

THE PROS OF INSTANT PAYMENTS

CONSUMER BENEFITS

Instant payments empower consumers to stay in control of the timing of their payments. With the ability to pay last-minute emergency bills and initiate a credit-push payment, consumers may be better able to avoid late fees, damaged credit scores and the incidence of overdraft fees.

Examples:

- Mortgage payments on the due date
- Reimbursement instantly between individuals
- Move funds stored in digital wallet

BUSINESS BENEFITS

Improve real-time money management & cash flow. Less likely to deal with payment reversals.

Examples:

- Increased cash on hand
- Immediate vs delayed settlement
- Request payment, receive funds immediately

FINANCIAL INSTITUTIONS BENEFITS

Remain competitive as consumers and businesses want instant payments.

Examples:

- Attract new and retain current customers
- Allow internal lines of business to send and receive payments instantly

PAYMENT SYSTEM EFFICIENCY

Fast, ubiquitous electronic payments provide efficiency, decreasing the cost of operating and maintaining infrastructure.

Examples:

- Reduce the use of less efficient methods such as checks and cash payments
- Countries outside of the U.S. report reduction in branch visits post implementation

IMPROVE MANAGEMENT PROCESSES

Instantaneous clearing and settlement reduces funds locked in processing.

Examples:

- Improve cash and liquidity management
- Provide consumers with a quicker clear view of their financial position and current balance
- Real-time payments are transmitted using global messaging standards, allowing for automatic reconciliation