

PAPER OR DIGITAL? CONSUMER CHOICE IS BEING REMOVED BY CORPORATIONS



THE CONSUMER'S
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In an effort to reduce costs, a growing number of companies are switching customers from paper to electronic communications — without their consent. This move to make digital communications the “default” is frustrating many in the United States and Canada who want to retain a choice in how they receive information. Millions of North Americans choose not to go online or still lack Internet access or the required skills, including many seniors, disabled people and those living in rural areas. In addition, a majority prefer paper over digital for many of the reasons outlined below.

We hope that when companies are armed with the facts below, they’ll make the right choice for their customers.

Consumers want to retain choice and not be charged extra for paper

“For many consumers, from those without regular broadband Internet access to the most computer savvy, paper is a more reliable way of ensuring that the consumer actually sees the information and can retain important records. Paper statements must be available for free for consumers who want them, and consumers should not be coerced into electronic statements or steered into them by default if paper is the consumer’s first choice.”¹

“An overwhelming majority of American adults across all demographic groups believe that consumers should not be forced to receive information in an electronic format. Specifically, 73% of respondents say it is wrong to expect anyone to go online to interact with government agencies.”²

Results of a 2017 Toluna consumer survey³ conducted in the U.S. indicated that:

- 90% agree that they should have the right to choose how they receive communications (printed or electronic) from financial organizations and service providers;
- 85% agree that if they received bills and statements electronically, they should have the option to go back to paper; and
- 83% agree they should not be charged more for choosing a paper bill or statement.

The great digital divide impacts the most vulnerable

In 2018, 50% of American senior citizens, 76% of those who have not completed high school and 55% of those living in households with an annual income under \$30,000 did not have broadband internet at home. These numbers have increased since 2013 because of the cost of internet access.⁴ Even if these groups do have a mobile phone, these devices aren’t a substitute to home computers because of their smaller size, formatting and unsuitability for record keeping. “The ability to see a few recent transactions at a time on a mobile device is not the same thing as being able to sit down and carefully review an entire statement.”⁵

In the U.S. in 2015, 15% of suburban and urban residents and 22% of rural residents were not internet users. Rural communities tend to have a higher proportion of residents who are older, lower-income, and have lower levels of educational attainment.⁶

Americans of all ages and ethnicities with Internet access believe the government should take action to prevent shifts to electronic formats from hurting the disadvantaged. 85% say that decisions to remove paper-based options for government information should be subject to congressional oversight.⁷

Many simply prefer print on paper

The majority of adult Americans prefer to receive at least some of their bills and statements in paper format and 88% believe that paper format should continue to be provided to those who want it.⁸

Based on a 2017 U.S. consumer survey, 68% find it easier to track their expenses and manage their finances when they are printed on paper.⁹

A survey sponsored by the U.S. Postal Service of three months of customer billing and payment data from a large utility, revealed that 91% of customers chose to receive their bills by mail even though 79% preferred to pay their bills online. “Even among the utility’s newest customers — those expected to be more digitally savvy — an average of 89% opted to have their bills mailed to them.”¹⁰

The key reasons for a preference for paper are: “I am more likely to see it / less likely to miss it or forget to pay it.” Other reasons cited are that they prefer to store these documents in paper format, and that in the case of a dispute, the paper format is more compelling.¹¹ “Moreover, consumers do not save any money by receiving their bills digitally, whereas they save postage when they pay online.”¹²

Paper is seen as safer and more secure

A 2017 Toluna U.S. consumer survey¹³ indicated that 79% kept hard copies of important documents filed at home, as they believed this was the safest and most secure way of storing their information. The results also showed that 76% are increasingly concerned that their personal information held electronically is at risk of being hacked, stolen, lost or damaged.

Providing paper is often the law

U.S. federal consumer laws require financial institutions to provide paper statements. In particular, financial institutions must provide “periodic” (usually monthly) statements in writing for credit card accounts, bank accounts if accessible by ATM, debit card or other electronic transactions, and mortgage accounts.¹⁴

Sources

- 1 [National Consumer Law Center, 2016](#)
- 2 [Envelope Manufacturers Association, 2014](#)
- 3 [Two Sides, 2017](#)
- 4 [Pew Research Center, 2018](#)
- 5 [National Consumer Law Center, 2016](#)
- 6 [Pew Research Center, 2015](#)
- 7 [Envelope Manufacturers Association, 2014](#)
- 8 [Envelope Manufacturers Association, 2014](#)
- 9 [Two Sides, 2017](#)
- 10 [Office of Inspector General, 2015](#)
- 11 [Envelope Manufacturers Association, 2014](#)

While there are currently no plans for federal legislation, the state of New York has led the way, prohibiting companies charging New York customers fees for paper bills. In Pennsylvania, the Public Utility Commission (PUC) determined that charging customers for a bill was “an unjust and unreasonable practice” and that “the cost of paper bills should be part of normal service rates.”¹⁵

In 2014, the Canadian federal government blocked telecommunication and cable companies from charging fees for paper bills but banks were excluded from the legislation.¹⁶

Paperless claims are designed to save companies money

A 2017 Toluna U.S. consumer survey¹⁷ indicated that 73% agreed that government, banks and other organizations want to persuade them to ‘go paperless’, but it’s not ‘paperless’ because they regularly have to print out documents at home if they want a hard copy. In addition, 72% agreed that claims about the switch to digital being better for the environment are made because the sender wants to save money.

Electronic may not be more cost-effective than paper

According to a case study by Danish company Natur-Energi A/S, new customers paid their bills significantly later if they receive their invoices by email, compared to physical mail. Natur-Energi also discovered that sending invoices via email actually increased their overall costs. The study found that 59% of customers receiving the invoice via email had to be sent a reminder, while only 29% of customers receiving the invoice via mail required a follow-up message.¹⁸

The effectiveness of printed communications was supported by a 2017 study of the U.S. Postal Service (USPS). The most frequently selected reasons for companies to send communications to customers and prospects via the USPS were: it was the most effective channel, had a good response rate, there was better control of cost per message, recipient preference and we have always used this channel.¹⁹

12 [Office of Inspector General, 2015](#)

13 [Two Sides, 2017](#)

14 [National Consumer Law Center, 2016](#)

15 [The Pennsylvania Bulletin, 2016](#)

16 [The Canadian Press, 2015](#)

17 [Two Sides, 2017](#)

18 [Fresh Data, 2013](#)

19 [EMA Foundation Institute of Postal Studies, 2018. PRC's Rate Proposal's Potential Effect on Mail Volume and a Summary of Key Mailing Industry Trends.](#)