



# Guide to effectively implementing PayTo

UX design guide for merchants

# Origin of this PayTo merchant guide

## Background

PayTo is a new payment method that aims to replace the legacy method of setting up direct debits. It's a payment method that brings enormous value to merchants, for instance, instant settlement. However it also relies on payers needing to authorise their side of the agreement within their internet banking - outside of the merchant's environment where they initiated the process. Without considering the whole customer experience, Payers and merchants could be left lost in the process, leading to poor adoption and continually dealing with legacy direct debit records.

In the face of the coming challenge, Azupay commissioned a study to look into the attitudes towards the current direct debit process and how best to implement PayTo, given its nuances.

This guide was created out of explorative research conducted with prospective users of PayTo. The research was primarily targeted at the application of setting up automatic payments using PayTo. Using the research findings, we put forward a user experience that businesses looking to implement PayTo into their product experiences.

# How to use this guide

## How to use this guide

This guide puts forward tips on how to best communicate the value of PayTo and where in the user journey you should do it. We also recommend specific communications that should be sent out to best keep your users informed about where they are in the PayTo user journey.

## This guide is compiled to answer the following questions

1. How should my business funnel payers into PayTo?
2. How can I optimise my UX to increase PayTo activation?
3. How can I migrate my existing direct debit payers to PayTo
4. What do I do if a payer suspends a PayTo agreement?
5. What do I do if a payer cancels a PayTo agreement?

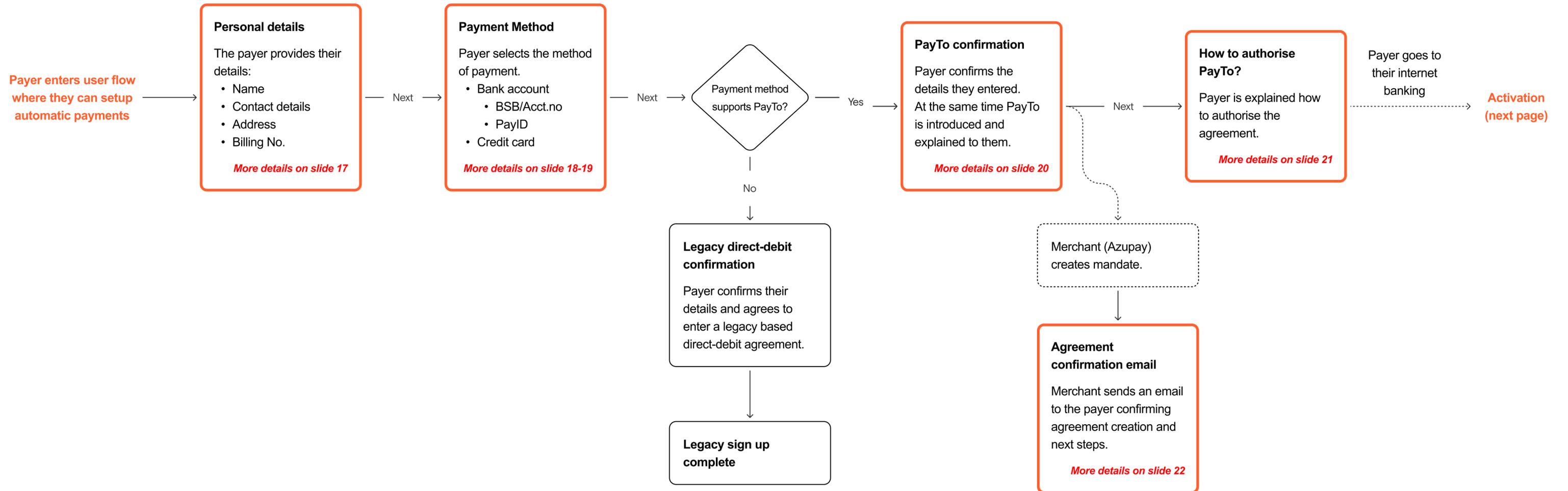
## Related material

This guide should be used in conjunction with the follow documents:

- Mandated Payments Service Customer Experience Requirements and Guidelines (v6.0)
- PayTo Identity Guidelines (v1.0)
- PayTo Messaging Matrix (v1.0)

# How should my business funnel payers into PayTo?

## 1. Acquisition



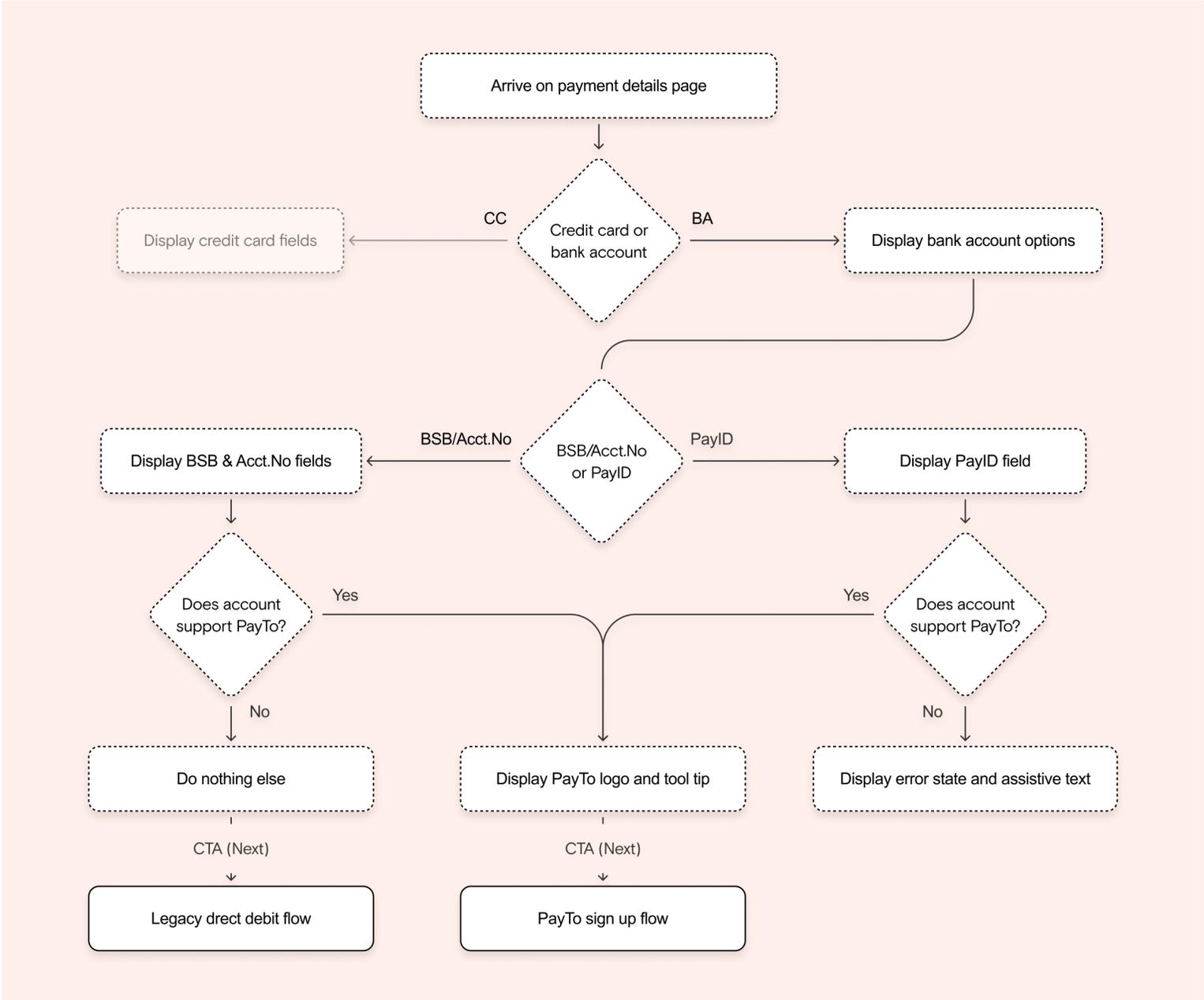
# Validating if the payers entered account has PayTo activate

In the short term, only some bank accounts will have PayTo activated. Merchants will need to facilitate payers signing up using PayTo as well as the legacy method. We believe letting the choice be open to the payer will cause confusion as there could be a high chance they do not know what PayTo is and as a result not choose it.

Adding the option to specify their account using their PayID will add some complexity. Unlike BSB and account number, which can be accepted for both PayTo and the legacy method, PayID can only be accepted for PayTo. As not all PayID connected bank accounts will be activated for PayTo, if PayTo is not supported, the merchant will need to provide feedback to the payer that their PayID will not work.

## Recommendations

1. If the merchant wants to offer the option to specify BSB/Acct.no or PayID, make the default choice BSB/Acct.no.
2. When the payer enters their account details (BSB/Acct.No or PayID) provide instant feedback.
  - a. If the account (BSB/Acct.No or PayID) supports PayTo, display a mini PayTo logo with a tooltip that provides a short description of PayTo. (See Appendix 2.1)
  - b. If the BSB/Acct.No does not support PayTo, do nothing and let them proceed via the legacy method.
  - c. If the PayID does not support PayTo, display an error state and assistive text explaining 'This PayID does not support automatic payments'. (See Appendix 2.2)



# The PayTo sign up confirmation

In response to the payer providing a PayTo supported bank account, the merchant displays this PayTo sign up confirmation screen. Functionally, this page needs to accomplish the following:

- Let the payer review the information they have provided up to this point.
- Allow the payer to agree for the merchant (and Azupay) to generate a PayTo agreement.

In addition to the functional requirements this screen needs to:

- Explains what PayTo is, the value and emphasise that they're already set up for it
- Create trust in a system they have not used before.
- Let them know there are additional steps in the process compared to legacy direct debit sign up.

You want to do this because you want to reduce the instances of payers dropping off because they're don't understand or are unprepared to trust this new service.

## Recommendations

1. Merchants need to explain what is PayTo. Key messaging to get across here are: **(1)**
  - PayTo is a platform built as part of your bank, and you're already set up to use it.
  - PayTo for the first time gives payers control over their automatic payments.
2. Create trust by recognising the Payers bank and incorporating their logo into the layout. **(2)**
3. Make it clear that set up is not complete and the payer has multiple steps to finish authorising the agreement. We've illustrated this by:
  - Step counter and progress bar. **(3)**
  - 'Next' as the CTA communicates that this is not the conclusion. **(4)**

The screenshot shows a web browser window with the City Water logo at the top left. The main content area is titled "Step 1/2" and "Verify your details before creating the agreement", with a progress bar below it. The form is divided into three sections: "PERSONAL DETAILS" (Payment number: 1234 5678 9236, Contact phone number: 0438 456 879, Email number: Alice\_smith@gmail.com), "ACCOUNT DETAILS" (PayID: Alice\_smith@gmail.com), and "DEBIT DETAILS" (Frequency: Once every quarter, Preferred billing date: 15th of the billing month). At the bottom right, there is a "Next →" button. A disclaimer at the bottom states: "By clicking 'Next' I confirm I have read and accept the terms and conditions associated with submitting this application online. By submitting this form for processing I request and authorise Azupay on behalf of City Water, to debit my/our nominated bank account through an established PayTo agreement. The PayTo agreement is not finalised until the agreement is authorised inside the my internet banking. I/We must pay you when the bill is due under the arrangement between us." On the right side, there is a sidebar with the PayTo logo and three sections of explanatory text: "What is PayTo and PayTo agreements?", "Do I need to sign up?", and "How is PayTo different to PayID?". Red boxes with numbers 1 through 4 highlight key elements: 1. PayTo logo, 2. PayTo logo and explanatory text, 3. Step counter and progress bar, 4. Next button.

# Further instructions on PayTo

As this is probably the first time most payers will have used PayTo, merchants need to provide further information about the next steps for the payer. Functionally, this page needs to accomplish the following:

- Explain what's required next as we cannot assume everyone will get or see a notification from their banking app.

In addition to the functional requirements this screen needs to:

- Make it explicit that their setup is not complete.
- Encourage payers to log into the bank to review the agreement
- Encourage payers to actually authorise the agreement.

You want to do this because:

- We want to avoid payers from losing interest and not authorising the agreement.
- We want to avoid payers thinking that the setup is complete.

## Recommendations

1. Break down the steps of authorising into a few steps. (1)
2. Be specific with the instructions in regards to the bank. If you know their account is a CBA account, make the 1st instructions to be 'Access your Commonwealth Netbank' (2)
3. Be specific when referencing the pending agreement, i.e. 'Open the pending agreement named "Azupay on behalf of ..."' (3)
4. Communicate that they have 5 days to authorise, or the pending agreement will expire. (4)
5. Display the same terms which will appear in their internet banking. (5)
6. Further encourage the payer by listing the value of PayTo and the value it creates for them.

The screenshot shows a web interface for City Water's PayTo agreement. At the top left is the City Water logo. Below it, the text reads "Step 2/2" and "Follow these steps to authorise your PayTo agreement." A progress bar is partially filled. A list of five steps is shown, with red boxes highlighting specific parts: Step 1: "Log into your Commonwealth Netbank"; Step 2: "Navigate to your PayTo agreements"; Step 3: "Review the pending agreement labelled 'Azupay on behalf of City Water'"; Step 4: "Review and authorise the agreement"; Step 5: A table of terms. To the right, there are three informational sections: "What has happened" (We've created a PayTo agreement...), "What do I do now?" (Login securely...), and "Why should I authorise?" (PayTo agreements give you visibility...).

**City WATER**

**Step 2/2**  
Follow these steps to authorise your PayTo agreement.

- 1 Log into your **Commonwealth Netbank**
- 2 Navigate to your **PayTo agreements**
- 3 Review the pending agreement labelled **'Azupay on behalf of City Water'**
- 4 Review and authorise the agreement
- 5 **YOU WILL SEE THESE TERMS WHEN REVIEWING**

<b>Payee</b>	Azupay on behalf of Sydney Water
<b>Frequency</b>	Once every quarter
<b>Preferred billing date</b>	15th of the billing month
<b>Amount</b>	No limit specified
<b>Start date</b>	17th March 2022
<b>End date</b>	No end date

**Payto**

**What has happened**

- We've created a PayTo agreement that will appear in your internet banking

**What do I do now?**

- Login securely into your internet banking to authorise the agreement.
- You have 5 days before this agreement expires.

**Why should I authorise?**

- PayTo agreements give you visibility and control over all your recurring payments.

# Agreement creation confirmation email

To account for the scenario where the payer leaves the merchant's platform without having authorised the agreement an email should be sent to the payer at the same time the PayTo agreement is created.

Based on NPPA requirements, this agreement will expire within 5 days from issue date.

## Recommendations

1. Send the email when the agreement is created.
2. Providing a date when the PayTo mandate/agreement will expire will offer transparency to customers and a sense of urgency to lock in their referral price. (1)
3. Present the same step by step instructions shown at time of signup. (2)
4. At this point, customers already have a strong understanding of PayTo. Have this appear further down the page to not take away from the main points of this email. (3)



Hi {payer},

Thanks for choosing us. There is one final action required to set up your recurring payments.

### What action is required?

- Please login to your banking app to authorise your PayTo agreement.
- This agreement will expire on the 22.03.2021.

Already accepted your PayTo agreement within your banking app? There are no more actions for you. Please ignore this email.

### Why do I need to do this?

With PayTo, agreements are facilitated and agreed to directly with your bank provider to allow heightened security of your banking details and more visibility over payments.

### How do I authorise my PayTo agreement?

- 1 Log into your **Commonwealth Netbank**
- 2 Navigate to your **PayTo agreements**
- 3 Review the pending agreement labelled '**Azupay on behalf of [redacted]**'
- 4 Review and authorise the agreement

#### YOU WILL SEE THESE TERMS WHEN REVIEWING

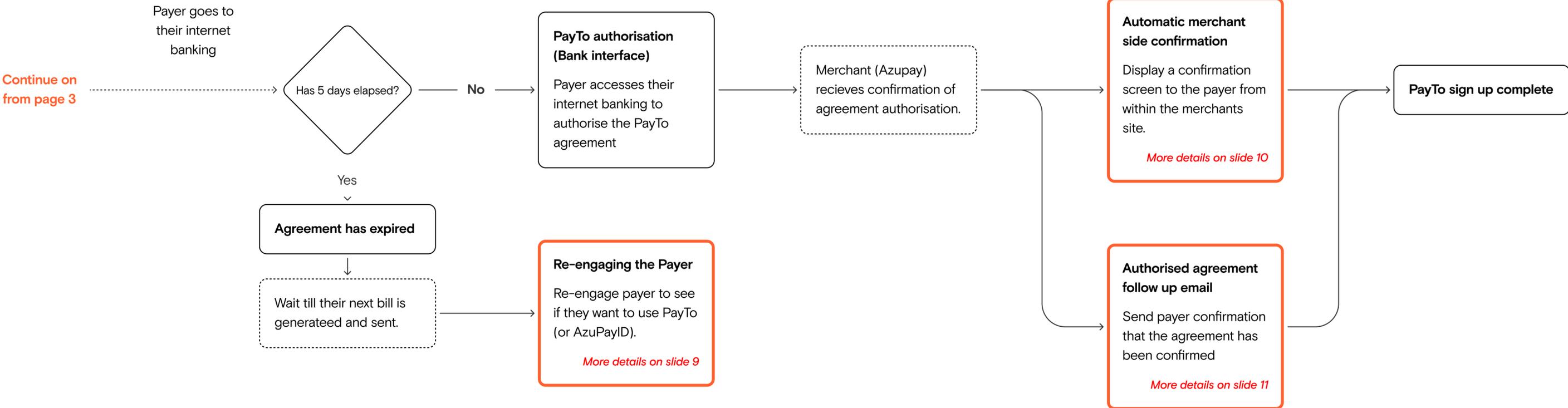
<b>Payee</b>	Azupay on behalf of [redacted]
<b>Frequency</b>	Once every quarter
<b>Preferred billing date</b>	15th of the billing month
<b>Amount</b>	No amount set
<b>Start date</b>	17th March 2022
<b>End date</b>	No end date

### What is PayTo?

It is a new way to pre-authorise payments from bank accounts. It's just like direct debit today, but with an enhanced digital experience that allows you to:

# How can I optimise my UX to increase PayTo activation?

## 2. Activation



# Re-engaging the Payer

If the payer has let their PayTo agreement expire, it could be a good time for the merchant to re-engage them by email the next time a bill is due.

In general, payers appreciated seeing one-off payment options offered as they understood that they still needed to pay their bill.

In the email, prompting the payer to re-establish a new PayTo agreement at this time was an acceptable proposition. As an alternative, encouraging them with the option to make a one-off payment instead was also appreciated. The payers we interviewed were familiar with PayID, and most recognised the ease of paying to a merchant's AzuPayID.

## Recommendations

1. It's acceptable to re-engage the payer after letting a PayTo agreement lapse. We recommend sequencing these comms alongside a new bill being generated.
2. This is a good opportunity to offer PayTo and AzuPayID payment options. (1)
3. Visual hierarchy is important. Showing the payments options you want the user to adopt first will make the payment option stand out and increase the chance of user adoption.
4. It's expected that these payment options would also appear in the users' PDF version of their bill from the merchant.



Hi {payer},

We're emailing to let you know your bill is now ready. We noticed you tried to set up PayTo as a recurring payment option but never approved the agreement.

That's ok. We will help you with the following steps to make sure you can pay your bill on time.

### When is my next billing date?

- You have an upcoming bill for \$350 that is due on 20.03.2021.

### What are my options?

#### 1 Create and authorise a new PayTo agreement

You'll receive a new agreement in your internet banking; once the agreement is authorised, we will debit your account automatically on the due date.

Create a new agreement



#### 2 Make a one-off payment with PayID

If you can't approve the PayTo agreement in time. You can make a one-off payment for this bill using PayID.

Login to your banking app, select pay someone, followed by PayID, copy the unique email address below and add your bill amount.

234987-water-bill@citywater.com.au



#### 3 Pay traditionally by using BPay or visiting a post office.

### Have any further questions?

Please respond to this email, and one of our friendly staff members will assist you further.

Kind regards,

# Automatic merchant side confirmation

Upon the payer authorising the agreement, the merchant platform should refresh instantly, displaying important summary information. The payers we interviewed all believed seeing confirmation from the merchants was important feedback, especially since PayTo was something new and it was their first experience.

## Recommendations

1. The page should be navigated to automatically, triggered by the merchant when they receive confirmation of the authorisation.

**City WATER**

PayTo

What has happened

Step 2/2  
Follow these steps to authorise your PayTo agreement.

- 1 Log into your Commonwealth Netbank
- 2 Navigate to your PayTo agreements
- 3 Review the pending agreement labelled 'Azupay on behalf of Sydney Water'
- 4 Review and authorise the agreement

YOU WILL SEE THESE TERMS WHEN REVIEWING

Payee	Azupay on behalf of Sydney Water
Frequency	Once every quarter
Preferred billing date	15th of the billing month
Amount	No limit specified
Start date	17th March 2022
End date	No end date

**Pay your bill by setting up automatic payments**

**City WATER**

**Set up is complete!**

Here's a summary of your PayTo agreement

<b>Frequency</b>	Once every quarter
<b>Preferred billing date</b>	15th of the billing month
<b>Amount</b>	No limit specified
<b>Start date</b>	17th March 2022
<b>End date</b>	No end date

If you anticipate any issue with any of your payments please [contact our friendly support team.](#)

Instant and automatic →

Close Window

# Authorised agreement follow up email

Payers have up to 5 days to authorise the agreement. Because the merchant does not know when the payer will authorise the payment and payers believe seeing some form of confirmation from the merchant to be important the merchants should send their own confirmation email after the payer has authorised the agreement. The contents of this email should be the same as the content the merchant shows on their confirmation screen in their platform.

This might include:

- Order/customer reference No.
- First payment date
- Service information

### Recommendations

1. The merchant should send a confirmation of their own to the payer once the PayTo agreement is approved. (1)
2. The email should contain the same content that would appear on the confirmation screen within the merchant’s platform.

Hi {payer},

We’re just letting you know that we’ve recieved confirmation that you recently authorised your PayTo agreement.

Your set up is now complete and there’s nothing more for you to do.

In case you missed this here is a summary for your records.

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<b>Frequency</b>	Once every quarter	<i>This is an example of the same content on the merchant's confirmation screen being sent in an email. We're not suggesting this information specifically need to sent the payers in this email.</i>
<b>Preferred billing date</b>	15th of the billing month	
<b>Amount</b>	No limit specified	
<b>Start date</b>	17th March 2022	
<b>End date</b>	No end date	

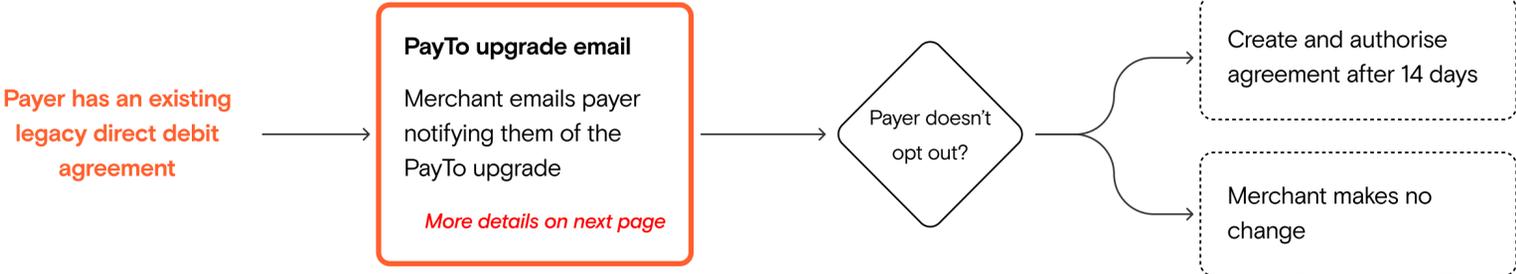
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Kind regards,  
**City Water Customer Support Team**



# How can I migrate my existing direct debit payers to PayTo?

## 2a. Activation (via migration)



# PayTo upgrade/migration email

The NPPA allows Merchants to transfer existing direct debit customers over to PayTo if the following conditions are met.

1. Merchants must inform payers of the change 14 days ahead of time.
2. Merchants must give payers the option to opt-out before the transfer date.

Payers are OK with merchants making upgrades or changes to their service as long as nothing will change to their original payment set-up, bill rates, fees, and users do not need to do anything further to make the change happen.

Automatically transferring customers to PayTo is acceptable and should lead to a high rate of existing payers using the PayTo service.

## Recommendations

1. Automatically transferring existing users to the PayTo service should lead to higher payer signup.
2. Letting the payer know there will be no changes to their payment setup and that no further action is required on their end is very important and should be placed at the start of the email. Giving the user a high degree of comfort and allowing them to be OK with the change. (1)
3. Selling PayTo as a secure upgrade that works with their bank will allow payers to feel more comfortable with the decision to transfer over. (2)
4. Merchants must give payers the option to opt out before the transfer date, we suggest adding this towards the bottom of the email, and the date they need to opt out by will be transparent to the user when further action is required. (3)

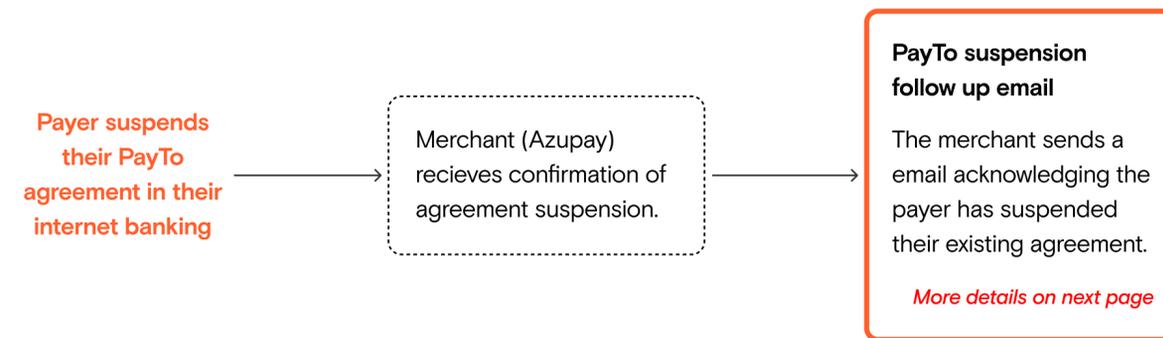


	Hi {payer},
2	We're upgrading your recurring direct debits payments to PayTo.
1	You don't need to do anything differently, your original payment setup will remain as is, we just wanted to keep you in the loop.
2	<b>What is PayTo?</b>  Is a new way to pre-authorise payments from bank accounts. It's just like direct debit today, but with an enhanced digital experience that allows you to: <ul style="list-style-type: none"><li>• Have control over payments from your bank account to help make life admin that little bit easier.</li><li>• It works with the banks, so it's a highly secure payment option.</li><li>• Easily manage finances with payment date notifications that live within one centralised place, your banking app.</li><li>• Want to learn more <a href="#">click here</a>.</li></ul>
	<b>What changes will happen?</b> <ul style="list-style-type: none"><li>• This upgrade will happen in 14 days on 1.02.2021.</li><li>• Your PayTo agreements and upcoming payments will be available in your banking app.</li></ul>
3	You can opt out anytime before 1.02.2021 by <a href="#">clicking here</a> .
	<b>Have any further questions?</b>  Please respond to this email, and one of our friendly staff members will assist you further.  Kind regards,  City Water Customer Support Team

# What do I do if a payer suspends a PayTo agreement?

## 3. Retention

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# Suspended agreement follow up email

Suspending a PayTo agreement is an entirely new concept for payers. When a payer suspends their agreement, the NPPA has set up the following guidelines.

1. Suspending doesn't stop pre existing service obligations with merchants.
2. Merchants and Payers will both have the option to deactivate agreements on the payers' behalf.
3. PayTo agreements will only start again once the original person who deactivated the agreement manually reactivates the PayTo agreement.
4. Payers will have the option to make a new "one-off" payment via PayTo. Selecting this option will not affect their original PayTo agreement date.

We observed that there may be confusion around what suspending achieves. Some payers believed that it was for one cycle, after which it would automatically resume.

## Recommendations

1. Inform payers that suspending the PayTo agreement will stop their recurring payments and not their service.
2. Informing the user that they or their merchant will need to reactive their original PayTo agreement should be high up on the email to bring attention to how suspending an agreement works and what actions are still pending from the payer.
3. If a bill is due for that month, giving the user additional options for payment on the bill email and bill is recommended.
4. If the payer doesn't automatically reactive their account after 5 days, we recommend additional follow up emails to inform the user that they need to reactivate their agreement to continue to have direct debits deducted from their account.



Hi {payer},

**1** You have suspended your agreement for 'Azupay on behalf of City Water' to debit your account for recurring payments.

You have an upcoming bill for \$350 that is due on 20.03.2021.

**What does this mean?**

- Your account is still active with us and we continue to bill you for services used.
- Payments will not automatically start again after this payment cycle. If you could like deductions to start again you must 'reactive' your PayTo agreement. We have added instructions on how to do this below.

To pay for this bill you have these options:

**2** **1** Reactivate the PayTo agreement in your internet banking and be debited as per your original PayTo agreement date.

**3** **2** Choose a different debit date and pay with a one off PayTo agreement.

**One-off PayTo payment**

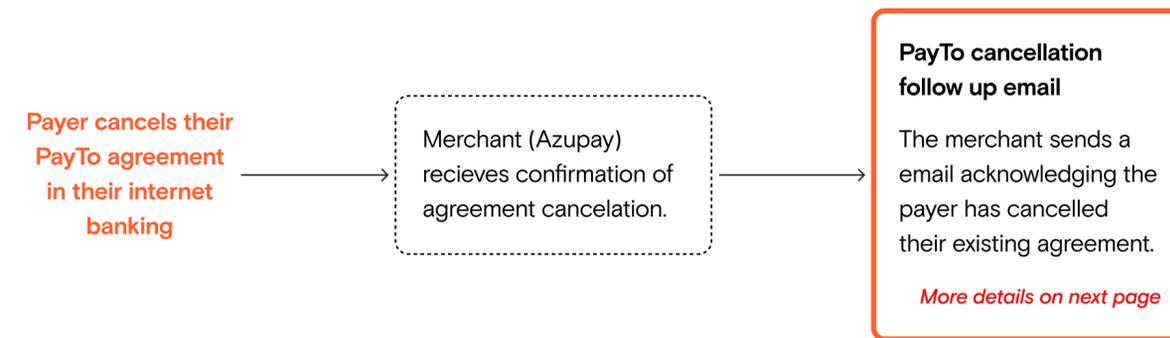
**3** Login to your banking app, select pay someone, followed by PayID, copy the unique email address below and add your bill amount.

**4** Pay traditionally by using BPay or visiting a post office.

# What do I do if a payer cancels a PayTo agreement?

## 3. Retention

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# Cancelled agreement follow up email

Suspending a PayTo agreement is an entirely new concept for payers. When a payer suspends their agreement, the NPPA has set up the following guidelines.

1. Suspending doesn't stop pre existing service obligations with merchants.
2. Merchants and Payers will both have the option to deactivate agreements on the payers' behalf.
3. PayTo agreements will only start again once the original person who deactivated the agreement manually reactivates the PayTo agreement.
4. Payers will have the option to make a new "one-off" payment via PayTo. Selecting this option will not affect their original PayTo agreement date.

Payers understanding of suspending was for a limited time; however, they believed suspending would only be for one payment cycle and expected merchants to start their agreement automatically for the next payment cycle. All payers knew that suspending a payment would not stop any pre existing terms or service agreements already held with their merchant.

## Recommendations

1. Inform payers that suspending the PayTo agreement will stop their recurring payments and not their service. (1)
2. Informing the user that they or their merchant will need to reactive their original PayTo agreement should be high up on the email to bring attention to how suspending an agreement works and what actions are still pending from the payer. (2)
3. If a bill is due for that month, giving the user additional options for payment on the bill email and bill is recommended. (3)
4. If the payer doesn't automatically reactive their account after 5 days, we recommend additional follow up emails to inform the user that they need to reactivate their agreement to continue to have direct debits deducted from their account.



Hi {payer},

You recently cancelled your PayTo agreement with City Water.

**2 What does this mean?**

We will no longer debit your account on a recurring basis for your water service. Your account is still active with us, and we will continue to bill you for services used every quarter.

**3 Didn't mean to cancel your agreement?**

[Create a new agreement](#) 

**4 To automatically have this payment debited from your account, create a new agreement before your bill due date on 20.03.2022.**

**Prefer to pay using a different method?**

You can pay bills manually with these payment options:

**1** Login to your banking app, select pay someone, followed by PayID, copy the unique email address below and add your bill amount.

[234987-water-bill@citywater.com.au](mailto:234987-water-bill@citywater.com.au) 

**2** Pay traditionally by using BPay or visiting a post office.

**5 You want to cancel the service with City Water?**

Please call City Water direct on 1800 456 689, and one of the friendly staff members will be able to assist you further.

Kind regards,

City Water Customer Support Team

# Appendix

1.1 Payment method validation and tool tip

1.2 PayID input field error state and assistive text

# 1.1 Payment method validation and tool tip

## Pay your bill by setting up automatic payments



**PayID**

Using the details you just provided to us, we (City Water) can see your email address is a registered PayID, and it has support for automatic payments.

Click 'Connect account' if you want to use this PayID. If not, select another direct debit method.

**Frequency**  Once every quarter

**Payment date**  On the due date  Label

**Preferred billing date (1-28)**

**Direct debit method**  Label  Credit card

**Account ID method**  BSB and account number  Label

**PayID**  

[< Personal details](#) [Connect account >](#)

PayTo gives customers more control over payments from their bank account within the security of their online or mobile banking. With the ability to view and manage PayTo agreements in one place, PayTo makes life that little bit easier.

# 1.2 PayID input field error state and assistive text

## Pay your bill by setting up automatic payments



**PayID** Using the details you just provided to us, we (City Water) can see your email address is a registered PayID, and it has support for automatic payments.

Click 'Connect account' if you want to use this PayID. If not, select another direct debit method.

**Frequency**  Once every quarter

**Payment date**  On the due date  Label

**Preferred billing date (1-28)**

**Direct debit method**  Label  Credit card

**Account ID method**  BSB and account number  Label

**PayID** ⓘ   
This email does not support automatic payments

[← Personal details](#) [Connect account →](#)