

Paying Attention: Relationship Advice for European B2C Companies

Automatic payments in Europe today are either expensive (credit card), rigid (direct debit) or non-existent - even though they're the foundation of ideal B2C relationships. AcceptEasy tackles these problems, enabling everyone happily paying from their bank account to yours.

Almost every B2C brand wants to be in a steady long-term relationship with its customers, underpinned (if not defined) by minimised payment friction at minimal cost. For household billers and other subscription vendors, the automated recurring payment is the Platonic ideal. For on-demand relationships, it's consent implied by the transaction of stepping out of an Uber ride or Amazon store. The common denominator is convenience enabled by trust: the supplier can take the money from the customer's source of funds established before the transaction at hand.

The big cut or the short cut?

Many brands require credit cards for such relationships. This introduces not only a barrier for those consumers who don't have one, but also the cost and complexity of middlemen playing their part and taking their cut. Credit cards are, and always will be, very expensive for merchants and billers. The main reason for taking this road anyway is that the other road has not been good enough.

After all, the shortest and cheapest route should be from the customer's bank account directly to that of the supplier. For this, Europe invented the SEPA Direct Debit scheme. In many member countries however, it hasn't taken off for various reasons; we'll get to those shortly. And even in countries like the Netherlands, where it did peacefully replace its well-established predecessor, not meeting customer needs still results in millions of bills and reminders requiring individual payments. We know, as we facilitate and optimise such payment requests (links to pre-filled online transactions) for hundreds of corporates.

So, what does an ideal solution for relationship payments in Europe look like? As with most relationships, it starts with a good first date.

e-Mandates. Most countries have either adopted cumbersome signing forms, or are condoning insecure methods. Neither does much to overcome trust issues inherent in many cultures. AcceptEasy therefore takes each country's most familiar proof that a customer has access to the IBAN they put up for direct debit: the local cross-bank online payment method, like iDEAL in the Netherlands or Sofort in Germany. Lacking that, customers sign with BankID scheme or another form of (strong) authentication. In each case, meeting SEPA Rulebook requirements on content, signing and process.

SDD flexibility. While it may sound alien to most readers of this article, more and more people want or need to figure out when to pay each bill every month. This does not mesh with most SDD implementations rigidly collecting on the same day of every month. Why not allow the customer to choose a default date and even easily deviate from that in a given month within certain boundaries? Or even better, think along using PSD2's XS2A? Being flexible drastically reduces the likelihood of SDDs failing for lack of funds, and of customers choosing instead to receive individual bills that often need chasing.

Exception excellence. An SDD can still fail, be much higher than normal, or otherwise warrant an exception. Notifications should not just be dumb messages, but instead offer the customer options to easily approve, challenge or change the upcoming payment. Better yet, if you let the customer set up a back-up account (or card or other payment method), money can still flow automatically.

Omnichannel messaging. A lot of the above is about the mechanics of payments. Equally important is the communication and process surrounding it. Do customers sign the mandate during online onboarding, or from a digital message shortly after? What if the relationship starts from a chat? Similarly, messaging during the relationship, also for incidental payment requests outside the scope of the e-Mandate, should reach customers in every channel they might use. Including the paper bill you want them to abandon. →

Clarity. Whether for a mandate or an individual payment, messages we send on a brand's behalf clearly change from a request to a receipt by visually changing colour and status. They do so across instances and channels, so that the portal and the contact centre know what just happened through an email or an app. Whereby all communication channels show the same status of the payment. We call that cross-channel transaction integrity – all channels are in sync.

Easy and secure implementation. The above requires a combination of skills and tools, especially if multiple countries are involved, that need to be bolted onto existing billing systems and into various communication channels. With privacy and security top of mind. We've done most of the hard work for that already, running ISO-certified operations around a cloud-based platform that's easily integrated via API and other means. Implemented in a dozen European countries and beyond, we can service local deployments as well as shared service centres.

AcceptEasy built a business by making the best of bad situations: minimising the hassle for B2C customers to pay whatever could not happen automatically. Along the way, we invented the ideal first date to at least help start (automatic payment) relationships. Our next mission in Europe is to prevent bad situations in the first place, finally delivering on the real promise of SEPA Direct Debit for companies looking to make and save a lot of money through great payment relationships with their customers.



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About Jeroen Dekker: Jeroen Dekker heads Product & Marketing at AcceptEasy, following over 15 years of similar roles bringing new products to market (and vice versa) at innovative international software companies in financial services, risk management and compliance.

About AcceptEasy: AcceptEasy transforms and optimizes how consumers and small businesses can easily pay you everywhere, anytime throughout the relationship lifecycle. Headquartered near Amsterdam with clients across Europe and in North America, its cloud-based software and services deliver superior customer experiences across channels while saving time, cost and trees.

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