

GENERATION INSTANT:

Leveraging Instant Pay to Streamline
Borrowing Disbursements



July 2024 Survey

GENERATION INSTANT:

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Borrowing Disbursements

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JUNE 2024
**How Instant Payments
Help Consumers Receive
Overpayment
Disbursements Faster**



Acknowledgment

Generation Instant: Leveraging Instant Pay to Streamline Borrowing Disbursements was produced in collaboration with Ingo Payments, and PYMNTS Intelligence is grateful for the company’s support and insight. [PYMNTS Intelligence](#) retains full editorial control over the following findings, methodology and data analysis.

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Introduction

In practice, borrowing — whether a consumer, personal or debit consolidation loan — connects consumers with funds they need to pay for major expenses or to manage debt. As a result, the timely receipt of these funds can be crucial, especially now in an economic environment characterized by continued high inflation and interest rates. Instant payments can play a key role in this equation. Not only are more consumers turning to instant payments to receive their borrowed funds, but many senders seem willing to offer instant payouts as well.

In fact, PYMNTS Intelligence data finds a notable uptick in instant usage for borrowing in the past year. Close to half of loan disbursements were received instantly as of January 2024. Moreover, borrowing disbursements now surpass the previous instant payment usage heavyweight: investment account payouts. This rise can largely be attributed to a 13% increase in the share of senders offering loan recipients instant payment options in the past year.

For this report, we looked at personal loans, debt consolidation loans and consumer loans, such as car loans, student loans and mortgages. Among all loan types, consumers are the most likely to receive consumer loan payouts via instant methods, and this type of loan has shown the biggest rise in instant usage. Furthermore, almost three-quarters of consumers receiving consumer loan disbursements are very or extremely willing to pay a fee to receive them instantly. These findings indicate that instant payment methods are a popular option for both senders and receivers when consumers need quick access to good funds.

These are some of the insights explored in Generation Instant: Leveraging Instant Pay to Streamline Borrowing Disbursements, a PYMNTS Intelligence and Ingo Payments collaboration. This report is based on a census-balanced survey of 3,898 U.S. consumers conducted between Dec. 28, 2023, and Jan. 22, 2024, examining consumers' growing interest in and satisfaction with instant payment methods when receiving disbursements from government and nongovernment entities.

This is what we learned.

THE ARCHITECTURE OF MONEY MOBILITY



Consumers receive borrowing disbursements instantly more commonly than other disbursement types, with instant usage increasing rapidly over the last seven years.

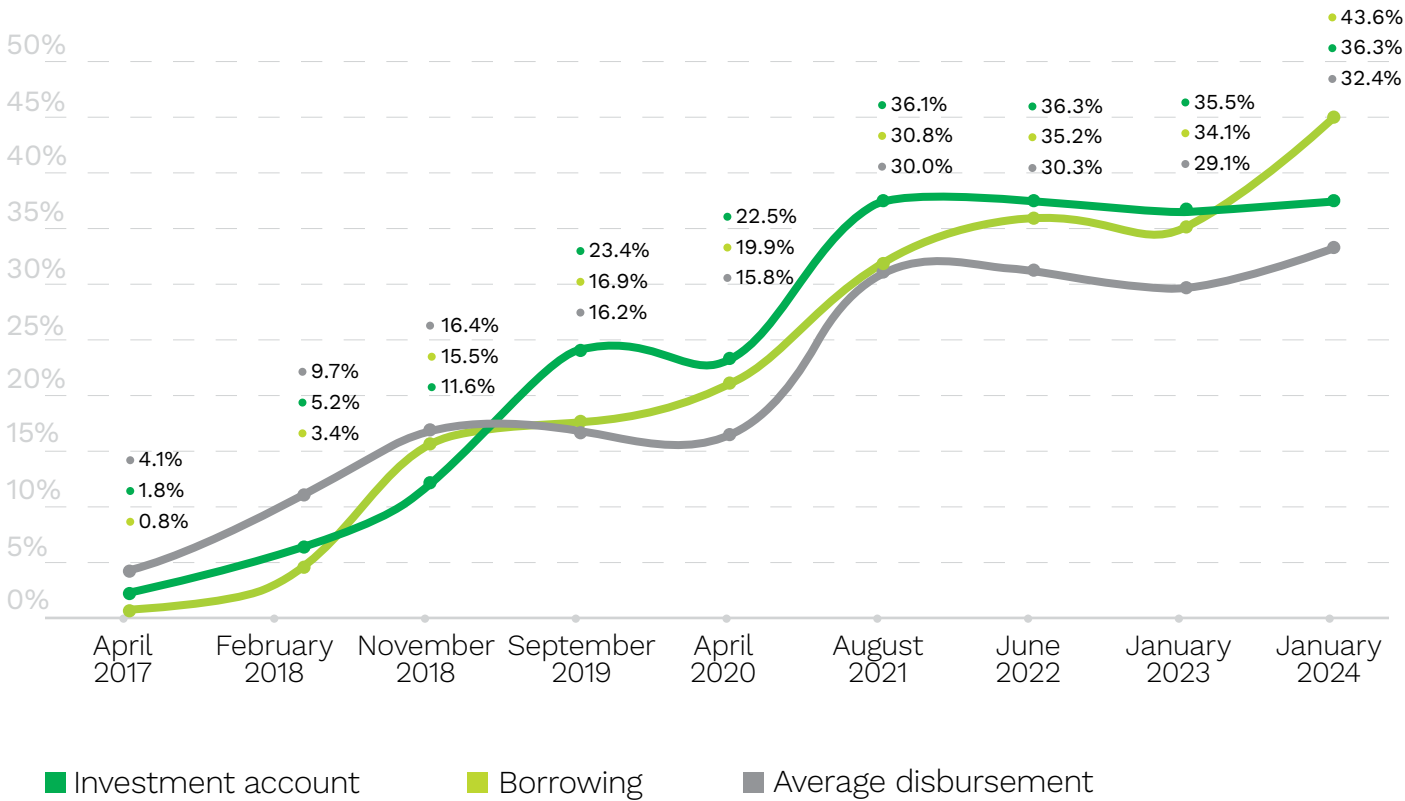
The use of instant payments to receive all types of disbursements has risen over the years, and loan disbursements have followed a similar trend. Instant payment use increased the most for borrowing disbursements in the last year, with 44% received this way as of January 2024 — up from 34% last year. This represents a 28% increase in loan disbursements in one year alone.

The instant usage rate for borrowing disbursements has even surpassed the rate for investment account disbursements — the first time since 2018. As of January 2024, borrowing disbursements were paid instantly 20% more often than investment disbursements. These findings indicate that consumers receiving loan payouts increasingly value the quick access to good funds that instant payment methods provide, especially if they have an urgent need.

FIGURE 1

Consumers’ use of instant payment methods

Share of consumers using instant most frequently for receiving select types of disbursements



Source: PYMNTS Intelligence
Generation Instant: Leveraging Instant Pay to Streamline Borrowing Disbursements, July 2024
N = 2,237: Complete responses, fielded Dec. 28, 2023 – Jan. 22, 2024

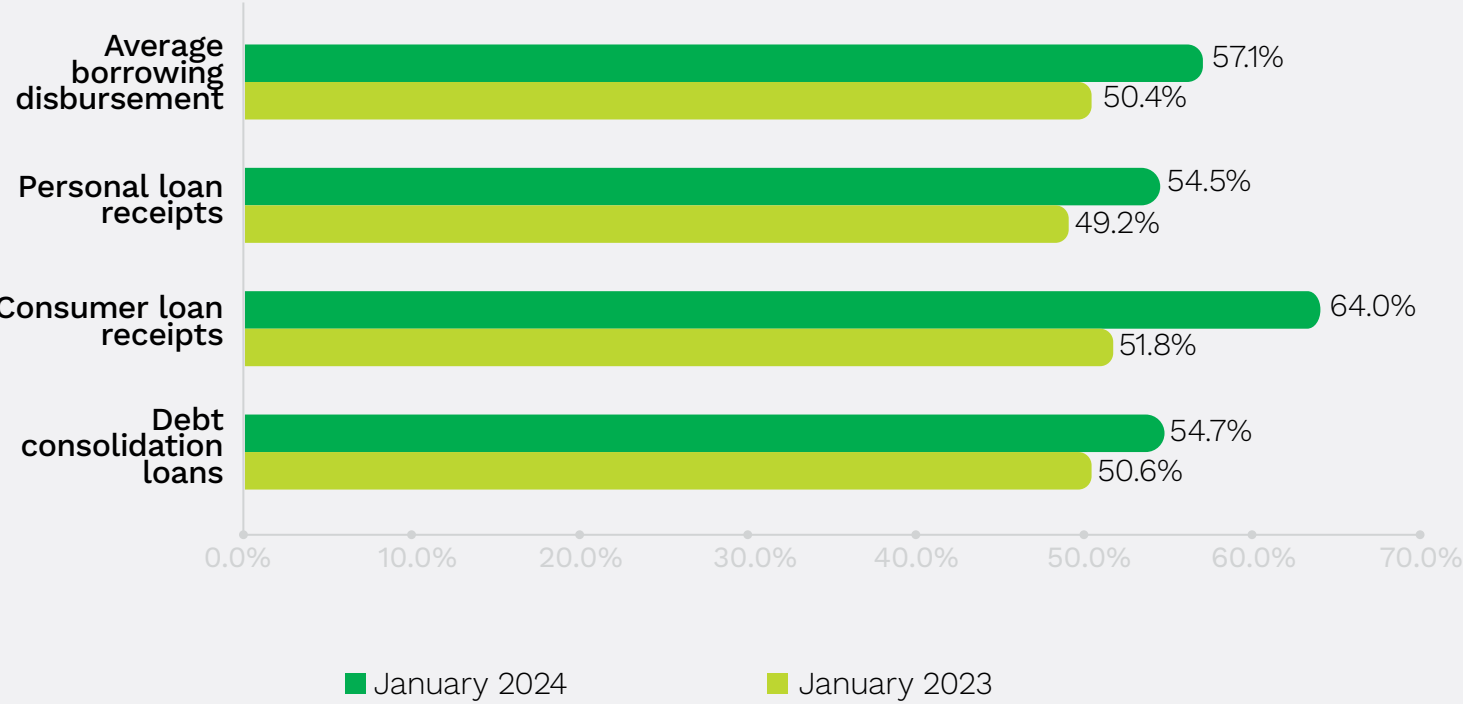
Among the different types of borrowing, instant payment usage to receive consumer loans grew the most, likely because consumer loan senders offered instant more frequently than those offering other loans.

Consumers’ use of instant payment methods to receive borrowing disbursements jumped significantly in the past year, primarily due to a spike in instant usage for consumer loan disbursements. Compared to personal loans and debt consolidation loans, consumer loan payments saw the greatest increase in instant adoption since last year. As of January 2024, 48% of borrowers received consumer loan disbursements via instant methods — a 15 percentage point increase from January 2023. Instant pay usage for personal loans and debt consolidation loans also rose year over year, but these were less dramatic.

Fifty-seven percent of recipients of all loan types report that they were offered instant payment options — a 13% increase from January 2023. Consumer loans increased the most, at 64%, and are now offered instantly by 9 percentage points more senders than senders of personal or debt consolidation loans.

FIGURE 2
Consumers offered instant for loan disbursements

Share of consumers who were offered instant payment options, by type of loan



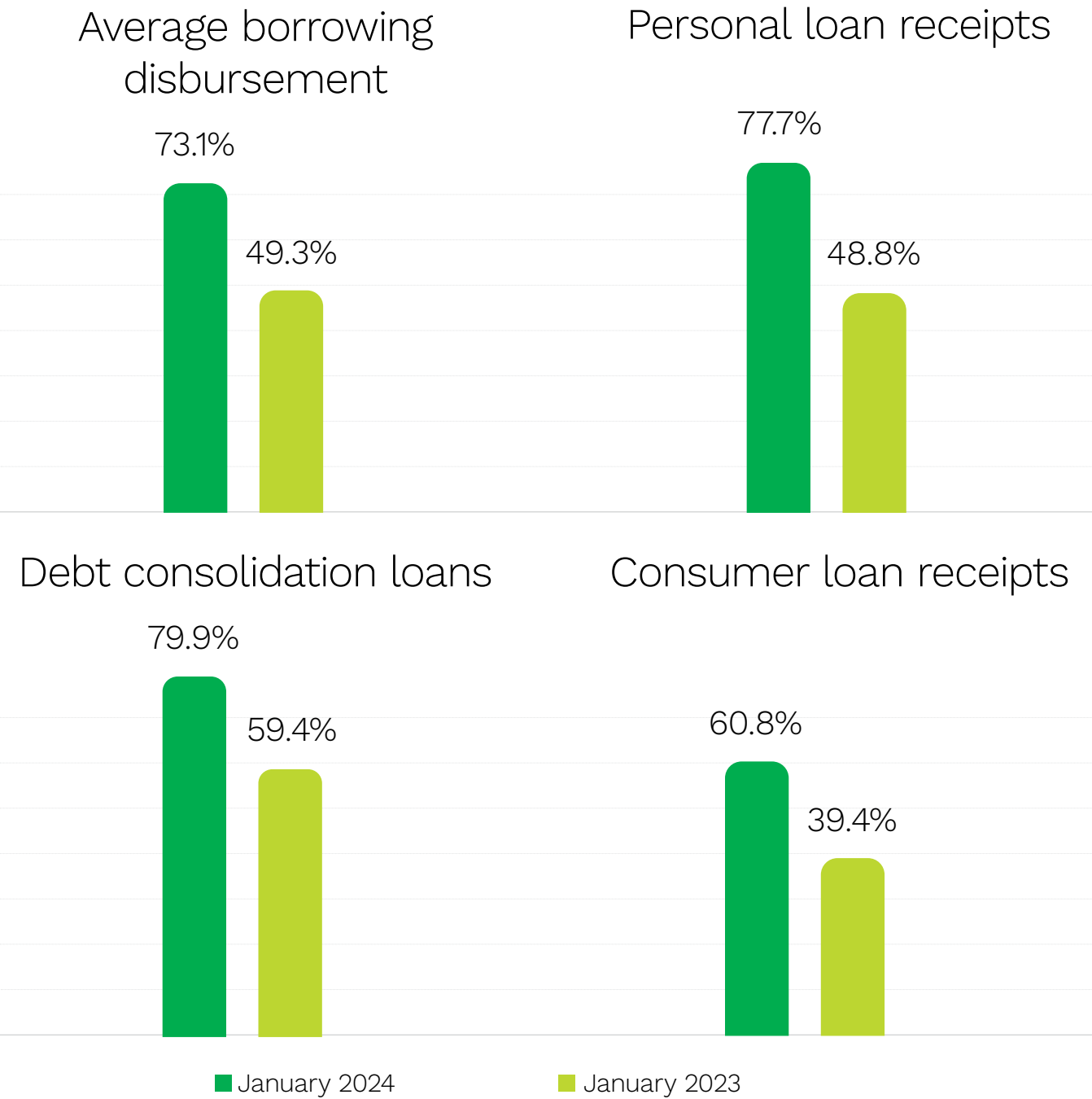
Source: PYMNTS Intelligence
Generation Instant: Leveraging Instant Pay to Streamline Borrowing Disbursements, July 2024
N = 344: Consumers who received borrowing disbursements, fielded Dec. 28, 2023 – Jan. 22, 2024

Consumers are 17% less likely to choose instant to receive consumer loan disbursements than they are to receive all types of loan disbursements. While 73% of consumers, on average, would choose instant when receiving loan disbursements, only 61% would choose instant for consumer loan disbursements. This suggests that the rise in instant usage for consumer loans can be attributed less to demand and more to the fact that more senders may be offering instant payment options as a way to streamline the disbursement process.

FIGURE 3

Consumers choosing instant to receive loan payouts

Share of consumers who would choose instant to receive borrowing disbursements if given the option, by type of loan



Source: PYMNTS Intelligence
Generation Instant: Leveraging Instant Pay to Streamline Borrowing Disbursements, July 2024
N = 344: Consumers who received borrowing disbursements in the last 12 months, fielded Dec. 28, 2023 – Jan. 22, 2024

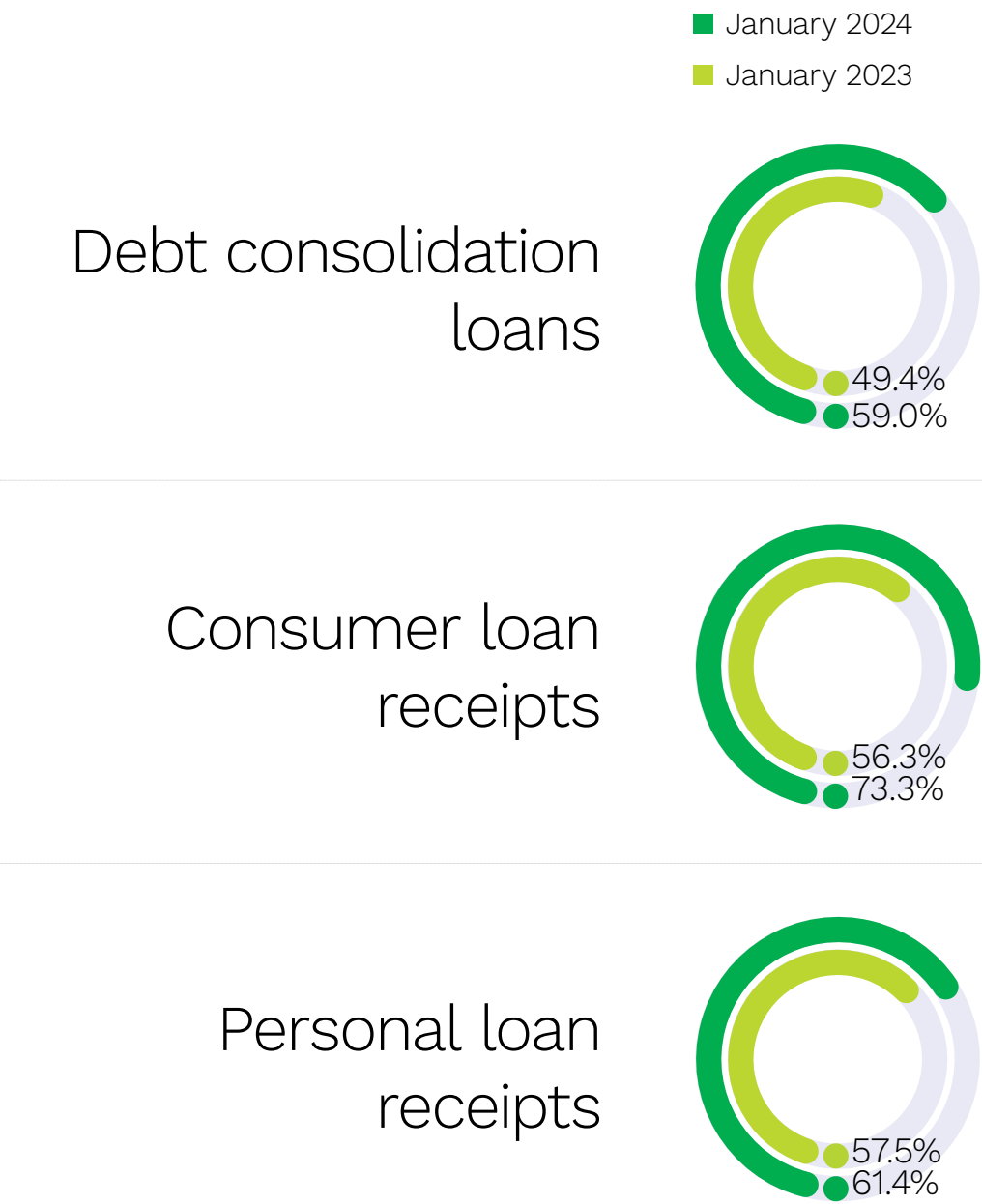
Three in 4 consumers are willing to pay a fee to receive consumer loans instantly and will pay twice as much as the average consumer.

Borrowers value having the option to access consumer loan payouts immediately so much that they do not mind paying for it. In fact, 73% of consumers receiving consumer loan disbursements are very or extremely willing to pay a fee to receive them instantly. While borrowers receiving other types of loan disbursements are less likely to pay a fee for instant, they remain very likely overall: 61% of those receiving personal loan payments would be willing to pay, and 59% of those obtaining debt consolidation loans would do the same.

FIGURE 4

Willingness to pay for instant

Share of consumers who would be very or extremely likely to pay a fee to receive disbursements instantly



Source: PYMNTS Intelligence
Generation Instant: Leveraging Instant Pay to Streamline Borrowing Disbursements, July 2024
N = 344: Consumers who received borrowing disbursements in the last 12 months, fielded Dec. 28, 2023 – Jan. 22, 2024



The fees borrowers would prefer to pay depend on the type of loan. Those receiving consumer loan payouts prefer percentage fees, at 52%, while those receiving debt consolidation and personal loan payouts prefer fixed fees, at 49% and 43%, respectively.

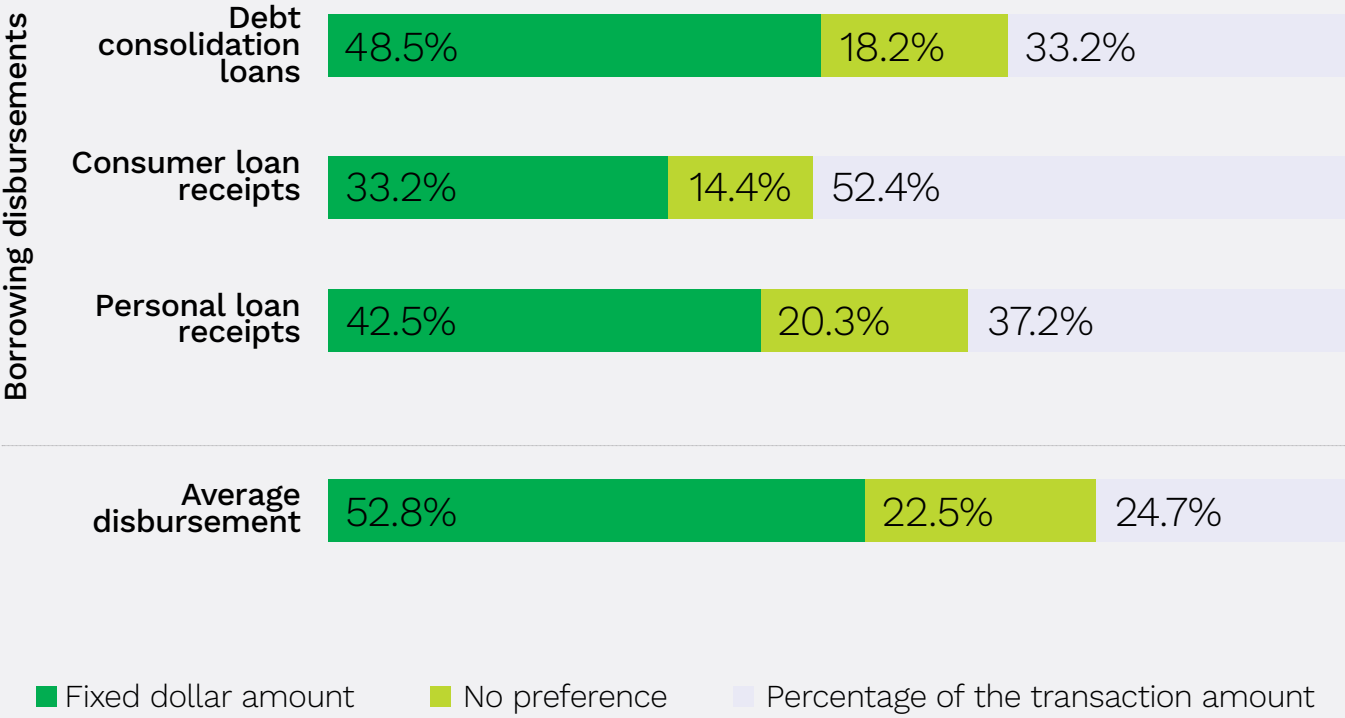
At the same time, consumer loan receivers are willing to pay a fixed fee of \$4.90 to receive funds instantly. This is slightly more than other loan disbursement types, but nearly double the \$2.50 the average consumer is willing to pay. Borrowers are also willing to pay an additional 0.7 percentage points in fees to receive consumer and personal loans instantly than they are for the average disbursement. That consumers receiving loan disbursements are willing to pay more than the average consumer for instant payouts further indicates how important quick access to good funds is when borrowing to cover major or unexpected expenses.

When asked why they want consumer loan funds to be immediately available and safe to spend, consumers are most likely to cite convenience, at 70%. Receivers of debit consolidation disbursements, at 62%, are most likely to say instant pay makes it is easier to manage their finances, while personal loan disbursement receivers, at 54%, mostly cite needing to pay their bills as why they are willing to pay a fee. These findings suggest that by providing an instant payment option, lenders can streamline the payout process and drive customer engagement while gaining an additional revenue stream.

FIGURE 5

Type of instant fees that borrowers prefer

Share of consumers citing the type of fee they would rather pay to receive borrowing disbursements via instant payments, by loan disbursement type



Source: PYMNTS Intelligence
Generation Instant: Leveraging Instant Pay to Streamline Borrowing Disbursements, July 2024
N = 344: Consumers who received borrowing disbursements in the last 12 months, fielded Dec. 28, 2023 – Jan. 22, 2024

CONCLUSION

The share of consumers receiving borrowing disbursements via instant payment methods is not only rising but also has spiked in the last year, beating investment payouts as the leading type of disbursement that consumers receive via instant pay. The urgent need among consumers for immediate access to good funds is not new. Yet, today's financially challenging times have made instant pay table stakes for many consumers receiving loan payouts, whether a consumer, personal or debt consolidation loan. Moreover, it is the increasing use of instant for consumer loan disbursements that is driving growth in instant as an option to receive borrowing disbursements.

Interestingly, the rise in instant usage is not just due to consumer demand. Consumer loan senders are more likely to offer instant pay than other types of lenders, suggesting that they may use instant methods to streamline disbursements. Moreover, data shows that consumers receiving consumer loan disbursements highly value receiving instant payouts, so much so that three-quarters are willing to pay for the option. In fact, they are willing to pay a fixed fee twice as large as that paid by the average consumer. This suggests that consumer loan lenders have a not-to-be missed opportunity to drive customer and revenue growth by disbursing borrowing payouts via instant methods.

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METHODOLOGY

Generation Instant: Leveraging Instant Pay to Streamline Borrowing Disbursements, a PYMNTS Intelligence and Ingo Payments collaboration, is based on a census-balanced survey of 3,898 U.S. consumers conducted between Dec. 28, 2023, and Jan. 22, 2024, examining consumers' growing interest in and satisfaction with instant payment methods when receiving disbursements from government and nongovernment entities. Our sample was balanced to match the U.S. adult population in a set of key demographic variables: 51% of respondents identified as female, 32% had a college degree, 38% earned more than \$100,000 annually and 29% were millennials.

ABOUT

PYMNTS
INTELLIGENCE

PYMNTS Intelligence is a leading global data and analytics platform that uses proprietary data and methods to provide actionable insights on what’s now and what’s next in payments, commerce and the digital economy. Its team of data scientists include leading economists, econometricians, survey experts, financial analysts and marketing scientists with deep experience in the application of data to the issues that define the future of the digital transformation of the global economy. This multilingual team has conducted original data collection and analysis in more than three dozen global markets for some of the world’s leading publicly traded and privately held firms.

The PYMNTS Intelligence team that produced this report

Scott Murray
SVP and Head of Analytics

Story Edison, PhD
Senior Analyst

Margot Suydam
Senior Writer

 **Payments**

Ingo Payments is the money mobility company. Founded in 2001, it provides technology platforms and expert risk management to FinTechs, banks and businesses that enable safe and instant money movement, from any source to any destination. Ingo’s solutions power deposits and transfers for inbound and outbound money flows, cross-platform P2P and digital payouts, with network reach to more than 4.5 billion bank accounts, cards, digital wallets and cash-out locations. This transformation of traditional payments helps businesses reduce cost and delays while dramatically improving the consumer experience. Headquartered in Alpharetta, Georgia, Ingo employs more than 200 professionals and serves some of the largest brands in North America.

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