



doxoINSIGHTS

The Bill Pay Economy™

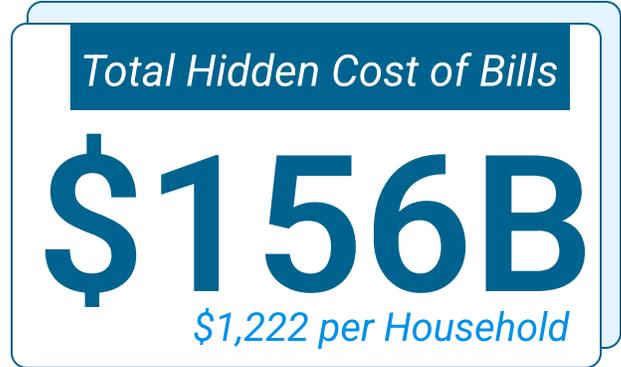
Hidden Cost of Bill Pay Report

A comprehensive analysis of the four hidden costs of bill pay that affect consumers:
credit impacts, biller late fees, fraud and identity theft, and overdraft fees.

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The Hidden Cost of Household Bills

Behind every monthly bill is more than just the amount due. The process of managing, timing, and funding household payments introduces financial risks that often remain invisible until they result in real costs.



From higher borrowing costs tied to credit profile differences to late fees, bank overdraft charges, and fraud or stolen payment information, these hidden impacts accumulate across millions of U.S. households each year.

These are not discretionary expenses. They represent avoidable financial leakage that undermines household stability and increases financial stress.

This report identifies four primary sources of hidden financial burden embedded within today's bill pay system: **1. Credit Impacts, 2. Biller Late Fees, 3. Fraud and Identity Theft, and 4. Overdraft Fees.**

The 2025 Hidden Costs of Household Bills is \$156B annually, equivalent to \$1,222 per U.S. household.

Hidden Cost of Bills	Total Cost	Household Cost
Credit Impacts	\$99.5B	\$781
Biller Late Fees	\$31.6B	\$248
Fraud and Identity Theft	\$12.5B	\$98
Overdraft Fees	\$12.1B	\$95
Totals	\$156B	\$1,222

#1 Credit Impacts

The largest hidden cost is not a visible fee, it is higher borrowing costs tied to credit score differences. A 100 point swing in credit score results in higher APRs on mortgages, auto loans, and credit cards.¹

Total Credit Impacts Costs

\$99.5B

\$781 per Household

APR change based on current national averages (100 point credit score change):

- Mortgage rates increase by approximately **0.32%**
- Auto loan rates increase by approximately **1.69%**
- Credit card APRs increase by approximately **4.53%**

Applied across household balances, these differences translate into:

- **\$323 annually** in higher Mortgage interest
- **\$317 annually** in higher Auto Loan interest
- **\$140 annually** in higher Credit Card interest

With the average U.S. household carrying **mortgage, auto loans, and credit card** balances, interest rate differentials compound into meaningful annual costs.

\$781 Total Annual Impact per U.S. Household

Loan Type	% with Balance	Avg. Balance	Rate Change	Household Cost
Mortgage	40%	\$252,505	0.32%	\$323
Auto Loan	61%	\$30,817	1.69%	\$317
Credit Card	46%	\$6,730	4.53%	\$140

¹ Simon, Jeremy M., "FICO Reveals How Common Credit Mistakes Affect Scores," *Henry Schein*, Nov. 12, 2009

Consumer credit scores play a major role in determining the cost of borrowing for common household debt such as **mortgages, auto loans, and credit cards**. As credit scores increase, lenders typically offer lower **Annual Percentage Rates (APR)**, reducing both monthly payments and the total cost of borrowing over time.

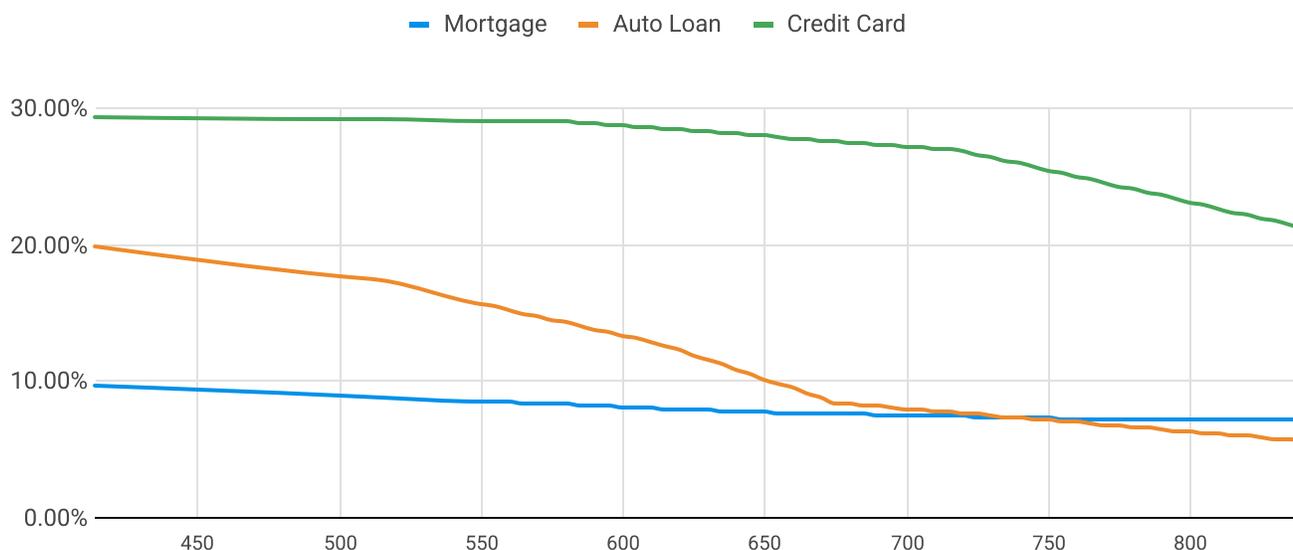
Borrowing costs decline steadily as credit scores improve. Consumers with scores below 600 often face the highest rates, with credit card APRs approaching 30%, auto loan rates exceeding 15%, and mortgage rates nearing double digits. As scores move into the mid-600s and 700s, these rates fall meaningfully, providing access to more affordable credit.

National data shows the average U.S. FICO score declined in 2025 from 717 to 715² suggesting increased financial pressure on households and means more consumers may fall into higher-risk credit tiers where borrowing costs are higher.

Lower Credit Score Impacts on Households:

- Higher interest rates on mortgages, auto loans, and credit cards
- Higher monthly loan and credit payments
- Increased total interest paid over the life of a loan
- Reduced access to lower-cost credit options
- Greater financial pressure when carrying balances or financing large purchases
- Long-term borrowing costs that can compound across multiple household debts

Predicted APR by FICO® Score



² Lee, Tommy, "Student Loan Delinquencies Lower the Average FICO Score to 715," FICO® (blog), Apr. 16, 2025

#2 Late Fees

Late fees occur across bill categories—including credit cards, mortgages, utilities, and insurance—and households that incur one late fee often experience multiple occurrences within a year, as outlined by bill type below.

Total Late Fees

\$31.6B

\$248 per Household

Bill Type	Avg. Fee	% Paid Late	Total Fees	Household Cost
Credit Card	\$32	2%	\$17B	\$133
Rent	\$85	6%	\$7.8B	\$61
Mortgage	\$89	2%	\$2.7B	\$21
Auto Loan	\$35	3%	\$1.6B	\$13
Utilities	\$13	5%	\$970M	\$8
Mobile Phone	\$10	5%	\$760M	\$6
Cable & Internet	\$10	5%	\$760M	\$6

\$248 Total Annual Impact per U.S. Household

Late Payments Impact on Households

Late fees place added financial strain on households through direct penalties, compounding interest, potential credit score harm, increased risk of service interruption, and ongoing financial stress. A 2025 doxo survey found that **35% reported paying at least one late fee within the last year**, and **67% of respondents report some level of concern about incurring late fees.**

35%

of surveyed households reported paying at least one late fee in the past 12 months.



■ Very Concerned
 ■ Moderately Concerned
 ■ Slightly Concerned
 ■ Not Concerned

#3 Fraud and Identity Theft

Fraud and identity theft represent a growing hidden cost within the bill pay ecosystem. In 2024, nearly 6.5 million fraud reports were filed, with consumer costs exceeding \$12.5 billion³, up 25% from the previous year. While these figures reflect direct out-of-pocket losses, the financial burden extends further.



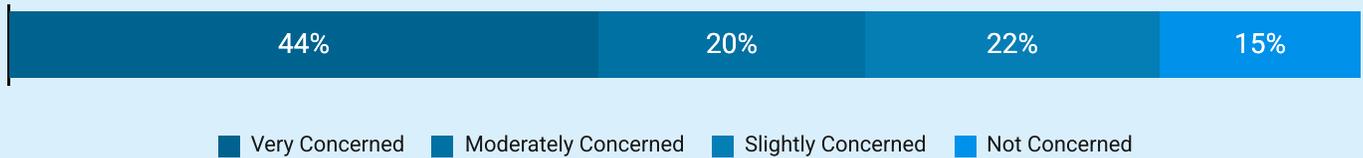
Fraud and Identity Theft Impact on Households:

- Temporary loss of access to funds
- Time spent resolving disputes
- Potential credit score impacts
- Delayed bill payment fees

\$98 Total Annual Impact per U.S. Household

Fraud and Identity Theft Remain Top Concerns

Surveyed households ranked fraud and identity theft as their top bill pay concerns. A doxo survey of active bill payers found that **86% are concerned about fraud or identity theft when paying bills online**, with 43% reporting they are more concerned this year than in the past. Additionally, **25% of respondents said they experienced fraud or identity theft in the past 12 months**, highlighting the growing financial risks consumers face when managing household bills.



³ KPMG "Fraud, Identity Theft, and Other Scams: 2024 FTC Data Book Insights," KPMG Regulatory Insights, 2025

#4 Overdraft Fees

Automatic withdrawals and fixed due dates often intersect with variable income timing. A single overdraft event can generate multiple fees in a short period.

Total Overdraft Fees

\$12.1B

\$95 per Household

Overdraft Fees Impact on Household:

- \$30–\$35 per overdraft occurrence
- Multiple daily charges in some cases
- Reduced available funds for essentials
- Risk of account restrictions or closures

For households managing tight budgets, overdraft fees can eliminate necessary spending capacity for food, transportation, or healthcare.

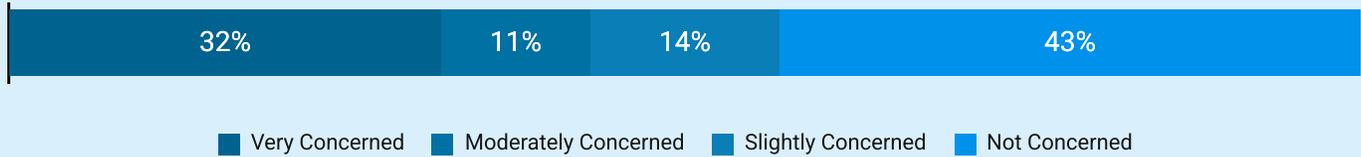
\$95 Total Annual Impact per U.S. Household

Overdraft Fees Add Unexpected Costs

Overdraft and non-sufficient funds (NSF) fees represent another financial risk tied to bill payments. These fees can occur when bill payments exceed available account balances, triggering bank penalties that add unexpected costs to already tight household budgets. Survey data shows that **57% of households are concerned about overdraft or NSF fees when managing their bills.** In the past 12 months, **21% of surveyed households reported paying at least one overdraft or NSF fee associated with a bill payment.**

21%

Households surveyed paid an Overdraft or NSF bank fee tied to bill payments in last 12 months.



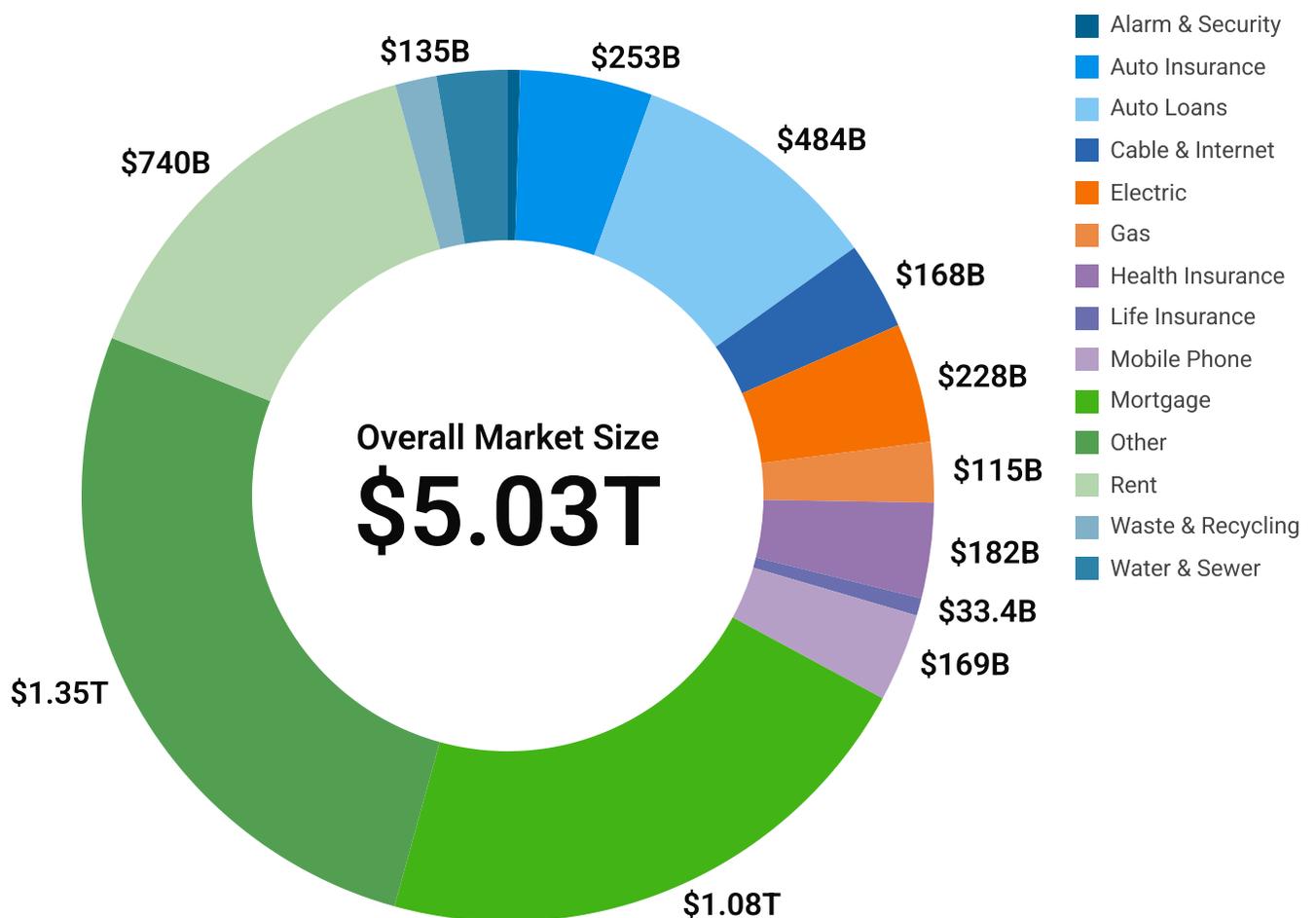
⁴ Gdalan, Hannah, MK Falgout, and David Silberman, "Overdraft, NSF Fees Bigger Burden Than Previously Estimated," *Financial Health Network*, Mar. 24, 2025

Households Spend \$5.03 Trillion Annually on Bills

Each year U.S. households spend over \$5.03 trillion on household bills. Staying on top of these bills is the single biggest factor affecting consumer financial health, and the unnecessary complexity in managing them results in billions of dollars in avoidable consumer expenses each year, along with significant customer support costs.

doxo’s Hidden Costs of Bill Pay Report not only highlights the concerns American consumers have about issues like identity fraud, late fees, overdraft charges, and negative credit impacts, but also quantifies the expense each of these causes for the average U.S. household using an analysis of consumer survey and statistical data.

U.S. Households spend \$5.03 trillion annually on household bills.



*Overall Market Size provided by doxoINSIGHTS 2026 U.S. Household Bill Pay Report

About doxoINSIGHTS

doxoINSIGHTS provides direct insight into The Bill Pay Economy™ by leveraging consumer surveys and doxo's unique aggregate bill pay data set, comprising actual bill payment activity to confirmed household service providers across the country.

doxo data brings together the broadest available data set for analyzing actual household bill payment activity, pulling from over 10 million paying consumers across over 97% of U.S. zip codes. doxo's payment network covers over 120,000 billers in 45 different service categories and enables payments using bank accounts, credit cards or debit cards.

This uniquely broad statistical foundation powers doxoINSIGHTS reports – uncovering key trends for household financial health and bill payment behavior.

INSIGHTS
10M+

Statistically significant,
with 10M+ paying
consumers and 120K+
unique billers

97% Geographically
diverse, capturing
payment activity in all
97% U.S. zip codes

All Payment Sources



Capturing all payment funding sources,
including bank accounts, credit cards, and
debit cards.

Background and Methodology

doxo's proprietary dataset underpins doxo's bottom-up market sizing of the thirteen most common household bills, delivering transparent insights into category size and median household spend at the national, state, and regional levels.

This report is an analysis of survey questions posed to doxo users (the results have a 3% margin of error based on 1,188 sampled adult consumers (age 18+) with representatives from all 50 U.S. states), doxo's unique aggregate bill pay data set, and third party industry data (annotated throughout).

Sources & Methodology:

The doxoINSIGHTS Hidden Costs of Bill Pay Report 2025 combines proprietary bill pay data, consumer survey findings, and publicly available government and industry research to quantify the financial impact.

Proprietary Research

- doxoINSIGHTS, *Consumer Bill Pay Survey, 2025* (1,188 U.S. households surveyed; ±3% margin of error).

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