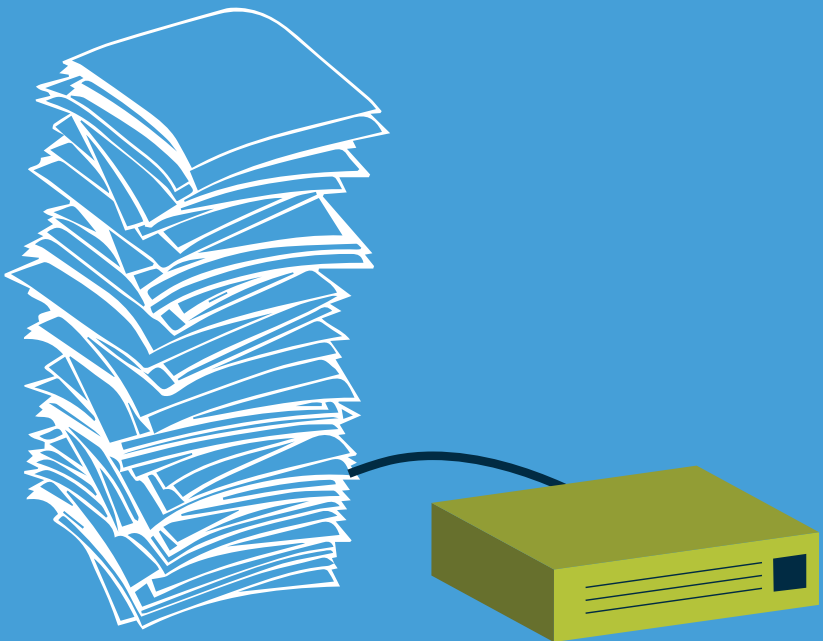


Beginners Guide to Paper vs. Paperless





There are two ways in which customers can set up a Direct Debit – via paper or paperless set up. Paperless Direct Debit refers to a Direct Debit that is set up either online or over the phone, whilst a paper Direct Debit is more traditional and uses a paper mandate form. Each option has a number of key benefits that cannot be replicated by the other.

HOW IS COST AFFECTED?

Cost is always an important consideration when setting up any payment solution and working with paper or paperless Direct Debit both have their own cost implications.

Paper Direct Debit, for example involves significant costs in printing, postage and storage. The postage costs are compounded by the delays and waiting time associated with paper Direct Debit. Thus can cost the business in other ways.

Paperless Direct Debit is considerably more affordable in terms of the admin costs associated with postage, printing and simply managing the document. Having said this, there may be other costs associated with using a paperless service depending on your provider. For example, a monthly fee to help you manage the payments.

On the whole, paperless Direct Debit is the most cost effective option and also reduces the time associated with the admin of paper Direct Debit.

WHICH IS THE FASTEST OPTION?

Paper mandates are generally slow to set up. Customers will physically need to fill out a mandate form, which is a timely process in itself and does open itself up to human error, which can lead to more time spent correcting initial forms.

With paperless Direct Debit, there are far fewer manual processes. Customers are able to sign up instantly online and the data is entered directly into your database, thus saving time and reducing the potential for human error.

From a process and speed point of view, paperless Direct Debit is clearly the best option.

WHICH IS BEST FOR SIGNING UP NEW CUSTOMERS?

The question of customer acquisition is not easily answered when it comes to paper Direct Debit. If you meet with your customers in person, then getting a signed form is an extremely simple way to receive payment authorisation. However, if you do not regularly speak to your customers, you are counting on them to download, print, sign and post back a form to you which can be an extremely slow process.

Paperless is often the faster and simpler option if you have access to an online device at the point of sale, in order to show customers how to sign up. This avoids the need for any manual processing and can reduce the potential for human error.

WHAT IS THE CUSTOMER PREFERENCE?

Inevitably, access to a computer or online device plays a large role in customer preference for paper or paperless Direct Debit. As an example, people who are uncomfortable using online payments, or providing any personal details over the phone will likely prefer a paper mandate.

However, for many customers, who are comfortable with the process of making payments online, paperless Direct Debit offers an unrivalled convenience, which on a daily, weekly, or monthly basis can make a big difference for businesses.

Paperless is a simpler option all round, but it really comes down to the customer and how they prefer to deal with automated payments.

HOW IS STORAGE AFFECTED?

Storage is a simple issue to address. Paper mandates require an in-house storage solution and someone to manage it. You will also be required to create and maintain an electronic database of the mandate information.

On the whole paperless makes more sense in terms of storage and management, although the fact that there is no physical document can make proving authorisation more challenging in case of an indemnity claim.

PAPER VS PAPERLESS – WHICH IS THE BEST OPTION?

It is hard to argue that paperless is not quicker, easier, faster and cheaper than paper Direct Debits, and for this reason is the better option. People are choosing to use paperless far more regularly, setting up either online or over the phone, but it is important to consider traditional, paper-based Direct Debit setup as an option for customers who prefer this method.



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