

# Print and Paper The Facts

## Paper or Digital? Consumer Choice is Being Removed by Corporations

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, including many seniors and people 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.

“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.”<sup>1</sup>

“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.”<sup>2</sup>

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.<sup>3</sup>

United States 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.<sup>4</sup>

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.”<sup>5</sup>

In 2014, the Canadian federal government blocked telecommunication and cable companies from charging fees for paper bills but banks were excluded from the legislation. In 2015, it was proposed that paper bill charges levied by banks would be abolished.<sup>6</sup>

In 2012, The Austrian VKI (bureau of consumer protection) won a Supreme Court case against mobile phone service operator T-Mobile and determined that it was illegal to charge consumers for paper billing.<sup>7</sup>

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.<sup>8</sup>



Results of a 2016 survey indicate that 79% of respondents want the option to continue receiving printed information as it provides a more permanent record. This overwhelming majority in favor of paper was evident even in the youngest age group polled (18 to 24 years). The survey also observed that 77% of respondents would be unhappy if they were asked to pay a premium for paper bills and statements.<sup>9</sup>

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.”<sup>10</sup>

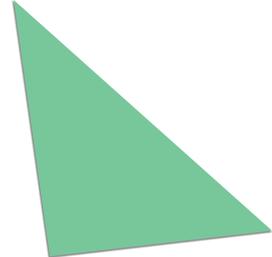
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The key reasons for a preference for paper are: “I am more likely to see it / less likely to miss it or forget to pay it.” Other reasons cited are that they prefer to store these documents in paper format, and that in the case of a dispute, the paper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

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.<sup>13</sup>

Other key factors in retaining paper options are ease of reading on paper compared to a screen (79% prefer paper) and unreliable internet access (49%).<sup>14</sup>

Electronic statements do not work for many consumers because they lack meaningful access to broadband Internet at home.<sup>15</sup>

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 – additional factors associated with lower levels of internet adoption.<sup>16</sup>

In 2015, 55% of American senior citizens, 53% of those who have not completed high school and 60% of those living in households with an annual income under \$20,000 did not have broadband internet at home. These numbers have increased since 2013 because of the cost of internet access.<sup>17</sup>

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.”<sup>18</sup>

Almost 20% of Americans “rely to some degree on a smartphone for accessing online services and information and for staying connected to the world around them — either because they lack broadband at home, or because they have few options for online access other than their cell phone.”<sup>19</sup>

A survey of U.S. consumers undertaken by Two Sides in 2015 reported that 80% stated a clear preference for reading print on paper for complicated materials in contrast to only 13% preferring to read complicated materials on a computer screen. Mobiles and smart phones were preferred by only 3% for reading complicated materials.<sup>20</sup>

<sup>1</sup> [National Consumer Law Center, 2016](#)

<sup>2</sup> [Envelope Manufacturer’s Assoc., 2014](#)

<sup>3</sup> [Envelope Manufacturer’s Assoc., 2014](#)

<sup>4</sup> [National Consumer Law Center, 2016](#)

<sup>5</sup> [Keep Me Posted Australia, 2016](#)

<sup>6</sup> [The Canadian Press, 2015](#)

<sup>7</sup> [Austria VKI, 2012](#)

<sup>8</sup> [Envelope Manufacturer’s Assoc., 2014](#)

<sup>9</sup> [Two Sides, 2016](#)

<sup>10</sup> [Office of Inspector General, 2015](#)

<sup>11</sup> [Envelope Manufacturers Assoc., 2014](#)

<sup>12</sup> [Office of Inspector General, 2015](#)

<sup>13</sup> [Fresh Data, 2013](#)

<sup>14</sup> [Two Sides, 2016](#)

<sup>15</sup> [National Consumer Law Center, 2016](#)

<sup>16</sup> [Pew Research Center, 2015](#)

<sup>17</sup> [Pew Research Center, 2015](#)

<sup>18</sup> [National Consumer Law Center, 2016](#)

<sup>19</sup> [Pew Research Center, 2015](#)

<sup>20</sup> [Two Sides, 2015](#)

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