



The State of Play for US Faster Payments FPC Network Committee

US consumers & businesses have a choice of faster payment networks

These networks have different characteristics, which has implications for the variety of use cases faster payments enables.

Routing

- Account number & RT
- Card number
- Social alias (phone number, email address)
- Cross-border or domestic

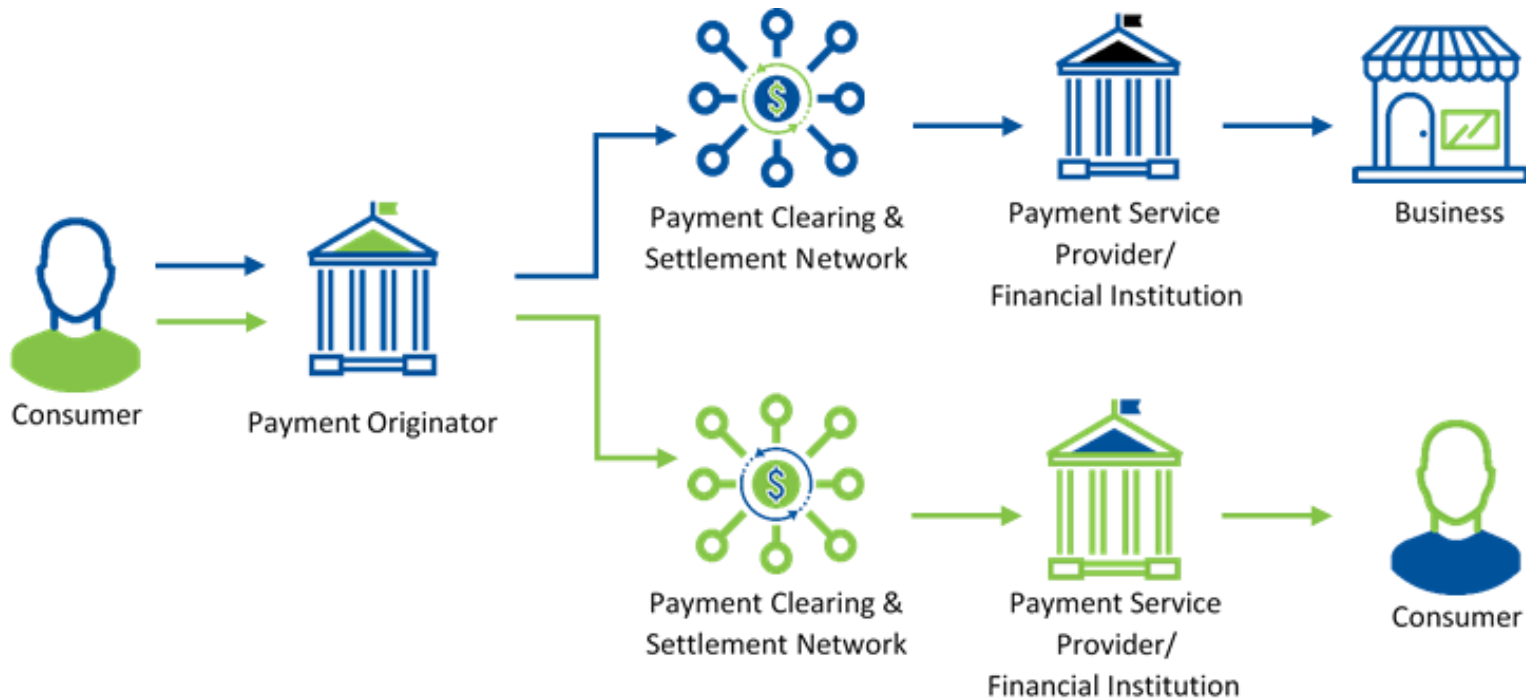
User Experience

- Network defines user experience and use cases
- Network sets baseline, providers design UX & use-case specific features

Other Services

- Directories
- Payment request
- Remittance data
- Anti-fraud
- Account validation

Payment services often use multiple networks to meet customer needs



Overlay services expand the functionality of payment networks

User Enrollment Experience

Cindy enrolls in the overlay service. She agrees to the terms of service.



Cindy agrees to the specific Payment Service Provider terms and conditions. Examples of the terms of service include the expected user experience, speed of payments, the costs, the liability and/or charge back rights, availability of funds, and the dispute process.

User Experience

Cindy sends Paul \$500



\$500



Paul receives \$500 in minutes through the service provider app.

Funds Posted

Debit Cindy's account \$500 and message Payment Network. Funds moved to settlement account. Message Cindy completion



Messages



Payment Network

Messages



Credit Paul's account \$500. Message Paul Funds Received

Settlement

Funds transferred from Bank A to Bank B



Payment Clearing & Settlement Network



Faster payments have played a role in responding to the Covid crisis

- Delivery drivers paid on demand
- “Touchless” tips to employees handling curbside pickup
- Paying neighbors for consolidated grocery store trips & errands
- Transfers to friends & family who have lost jobs
- Cashless payments to individuals providing home services
- Private landlords collecting rent without visiting tenants
- Cross-border remittances to family locked down in other countries
- Expedited merchant settlement to improve cash flow
- Transfers to move CARES Act EIP payments between accounts
- Instant insurance claim payments
- Expedited payroll
- Payroll Protection Plan loan disbursements
- Payments to expedite shipments – to suppliers, trucking firms, drivers
- Mortgage closings without exchanging checks