



Electronic Payments Core of Knowledge



## WHAT ARE YOUR PEERS SAYING ABOUT INSTANT PAYMENTS?

When asked by the Federal Reserve Bank why access to instant payments is important to your business and customers, Suzy Morris of Peoples National Bank, an Illinois-based locally owned and operated bank, had the following to say:

*“From a customer perspective, the current environment has conditioned them to expect instantaneous transactions. While our customers might think this happens seamlessly, we know there are many touch points and higher costs involved with direct deposit, ACH or even, wire payments. For us, the FedNow<sup>SM</sup> Service delivers on customer expectations while providing a better overall solution.”*

Suzy went on to expand on why it is important for financial institutions to act now:

*“The more financial institutions connecting to the network, the better the opportunity for the industry to transact on it—that’s one of the biggest takeaways. Customer satisfaction is also a huge driver. You also can start with minimal risk as a receive-only participant, which will allow you to take advantage of final settlement and create a more seamless customer experience.”*

Kevin Olsen of Pidgin was asked by the Federal Reserve Bank how the prevalence of instant payments might impact the broader payments industry. Kevin replied,

*“It’s like smartphones... before we had them, we didn’t know what we were missing. But now, we are so used to having the convenience and information at our fingertips that we can’t imagine life without them. The same will happen when it comes to instant payments—as they become standard throughout the industry, we will become accustomed to having the ability to put money into the hands of people who need it at any time of day, without the restrictions that we see now.”*

When asked to look into the future and tell us what the payments landscape will look like in 10 years, Kevin predicts,

*“We’re going see fewer checks, fewer wires and we will absolutely see the prevalence of instant payments.”*

The Federal Reserve Bank also sat down with Andrew Haskell, the Director, and Product Line Manager for Immediate Payments & Disbursements at BNY Mellon to ask what some of the benefits of being an early adopter of the FedNow<sup>SM</sup> Service are, and Andrew had the following to say:

*“Once available, testing with the FedNow<sup>SM</sup> Service early in your development lifecycle will ensure your systems can meet the service’s operational requirements and technical specifications. By testing early, you become familiar with the instantaneous settlement. Additionally, you will ensure your message formatting and processing are accurate and up to date—even with ISO<sup>®</sup> 200022 standards, instant payments may be different than other methods of payment within your organization.”*

When asked by Forbes about the fuss surrounding real-time payments, Ginny Chappell, Senior Vice President, Digital Payments at FIS said,

*“We have entered a new era of instancy. Every organization must understand the business case for real-time payment and how it adds value. There are many great examples of high-value/high-impact use cases that we are seeing applied very broadly. Real-time payments can be very empowering for consumers and small businesses by improving choice and increasing visibility of cash.”*

At the launch of RTP in 2017, William S. Demchak, PNC’s chairman, president and chief executive officer and chairman of The Clearing House’s Supervisory Board shared:

*“As an industry, RTP positions us like never before to meet the evolving needs of our customers and commercial clients. At a time when our clients are asking for the ability to conduct their business with greater speed, efficiency and security, RTP will make everyday financial tasks such as paying bills, issuing invoices, making payroll or settling insurance claims faster, safer and more satisfying for businesses and consumers across the country.”*