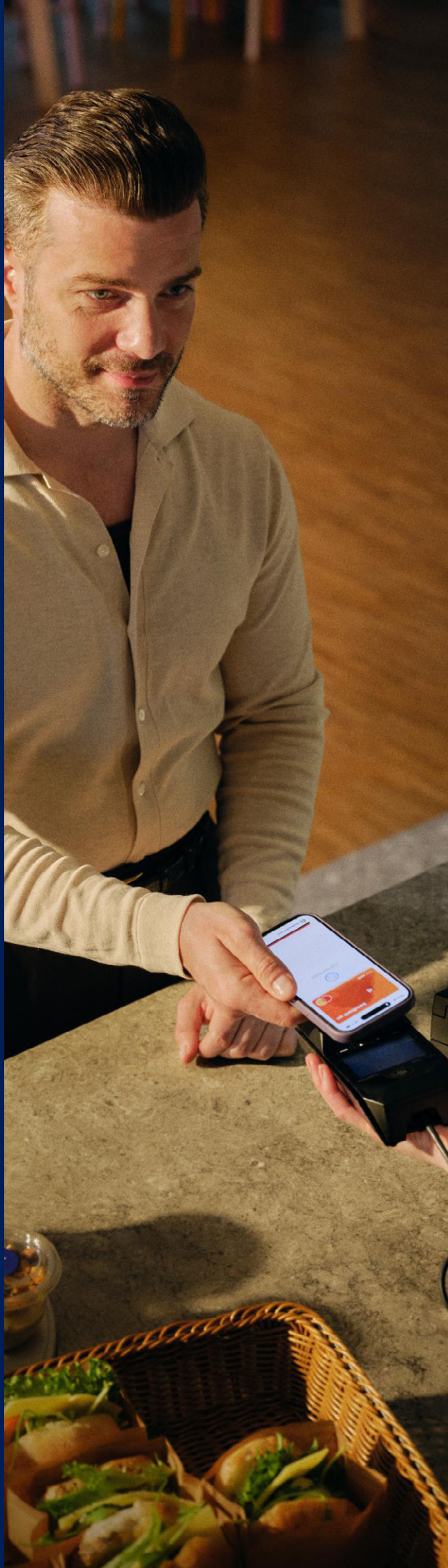
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Modernize Direct Debit



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From invoice to automated revenue, in one seamless customer journey

Customers have changed. Direct Debit should too.

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Executive Summary

Direct Debit remains one of the most durable methods for recurring payments. What hasn't kept pace is the experience around it. Customers are still asked to enter bank details manually, complete separate forms, move between channels, and wait for activation to be built for a different era of digital expectations.

These frictions aren't just a customer inconvenience. Every manual step is a point where setup fails, support gets contacted, and back-office teams pick up the rework.

Digital Direct Debit & Recurring Payments reframes the mandate as part of the customer journey, not a separate administrative task bolted onto it. Communication, onboarding, mandate handling, recurring payments, status, and reporting become one integrated experience activated through the touchpoints customers already use: a digital invoice, SMS, email, QR code, customer portal, or application.

The opportunity here isn't to digitize a form. **It's to turn a routine customer interaction into an automated, recurring payment relationship.**



1. Direct Debit needs a modern customer experience

Consumer expectations have been shaped by mobile banking, biometrics, and guided digital journeys. Against that standard, manual account entry and disconnected mandate setup don't just feel outdated they actively work against conversion.

The Legacy Pattern

Customer Experience	Business Impact
Manual entry and separate forms	More setup errors and abandonment
Switching between web pages and bank apps	A fragmented checkout experience
Mandate handled outside the invoice journey	Missed activation opportunities
Limited status visibility	More follow-up and manual administration

The strategic shift

Modern Direct Debit onboarding brings payment setup into the same moment the customer is already in reviewing an invoice, starting a service, responding to a message. The experience becomes contextual: the customer understands exactly what the mandate covers and authenticates through a process they already trust.

From "complete this payment form" to "activate automatic payments now."

2. One connected journey

Digital Direct Debit and Recurring Payments support digital onboarding of mandates, mandate management, recurring payment initiation, and monitoring designed to work inside the customer communication and distribution flows that already exist, rather than requiring a new one.

01 **Reach the customer** — Initiate onboarding through a digital invoice, SMS, email, QR code, customer portal, or application.

02 **Authenticate securely** — Local eID and market-appropriate bank-based onboarding options.

03 **Create and manage the mandate** — Mandate creation, validation, and status handling.

04 **Execute and follow up** — Initiate recurring payments, handle failed or rejected payments, and provide traceability and reporting.

Why this matters?

Many providers can digitize one part of the mandate process typically the authentication step. That solves a narrow problem in isolation.

The bigger opportunity is broader: **communication, invoice delivery, onboarding, and recurring payment management connected within one environment.** This means companies can activate Direct Debit using the touchpoints they already own and trust rather than building and maintaining a separate journey just for mandate setup.

The value isn't done well in any single step. **It's in the whole journey working as one.**

3. Where this creates the most value?

Every industry has a moment where a customer is already paying attention — a bill, a renewal, a sign-up. That's the moment payment automation should be offered, not buried in a separate step afterwards.

Segment	The Moment That Matters	The Opportunity
Telecom & subscriptions	Contract or service activation	The sign-up moment is also the best moment to secure a long-term, automated payment relationship yet it's rarely treated that way.
Utilities & energy	Invoice review	Every invoice a customer opens is a missed or seized opportunity to convert them to automated payments.
Insurance	Policy onboarding or premium notice	Every invoice a customer opens is a missed or seized opportunity to convert them to automated payments.
Consumer finance & membership	Repayment setup or renewal	Simplifying recurring fees and payment plans reduces drop-off at exactly the point providers can least afford it.

4. The Bigger Picture

This fits into a pattern we see across payments more broadly: **value is shifting away from isolated transactions and toward the orchestration of the full customer and payment journey.** Direct Debit modernization isn't just a UX improvement, it's an example of what happens when communication, onboarding, and payments stop being treated as separate systems and start being treated as one connected experience.

Organizations that treat mandate activation as a genuine moment in customer relationships rather than an administrative hurdle are better positioned to convert more customers to predictable, automated revenue, with fewer errors and less manual follow-up on both sides.

Interested in exploring what this could look like for your organization?

Feel free to get in touch or drop a comment. We´re always glad to compare notes with others thinking about payment experience and recurring revenue.

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Tieto's annual revenue is approximately EUR 2 billion. The company's shares are traded on the NASDAQ exchange in Helsinki and Stockholm.

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With 20 years of experience in payments and financial services, Chantal brings deep industry expertise across product management, transaction processing, operations, compliance, and business development. Today, she leads the Payments & Connectivity area, with a focus on connecting customer needs, business opportunities, and technology to develop relevant and scalable services. She is passionate about simplifying complexity and turning payment capabilities into tangible value for customers and the business.