

BEHIND ON BILLS

**A 2023 SURVEY OF
PAST-DUE CONSUMERS**

LEXOP



Contents

Throughout this survey, you'll gain an understanding of:

- The financial state of past-due consumers
- The reasons they have late bills
- Their sentiments and experiences as past-due customers
- When they want to receive reminders for late bills

Key findings:

- 44%** said keeping up with bills is their main financial priority
- 60%** are past-due because of non-monetary reasons
- 55%** want to be reminded one week before the due date
- 85%** of past-due consumers are paying within 30 days of the due date
- 73%** say a digital experience makes it easier to pay late bills

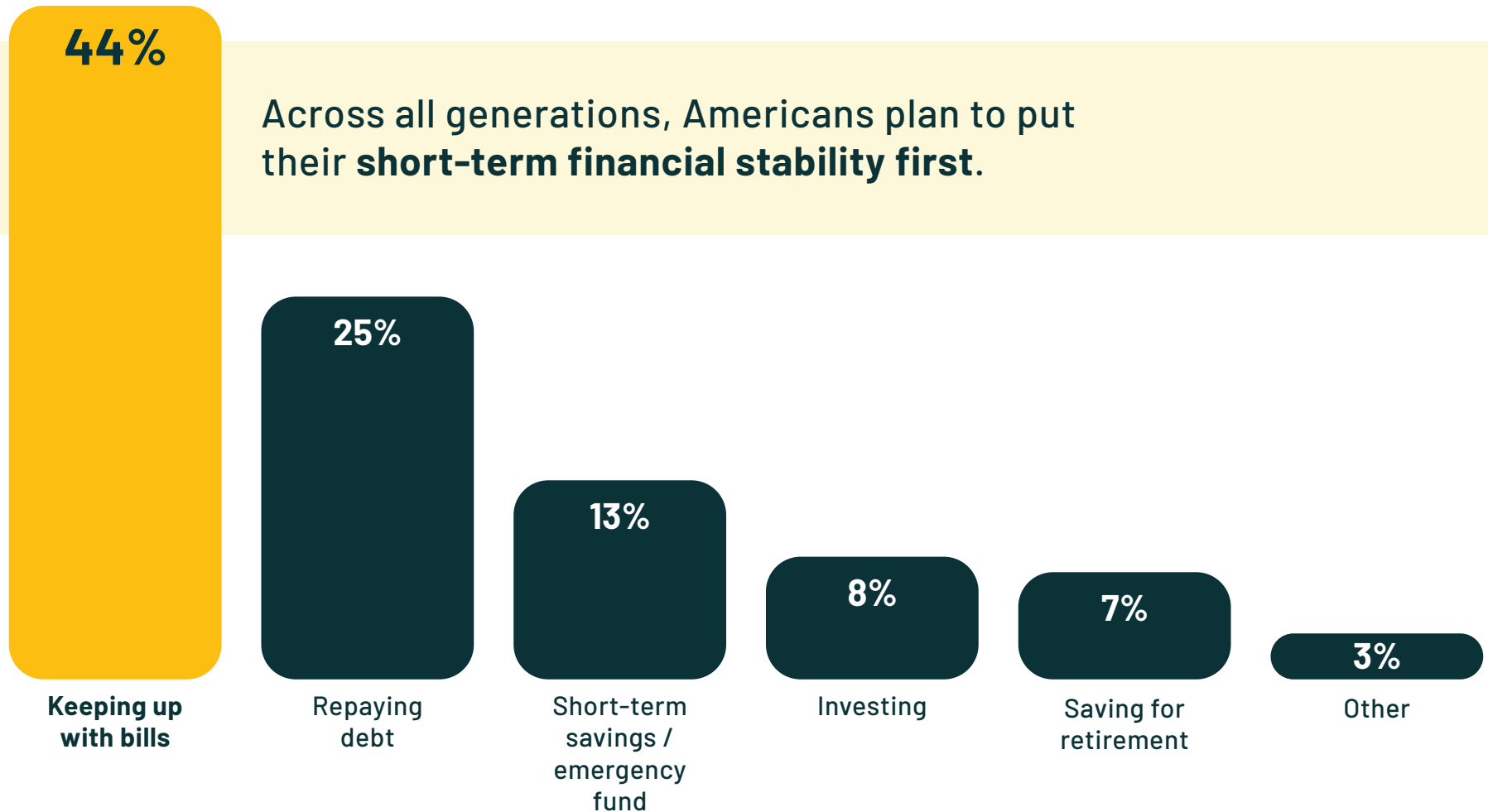
Methodology:

In February 2023, Lexop surveyed over 1,100 past-due consumers in the United States.



Americans are prioritizing keeping up with their bills

We asked survey respondents what their top financial priority is for 2023.



More Americans are living paycheck to paycheck



43%

would have to use savings to cover their bills

36%

wouldn't have enough money to cover bills

21%

would not feel a financial impact

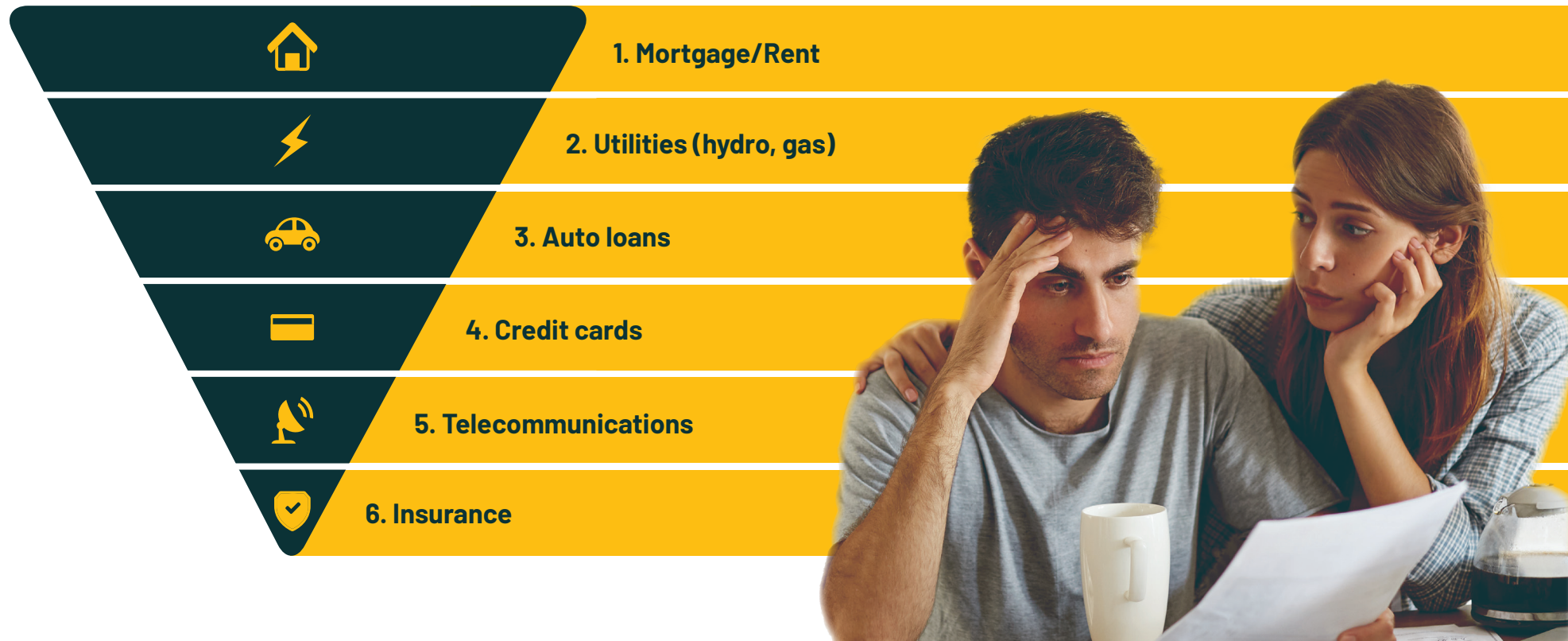
79%

of Americans would struggle financially if there was a delayed or missed paycheck



Basic necessities come first

What order are bills getting paid?

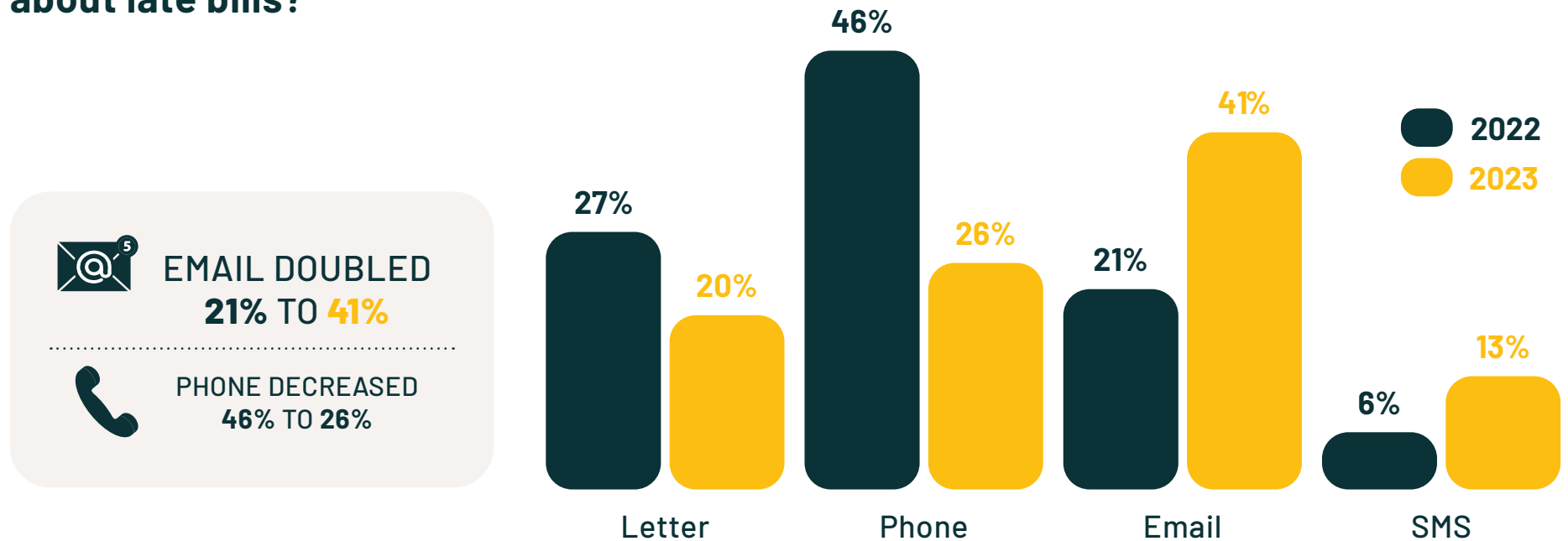


The Lexop perspective

As consumers struggle with the impact of inflation, increasing expenses and less money available, many are prioritizing their bill payments. Businesses that are lower on the repayment priority list must act fast to capture customer attention to get paid ahead of other bills. Digital outreach with a simple payment experience will help reach and engage your customers to collect late payments.

Businesses are doubling down on digital communication methods

How are consumers notified about late bills?



The Lexop perspective

When comparing the 2022 and 2023 data, there's a noticeable shift to digital channels for late bill contact methods, but traditional tools (phone and letter) still make up 46% of communication. Businesses that ignore their customers' preferred contact methods and continue sending out late bill reminders through traditional channels will have a more challenging time collecting than those using a digital-first approach.

Late bills: It's not just about the money

60%

of consumers are late on bills for non-financial reasons

40% didn't have the money

30% forgot

10% had errors on the invoice

8% had an expired credit card on file

7% were away without access to their bills

5% didn't get the bill



The Lexop perspective

Leverage digital tools to send automated reminders to customers who are late for non-financial reasons.

For the other 40% struggling financially, help your customers get back on track by offering payment plans and flexible options.

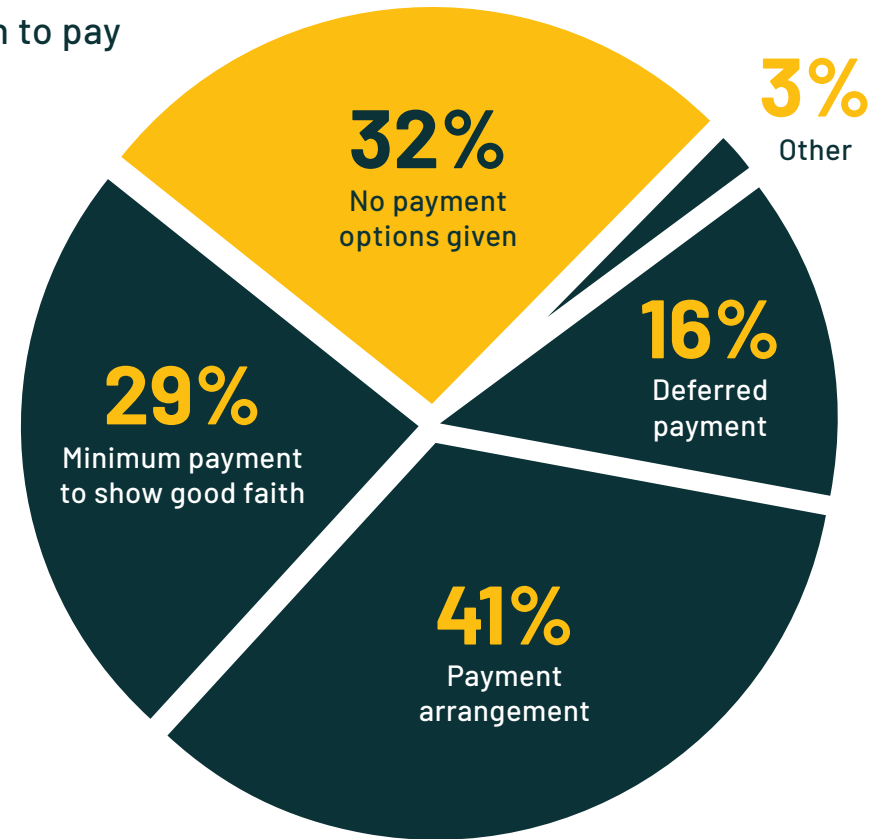


"We paid it with the next check. We didn't realize it was overdue and had the dates mixed up."



Leaving customers behind: The lack of flexibility and payment arrangements

One-third of consumers were only given the option to pay their late bills in full.



The Lexop perspective

Segment your past-due customers and provide flexibility with payment arrangements to those in good standing while offering stricter terms for more delinquent customers. Payment arrangements can be automated, allowing customers to self-serve, freeing up valuable agent time.

Remind me!

Consumers want earlier and frequent bill notifications

What extra bill reminders do consumers want?

55%

One week before the due date

40%

when the bill is issued

22%

day before the due date

9%

on the due date

1%

other



The Lexop perspective

Early-stage reminders are the easiest way to reduce late payments. Leverage digital tools to automate reminders via SMS and email to capture your customer's attention. Additionally, automation that factors in business days can help streamline workflows and take the guesswork out.

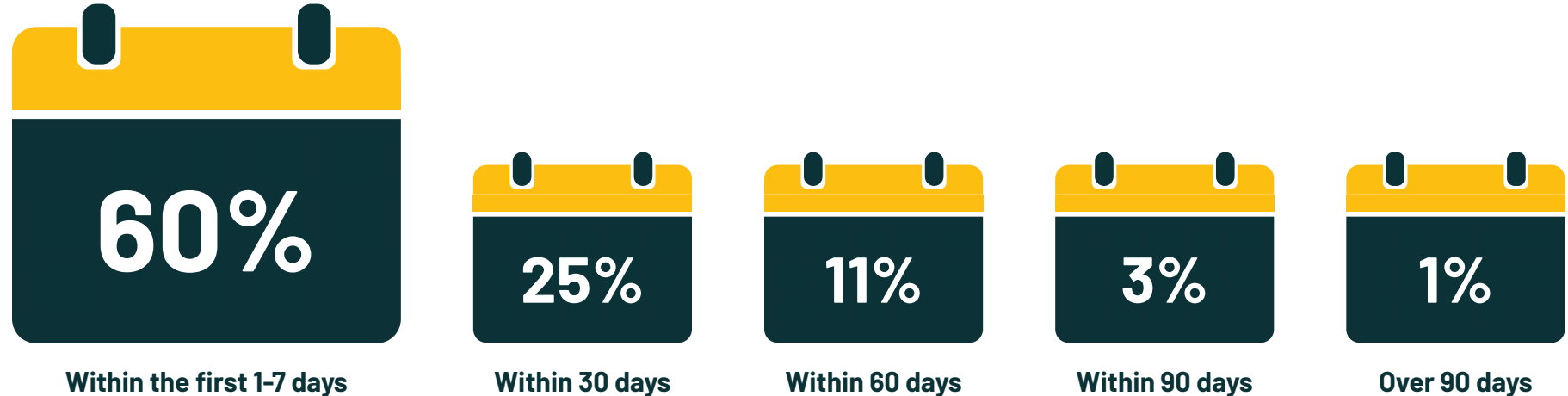
"I would rather be notified twice, a week before the due date and then the day before. If possible on the due date as well."

"One week before the due date, and then a second time 3 business days before the due date. Business days can make a big difference."



Take a proactive approach to late bill communication

When do consumers pay their late bills?



The Lexop perspective

If you don't have an early stage collections strategy, you're missing out on the 85% of consumers that are capable of paying within the first 1 to 30 days. With automated reminders and a self-serve payment experience, most customers can self-cure without agent intervention. Collecting doesn't have to be complicated. It all comes down to getting the attention of your past-due customer and making it easy for them to pay.

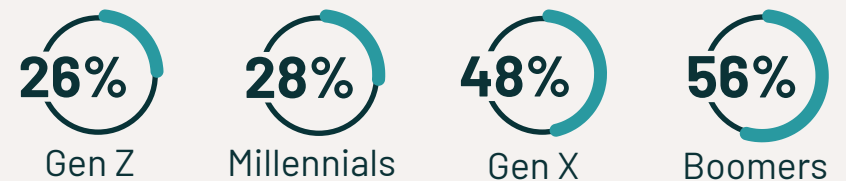
Younger generations want to self-serve with digital tools

Consumers reveal how they prefer to pay late bills.

41% prefer to self-serve through digital tools



38% would like to collaborate with a live customer service agent

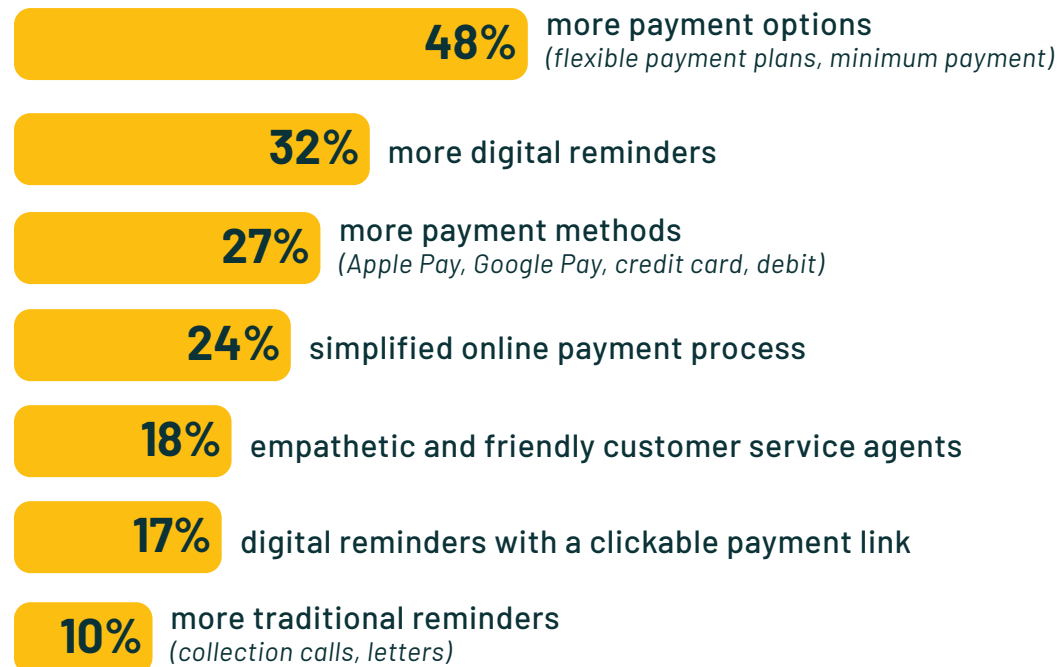


The Lexop perspective

A toolbox approach to your collections strategy is critical. Multi-channel outreach that includes digital tools, live agents, and collection agencies if required, will give you the best chance at maximizing your recovery rates. This strategy will help increase collection rates and protect the financial health of your business while maintaining customer loyalty.

Consumers want more digital tools for paying late bills

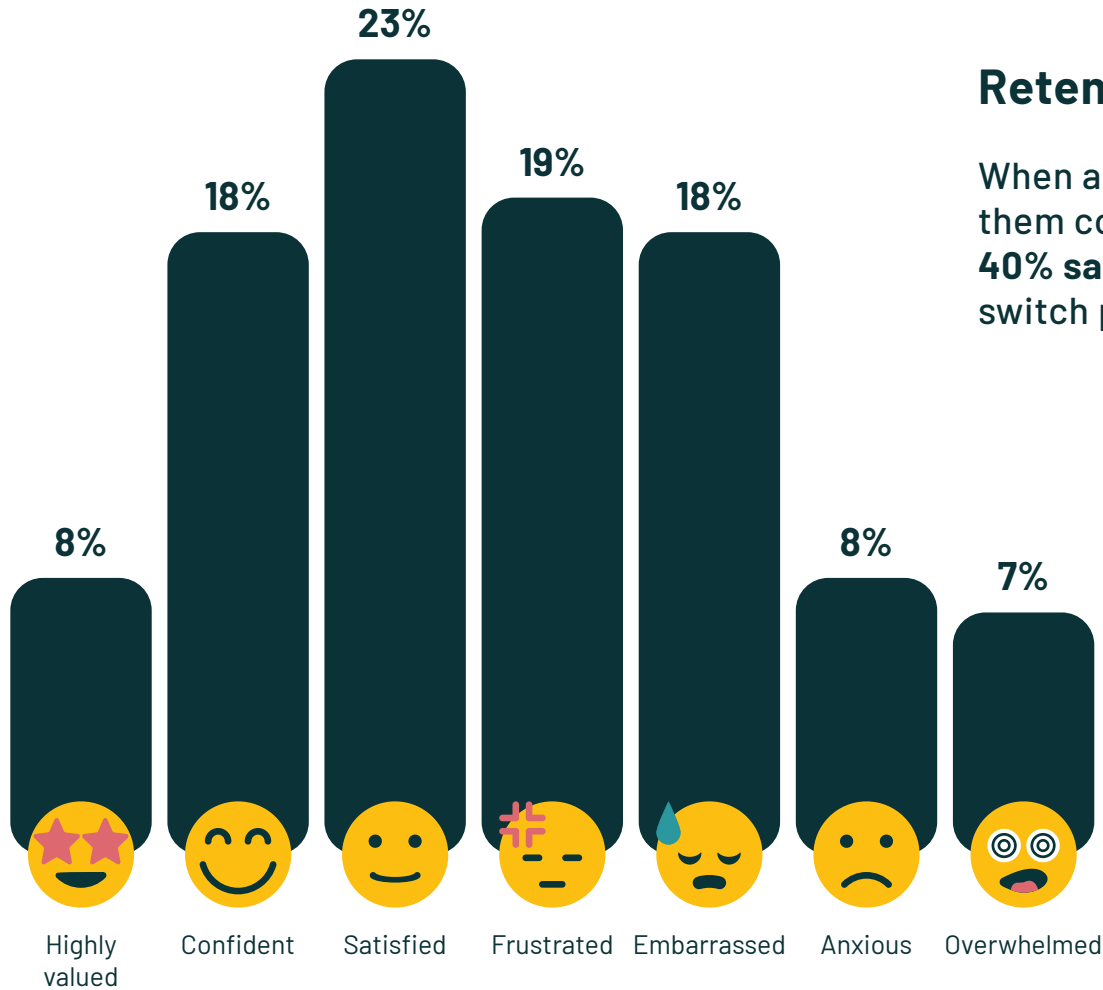
What would make it easier for consumers to pay their late bills?



The Lexop perspective

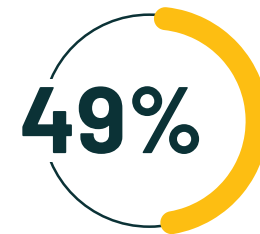
With 73% of consumers preferring digital tools for payment reminders, compared to only 10% who find traditional reminders helpful, invest in technology to meet consumer expectations for a simplified, self-serve digital payment experience.

The sentiments of past-due customers

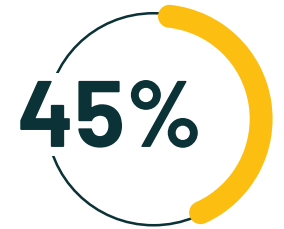


Retention is at risk

When asked if their past-due experience would make them consider switching to another service provider, **40% said yes**. Younger generations are most likely to switch providers after a negative experience.



Gen Z



Millennial



The Lexop perspective

It's encouraging to see more than half of the past-due customers receiving a positive experience. Many businesses are paying attention to the customer journey, which can significantly influence engagement, loyalty and retention.

Key takeaways

Repaying and keeping up with bills is the top financial priority for Americans this year, with a growing number living paycheck to paycheck. While 40% of consumers are late on their bills because they are struggling financially, 60% are late for non-monetary reasons - like forgetting. Businesses are all fighting for a piece of the same pie, and the way you reach and engage your customers can determine if you get paid ahead of others.

How do you build a collection strategy that considers the reasons for being late and increases repayment success?

- 1** Build a proactive approach with automated, early-stage digital reminders.
- 2** Develop a multi-channel toolbox approach to collections to maximize your recovery rates.
- 3** Leverage digital self-serve payment tools to meet consumer expectations.
- 4** Provide a seamless past-due experience and flexibility with payment arrangements.
- 5** Invest in technology and digital tools to make it easier and faster for your customers to pay late bills.





About Lexop

Lexop is a financial technology company that helps organizations automate and scale their collections operations, significantly improving their self-cure rates and cash flow. Our technology streamlines the entire process, making it more efficient and cost-effective to recover outstanding funds than traditional methods. We provide an intuitive platform to build recovery campaigns with data analytics and an easy-to-use payment portal for past-due customers to pay without agent intervention. With Lexop, it's possible to improve recovery rates and maintain a positive relationship with your customers.

Learn why Lexop is the ultimate tool for collecting past-due accounts at lexop.com.

LEXOP

© 2023 Lexop Solutions