

Free report on opportunities and threats of third-party billing systems

[Business](#), [Customers](#)



Third-party bill payment services, such as BPay of Australia, provide people with a secure, fast, and convenient way of paying their bills through various financial institutions, such as credit unions and banks (BPay 2013).

This type of technology offers many opportunities from the business perspective. Due to the convenience and ease provided by this technology, there is no doubt that most people would want to pay their bills through it, which can be considered a “one-stop shop” for all of their bill payment needs. Aside from the convenience it provides, this type of technology will also enable people to save on costs as they will no longer have to physically go to the various financial institutions to pay their bills. Moreover, they will no longer have difficulties in looking for banks that are affiliated with the companies where they must pay their bills to. With a third-party bill payment system that allows people to pay all of their bills from the comfort of their own homes, people are sure to prefer its use. As such, the banks and the other financial institutions would also tie up with this third-party billing system to please their customers who are bound to expect that they are connected to this third-party bill payment system. In addition, this would be advantageous to many financial institutions, merchants, and businesses as this can mean a decrease in the delay of their customers’ bill payments (Gill 2009). Moreover, this technology can serve as a cost-effective solution for financial institutions that have yet to establish a bill payment system (Carecloud Corporation 2013). As such, this technology provides businesses with plenty of opportunities for expansion.

On the other hand, a threat to the use of this technology is that it may compromise the privacy of the information of both the customers and the

affiliated financial institutions. A weakness in the third party's security may enable computer hackers and cyber criminals to more easily perform their fraudulent acts. Unless the technology's security is properly ensured then this may cause the third-party bill payment service provider to become liable for these breaches in privacy. In turn, this can make financial institutions reluctant to affiliate with them. Similarly, if problems do occur with the bill payment process then it can become harder to trace the root cause of the problem and to determine who's accountable for it. This is because, with the third-party bill payment system mediating between the customer and a financial institution, it's possible for the problem to have occurred on the side of the customer, the third-party bill payment service provider, or the financial institution. This can lead to liability issues, which can in turn lead to customer dissatisfaction and financial losses.

Still, another threat is that with technology now being highly commoditized, it is possible for the technology to be "copied" by another company that might offer the same service. This will add to the initial provider's competition.

In conclusion, a third-party bill payment system is a type of technology and service that offers many opportunities for growth and expansion. It enables customers to pay their bills in a secure, fast, and convenient manner. It can also provide companies with a cost-effective solution for a bill payment system. However, this technology also brings the threats of being "copied" or replicated and it can also cause privacy issues. Moreover, having bill payments go through a third-party bill payment service provider can make it

more difficult to trace the root cause of problems, as well as the accountability for these problems, which can lead to liability issues.

References

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