



Pre-payment in the Smart World

PayPoint Overview

Founded in 1996 to create a convenient national cash payment network for utility companies

Floated on the London Stock Exchange in 2004

Product portfolio expanded to include retail services

Over 1,000 clients including government and key utility brands

Over 644 million transactions processed annually with a value of £10.5 billion

Over 28,500 retail outlets in the UK

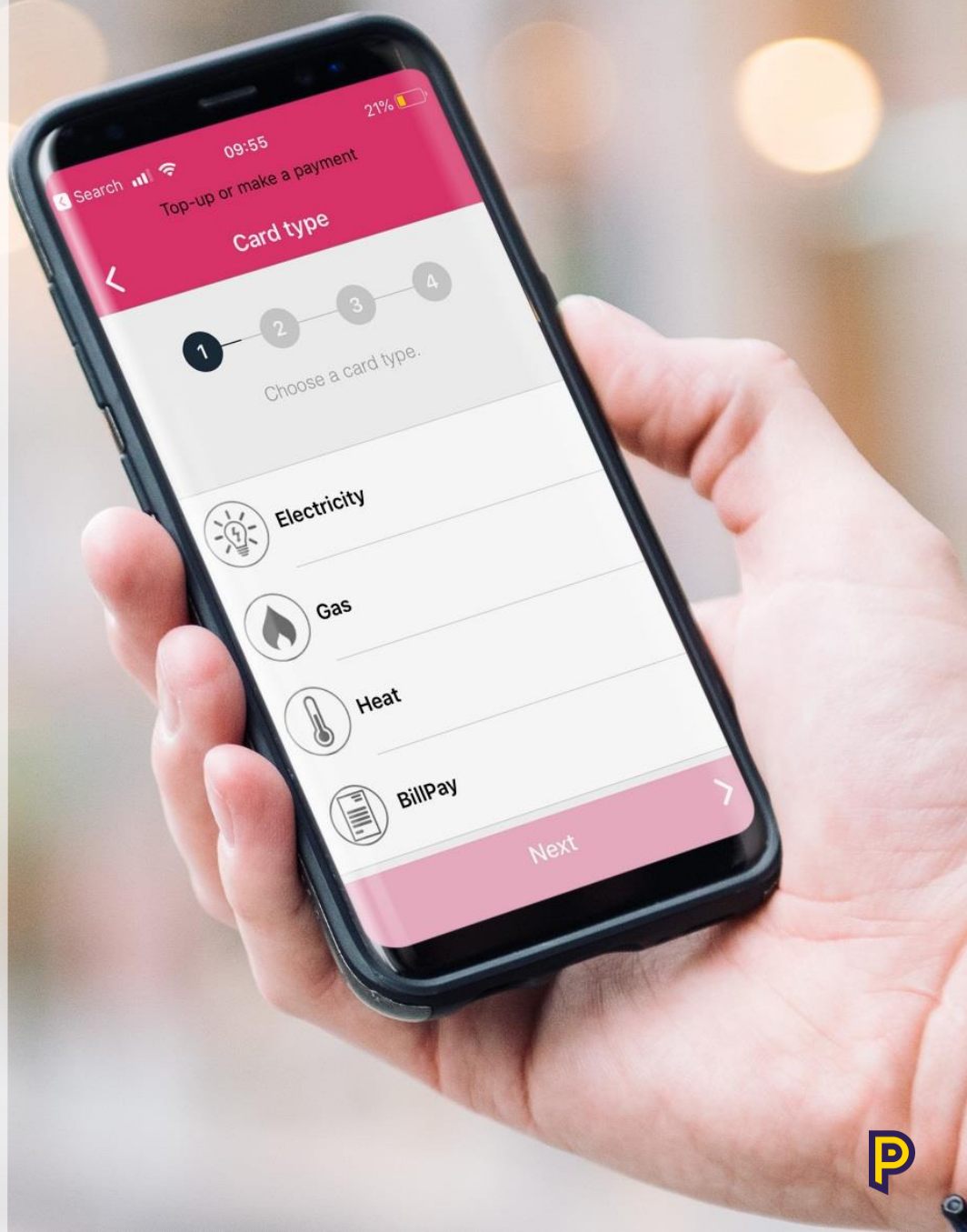
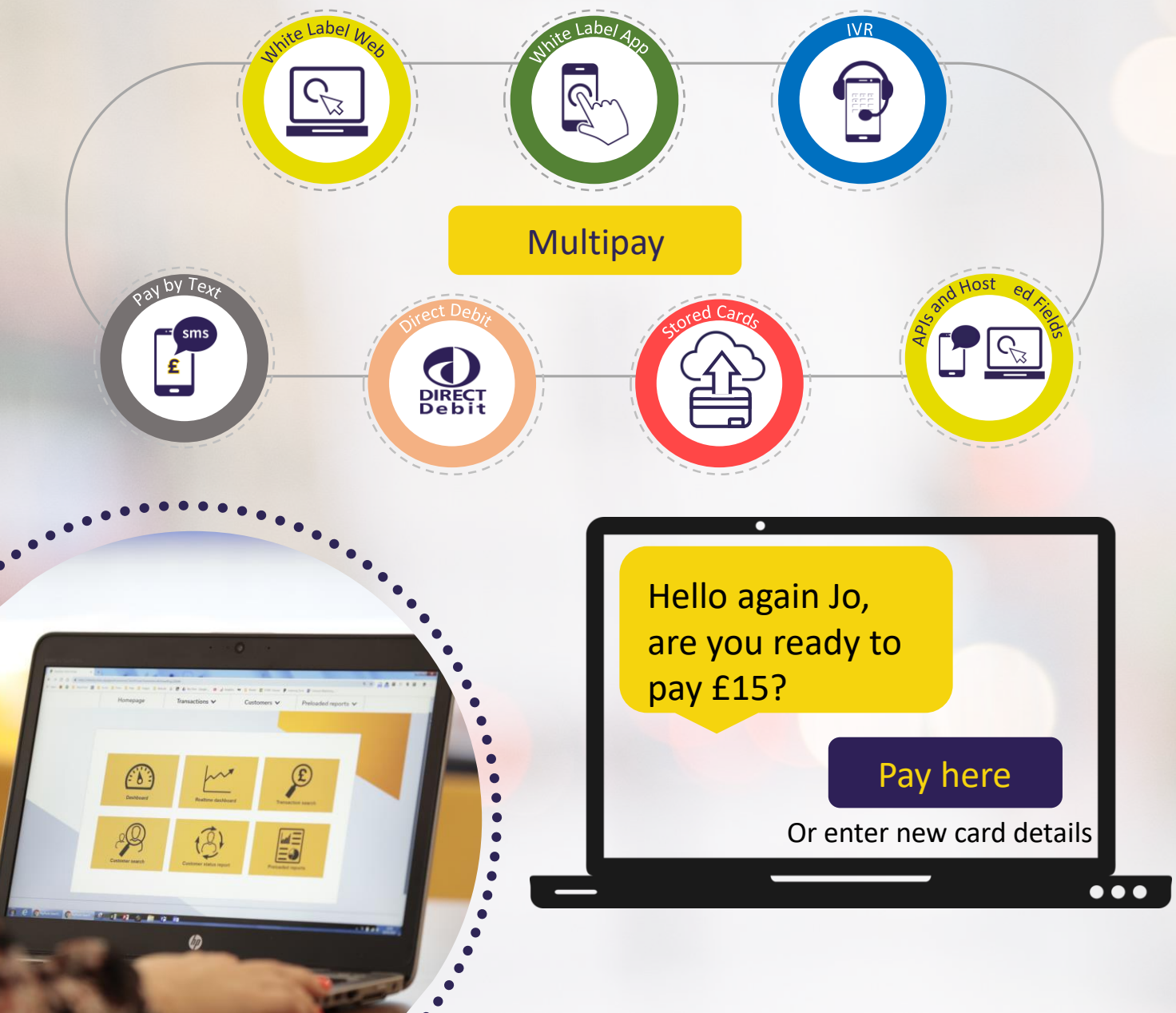
High distribution - 99% of the UK population within 1 mile

Omni-channel payment solutions

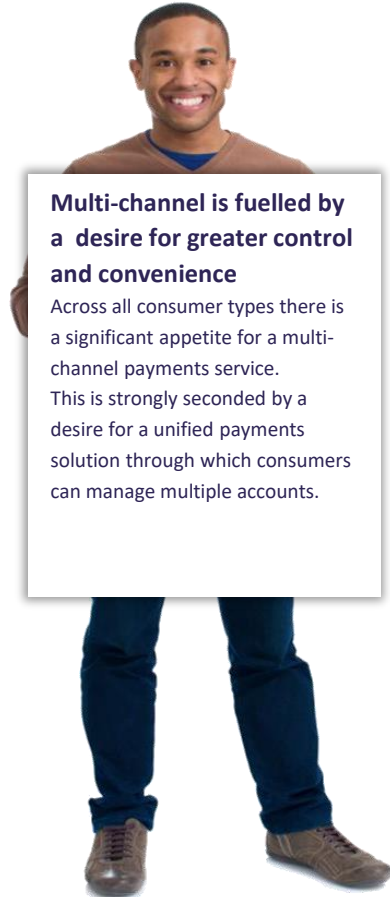
Changing landscape – payments and convenience



The rise of Digital Payments in pre-payment



What customers are telling us



Ever evolving consumers with multi-channel expectations



- Trust
- Control
- Convenience
- Relevance

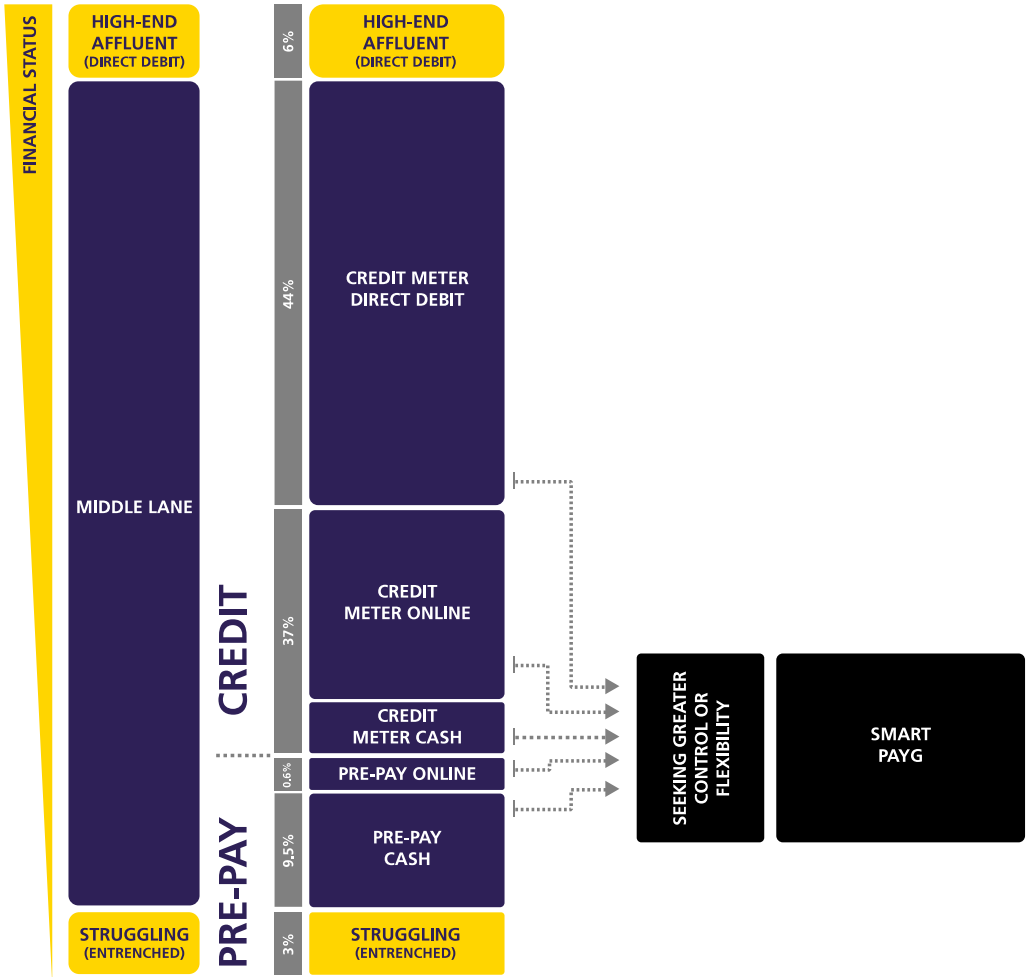
Demands control over **when, where and how** they choose to pay

Doesn't want to be **limited to one payment method**

Values cash as much as cards and online payments

Wants the **freedom to move** between channels as and when to suit whatever they are doing

Expects a fast and familiar, web, mobile and contact centre experience as well as a friendly and efficient retailer who they can **trust with their payments**



52%

PAYG consumers seek greater control and visibility of their energy spend

38%

Of customers want to top up online

29%

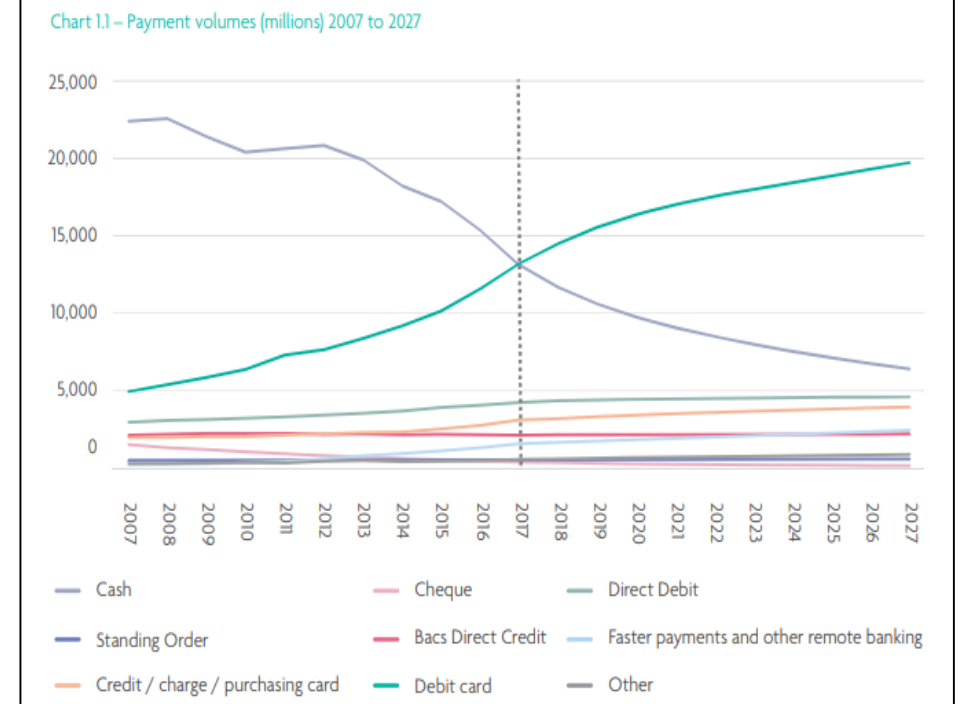
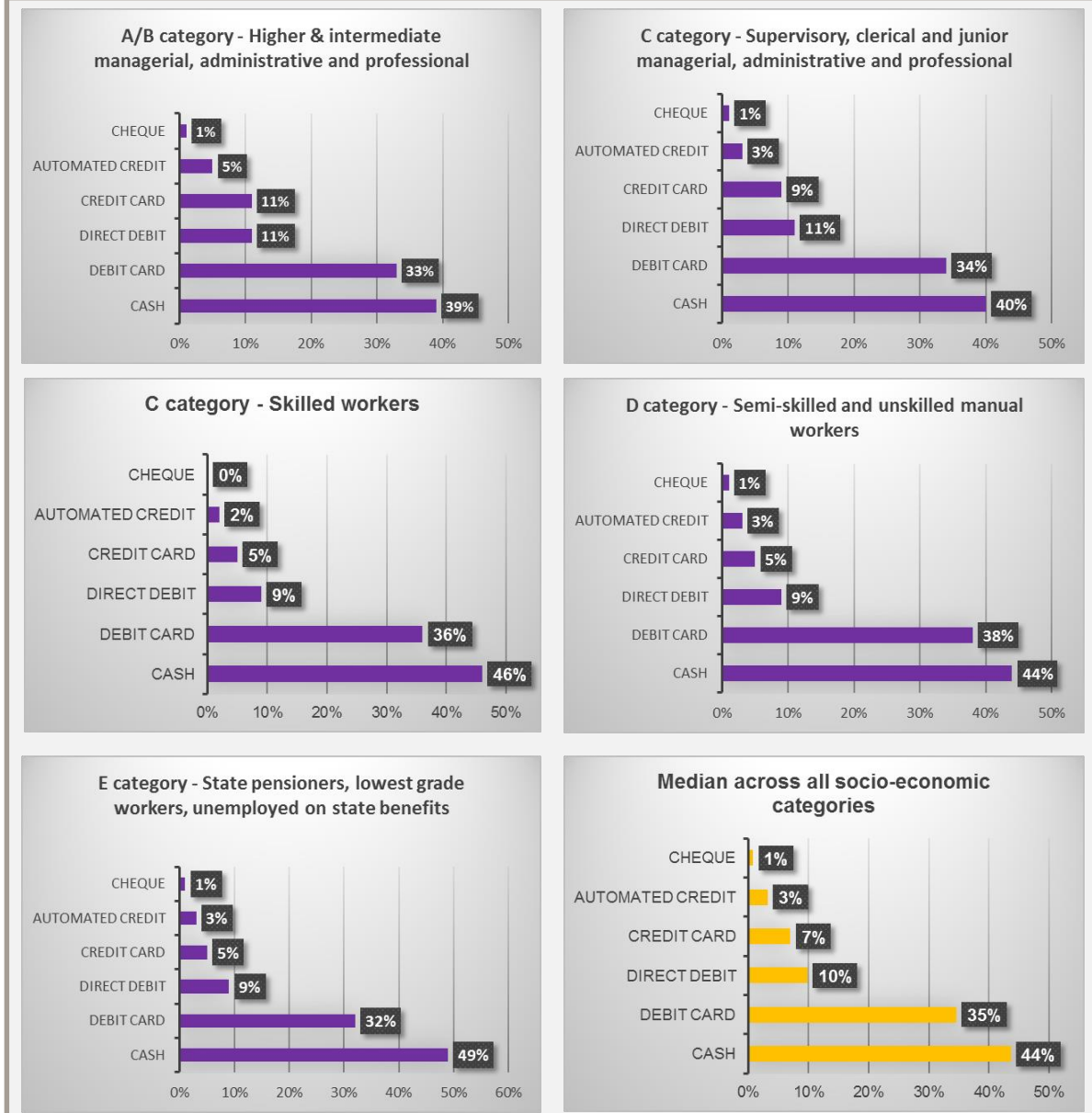
Of customers want to top up by smartphone app

57%

PAYG consumers want to be able to top up from within their homes or work



Personal situation



Key observations

- Lowest socio-economic group more reliant on cash transactions – **49% in E category**
- Credit cards more readily used as socio-economic status increases – **11% in A/B category**
- Debit cards more readily used by A/B/C1 categories – **11% vs 9%**
- Cheques have minimal usage across all socio-economic groups – **average of 1% only**

The introduction of Digital in Smart pre-payment

46% Smart Transactions now taking place remotely

Web Txns £6 more value per ATV compared to Smart Cash

Mobile payment responsible for 67% of MultiPay transactions

Over 2 Million customers using more than one channel

Digital payments grown by 42% over the last 12 months

25% of transactions after 7pm are remote payments

Customers appear to be more loyal on smart than legacy

Engagement increase with Digital options

Collection of data and insights

Monitor all your transactions in real time, regardless of channel through the MultiPay Management Portal.

- Volume & Value data (in store etc)
- Use as insight for Customer Ops/contact centre times
- Knowledge of card types used
- Value per Channel
- When to configure retirement of legacy based on ramp up of SMETS

- ✓ Review transaction reasons, profiles and give customers refunds
- ✓ Set up and save insight reports
- ✓ A clear view of what is going across your channels, from a single reporting package



In summary



**Migration to digital
channels is inevitable**

**Payment methods will
continue to evolve**

Cash is here to stay!

An aerial night view of a city, likely London, showing a river (the River Thames) and numerous buildings. The city is illuminated with warm lights, and the sky is a mix of purple and blue. Overlaid on the image are many yellow shield-shaped logos, each containing a black letter 'P'. These logos are scattered across the cityscape, with some appearing to be on buildings and others floating in the air. A white triangular shape is in the top right corner, containing contact information.

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Thanks for listening – any questions?