Paymentus

Billing and Payment Friction Puts $330 Billion in Annual Service Revenue at Risk, New Study Finds

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58% of Consumers Say the Billing and Payment Experience Shapes Their Perception of Overall Service Quality

54% of Gen Z Consumers Find It Frustrating

DALLAS--(BUSINESS WIRE)--Sep. 8, 2026-- Paymentus Holdings Inc. ("Paymentus") (NYSE:PAY), the leading provider of AI-native solutions for Service Commerce providers, and PYMNTS Intelligence, a leading global data and analytics platform, today released findings from the Service Commerce Performance Gap report, the first ever study comparing what consumers expect from service providers, providers' beliefs on the subject, and the consequences of the huge disconnect between the two.

Across four key service categories indexed – insurance, loans/finance, utilities, and healthcare – the study found that frustration with paying monthly service bills has an outsized impact on how customers rate overall service quality, putting upwards of $330 billion in annual service bill revenue at risk of delayed payment.

"The Service Commerce Performance Gap report is a wake-up call to every service provider across every category," said Dushyant Sharma, Founder and CEO of Paymentus. "Consumers' monthly bill pay experiences are often their most regular and repeated service provider touch point. It is a critical moment where reputation, quality, and customer loyalty are on the line. These findings show providers that moving quickly to meet customers' expectations can create a strong competitive advantage."

Service Commerce is a $5T economic sector encompassing the recurring, billing-anchored commercial relationships between service providers and their customers, from utilities and insurance to streaming and subscriptions. To establish the Service Commerce Performance Index, PYMNTS Intelligence conducted a comparative analysis of 2,566 U.S. bill paying consumers and 240 senior billing executives representing four key service categories, across seven dimensions of the billing and payment experience.

The findings reveal not only the widespread dissatisfaction with the billing experience overall, but the impact on revenue, relationship value and, in competitive categories, the potential for customer churn. The Service Commerce Performance Index indicates that:

> **Service Quality is Rooted in the Billing Experience**
> While **58% of consumers** said the monthly billing and payment experience shapes how they judge overall service quality, **fewer than 5% of service providers** identified billing and payments as a major driver of customer loyalty—revealing a significant gap between consumer expectations and provider priorities.
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> **Billing Friction Creates Cash Flow Problems**
> PYMNTS Intelligence projects that roughly **$28 billion per month** in recurring revenue in the four categories studied may be exposed to payment delays because customers dissatisfied or frustrated by the billing experience choose to delay bill payments.
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> **Affordability Compounds the Problem**
> Customers who are most concerned about affordability rate the billing and payment experience **20-30 points lower than the average**. They are more easily frustrated by friction, dissatisfied with service quality, and more likely to delay payment.
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> **A Generation of Bill Payers at Risk**
> **Gen Z scores every industry 12 to 16 points lower than their older counterparts.** 54% find today's payment experience frustrating and 4 in 10 Gen Z consumers will deliberately delay paying a bill until questions are answered or disputes are resolved. For service providers, the most valuable cohort of bill paying customers is the least satisfied, the most likely to delay bill payment, has the highest switch intent, and is the most likely to churn.

"When we assign letter grades to service provider performance, no dimension of the billing and payment experience earns better than a 'C' from consumers," said Karen Webster, CEO of PYMNTS Intelligence. "In a world in which commerce moves seamlessly and customers feel personally connected to the brands they value and trust, providers of essential services are falling behind. While many service providers tell us they are investing in the basic mechanics of bill delivery and payment enablement, our data suggests that systems that provide more intelligent, intuitive, and connected experiences are key to building lifetime customer loyalty and value."

The findings reinforce Paymentus' vision for Service Commerce: billing and payment should function as connected service experiences rather than isolated transactions. Paymentus combines AI-based connectivity across disparate enterprise data sources, patented identity and relationship management through BillWallet®, and Billeo™'s conversational interface, workflow and orchestration capabilities to help providers deliver more personalized, intelligent experiences and resolve customer needs before friction leads to delayed payment or churn.

The complete Service Commerce Performance Gap report is now available for download from PYMNTS Intelligence.

Report Methodology

Conducted by PYMNTS Intelligence, the Service Commerce Performance Gap report is comprised of comparative surveys of 2,566 U.S. bill-paying consumers and 240 billing leaders across four key service categories, conducted in March and April 2026. Findings were compiled, analyzed, and reported by PYMNTS Intelligence in September 2026.

About PYMNTS Intelligence

PYMNTS Intelligence is a leading global data and analytics platform that uses proprietary data and methods to provide actionable insights on what's now and what's next in payments, commerce and the digital economy. Its team of data scientists includes leading economists, econometricians, survey experts, financial analysts and marketing scientists with deep experience in the application of data to the issues that define the future of the digital transformation of the global economy. This multilingual team has conducted original data collection and analysis in more than three dozen global markets for some of the world's leading publicly traded and privately held firms.

About Paymentus

Paymentus (NYSE: PAY) is a leading provider of cloud-native billing, payment, disbursement and AI-enabled solutions for businesses and financial institutions. Our platform enables secure, intelligent consumer experiences across digital and assisted channels while providing enterprises with the integration, orchestration and money movement capabilities to manage complex service interactions at scale. Paymentus processes more than 790 million transactions annually across inbound bill payments, multi-party disbursements and payouts, while serving approximately 53 million consumers and businesses worldwide, including more than 30 Fortune 500 enterprises across 35 countries. Paymentus' proprietary Instant Payment Network™ (IPN), extends the reach of our platform by connecting ecosystem partners and tens of thousands of billers to integrated billing, payment, disbursement and reconciliation capabilities. For more information, visit www.paymentus.com.

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