

How do you pay your bill?

How do you pay your phone and internet bills? Direct debit from a bank account or credit card? Over the phone or online? How about by BPAY or in person at your provider's store or Australia Post?

The amount of billing methods available is overwhelming. Each provider has a different range of options, but there are some common ones like those mentioned above.

When choosing how to pay your bill, you should be aware that some methods attract fees. While these are only usually a few dollars or a small percentage of the total amount, over the life of a contract they can add up to a significant amount that you could be saving.

Paper vs online bills

The majority of the major providers now charge a fee to receive a paper bill. Telstra, Optus, Vodafone and Virgin charge \$2.20 per bill (pensioners on the Telstra Pensioner discount are exempt from this fee). Some internet service providers, including iiNet, iPrimus and Internode also charge for paper bills.

You can save money by receiving your bills online – either by email, via your provider's smartphone app or online account on your provider's website. This won't suit everyone. Without the paper bill to put up on the fridge, some people may forget to pay it. It can also get lost amongst the spam in your inbox. Other consumers just prefer to keep track of their bills with paper statements. These paper bill fees are unfair for some consumers who don't have access to the internet and can't receive their bill electronically.

We found that some providers don't offer paper bills at all. If you prefer to receive a paper bill make sure you select a provider that still issues these.

Direct debit

If you choose to pay your bill by direct debit you can have the payment taken from a bank account, a credit card or a debit card. However, be aware that some providers charge a service fee, usually around one per cent, on Visa and Mastercard credit and debit cards; you may want to avoid this by using a bank account instead.

While using direct debit from a bank account is mostly a free payment method, if you choose this option you should be aware of your monthly billing date to ensure you have enough funds available in your account to pay the bill when it's due. If you miss the direct debit you may get dishonour fees from your bank and possibly a late payment fee from your provider.

Paying online, through a smartphone app or over the phone

It's convenient to pay bills through an app, on your provider's website or over the phone, but to do so you will probably need to use a credit or debit card which may incur a service fee from your provider.

BPAY

BPAY is another option that most providers don't charge for. It could be a good alternative if you don't want to pay by direct debit and you want to avoid credit/debit card fees. If you are paying by BPAY keep in mind that payments can take several business days to process so they need to be made well in advance of the due date to ensure they are received on time.

Paying in person

In person payments are available at Telstra stores (this will incur a \$1.00 fee) and at Virgin Mobile stores. From 1 January, 2016 Optus stores will no longer accept over the counter in store payments, but they will be installing service terminals in selected stores in the future. Vodafone does not accept in store payments.

Some telcos allow you to pay your bill at Australia Post stores. Those that offer this payment method usually charge a fee to do so (for example Telstra charges \$1.00, Optus charges \$1.75 and Vodafone charges \$1.87 + GST).

Help! What's the best way to pay my bill?

The best way to pay your bill is the one that is easy for you and suits your needs. If you are good at remembering your billing date and usually have money available in your bank account, then direct debit is a good option. Generally this is a free payment method (there are some exceptions, check with your provider when you sign up).

Direct debit from a credit card attracts extra fees from some providers, but may be a good option for you if you want to set and forget your bill payment each month. Again, make sure you have the funds available on your credit card.

If you like to pay your bill manually once it arrives in the mail or your inbox then paying by BPAY, over the phone, online or via a smartphone app might be good options for you.

If you are paying your bill in person at your telco's store or at Australia Post, be aware that this may incur extra fees.

You can save some money if you switch to receiving electronic bills. This won't suit everyone, but if you don't mind receiving your bills online it's worth making the switch to save money.