

FPC Fall Member Meeting 2025



Practical Innovation: How Applied Data will Shape the Future of Payments



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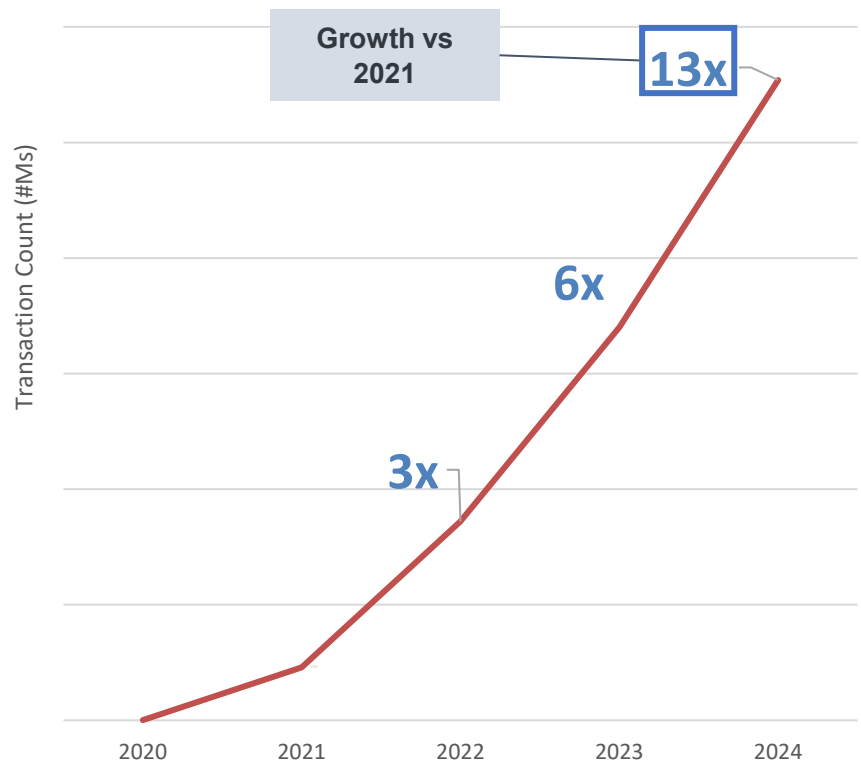
As **Pay by Bank** expands into higher-
risk use cases,
the need for **transaction tagging**
grows



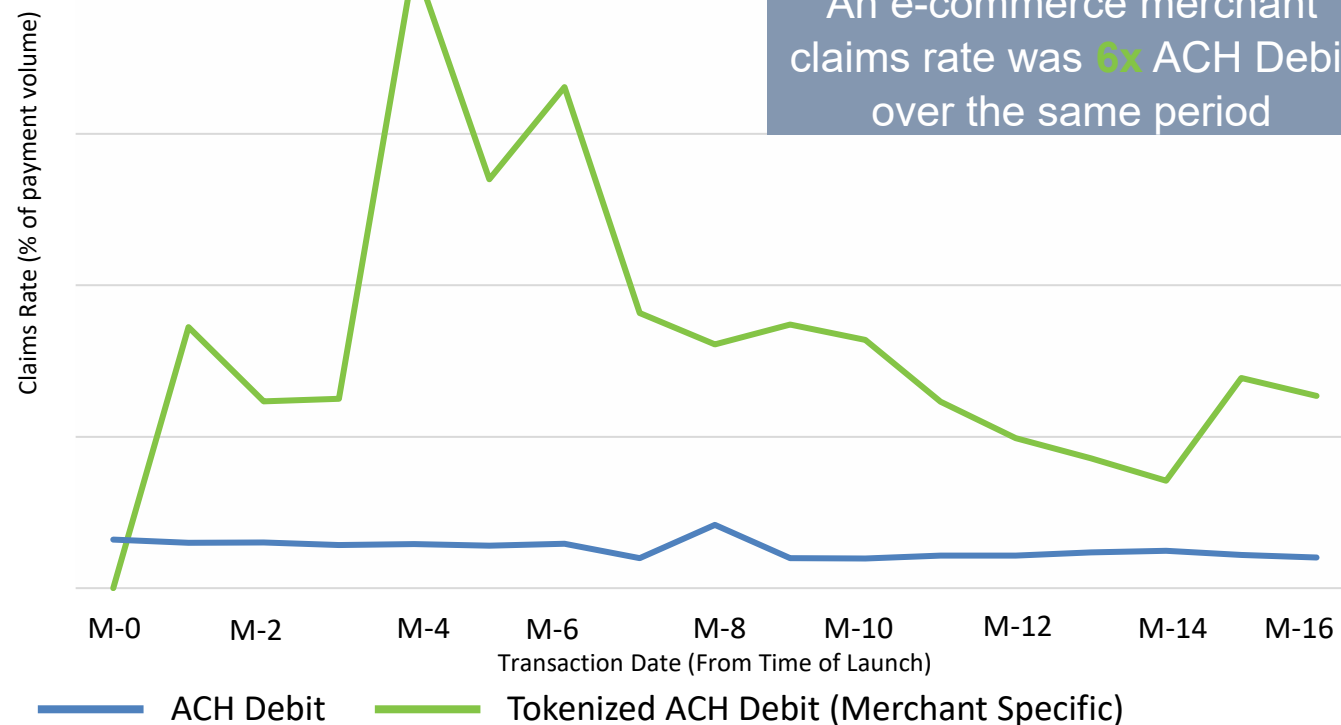
Tokenized ACH Debits Grew ~13x from 2021 to 2024, while new use cases show higher risk to consumers

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Aggregator Enabled ACH Debit Transaction Growth¹



E-commerce Merchant Claims Rate vs Overall ACH Debit Claims Rate²



1. Chase ACH Debit analysis based on data accessible due to tagging

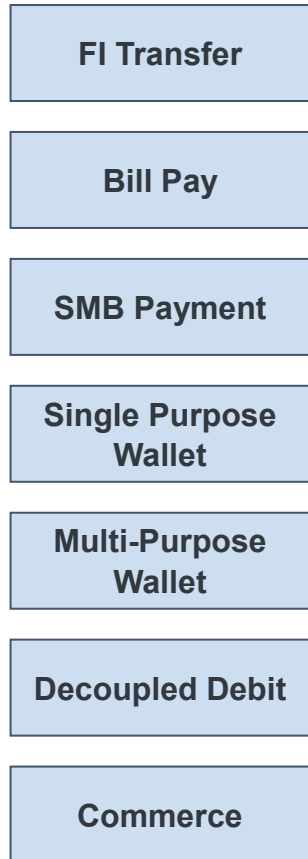
2. Chase ACH Debit analysis based on data accessible due to tagging, claims rates based on value of claimed transactions divided by total payment volume

What is transaction tagging?

Transaction tagging is a means of capturing more granular context about the payment, starting with its purpose

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Transaction Category



Use Cases:

eCommerce, Point of Sale, Bill Pay,
P2P, M2M, Disbursement, Salary,
A/P, A/R

Payment Flows:

C2B, C2C, B2C,
B2B (Including SMB)

Transaction Types:

Single Purchase, Recurring
Payment, Digital Wallet – Single,
etc.

Industry Segments:

47+ and growing!
ex: Debt Repayment – Auto Loan



Illustrative End Customer Example

Transaction Category: Commerce

Merchant Name: Merchant X

Payment Flow: C2B

Use Case: eCommerce

Transaction Type: Single Purchase,
non-wallet

Industry Segment: Gig Economy / On
Demand: Ride-hailing service

The RTP® Network: Accelerating the Future of Payments

- Averages over 1 million transactions a day and growing
- Serves FIs of all sizes—90% of participants are credit unions and community banks
- Delivers immediate, final funds with greater transparency and control

The Message Structure of RTP® Payments and Requests for Payment (RfP)

Enables data-rich XML communication through ISO 20022 messaging

Why Tag Transactions?

Transparency and Visibility

Increase Efficiency and Higher STP

Risk Management & Fraud Prevention

Customer Experience and Dispute Resolution

Opportunity for Continued Enhancements

Create Value-Added Services

Laying the Foundation at a Network Level

Purpose of Payment codes may represent a foundation on which a robust, network-level taxonomy is built

- Enabled by data-rich message formats like ISO 20022
- Data is embedded and travels with the transaction

Examples of RTP 5.0 Permitted Purpose of Payment Codes

Code Value	Code Name	RTP® Network Definition
ACCT	Account Management	Transaction is an account-to-account transfer
MP2P	MobileP2PPayment	Transaction is related to digital wallet defunding
UBIL	Utilities	Transaction is related to a non-specified utility bill

Tokens may represent another vector for transaction-specific data

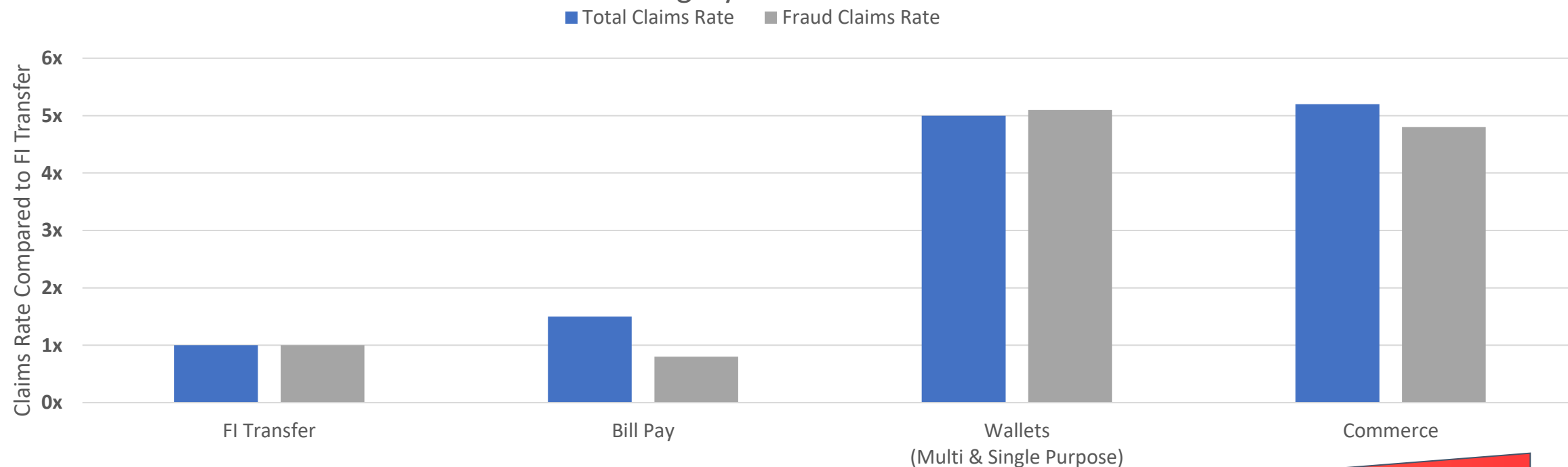
- Potential to support tagging as a vehicle for transaction data
- May carry data outside of messages where space is limited

ACH Transaction Tagging Enables Critical Risk Insights

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- Single & Multi-purpose wallets have **~5x the rate of claims and fraud** of FI Transfer transactions
- Commerce has **~5x the rate of claims and fraud** as FI Transfer and Bill Pay

Transaction Category Total Claims Rate vs FI Transfer¹



1. Reflects claims on payments by report date divided by payment volume processed between July'24 and June'25 as compared to FI Transfer claims on volumes over the same period

Standardized transaction tagging can generate meaningful benefits for *any one rail*, which will be magnified across *all rails*

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ACH, Fedwire, Swift, RTP, FedNow

Payments through APIs

Payments through files



- Faster reconciliation
- Smarter fraud detection
- Better compliance
- Revenue opportunities
- Customer stickiness

One Standard Transaction Tagging Taxonomy applied across all rails/networks creates utilities benefiting all stakeholders in the ecosystem

- Payment purpose (e.g., invoice number, project code)
- Related documents (e.g., PDF, XML attachments)
- Industry-specific tags (e.g., shipment tracking, GL code)
- Compliance tags (e.g., OFAC reference, AML notes)
- Enriched customer experience

- Automated ERP matching
- End-to-end traceability
- Reduced errors
- Real-time insights

The Power of Transaction Tagging across the Ecosystem

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- ✓ Multi-network Risk Tools,
- ✓ 1st & 3rd party fraud prevention
- ✓ Targeted ACH alerts
- ✓ Customer insights
- ✓ Disputes optimization

Questions?

