



# FPC FALL MEMBER MEETING

SEPTEMBER 14 – 15, 2022  
MINNEAPOLIS



# Faster Payments as a Catalyst for Financial Inclusion

Presented by the  
FPC Financial Inclusion Work Group  
*Sponsored by PSCU*



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# Panel of Speakers



**Gail Hillebrand**  
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**Adam Rust**  
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National Community  
Reinvestment  
Coalition



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FIWG Member  
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# *Faster Payments and Financial Inclusion*



FPC  
white paper  
published July 2022



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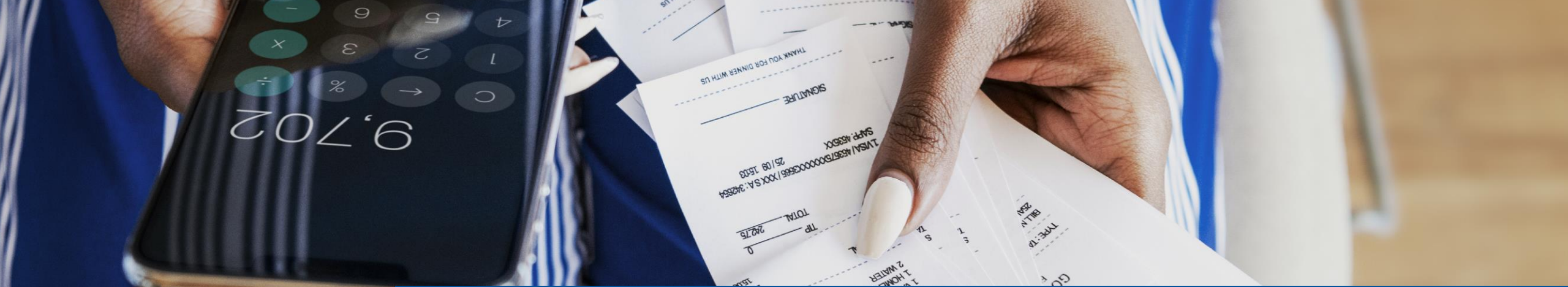


# Who are the underserved in faster payments?



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- Households where no adult has a bank or credit union account
- People who are living paycheck to paycheck
- Small businesses



# Faster Payments for Financial Inclusion of the Underserved

## Who are the Underserved?

- The underserved are:
- people without bank or credit union accounts;
  - people living paycheck to paycheck; and
  - small businesses.

The **pain points** for underserved include...

Not Designed for Underserved	Liquidity Constraints	Cash In/Out Constraints	Lack of Trust
Mistake Concerns	Fraud Concerns	Security Concerns	Lack of Interoperability

## U.S. Market Characteristics of Underserved Consumers

# 66M

Adults are **low to moderate income**, and 51M Adults struggle with income volatility.

# \$252B

**Financial service fees** paid by financially coping and vulnerable households.

# 7.1M

Unbanked households

... the following blueprint can help **solve these pain points** for underserved senders and receivers of faster payments.

### Design



- **Design** for **underserved users**
- Value **simplicity** for the user
- Include features that **mimic** the benefits of using **cash**

### Liquidity



- Provide **prompt funds availability**
- Extend reach **across family financial** networks
- Low, transparent, and infrequently changing **fees**

### Cash In/Out



- Support local **efforts to get more people banked**
- Develop **community-based adoption** strategies
- Provide **low-cost** ways to get cash in and out

### Trust



- **Build confidence** through security, account stability, and fraud prevention with **remediation**
- Timely, accessible, omnichannel and high-quality **customer service**
- **Multilingual** and **culturally friendly** products and service

## U.S. Market Characteristics of Underserved Small Businesses

**59.9M**

Small business  
employees

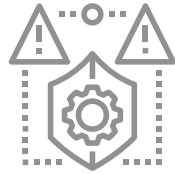
**32.5M**

Small  
businesses

**66%**

Faced financial  
challenges

### Mistake Prevention



- Build in **speed bumps** during payment authorization
- Provide help to confirm **identity** of the **proper recipient**
- Provide **dispute resolution** and potentially an indemnity for losses from mistakes

### Fraud Prevention



- Analyze recipient accounts for **fraud indicators** and implement **recipient velocity controls**
- Establish an **appeals process** for victims of **scams**
- Ongoing fraud **analysis, spotting and information sharing** across the payments network

### Security



- Adapt identity verification methods to **avoid exclusion**
- Recalibrate risk and develop **tiered KYC** for lower balance accounts

### Inter- operability



- Achieve **broad reach** supported **by interoperability**



The content for this infographic is a high-level summary of details and statistics from the Faster Payments Council's Financial Inclusion Work Group white paper:

["Faster Payments and Financial Inclusion."](#)

For an overview of the "Faster Payments and Financial Inclusion" white paper, view:

["Executive Summary and Appendix B."](#)

## About the U.S. Faster Payments Council (FPC)

The FPC is an industry-led membership organization whose vision is a world-class payment system where Americans can safely and securely pay anyone, anywhere, at any time and with near-immediate funds availability. By design, the FPC encourages a diverse range of perspectives and is open to all stakeholders in the U.S. payment system. Guided by principles of fairness, inclusiveness, flexibility, and transparency, the FPC uses collaborative, problem-solving approaches to resolve the issues that are inhibiting broad faster payments adoption in this country. For more information, please visit [FasterPaymentsCouncil.org](https://FasterPaymentsCouncil.org).

## About the FPC's Financial Inclusion Work Group

The U.S. Faster Payments Council established the Financial Inclusion Work Group in early 2021 with the mission to provide a blueprint for leveraging faster payments to accelerate access to the financial system for unbanked and underserved Americans.

For more information on Work Groups, visit [FasterPaymentsCouncil.org/Work-Groups](https://FasterPaymentsCouncil.org/Work-Groups).



# Call to Action



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What are YOU doing to expand financial inclusion and how is it working?

[memberservices@fasterpaymentscouncil.org](mailto:memberservices@fasterpaymentscouncil.org)



# Panel Contact Information



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Adam Rust



David Dwumah



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