



April 2025

# KUBRA 2025 Credit Card Usage for Bill Payments Research



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Credit cards play a significant role in consumer payment habits, particularly bill payments. Our research presents key insights from a recent study we conducted on how consumers use credit cards, why they use them, and the factors influencing their payment preferences. By examining credit card adoption, bill payment patterns, and potential barriers, we gain awareness of consumer behavior and opportunities for increasing credit card usage in bill payments.

## Key Findings

In general, consumers prefer a hybrid approach to using credit cards, selectively using them for specific payments while relying on alternative methods for others. This preference relates to the bills they pay with credit cards, the frequency of such payments, and the various payment methods they employ for bill settlements. While many use credit cards for specific bills like subscriptions and utilities, they often rely on alternative payment methods such as bank transfers, debit cards, and mobile payment apps for other expenses. Additionally, consumers have different strategies for managing bill payments with credit cards, with some opting for AutoPay for specific bills while manually reviewing others before payment. This mix-and-match approach balances convenience, financial flexibility, cost considerations, and risk management rather than an all-or-nothing reliance on credit cards.

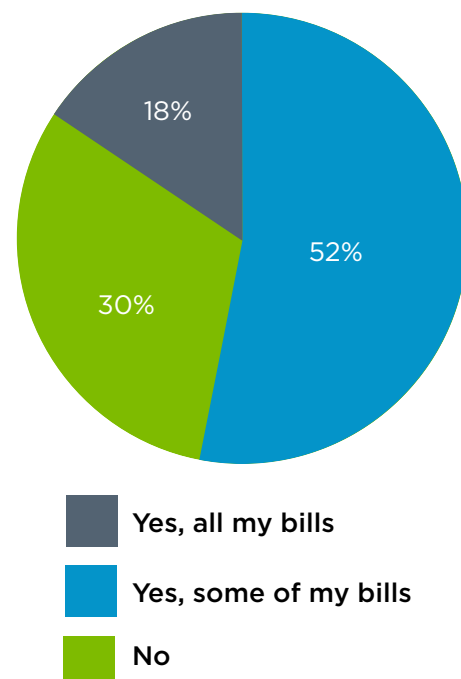
- Many consumers regularly use credit cards for some, but not all, bill payments.
- Most consumers have several credit cards, indicating a dependence on credit for managing their finances.
- Credit cards are most commonly used to pay for digital services like subscriptions and phone bills, followed by essential expenses like utilities and insurance.
- Consumers don't rely exclusively on credit cards for bill payments but instead use a mix of payment methods.
- Cost and debt concerns, among other factors, drive consumers away from using credit cards for bill payments.
- Incentives like cashback and rewards would encourage consumers to use credit cards for bill payments.

- Most consumers use AutoPay to pay all or some of their bills.
- Half of consumers believe that using a credit card makes paying on time more manageable.
- Consumers are unwilling to pay processing fees to use credit cards for bill payments.

## Selective Credit Card Usage for Bill Payments

Just over half, or 52%, of respondents use credit cards to pay some of their bills. This suggests that while they find it beneficial to use this payment method, some limitations or consumer preferences are preventing full adoption. An additional 18% of consumers pay all their bills using credit cards. That leaves 30% of consumers who never use credit cards for bill payments. Their reasons may include a desire to avoid debt, reduce fees, and concerns about overspending. Many consumers prefer a hybrid approach, using credit cards selectively rather than for all bills. Though credit card adoption for bill payments is widespread, the above concerns may be limiting full adoption.

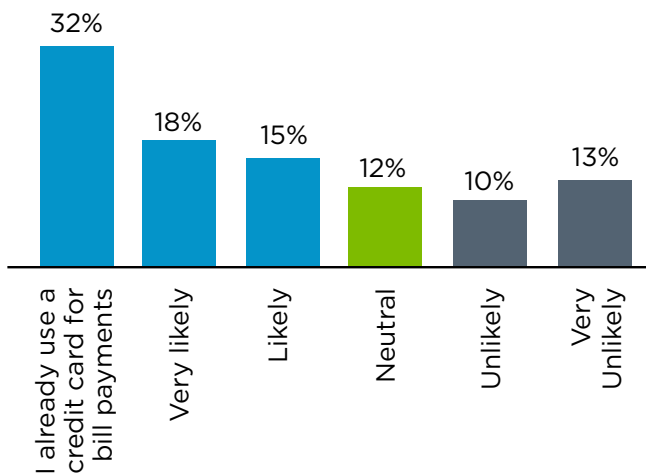
**Do you currently pay your bills with a credit card?**



## Consumers Plan To Continue Using Credit Cards for Bill Payments

Previous findings indicate that a substantial number of consumers currently use credit cards for bill payments. Building on this, many consumers plan to use them in the future. As a result, 65% are either already using, very likely, or likely to use credit cards for bill payments. This indicates that credit cards remain a crucial payment method for bill payments, potentially influenced by economic conditions, financial flexibility, and rewards programs. Meanwhile, uncertainty persists among the remaining consumers, with 12% neutral and 23% (10% unlikely, 13% very unlikely) not expecting to use credit cards for bill payments, opting for alternative payment methods.

### How likely are you to use a credit card for your bill payments in the future?



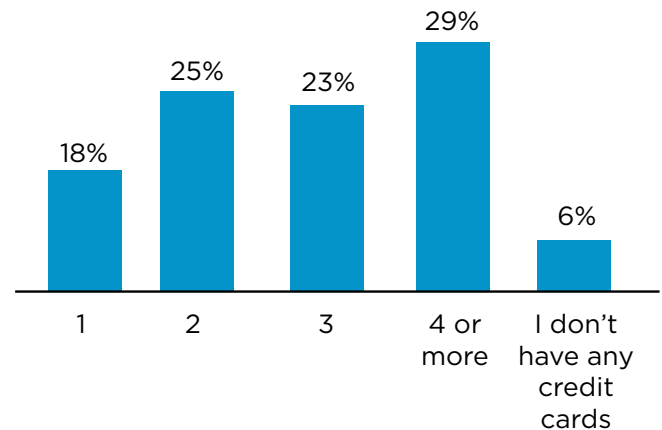
## Multiple Credit Card Ownership Is the Norm

Most consumers hold multiple credit cards, with 29% having four or more, 23% having three, and 25% having two. A cumulative total of 77% owning at least two or more credit cards shows a strong preference for or comfort with managing multiple credit lines. The remaining 18% with just one credit card suggests that some consumers prefer a more simplified approach to credit management, while 6% have opted to forgo credit cards entirely.

The widespread use of credit cards underscores their benefits, making them essential to modern financial habits. While a small minority steers clear of credit cards entirely, diverse ownership patterns reveal varied financial behaviors. This suggests that credit is still essential to consumers' money management practices. Some prioritize rewards and flexibility, while others aim for simplicity and debt avoidance. Overall, this reveals that having multiple credit cards

is common, reflecting a strong reliance on credit cards for everyday spending, rewards accumulation, financial flexibility, or managing different types of expenses.

### How many credit cards do you currently have?



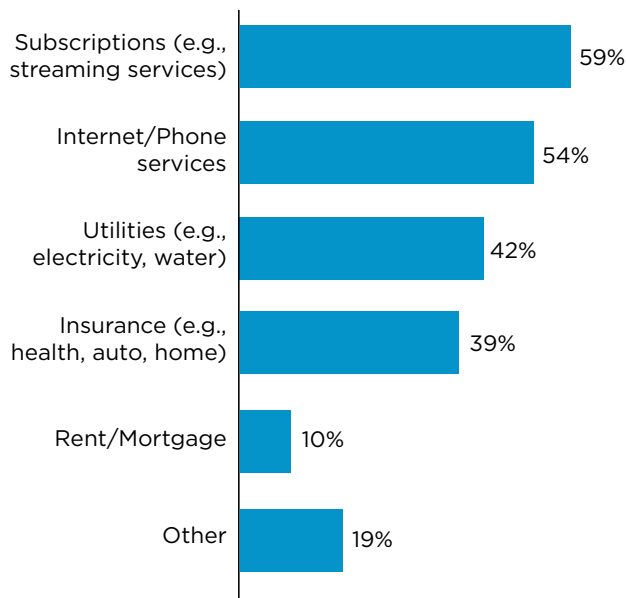
## Consumers' Credit Card Usage Varies Across Different Bill Types

Subscriptions are the most common bill paid for by credit cards, with 59% of respondents indicating they use them to pay for things like streaming services. Subscriptions are typically set up for automatic payments, making credit cards a convenient option for ongoing charges. Internet/phone services follow closely, with 54% of consumers using credit cards to pay those bills. A moderate 42% use credit cards to pay for utilities (e.g., electricity, water), and 39% use them to pay for insurance (e.g., auto, health, home). Rent and mortgage payments are the least common expenses paid via credit card at just 10% of respondents. This is likely due to high processing fees, lack of acceptance by landlords/lenders, and the risk of accumulating large balances with interest.



Recurring and digital-based services (like subscriptions and phone bills) are well-suited to credit card payments due to the ease of automation and the potential for earning credit card rewards. Large fixed costs, like rent or mortgage payments, are rarely paid by credit card, likely due to fees or financial constraints. Consumers balance many factors when selecting which bills they charge to credit cards.

Which of the following bills do you most frequently pay with a credit card?

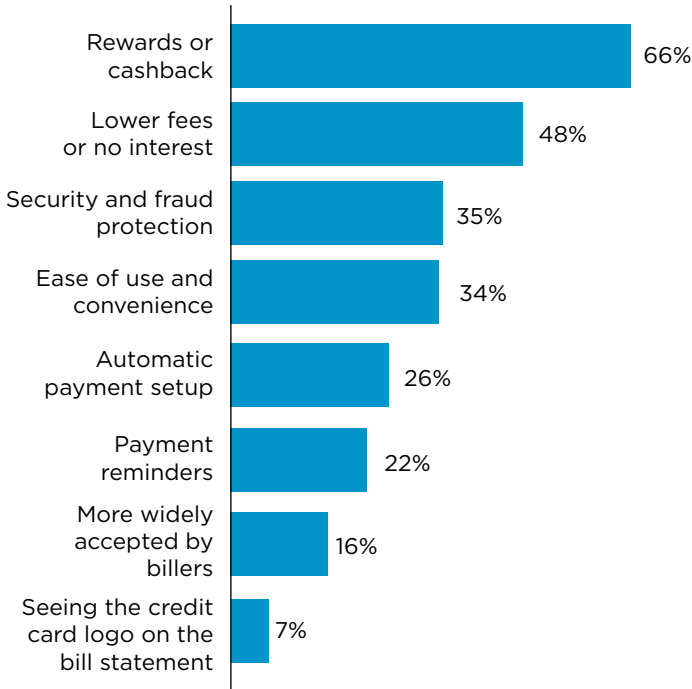


Rewards and Cashback Encourage Credit Card Usage for Bill Payments

Various factors can encourage customers to use or increase their credit card usage for bill payments. At 66%, rewards or cashback are the most influential factors. Additionally, 48% would use credit cards more if they were associated with lower fees or interest-free bill payments. If there were better fraud protection and security for bill payments, 35% of consumers would be more likely to use credit cards more often for bill payments.

Another 34% of respondents cited ease of use and 26% automated payment setups (AutoPay) as key reasons to start or increase credit card usage. Ultimately, rewards, lower fees, interest-free, and security and fraud prevention options are the biggest drivers of increased credit card usage for bill payments.

What factors would encourage you to start using or increase your use of credit cards for bill payments?



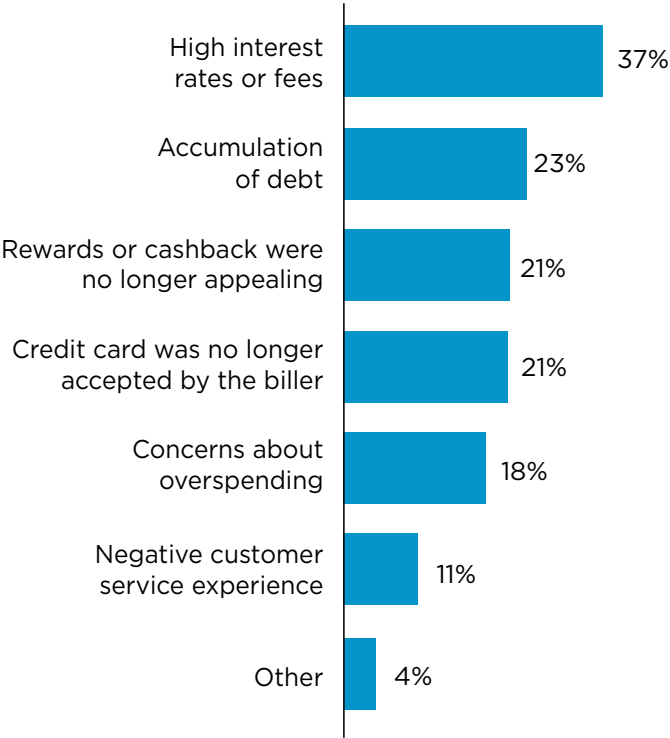
Cost and Debt Concerns Among Key Reasons Consumers Stop Using Credit Cards for Bill Payments

Consumers most commonly stop using credit cards for bill payments due to high interest rates or fees, as 37% of respondents indicated. Many people find using credit cards too expensive, especially if they carry a balance and incur interest charges or processing fees from billers. Nearly a quarter of respondents stopped



using credit cards due to rising debt levels, and 18% stopped using credit cards because of concerns about overspending. This suggests that some consumers struggled with managing payments and avoiding high balances.

**If you stopped using a credit card for bill payments, what prompted the change?**



Changes in rewards programs led 21% of consumers to stop using credit cards due to decreased attractiveness. Clearly, some consumers will seek alternative payment methods if credit card incentives decrease. Another 21% of respondents stopped using credit cards because their billers no longer accepted them, and 11% of consumers reported that poor customer service influenced their decision to stop using them. Research indicates that maintaining appealing rewards programs is crucial, as they significantly impact credit card usage.

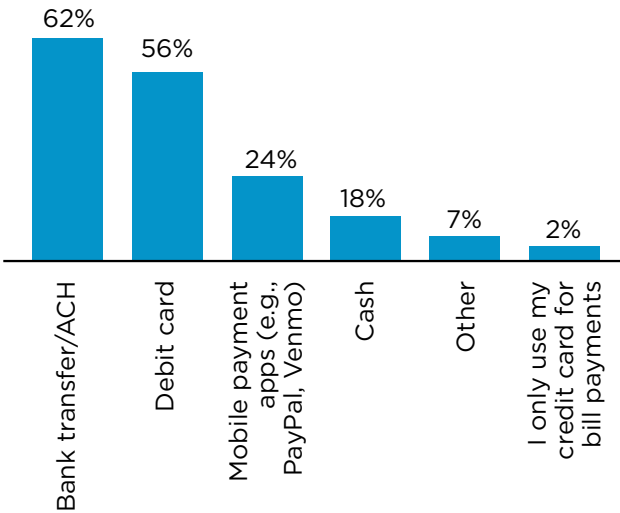
**Customers Use a Mix of Payment Methods**

As payment technology continues to evolve, consumers increasingly use various alternative payment methods. Bank transfers (ACH) are the most common alternative to credit cards at 62%. This indicates that direct account-to-account transfers are considered secure, reliable, and often fee-free. Debit cards follow closely with 56% of customers using them for bill payments, showing a preference for direct payments without accumulating debt. These top two options are likely popular due to their

fee-free nature and direct account linkage. Nearly a quarter of respondents use mobile payment apps like PayPal or Venmo, highlighting a shift toward digital, app-based payment solutions. This shows a growing comfort with non-traditional payment methods for bill payments.

Not everyone is going digital; 18% of respondents said they still use cash for bill payments. Only 2% rely exclusively on credit cards for all bill payments, reinforcing that most consumers use a mix of methods. Consumers want options, so a hybrid approach is the most common. This allows consumers to balance convenience, security, and cost when choosing payment methods.

**What alternative payment methods do you currently use for bill payments?**



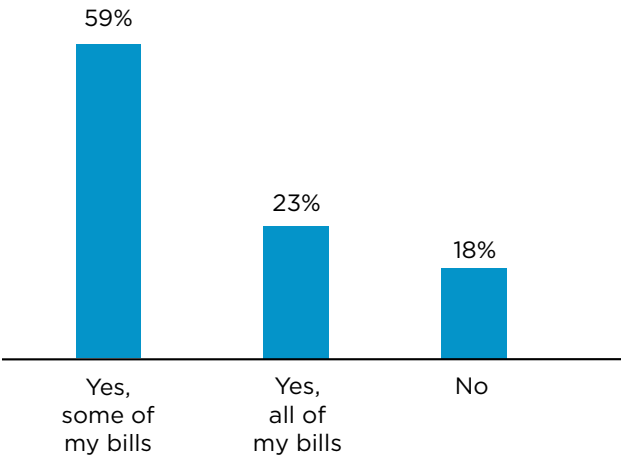
**AutoPay Usage Varies Among Consumers**

Higher trust in automation and financial stability can be attributed to greater comfort using AutoPay, with 23% of respondents indicating they use it for all their recurring bills. An additional 59% use AutoPay for some recurring bills, though 18% don't use it at all. AutoPay often appeals to consumers who prioritize convenience and want help avoiding late fees and ensuring timely payments. A significant 74% of consumers use their credit card for AutoPay to pay some, most, or all of their bills. However, some still prefer alternative payment methods, with 26% opting not to use their credit card with AutoPay. These consumers are likely concerned about accumulating debt, interest charges, or exceeding credit limits.

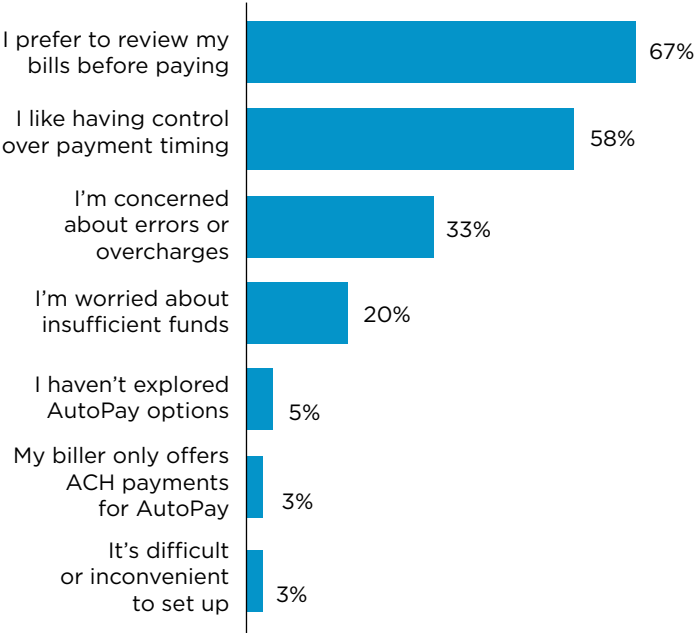
There are many reasons why 18% of people don't use AutoPay. The top three insights reveal that 67% of consumers prefer reviewing their bills before paying them, indicating a strong desire to ensure accuracy

and avoid unexpected fees. Secondly, 58% want control over payment timing, meaning consumers prefer flexibility in managing their finances, especially for bills with fluctuating amounts. Thirdly, 33% of those who don't use AutoPay are worried about potential errors or overcharges. Other reasons include concerns about insufficient funds and financial planning, not exploring AutoPay options yet, seeing AutoPay as hard or inconvenient to set up, or billers only offering ACH (bank transfer) payments for AutoPay. Billers looking to increase AutoPay adoption may need to address these concerns by improving billing transparency, offering better notification systems, and allowing more flexibility in payment schedules.

**Do you use AutoPay for recurring bill payments?**

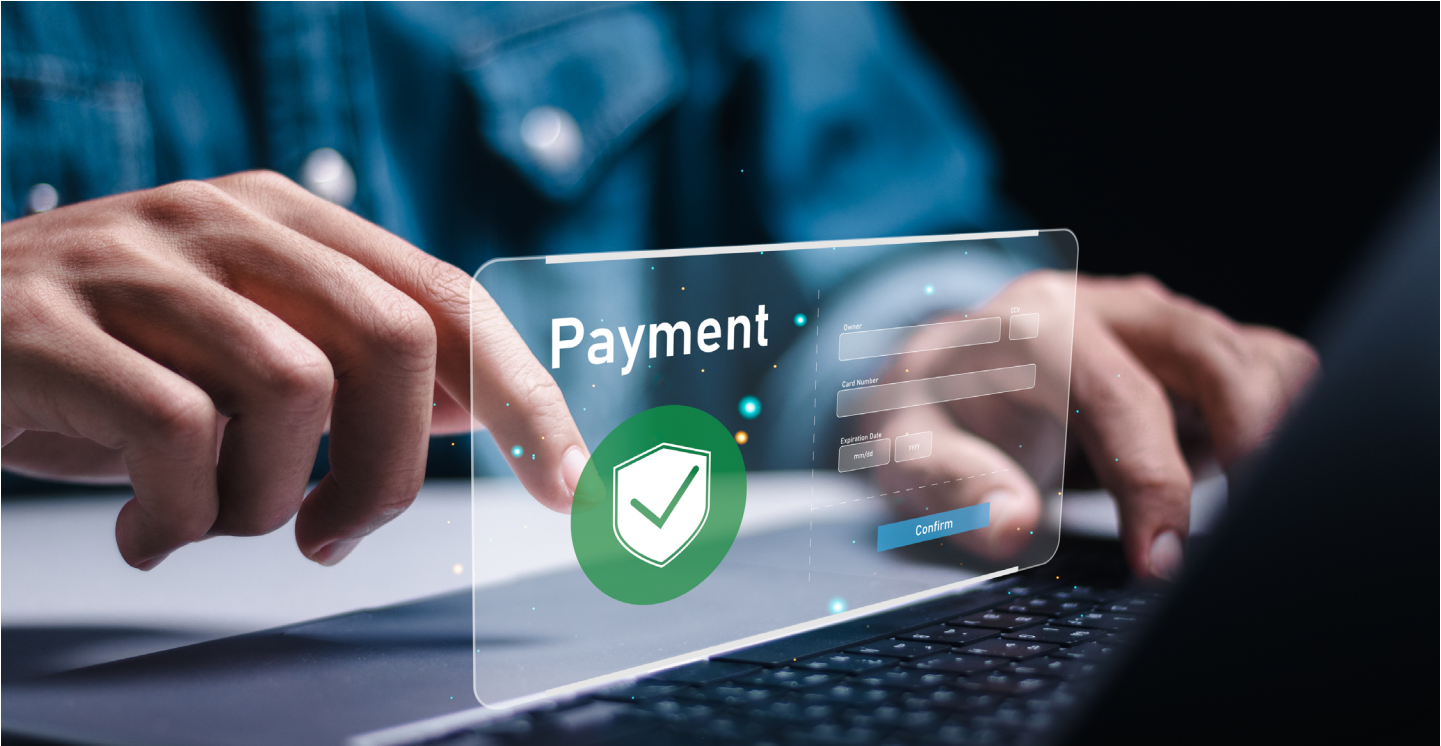


**If you don't use AutoPay, why not?**



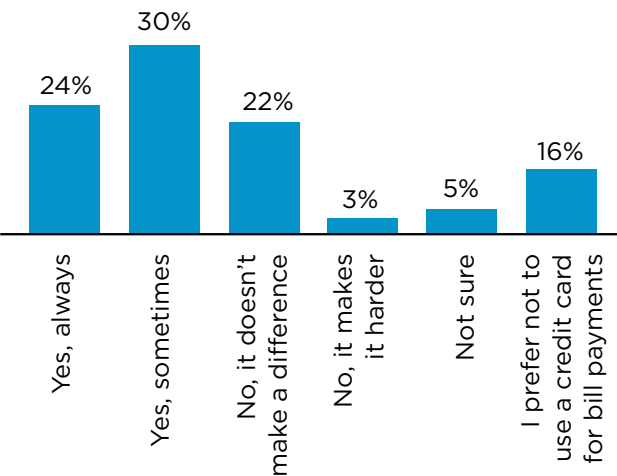
**Many Consumers See Credit Cards as a Helpful Tool for On-Time Bill Payments**

More than half of consumers find credit cards helpful for timely payments; 24% said that credit cards always make paying bills on time easier, and 30% said it sometimes does. These customers see credit cards as useful tools for keeping up with their bill payments, whether always or occasionally. However, 22% of people believe that credit cards do not impact their financial habits, as they see no relationship between



timely payments and credit card usage. This indicates that while credit cards can be helpful, some consumers may already have reliable payment habits or prefer other payment methods that work well for them. Only 3% of respondents believe that using a credit card makes bill payments more difficult, possibly due to concerns over debt accumulation and interest rates.

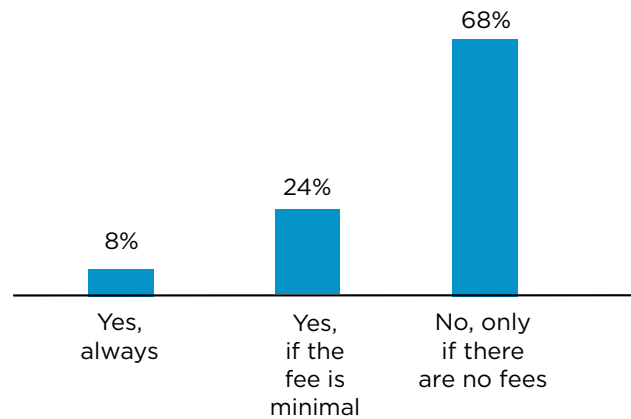
**Does using a credit card make paying your bills on time easier?**



**Most Consumers Are Unwilling To Pay Fees for Credit Card Bill Payments**

A significant number of consumers are reluctant to pay processing fees associated with bill payments, which shows that these fees significantly deter credit card adoption for 68% of respondents. Consumers likely view credit card fees as unnecessary, especially when alternative payment methods (e.g., direct bank transfers and debit cards) are free. Some users appreciate the advantages of credit cards, including

**Are you willing to pay a small processing fee to pay your bills with a credit card?**

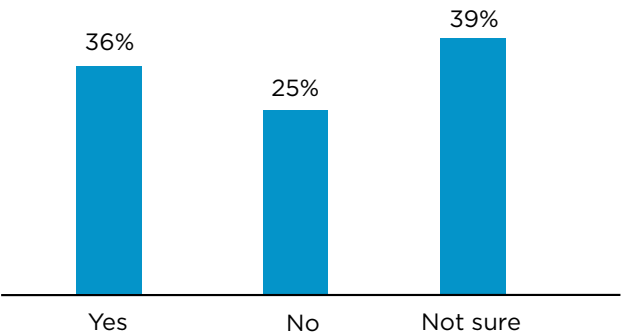


rewards, convenience, and fraud protection, with 24% willing to incur a minor fee for these benefits. However, this willingness depends on the fee amount, suggesting that low fees could retain some credit card users. Only 8% of respondents are always willing to pay a processing fee to use a credit card for bill payments.

**Mixed Perceptions on Credit Card vs. ACH Payment Security**

Many people are uncertain or unaware of the relative security levels between credit cards and ACH transfers. In fact, 39% of respondents expressed uncertainty when asked if credit cards are more secure. Additionally, 36% of consumers believe that credit card payments are more secure than ACH transfers. This could be due to fraud protection, chargeback options, and enhanced security measures provided by credit card companies. An additional 25% don't consider credit card payments to be more secure than ACH transactions. Security perceptions vary, with some consumers favoring credit cards, others favoring ACH, and many uncertain.

**Do you find credit card payments more secure than ACH (bank transfers) payments?**



**About the Survey**

This research is sponsored by American Express. The survey was written and conducted by KUBRA using an online platform. Respondents were sampled randomly, and the survey received 1,028 responses. To qualify for the survey, respondents had to be living in the United States, over the age of 18, and self-identified as the person responsible for paying their bills and mortgage payments. Key demographics such as age, gender, income level, and state of residence were tracked to ensure that the survey responses did not become skewed and represented a broad overview of the United States population. The survey was completed with a 3% margin of error.

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