring immediate financial penalties, but the reputational damage can last far longer.

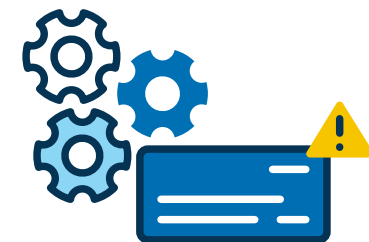
And that shift has exposed an uncomfortable truth: many of the systems used to make those payments were built for a different era – one still dependent on paper cheques.



The Cheque Problem

For decades, most major utilities have relied on cheques to issue refunds and compensation. It's been the default option, particularly when there are outages or when customers move house and have credit left on their accounts as many utilities don't hold customer payment details. But this long-standing habit is starting to break down.

As banks close branches and cheque processing slows, what was once a routine payment method has become a growing pain point. Cheques get lost in the post, take weeks to clear and cost more to issue with every passing year. Customers increasingly see them as outdated, while utilities also recognise that sending cheques sends the wrong message in an era of digital transactions.



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Different Sectors, Common Challenges

The pressures around payouts also differ across the utilities sector. In water for example, there are obligations to compensate landowners or reimburse customers for service disruptions. Then in energy, providers face competitive pressure and market switching incentives.

Across all sectors, resilience is another payout concern. Extreme weather and infrastructure failures can trigger huge one-off volumes of payments to affected customers. Whether it's flooding, freezing or storm damage, payouts must have the ability to scale quickly – a growing test of operational readiness and financial resilience.

Meanwhile broadband and telecoms providers find it hard to prove ROI. Matt Cousins, Payment Manager at TalkTalk says:

“It’s much harder to secure investment for payout solutions at board level because it’s harder to prove the financial benefit. It’s about building your business case around customer experience rather than pure financials – which makes things difficult.”



The Turning Point

The hesitation to deploy automation solutions often comes down to perception and the legacy systems companies are tied to.

However, the total cost of investment can be much lower than expected. And most businesses are closer to digital readiness than they think – **if a company can generate a cheque file with names, amounts and contact details, it already has the essentials to automate payouts.**

The Modern Payout Solution

Bottomline's *Payouts Automation* solution is a simple, secure way to streamline customer experience and lower operational costs.

It enables one-off payments directly into residents' bank accounts without storing account details. Instead of sending a cheque, customers receive a secure email or letter with a QR code linking to a verified form where they validate account details, and the payment is sent.

For utilities, this brings speed, accuracy and accountability. Every transaction is logged and auditable, cutting manual handling, fraud and delays.

The benefits also extend beyond compliance. Fewer cheques mean lower paper use and carbon emissions, supporting sustainability goals. And by removing repetitive admin, finance teams can focus on higher-value work.

Automation isn't about replacing people or reinventing systems. It's about making payments faster, safer and more transparent, and turning every refund or rebate into a small but meaningful moment of confidence between utilities and their customers.



**Speed, accuracy
and accountability**



One example of this is [Plusnet](#), the broadband provider, who used Bottomline's Payouts Automation to replace manual cheque refunds and improve satisfaction. In addition, [Allwyn](#), operator of the UK National Lottery, applied the same approach and transformed mid-tier prize payments with faster, more secure digital processes.

Matt Cousins from TalkTalk adds:

“By giving customers more ways to be paid – from digital wallets and pay-by-bank to other emerging options – and using real-time data and automation to spot who’s struggling, businesses can keep more people on the ‘happy path’, cut failed or chased payments and protect a faster, steadier cash flow. That is vital in today’s market.”

Trust in Action

Payouts are moments of truth that reveal a utility's reliability, fairness and accountability. Automating them isn't just about efficiency – it's a strategic way to build trust, meet regulation and show customers that promises are kept.

In an era where confidence is earned through actions, not words, how you pay customers back may be strongest proof you're doing the right thing.

Streamline customer
payouts with Bottomline

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