Paying bills online keeps your books and credit rating on track

If you're still writing a check, buying a stamp and sending your bill payments off through snail mail, you might want to give some consideration to paying your bills online. There are many good reasons that support a change to your old ways.

First of all, many banks now charge fees for writing too many checks in a month. Then, the cost of postage for a month's worth of bills can amount to a night out for the kids at the fast food drive-through. Another problem, although it happens infrequently, is that snail mail may be delayed or even lost. Then your creditor make tack on a hefty late fee if your payment doesn't arrive in time. Worse still, a credit card company may raise your borrowing rate if the payment is lost. Late payments and increased borrowing rates can damage your credit rating as well.

Virtually all banks offer online bill paying as a service to their customers. When you pay bills online, you have a record of your transaction and your payment is transmitted almost instantly. For added convenience, you can schedule bill payments automatically on a certain date, either as a one-time payment or on the same date each month.

Another way to pay bills online is through Paypal. Once you've set up your account, you can send money to just about any person or company in the U.S. The money is electronically transferred in minutes. This is particularly useful when you want to send money to a friend or family member who's stranded in a distant location.

You need not worry that your financial information may fall into the wrong hands. When you pay bills online, you are transferred to a secure server before you ever disclose private information or financial data. You'll know you're on a secure server by looking at the url name in your browser window. It will read, https://www.bankname.com. The letter s, following the http means it is a secure server. Your information is encrypted and cannot be accessed by anyone else.

You can see the advantages to paying bills online. You avoid having to pay late fees or have your rate increased, thus maintaining a good credit score, or improving a less than perfect credit rating. You also save the hassles and expense of postage or mail delivery problems. Once you start paying bills online, you'll see this payment method is quick, safe and convenient. There's simply no reason not to change from your old ways.