



Faster Payments and Financial Inclusion

Table of Contents

EXECUTIVE SUMMARY	3
PART I. THE POPULATION FOR FINANCIAL INCLUSION	7
PART II. PAIN POINTS AND BARRIERS TO FINANCIAL INCLUSION	10
PART III. ACTIONS AND SOLUTIONS TO EXPAND FINANCIAL INCLUSION	14
1. DESIGN FOR THE FINANCIAL LIFE OF THE UNDERSERVED CONSUMER	14
2. LIQUIDITY CONSTRAINTS	17
3. CASH IN/CASH OUT	18
4. TRUST	20
5. MISTAKE PREVENTION	23
6. FRAUD	26
7. SECURITY	31
8. INTEROPERABILITY	34
PART IV. ENHANCING SOLUTIONS AND SERVICES FOR THE UNDERSERVED	35
PART V. REMAINING CONSIDERATIONS	38
CONCLUSION	41
APPENDIX A INFRASTRUCTURE FACTORS CONTRIBUTING TO FASTER PAYMENT USE CASES FOR THE UNDERSERVED	42
APPENDIX B BLUEPRINT FOR FINANCIAL INCLUSION IN FASTER PAYMENTS	43

How can we get more financial inclusion in faster payments? How can people who have to manage their money closely benefit from the features of faster payments to move money quickly to family members, to pay a bill very close in time to the due date, and to meet other needs? Faster payments usage grew throughout the Covid-19 pandemic, but adoption is still low and unequal across income levels. What might be deterring or slowing adoption of faster payments for those who are not at the top of the income scale, and what can private sector entities in the payments space do about it? These are the questions this report seeks to answer.

The data about usage of faster payments shows that there is room for much more financial inclusion. Government statistics about person-to-person payments via payment apps show both strong growth and a big divide in who is using these forms of faster payments. In its 2019 survey on the unbanked and underbanked, the Federal Deposit Insurance Corporation (FDIC) collected data about P2P app usage for the first time. Among banked households 32.3% had used a P2P app to make a payment in the prior 12 months, while for unbanked households it was 8.8%.¹ More recent information from the Federal Reserve system on the use of cash and competing payment methods showed that for 2021, mobile payment apps accounted for 2% to 6% of the share of payments across six household income levels, with levels rising above 4% for households with incomes of \$100,000, and to 6% for those with incomes of \$150,000 or more.² This data suggests that there is plenty of room to increase financial inclusion in the adoption and use of faster payments.

This report offers a blueprint of action steps for expanding financial inclusion in faster payments. To develop the blueprint, the U.S. Faster Payments Council (FPC) formed a Financial Inclusion Work Group (FIWG). The FIWG defined the underserved population for expanded financial inclusion in faster payments; identified eight clusters of topics that are pain points or barriers to expanded inclusion; and developed action steps that can be taken by private sector entities in payments to address those pain points. Those action steps are the blueprint. The remainder of the report offers use cases for the underserved that could provide benefits from faster payments and associated services; and describes problems that would remain after the steps in this blueprint are taken.

[Part I: Who are the underserved?](#)

Part I of the report describes the underserved as people who are unbanked, people who are living paycheck to paycheck, and small businesses. The unbanked are a known group, extensively studied by the FDIC. The FIWG defined the middle group of the underserved as people living paycheck to paycheck and thus having tight budgets with low or no financial cushion. The final group is small businesses. This part also discusses key characteristics of the financial lives of the underserved that may influence their ease and willingness to adopt faster payments. Some of these characteristics are that they have: no or little room for any disruption or loss of funds; scarce time to adapt to new ways to pay; apprehension about costs of new services; and for some, low trust in financial services.

Part II: What are the pain points for the underserved that may limit the use of faster payments?

Part II identifies eight clusters of pain points or barriers for the underserved in using faster payments.

1. **Design:** Product design not currently targeted to needs of the financial lives of the underserved.
2. **Liquidity constraints:** Tight budgets mean that a delay, interruption, or loss of funds can lead to a cascade of adverse financial consequences.
3. **Cash in/cash out:** People without a bank or credit union accounts face costs to get cash into and out of faster payments.
4. **Trust:** Trust in financial services providers may be low. It may be undermined in the absence of strong customer service and language access, and by apprehension about fees.
5. **Mistake prevention:** Limited ability of the customer to absorb the loss of funds due to a mistake.
6. **Fraud prevention and remedy:** Limited ability of the customer to absorb the loss of funds from fraud.
7. **Security:** Concerns about the security of funds and the impact of security procedures on inclusion.
8. **Interoperability for ease of use:** Concerns about how to use faster payments efficiently when payees and payors may use different payment methods that do not connect.

Part III: Actions to address the pain points and expand financial inclusion in faster payments.

Part III describes steps that can be taken by private sector entities throughout the faster payments chain to increase financial inclusion by mitigating the pain points. It describes how each cluster of pain points can be addressed by payment providers, networks, and financial institutions.

Design: The action steps start with product design. The key recommendation is that products and services be designed considering the financial lives, needs, and preferences of the underserved. This includes research and testing with the underserved population, valuing simplicity to reduce the time burden of adoption, and building in product features that mimic the benefits of cash.

Liquidity constraints: Second are action steps related to the liquidity constraints of the underserved. One step is for banks and credit unions to ensure that their funds availability hold policies do not take the “fast” out of incoming faster payments by delaying the availability of funds beyond the timeframes in payment system rules. In addition, facilitating adoption by multiple family members would allow them to freely send funds to one another, especially during an emergency. When considering fees, address user apprehension about fees with low, transparent, slowly changing fees that are easy to understand and flexible considering life events. This also partially addresses liquidity constraints.

Cash in/cash out: Third are actions to address the need for cash by those who are unbanked. Faster payments providers could support local community-based efforts to bring people into the banking system. They also could seek to increase the number of locations where a faster payment could be used instead of cash. Another process that would reduce friction for the underserved is reducing the cost of loading and withdrawing cash from prepaid accounts. Access to funds in cash is critical since some people who must be paid may accept only cash or a money order.

Trust: The fourth set of action steps addresses trust. Trust is built or lost through the interactions with each part of the faster payments product; the overall experience with the product; the fee structure; and the type and quality of customer service. Trust is undermined by any interruption in access to funds, and further weakened if there is no way to get prompt help during that time. Maintaining trust requires strong security, reliable account access; and steps to prevent and remediate for mistake and fraud. Elements that affect trust include the design of the product or service; fee structure and transparency; and customer service that is timely, readily accessible, omnichannel and of high quality. Trust can also be enhanced by language accessibility and culturally friendly products, practices, and service.

Mistake prevention: The fifth set of action steps are offered to minimize the risk of losing funds due to mistakes in sending a faster payment. These steps include building “speed bumps” into the process of approving the payment; providing tools that help the customer to confirm, such as a confirmation process which allows the user to validate the proper recipient has been selected; and a way to allow legitimate senders to work with the payment service to recover funds sent in error. Customer assistance and post-mistake remedies will also mitigate the pain when a mistake is made.

Fraud prevention and remedy: The sixth set of action steps are to mitigate the impact of fraud on the tight budgets of the underserved. Here the report discusses four types of action steps. The first set of steps focuses on recipients of funds, with strong recipient authentication; scrutiny for patterns of fraudulently induced payments; and velocity controls. The second set of steps covers anti-fraud analysis, monitoring, and other scrutiny to be done by all entities in the faster payments chain. Payment networks will be important entities to perform these steps, as they have a wider view of activity than an individual entity facilitating the sending or receiving of transactions. Third, assistance and remedies for consumers who are tricked into sending money to a fraudster can expand financial inclusion by reducing the risk of losing funds. Finally, keeping up with new types of fraud is essential.

Security: The seventh set of action steps are about security. The report discusses ways that applying traditional security practices in faster payments could be exclusionary. The report observes that to further enhance inclusion, providers and policymakers would need an appetite to recalibrate risk calculations to include more flexibility, a more varied set of data points, and things such as tiered Know Your Customer (KYC) for lower balance accounts.

Interoperability: The eighth pain point is the lack of full interoperability. The report acknowledges its importance without delving into how to achieve it.

[Part IV: Enhancing solutions and services for the underserved.](#)

Part IV describes use cases for the underserved that could provide benefits from faster payments and associated services. Some of the use cases are about speed. These include bill payment closer in time to due dates; faster disbursement for loans, merchant refunds, emergency, and government payments; a faster way to get funds to a family member in need; and employers paying employees or contractors more frequently.

In other use cases the benefit comes from integrating faster payments data with other products and services. Here the use cases include retailers integrating point-of-sale payments data to offer points and coupons; simplifying record keeping for small businesses; faster payments data supporting personal financial management tools; and access to credit with new forms of underwriting using faster payments information.

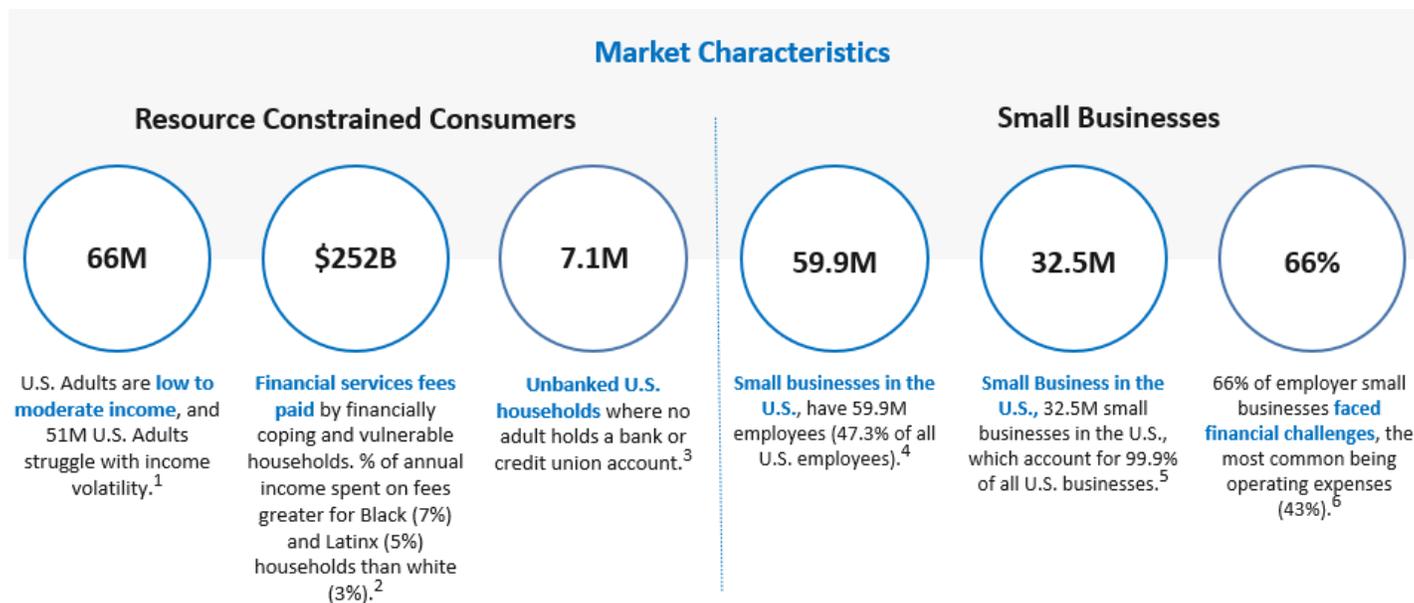
[Part V: Remaining considerations.](#)

Part V identifies issues that would not be fully resolved by the recommendations in this report. Some issues would require action going beyond that of private sector entities. For others, the action steps in the blueprint only partially address the pain point. The remaining considerations concern the issues of bank account access and trust, user impact, data and privacy, and fraud and security.

Part I. The population for financial inclusion

The Faster Payments Council established the Financial Inclusion Work Group (FIWG) 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. That inquiry starts with defining the population for expanded financial inclusion in the use of faster payments.

The FIWG included three segments within the population of the underserved people without a bank or credit union account (the unbanked), people living paycheck to paycheck and thus who are resource-constrained, and small businesses. This chart illustrates some market characteristics.



Footnote with Sources for Market Characteristics Chart, reference footnote³

Next, we discuss some of the characteristics of the financial lives of both unbanked and other underserved individuals, then those of small businesses, and then some characteristics and constraints that both consumers and small businesses may share.

Individuals living paycheck to paycheck are resource-constrained.

Many people in the United States (U.S.) are living paycheck to paycheck, whether or not they have a bank account. According to one source, between 50% and 78% of non-retired U.S. households are living paycheck to paycheck.⁴ Some households are doing worse. In the biennial FINRA Foundation U.S. National Financial Capability Survey, 19% of U.S. households said that they spent more than their income over the prior year, excluding large purchases such as a house, car, or other investment.⁵

Many low- and moderate-income households face income and expense volatility, with difficulty in covering dips in income and spikes in expenses. The families in the Financial Dairies study reported dips and spikes of 25% or more in five months of the year for each of income and for spending.⁶

A significant percentage of U.S. households meet the definition of financially fragile, that is, they would be unable to come up with \$2,000 through assets, borrowing or friends and family within one month. Rates of financial fragility are: 30% of middle-income households; 34% of all households with two children under age 18; 59% of households headed by adults lacking a high school degree; and 39% of households with a high school degree as final educational attainment.⁷

Underserved individuals may have low trust in banking and financial services and may rely instead on family financial networks.

For underserved individuals, trust in banking and traditional financial service providers may be low.⁸ Trust is often cited by those who are unbanked as one of the reasons not to have a bank account.⁹ Trust may be strongest with family and personal networks, which are often a source of funds during times of need. This characteristic may pose a barrier to adopting new ways to send and receive funds. According to the Consumer Financial Protection Bureau (CFPB), the use of family financial networks is widespread, with up to one in five U.S. adults receiving financial support from family or friends, and one in three supporting others.¹⁰ In addition, the FDIC found that fee concerns were more likely to be reported by the unbanked who had previously been banked than by those who had never been banked,¹¹ which may also imply a lack of trust.

Small businesses are resource-constrained.

Resource constraints faced by small businesses are well documented. The Federal Reserve Bank Small Business Credit Survey of 2019 reported that 66% of small businesses with employees faced financial challenges in the prior 12 months. Paying operating expenses was reported as a challenge by 43% of small employer firms, debt payments by 30%, and purchasing inventory or supplies by 19%.¹²

Constraints faced by both types of underserved - individuals and small businesses.

For underserved consumers and small businesses, managing cash has no room for error. A delay or interruption in funds could mean missing a rent payment or being unable to meet household expenses or to pay employees. Mistakes, fraud, or security issues can have a significant impact by disrupting income or leaving bills unpaid if the funds go to the wrong person or to a scammer. Because they must manage their funds so carefully, the underserved may also have higher sensitivity to fees, as has been documented for the unbanked.

The underserved are likely to be pressed for time. Adults may hold more than one job, or a job and side gigs. There are time pressures in running a small business. This has implications for adoption of new ways to pay. New adopters may benefit from product simplicity, culturally appropriate design and practices, and multichannel customer service, which save time and build trust. In addition, the underserved have existing habits and methods to manage their finances, and small businesses have existing equipment and practices for sending and receiving payments. There is a time burden to make changes and fix mistakes, and potentially a cost as well.

The underserved also are likely to face constrained credit. The CFPB has reported that 19.4 million Americans have credit records that cannot produce a credit score. Half of these are too thin to score, the others are too stale. Another 26 million Americans have no credit file, and thus were termed “credit invisible.”¹³ Small businesses may face difficulties in borrowing working capital or high costs for that capital. The credit constrained nature of the underserved population may make faster payments particularly useful if the data about their use of faster payments can be used to facilitate access to new forms of lower cost credit, as discussed in Part IV.

Part II. Pain points and barriers to financial inclusion

Drawing on the collective expertise of its members, the FPC's Financial Inclusion Work Group (FIWG) developed a list of the issues, or "pain points," that affect underserved consumers and small businesses with respect to the use of faster payments. The pain points were aggregated into the following clusters:

1. **Design:** Product design not currently targeted to the needs of the financial lives of the underserved.
2. **Liquidity constraints:** Tight budgets mean that a delay, interruption, or loss of funds can lead to a cascade of adverse financial consequences.
3. **Cash in/cash out:** People without a bank or credit union accounts face costs to get cash into and out of faster payments.
4. **Trust:** Trust in financial services providers may be low. It may be undermined in the absence of strong customer service and language access, and by apprehension about fees.
5. **Mistake prevention:** Limited ability of the customer to absorb the loss of funds due to a mistake.
6. **Fraud prevention and remedy:** Limited ability of the customer to absorb the loss of funds from fraud.
7. **Security:** Concerns about the security of funds and the impact of security procedures on inclusion.
8. **Interoperability for ease of use:** Concerns about how to use faster payments efficiently when there are many systems, and payees and payors may use different systems that do not connect.

This part discusses these pain point clusters.

1. Design for the financial life of the underserved.

The first pain point is that faster payments products and features are not designed, tested, and monitored with the underserved user as the primary intended user.

Design of faster payments products for the underserved should be grounded in:

- Research and testing to identify which products, services and features will best meet their needs. Consideration of the characteristics of their financial lives and the challenges they face.
- The technology which will be used to access products.
- The time scarcity of users.
- Existing payment or money management habits and how people in this market use family financial networks.

Support services and product features that help users during situations where they have had a loss of or interruption to funds from human or systemic mistakes, fraud, or a weakness in security are critical features for this market.

2. Liquidity resource constraints

This cluster of pain points stems from the underserved being strapped for funds, with low ability to absorb or adapt to a disruption, delay, or loss of funds.

Low liquidity causes the following pain points and reduces the adoption of faster payments:

- Risk of a cascade of negative financial consequences from an interruption in funds. unexpected fees, or delays in funds receipt or availability.
- Concerns about prompt funds receipt and availability.
- Need to move funds quickly and reliably across extended family financial networks.
- Need for predictability and customer control over fees and costs.

3. Cash in/cash out, how people without bank accounts get cash into and out of faster payments

This cluster of pain points includes:

- Not having a bank or credit union account eliminates an easy way to move cash into and out of faster payments.
- People may need to transact in cash rather than faster payments because the people they interact with in the community pay and receive payments in cash.
- It can be expensive to move funds into faster payments by loading a prepaid card with cash.

Other issues about cash were covered under Design, such as its privacy features and its tangibility for money management. Using cash can also impose costs, such as the cost of converting checks received into cash; the cost of paying bills or sending funds through money services businesses; the cost and time to obtain money orders to mail bill payments; and the time to go to specific biller-authorized locations to pay in person with cash.

4. Trust

Lack of trust is a pain point. These concerns affect trust:

- Security concerns.
- Shortfall of confidence in financial services.
- Need for transparency of costs and terms. Complex pricing structures or hidden fees may reduce trust.
- Unfamiliarity and burden of change. Diversity of products and product changes add to decision complexity.
- Need for multiple channels and types of customer service.

- Need for language access and cultural sensitivity.
- Desire for privacy.

Other pain points, such as mistake and fraud, also influence trust.

5. Mistake prevention

The risk of losing funds due to a mistake is a pain point for the underserved in the use of faster payments since the underserved face tight family and business budgets. Mistakes can create catastrophic negative effects from the related cash flow issues for the sender and for the intended recipient who did not receive the funds.

This pain point includes:

- Need to reduce or prevent funds sent to the incorrect recipient to avoid loss of funds and a cascade of adverse effects from cash flow interruption.
- Customer need for assistance when a mistake has occurred.
- Need for a dispute process and/or an indemnity for the customer.

6. Fraud prevention and response

The risk of loss due to fraud presents a cluster of pain points for the underserved. Fraud is hard for individual senders to see. Fraud prevention requires monitoring across entities and scrutiny of patterns in recipient accounts. The pain of fraud is not unique to faster payments; but the speed at which funds can leave the customer's account and enter the account of a fraudster makes the fraud issues important. Losses from fraud can spark an adverse financial cascade.

The pain points for fraud are:

- Unauthorized transaction fraud disrupts cash flow until resolved.
- Fraudsters trick people into sending them money (authorized transaction fraud).
- Individual payment senders cannot see the patterns that might indicate that a recipient is fraudulent.
- There is no process to appeal for return of funds lost to authorized transaction fraud.

7. Security

Systemwide security is important for everyone, including the underserved. However, moving traditional security checkpoint methods into a faster payments environment might exclude people not in the banking system from full use of faster payments. There need to be ways to authenticate a faster payments user who has not already been authenticated for a transaction account. Security steps which rely on data about existing customer characteristics and patterns

of behavior may exclude those have different patterns. Traditional methods of KYC also pose a barrier to participation. For example, some of the underserved may need to provide alternative forms of identification, such as matricula consular IDs or municipal IDs, that not all banks or credit unions accept due to varied security protocols.¹⁴ Finally, the multi-party nature of faster payments may heighten the need for network-level monitoring of activity and patterns of transactions across multiple participants.

The issues here are complex, but the pain points are simple:

- Everyone needs strong security to protect their funds.
- Some people may not wish to provide biometric information for authentication.
- Some people will be excluded by behavioral/pattern analysis used to identity customers or mark with a red flag on potential security issues, because they do not have certain characteristics such as a stable address or fixed location of employment.
- Users are not in a position to spot patterns of fraud in the payment system, and so must rely on others to find and address many types of security problems.
- Users need customer service and a remedy when a security problem causes loss or interruption in funds.

8. Interoperability for ease of use

Interoperability matters for the whole user base. It is of special importance to the underserved, so that they can use funds in any account or service to pay someone via a faster payment using a different service. If services are not fully interoperable, the underserved might find their funds siloed into locations where they can only be spent with some payees.

The pain point in the absence of interoperability is:

- People who keep funds in a payment service balance, rather than a bank or credit union account, face costs and challenges in using those funds to pay someone who is not using that same payment service.

This part of the report describes actions that could be taken by private sector entities in faster payments to respond to the pain points. The first three pain points and proposed actions in response to them arise from the ways in which the needs and requirements of the underserved may differ from those of other customers. The remaining pain points stem from topics that impact all customers and are discussed with a focus on actions to address them for expanded financial inclusion in faster payments.

Thus, this part covers action steps on these topics:

1. Design for the financial life of the underserved consumer financial life of the underserved.
2. Liquidity constraints for the underserved.
3. Cash in/cash out: how people without bank accounts get cash into and out of faster payments.
4. Trust
5. Mistake prevention
6. Fraud prevention and response
7. Security
8. Interoperability

1. Design for the financial life of the underserved consumer

Overview

To reach underserved consumers and small businesses effectively, faster payment providers should design products, features, and pricing with the underserved in mind. For individuals, inclusion will be enhanced when faster payments providers design for people with tight budgets. Market research, user testing before deployment, and data analysis after launch should provide insights. Providers will also need to consider what technology the underserved will use to access the product, and how that choice should influence design. For small businesses, key design elements may include embedded and add-on services and features to ease administrative tasks, which are discussed in Part IV.

Designing for cash-strapped individuals and small businesses will require developing a deep understanding of the practical realities for those customers as they manage their family financial lives or their businesses. This will include understanding various customer characteristics, constraints, and preferences. Designing products for underserved should consider the underserved customer's resource and liquidity constraints; income and expense volatility, low tolerance for any interruption in the flow of funds; the technology which will be used to access products; time scarcity; existing payment or money management habits; and how people in this market use family financial networks. In addition, critical features for this market include support services and product features that help users during situations where they have had a loss of or interruption to funds from human or systemic mistakes, fraud, or a weakness in security.

To bring the design of faster payments closer to the financial lives of the underserved, providers can take these steps:

- Engage in user research to design faster payments products and interfaces to serve consumers and small businesses who are resource-constrained as primary users of the product.
- Test features with the intended population before and after deployment and monitor usage data to determine effectiveness.
- Consider the technology that the users will use to access the product.
- Value simplicity across the product platform, features, and services.
- Build in product features that mimic the actual or perceived benefits from using cash, and support customers who transact partly in cash and partly with faster payments.
- Provide responsive customer service and product features that help users during situations where they have had a loss of or interruption to funds from mistakes, fraud, or a weakness in security, as discussed below under Trust.

These six action steps are discussed below.

Ground product design in user research about the underserved

First, providers of faster payments can increase usability for the underserved by grounding product design in user research about the financial lives and needs of underserved consumers. Any group of consumers is less likely to adopt something designed for other people whose financial lives are different. For example, a product designed for persons whose payees and payors are all using bank accounts or prepaid cards and whose payees and payors are already using faster payments applications may not meet the needs of an underserved consumer whose payors and payees are not currently using faster payments. Low- and moderate-income consumers may have different family financial networks and realities than other groups of consumers. Jose Quiñonez of the Mission Asset Fund has spoken eloquently about the concept that, for many fintech products, lower income consumers have been “secondary users,” – that is, while they might choose to use the product, it was not designed with their financial lives in mind.¹⁵

Conduct user testing and monitoring of how the product is used

Second, testing with the intended customer base and monitoring of actual product use by underserved potential customers will yield further insights. People do not always use products the way that the product designer had in mind. Providers can enhance inclusion by pre and post deployment testing with the target population of the products, features, and approaches that they have designed to serve resource-constrained customers. Ongoing monitoring of the data about how people are using the product may indicate where further changes are needed or reveal unmet needs.

Consider the technologies used by people who are underserved

Third, providers can enhance inclusion by considering the technology that underserved will use to access the product. The design should consider the technologies that these customers will use, and any constraints that these technologies impose. For example, a consumer who is accessing the product only on a smartphone may have somewhat different needs than one who can also review activity on a laptop or a larger mobile device. Similarly, a consumer who has a lifeline or subsidized smartphone may face data plan volume limits.¹⁶ Those data limits may mean that using of some features of the faster payment will compete with other needed uses of that device, such as online medical appointments and other uses.

Offer simplicity to reduce time pressure on the customer

Fourth, providers can consider the time pressures on the potential customer in adopting and using the product. Individuals may be working multiple jobs and/or contingent worker gigs. One of the most constrained resources for a small business owner is time, as small business owners may be putting much longer hours than a normal workweek and be unable to obtain additional help. Thus, the burden of limited time and change itself is a factor in whether underserved individuals and small businesses will adopt and use a faster payment method.

Providing simplicity in faster payment product offerings may respond to the time pressures faced by the underserved. A faster payment provider may also reduce the burden of change by being very deliberate in product updates. Features that reduce errors or deter sending to a fraudster also have a net time-saving element. Integrating or accommodating layered services for small businesses may offset a time burden impact when these provide time and cost efficiencies.

Provide the benefits of cash

Another design consideration that may expand access for the underserved to faster payments is to mimic the benefits that the potential customer gets from their current methods of managing their funds. Cash is easy to physically segregate for money management purposes and easy to break into smaller units to give out only part of one's assets to another person, such as a child, caregiver, or neighbor for a specific purpose. Cash does not erode in fees during non-use. All these features might have a digital analog. Cash is also private, which might be harder to mimic. Of course, cash has disadvantages as well, but offering some of the benefits that people experience with cash via a faster payment product is another way to make it more attractive to people who are now using cash.

Provide responsive customer service and product features that help users when they experience an interruption in access to funds or a loss of funds from causes such as mistakes, fraud, or a weakness in security.

Elements of this action step are discussed in the sections below addressing Trust (page 20), Mistake (page 23), Fraud (page 26) and Security (page 31).

2. Liquidity constraints

Overview

For individuals, faster payments could contribute to addressing liquidity issues by enabling the underserved to get paid faster and make payments faster, or just in time, to avoid fees. For small business, faster payments can help optimize cash flow via faster access to incoming funds, allowing them to defer outbound payments to closer to due date and preserve more capital for business needs. Small businesses may also save time in business management and payment reconciliation with integrated and layered services that accompany or are enabled by faster payments, as described in Part IV. However, liquidity constraints also create specific needs for the underserved with respect to faster payments.

These action steps can mitigate some of the pain points related to liquidity constraints:

- Provide prompt funds availability. Banks and credit unions should ensure that individuals get the benefit of a faster payment by waiving funds availability hold periods in their customer contracts for those funds received via acceptance of a faster payment.
- Extend reach across family financial networks.
- Address apprehension about the unpredictability of fees and costs with low, transparent, slowly changing fees.

These three action steps are discussed below.

Provide prompt funds availability to consumers for incoming faster payments.

First, getting paid faster is of obvious benefit to resource-constrained individuals and small business. A delay in receiving money earned or owed can result in immediate adverse consequences. A delay in incoming funds can lead to an inability to pay bills and household expenses, to late fees and a cascade of other adverse financial consequences.¹⁷ Such a delay would also be contrary to payment system rules.

To ensure that individuals get the benefit of faster incoming payments, banks and credit unions should waive funds availability hold periods in their customer contracts for funds received via acceptance of a faster payment. If outgoing funds leave promptly via faster payments but funds received from incoming faster payments are subject to funds availability delays, this could disrupt cash flow and family finances.

Extend reach across family financial networks.

Second, many people manage their resources across a financial network of extended family, where resources may be passed back and forth among members of the family to meet unexpected, and emergency needs.¹⁸ Faster payments could enable a more immediate way to transfer funds between trusted members of a family financial network. This may allow the recipient of the funds to

avoid or mitigate a financial emergency and to avoid a domino effect of adverse consequences flowing from an unmet financial need or unexpected household expense. However, achieving this benefit will depend on having the members of the extended family financial network able to send and receive faster payments on the same payments service or through accounts that are linked to that service. Thus, payment service providers could seek to serve multiple members of extended families as part of an inclusion strategy.

Address apprehension about level and unpredictability of fees and costs with low, transparent, slowly changing fees.

Third, resource-constrained individuals may have a particular concern about unforeseen fees when sending, receiving, or withdrawing money.¹⁹ The FDIC survey discussed in Part I showed that over 30% of those without bank accounts cited fee levels; and separately, fee predictability, as reasons individuals are unbanked. Small businesses may be concerned about startup costs, ongoing costs, and merchant fees.

Where fees will be incurred, both individuals and small businesses need certainty and predictability about what those fees will be, both at the time of signup and in the future. This calls for fee transparency initially and when fees change, and for not increasing fees frequently, as further discussed in Section 4 on trust.

3. Cash in/cash out

Overview

One segment of the underserved are people who are unbanked. Unbanked people who operate partly in cash face an additional pain point to use faster payments because they have to get cash into and out of the faster payment service. Some consumers are in the cash economy because other people that they interact with use cash. Without a bank account to serve as a bridge, moving funds back and forth between cash and faster payments can be inconvenient and expensive. We called this pain point cash in/cash out. The primary action step in response is to encourage all consumers to obtain a bank or credit union transaction account and to support local community efforts to get more people banked.²⁰ A prepaid account could also serve as a bridge between cash and faster payments, but prepaid account holders those may face cash load fees to get funds into the account and ATM fees to withdraw funds in cash. One provider informs its customers that a prepaid card cannot be used to transfer funds out of the faster payment service."²¹

Two other steps provide partial solutions to the pain point of cash in/cash out. One partial solution is for payments providers to try to reduce the need for cash payments by seeking wide adoption of the same faster payment method within communities or subgroups. This could make it easier to move money within the wider community without using cash. Another partial solution is for providers to reduce the cost of moving cash in and out of a prepaid account, which then could be used as a bridge to move between cash and faster payments.

This leads to these action steps to expand financial inclusion for the unbanked:

- Get customers banked: Support by faster payments providers and others for local community-based efforts to get more people banked, such as “Bank On.”
- Develop community-based adoption of faster payments: Community-based penetration of faster payments services may make it more convenient to move away from the use of cash.
- Improve access to low-cost cash in/cash out: Faster payments providers could arrange for convenient and low-cost methods for unbanked people to get cash in and out of faster payment accounts.

These three action steps are discussed below.

Get customers banked

First and most importantly, fully inclusive faster payments adoption may depend on wider entry into the banking system by the unbanked. People with a bank or credit union account can deposit and withdraw cash to fund faster payments and to spend the proceeds received from faster payments. Unbanked consumers face a “first mile” and “last mile” hurdle in using faster payments. The first mile hurdle is how to get cash into the payment service, and the last mile is getting funds out of the payment service and back into cash to use for expenses that are to be paid in cash. Unbanked people who are partly dealing in cash have to take time and may pay fees to get cash into and out of a prepaid account or a payment method.

Banks have role to play in increasing bank account usage. Attention to minimum balance or other requirements to waive fees may be part of the equation. Identification requirements also affect bank account usage. The FIWG noted that a financial services provider might impose a higher level of identification than is required for KYC. For example, some financial institutions have long accepted the Matrícula Consular identification issued by the government of Mexico as a primary government-issued ID.²² Others, however, may not accept this form of ID.

Faster payments providers can support efforts to get more people banked. There are various ways to support local efforts to expand inclusion in bank and credit union accounts. These include working with local leaders or local Bank On coalitions; using the Cities for Financial Empowerment Fund Bank On platform; and participating in one of the regional FDIC Alliances for Economic Inclusion.²³ Faster payments providers might also explore other ways to encourage their customers to become banked, such as providing information or referrals to their payments customers about how to obtain a low-cost bank account.

Getting more of the U.S. population banked will require a long-term, resource intensive, community-based effort. This is not the sole responsibility of faster payments providers, yet broader bank account inclusion may also support broader inclusion in faster payments. The Work Group also acknowledges that some well-respected thinkers in financial inclusion have suggested that it is time to explore paths to expanded financial inclusion that do not involve bank accounts,

citing the historic difficulties that some groups of consumers have faced when using the banking system, including funds availability delays, cost, and timing issues with the accuracy of fund balance information.²⁴

Develop community-based adoption strategies

Second, wider adoption of faster payments by the unbanked may call for a community-based penetration strategy. To build beneficial network effects for people who are partly in the cash economy it may be necessary to achieve a critical mass of faster payments among payees and payors from this group. However, the extent of the community penetration strategy will be limited by what types of payments are and are not suitable for an irrevocable payment.²⁵

Improve access to low-cost cash in/cash out

Third, the cost and time required for people who are unbanked to deposit cash into a place where it can be used for faster payments can be a barrier to use; and it is not clear how these consumers can withdraw the funds in cash when they need to make payments in cash. Some providers offer a debit card, but ATM fees may be a barrier. Some providers may waive some fees, but only with direct deposits above a specific amount.

To address the cash in/cash out pain point for those who remain unbanked, faster payments providers need to arrange for low-cost, easy to use methods for people to get cash into and out of faster payment accounts. This may include placing ATMs in alternative locations. However, simply providing ATM access without attention to reducing the cost is insufficient. For example, per Bankrate 2020 survey info, the national average for ATM surcharges was \$4.64 per transaction.²⁶ This means that a family making two ATM transactions a week to withdraw payment proceeds would pay a total \$37.12 over four weeks – more than five hours gross pay at the \$7.25 federal minimum wage, and more than two hours gross pay in a state with a higher minimum wage.²⁷

Payments providers might also contract with alternative financial service (MSB) agent networks, as has been done in other countries, to provide infrastructure to move between cash and faster payments.²⁸

The issues with respect to people who are unbanked are complex. Wider use of faster payments by this group also leaves some remaining considerations of concern, which are covered in Part V.

4. Trust

Overview

To gain adoption, faster payments services must earn and keep the trust of the underserved. This section discusses practices to build and sustain trust. Trust is not created by a single specific feature or service. Indeed, every topic discussed in this report could impact trust. The following key considerations affect trust to varying degrees for both underserved individuals and small businesses:

- Security that includes access controls; proper authentication; protected funds; account access stability guarantees; fraud prevention controls, remediation, dispute resolution; and cybersecurity.
- Confidence in the service providers on both ends of a transaction that the funds have reached the proper intended party.
- Transparency about all aspects of the payment service and associated fees.
- Customer service that is timely, readily accessible, omnichannel and of high quality.
- Language accessibility and culturally friendly products, practices, and service.
- Broad reach supported by interoperability that enhances convenience.

These six sets of issues and associated action steps are discussed below. Concerns about privacy are also noted.

Security

First, building trust requires protections for users including system security, funds safety, prevention of mistake and fraud, and a guarantee of access to funds. The Faster Payments Task Force identified safety, security, and integrity as essential for trust.²⁹ It described these elements as essential for trust:

- Security for both data and for transaction legitimacy
- Oversight of service providers throughout the payments chain with respect to security and compliance to protect users.
- Effective processes, practices, controls within and across solutions to minimize and mitigate fraudulent and erroneous transactions
- End-user protections to safeguard against financial and other losses.

Confidence

Second, users need to feel confidence to trust the payments solution and the service providers at each step in the faster payment transaction. The following actions help support confidence:

- Oversight of service providers throughout the payments chain to ensure they provide a proper level of security and compliance to protect users.
- Notification to senders that the recipient has received the funds.
- Prompt funds availability for the recipient of funds received via a faster payment, so that the funds are available for use promptly upon final receipt.

Transparency

Third, transparency about all aspects of the payment service and associated fees will help to build trust. Product complexity and the time burden it can impose on the user was discussed under design. Transparency goes beyond scarcely read legal terms and conditions. The action step here

is to achieve transparency about how the faster payments solution and services work, and the fees and costs. The explanation needs to be straightforward, easy to understand, and highly visible to the customer.

Complex language and sheer length of terms and conditions can interfere with transparency and lead to unexpected fees. In some cases, there may also be a need for verbal and/or video explanations of the more complex terms and conditions. The details and legal language should be preceded by a complete and simple to understand summary.

Fees are one of the most important areas of transparency. If customers discover fees only in use, they can be caught off guard and then lose trust. Fees charged to unbanked and other underserved people who use alternative, non-bank financial services have traditionally been higher than fees charged to accomplish the same type of transaction for those with bank accounts.³⁰ This can undermine trust. Full transparency about fees is necessary to sustain trust.

Customer Service

A fourth aspect of establishing trust is to address customer service. Trust in a faster payments solution and its provider starts at the time of onboarding and should be nurtured through the life of the relationship. Trust is nurtured when the end user is made to feel individually valued and can get questions answered and problems resolved.

Timeliness and ease of access to customer service helps to build trust in the relationship. This may require omnichannel means of access during all times of need, which may include times before, during, and after standard daytime work hours. Trust gets eroded when users become frustrated by complicated websites and by automated response IVR systems which make it hard to communicate with someone. Some users may prefer some of the digital customer service options, while others may need phone support with a live person. This leads to the action step, that there should be omnichannel methods of high-quality customer service, and always some way to get through to a human, even if just to open a ticket for follow up.

Language and Cultural Sensitivity

Fifth, providers must consider and adapt to the cultural differences in the ways people think about money, banking, and payment services. Cultural differences need to be taken into consideration, especially in product design, customer service and any in-person interactions. A lack of sensitivity to cultural perspectives and differences can undermine trust. In addition, a limited language access can undermine trust. Online and mobile applications, marketing, automated and live customer service, product descriptions, usage instructions, cost information, transparency information and other materials should be provided in all languages of users that each solution provider expects to reach or plans to expand reach to.

Reach

Sixth, limited reach can undermine trust. If funds are siloed across different faster payment providers where funds are only available to be used with payees who accept specific services or can only be used with payees who also use the same service, then there may be less trust in the service. The needed action is to achieve interoperability, which is discussed below in section 8.

Privacy

A final issue related to trust is privacy, for which we do not offer an action step. Some users may want more privacy and confidentiality for their identity and transaction data than they perceive is available in banking or in faster payments. Concerns about privacy are in the top three reasons that people who are not banked give for not having a bank account.¹ Any electronic payment method, including faster payments, creates electronic records that are not created with cash. Those who seek maximum privacy may have to choose if they wish to give up using cash to get the benefits of any form of digital payment, including a faster payment.³²

A final overall challenge is that trust can be hard to earn and is easy to lose. Trust is a complex issue because every interaction with a product or provider can enhance or undermine it. In addition, a problem experienced by one provider, such as a highly publicized service disruption can undermine public trust and confidence in the affected provider and potentially in other providers which provide the same type of services.³³

5. Mistake prevention

Overview

The underserved will not embrace faster payments if they feel that these services require them to bear all the risk due to an accidental error. This is even more sensitive for those that depend on faster payments to get bills paid at the last moment, where they cannot afford mistakes, and/or have trust issues, as is the case for many underserved. The Faster Payments Task Force noted that authorization processes, if not carefully designed, could confuse some end users and lead to more improperly authorized payments and related customer dissatisfaction.³⁴

Action steps that can help minimize and prevent mistakes are:

- Build in speed bumps during payment authorization
- Give end users the opportunity to review and confirm a payment order
- Allow recipients to voluntarily return funds plus be able to approve electronic requests for return of funds
- Allow legitimate senders to request return of funds sent in error
- Cross check the payment order with other information on hand
- Offer tools that help consumers confirm identify of the proper recipient

- Monitor and respond to mistake rates across customer segments
- Test the authorizations process for mistake trends and prevention
- Provide a dispute resolution process and potentially an indemnity for losses from mistakes

These ten steps are discussed below.

- **Build in speed bumps during payment authorization.** Some apps use a combination of design and analytics to protect consumers from accidentally sending money to the wrong recipient. For example, one service queries a consumer to verify their intention to send a payment if a recent transaction to the same recipient for the same amount was recently ordered. Another example is where the typical range of amounts used with this recipient varies widely. A third example is use of a recipient which has not been used before, not used in a very long time, or used outside of its historical recurring pattern. These speed bumps in the process of ordering a payment may help to reduce mistakes.
- **Give end users the opportunity to review and confirm a payment order.** Interagency guidance has reiterated prior expectations for financial institutions to offer multi-factor authentication for internet-based financial services.³⁵ A similar principle could apply when a faster payment is authorized. For example, when an account holder adds a new faster payment recipient for their account, the financial institution could verify the recipient's alias by asking the sender for a second piece of information. Another example for an additional step could be to have an "are you sure?" checkpoint to review once the payment is set up, but before it is sent.
- **Allow recipients to voluntarily return funds plus be able to approve electronic requests for return of funds.** Recipients may prefer to reject a payment or to return the funds instead of accepting the payment and then having to issue a refund. For example, a hospital that would have to send a paper check to refund an improperly sent payment may prefer instead to be able to reroute funds back to the sender electronically. Use of the ISO 20022 payment return messages may be useful in these types of cases.
- **Allow legitimate senders to request return of funds sent in error.** This is where the sender wants to request the return of funds sent in error. The ISO 20022 request for payment return message may be useful in this case. However, some screening may be needed to avoid facilitating a false request for refund scam.
- **Cross check the payment order with other information on hand.** If a sender is about to authorize a payment in response to a request for payment, the payment site can be programmed to check that the intended amount is less than or equal to the amount described in the request for payment. A similar approach can be used with recurring payments.
- **Offer tools that help consumers identify the proper recipient.** Merchants and other payment recipients could use a QR code to streamline payments from customers. The CFPB has recommended that consumers should ask the recipient to send a request for payment if there is uncertainty about the recipient account, alias, amount, or what the payment is for.³⁶

- **Give consumers easy access to the tools they need to resolve their concerns.** Design the payment application, website, or other channel to include several means for users to contact their financial institution from inside the payment platform. Solution providers should bear in mind that services should be inclusive of populations with disabilities as well for individuals whose primary language is not English.
- **Test the authorizations process for mistake trends and prevention.** User testing can reveal key information about how a payment process will work in the hands of actual users. User testing could identify common mistakes and yield further insights into how to design payment authorization processes to reduce common mistakes.
- **Monitor and respond to mistake rates across customer segments.** Faster payment providers who monitor and analyze their own customer contacts and complaints could learn about which customers, in what circumstances, are most likely to enter a mistaken send order. This data could be a source of information about how the authorization process could further evolve to reduce mistakes.
- **Provide a dispute resolution process and potentially an indemnity for losses from mistakes.** The Faster Payments Task Force described customer expectations after an erroneous payment send, whether due to mistake or other causes. It said: “Poorly designed authorization processes can result in confusion and user errors, which could in turn lead to unauthorized payments and customer dissatisfaction. Furthermore, complex, or opaque resolution processes will add to end-user frustration and create a breakdown in trust. As such, it is critically important for faster payments solutions to have clear rules and effective processes for handling disputed payments with approaches tailored to the circumstances, such as on whether those payments are authorized by the payer (e.g., victim-assisted fraud) or unauthorized (e.g., lost, stolen, counterfeit, account takeovers, or in some cases debit-pull arrangements that were not explicitly agreed to by the payer). In addition, guarantees and/or indemnities that protect end users from unexpected losses due to error or fraud may be necessary.”³⁷

In building out methods to reduce mistakes, it will be important to be sensitive to new avenues of difficulty for consumers. For example, confirmation of payee systems can be useful to deter mistakes, but they should not reveal the full name and other confidential information of the proposed recipient. If the system returned the full name of the account, fraudsters could use that information for account takeover schemes. However, given that many businesses have common names and that it is easy to mimic a name by appending a seemingly official term like “LLC,” this reduces the usefulness of confirmation of payee systems for payments by consumers to businesses.³⁸ A confirmation of payee system which returns nicknames and/or other aliases that the recipient can provide to the senders can be helpful for payments to individuals. The use of unique business identifiers can assist in identifying the proper business recipient. Online business biller directory lookups typically require identification of part of the biller remit to address and/or customer service phone number. These techniques could also be applied in faster payments to help reduce mistakes.

6. Fraud

Overview

Fraud causes financial losses that can be devastating for the underserved, who are already face tight budgets even when there are no funds lost to fraud. People value protection against fraud.³⁹ A Federal Reserve survey reports that of the 40% of consumers who indicated no or limited interest in using faster payments, the top reason was concern about the potential of fraud, with 49% citing this reason.⁴⁰ People who are unbanked cite fraud protection as one of the most compelling benefits of getting a bank account.⁴¹

This section first identifies two primary types of fraud, unauthorized party fraud and the subset of authorized party fraud which is committed against a sender who is manipulated into sending the payment. This section discusses ways that responses to unauthorized party fraud may cut off inclusion, and two steps to take to avoid exclusion. Then the section covers three steps to respond to authorized party fraud through trickery against a payment sender, and two more steps to address both types of fraud.

Action steps related to fraud and fraud prevention.

Unauthorized party fraud.

- Recognize that some of the underserved will be hesitant to provide biometric information for authentication.⁴²
- Recognize limits of behavioral/pattern analysis to identify customers. These may work less well when verifying some persons who are underserved; for example, if a person has frequent address changes or lacks a fixed location of employment.

Authorized party fraud where the sender was manipulated.

- Build a strong set of processes to identify, authenticate and monitor payment recipients and to analyze patterns of receipt of payments for fraud indicators.
- Implement velocity controls on receipt of payments to narrow the usability of faster payments for large-scale fraud.
- Establish an appeals process for consumers who have been victims of scams.

All types of fraud.

- Build fraud-spotting capacity (via fraud information sharing) across the networks of entities engaged in the faster payments chain.
- Spot and respond promptly to new forms of fraud as they develop.

The discussion of the issues and action steps follows.

Two types of fraud and why they matter.

The Federal Reserve's FraudClassifierSM Model, developed by its Fraud Definitions Work Group⁴³, makes a primary distinction between unauthorized and authorized party fraud. Unauthorized party fraud is when the legitimate owner of the account did not authorize the payment or authorized a payment in a different amount or to a different payee than was processed for payment. In these cases, the fraudster takes over the account, tricks the consumer or business into giving away the access credentials to the account, or changes the amount or payee of a payment order to divert funds or increase the amount paid. Consumers have rights and remedies after unauthorized party fraud under the rules for electronic fund transactions, including for faster payments.⁴⁴ However, unauthorized payment order fraud can be a barrier to inclusion in the use of faster payments even when consumer protection requiring recrediting stolen funds applies, because of the disruption during the time that the consumer cannot spend the stolen funds on other household needs. A consumer cannot spend the funds stolen through an unauthorized payment order until the consumer discovers that they are missing, reports the problem, and the financial institution recredits the funds to the consumer's account within the required timeframe. Business purpose accounts do not have even this protection. As discussed in Part I, 19% of U.S. households already report spending more than their annual income and half or more households are living paycheck to paycheck. This makes a disruption in funds problematic even if there are rights to get the funds returned.

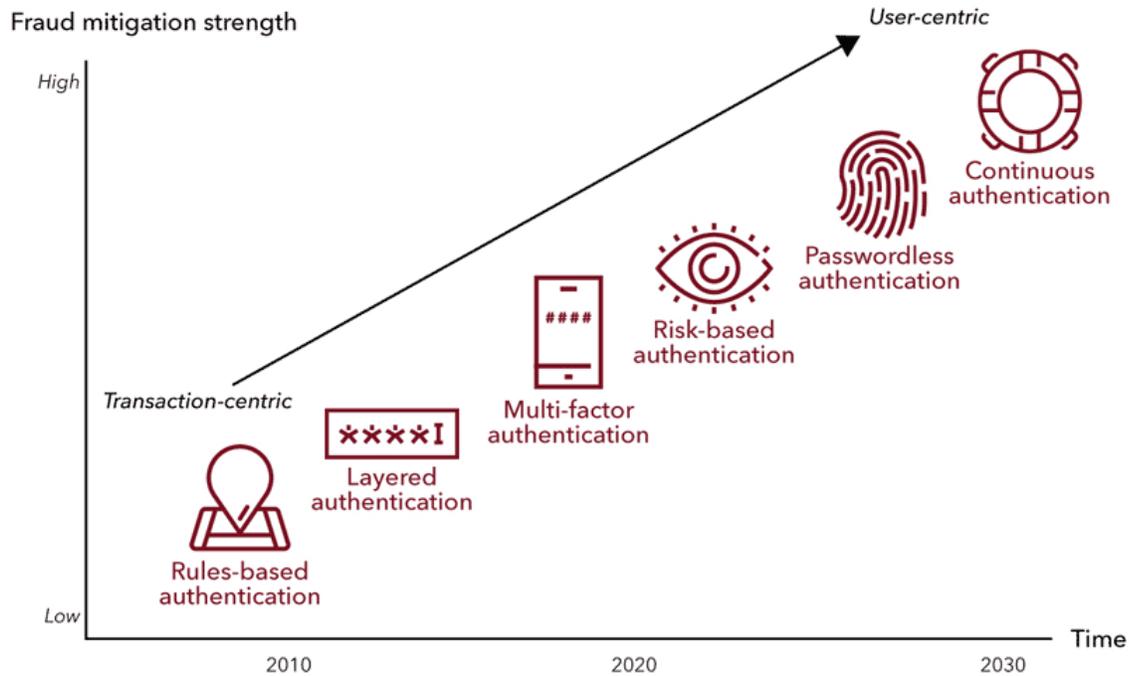
The relevant form of authorized party fraud for this discussion is the type of fraud where the authorized party was manipulated into sending a payment. For example, this type of fraud occurs when a payment recipient makes a false promise to get the sender to arrange the payment. There are a broad range of scams that involve fraudulently inducing a person to make a payment. Because the underserved are on tight household budgets, they cannot afford to lose money to this type of fraud.

Preventing both types of fraud is made more difficult by the speed of faster payments. With other types of payments quick action might make it possible to thwart fraud--for example, checks can be stopped, and merchandise can be withheld from shipment. But because faster payment services are immediate or nearly immediate, the sender has no opportunity to prevent the fraudster from receiving the funds.

Unauthorized party fraud: how account holders are authenticated affects inclusion.

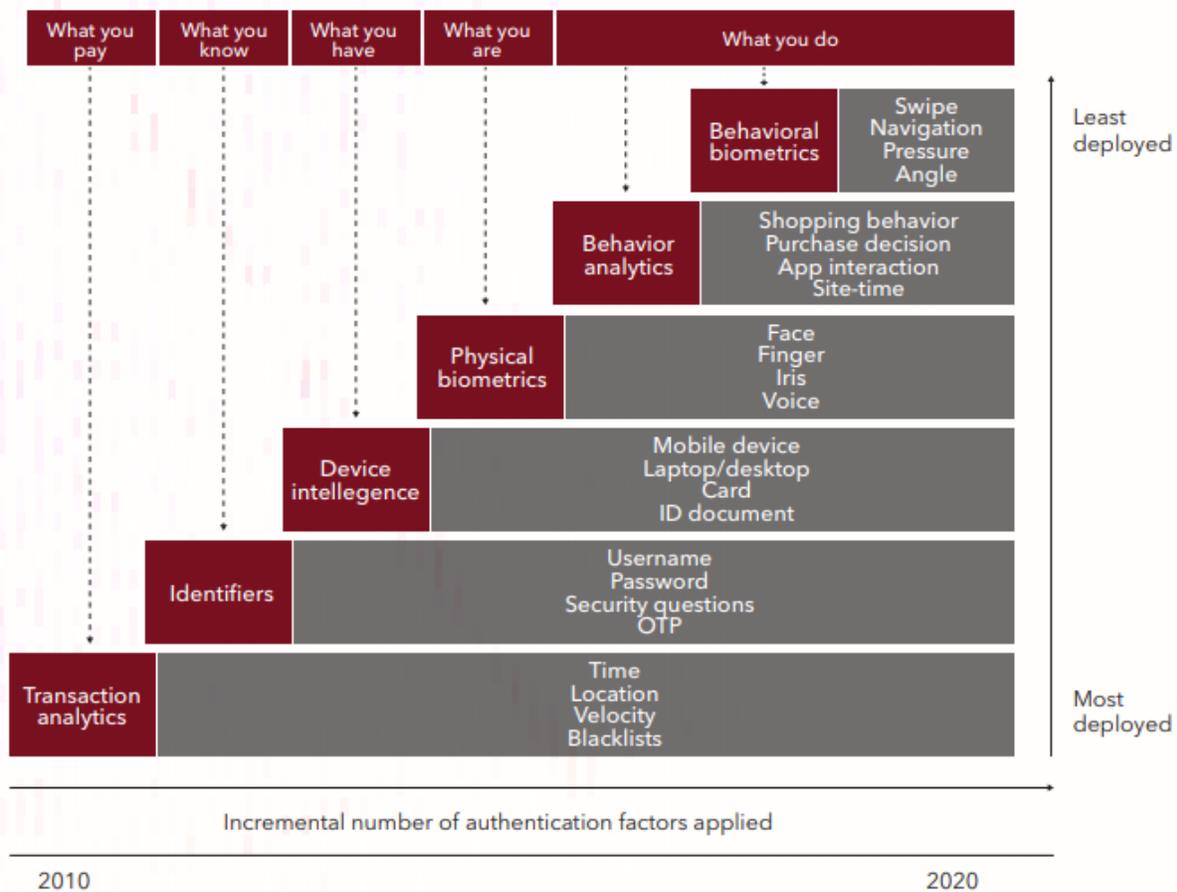
Authentication seeks to determine if the person authorizing the payment is in fact the account holder. The Federal Reserve outlined the evolution of authentication approaches in the two following diagrams.⁴⁵ These diagrams show how authentication is evolving to user-centric approaches based on what you have (mobile device, laptop), who you are (biometrics), and what you do (behavioral analysis).

Possible evolution of current authentication approaches and enabling technologies.⁴⁶



The next figure breaks down technologies that can be associated with these approaches.

Stronger mitigation can create implementation complexity.⁴⁷



Recognize that some of the underserved will be hesitant to provide biometric information for authentication.

The first step here is to recognize the potential exclusionary effect of requiring biometrics. People who are underserved may be reluctant to provide their biometric information for financial services uses even if it is localized on their device.⁴⁸ A report by VISA made this finding in 2019. Since that time, there is more general information about consumer comfort with biometrics that suggests that comfort levels are growing but still well below universal.

In a 2022 survey, the highest level of reported comfort is at 63%, for fingerprints, and that level was unchanged from 2020, when it was 62%. The survey result suggests that there are still a significant portion of consumers who are not comfortable with using biometric identifiers. The source did not ask people specifically about uses for financial services, but it did ask about uses by tech companies. There, 78% of consumers reported comfort with biometric use, higher than for government use and lower than for use by employers.⁴⁹

These levels of consumer acceptance suggest that for a significant segment of consumers, it is important to have an alternative, nonbiometric means of authentication available. However, another element in multi-factor authentication, behavioral analysis, may also present some challenges for full inclusion of those who are underserved, as discussed next.

Recognize the limits of behavioral/pattern analysis to identify customers.

The second step is to recognize the limits of behavioral/pattern analysis to identify customers. The trend in authentication to look toward behavioral and pattern analysis creates new challenges for the underserved. These methods may work less well when verifying some persons who are underserved. For example, a person who does not have a stable home or job location will have vastly different location information than someone who has both.

Also, people with tight budgets may not have a second device needed for out-of-band authentication. The 2019 FDIC Survey shows that while 83% of the unbanked own a mobile phone, they still lag the 95% ownership of the banked.⁵⁰ To achieve speed, risk-based authentication tools may be driven by AI, which may raise concerns about whether they have been created with sufficient attention to the characteristics of the underserved population.

Finally, a lack of trust in banks or in digital and faster payment services could make the underserved less willing to provide the information needed to authenticate them, thus barring access. To maintain security without excluding portions of the underserved, careful thought should be given to which factors to consider and how those factors are or are not present in the population of the underserved.

Fraudulently induced payments: Fraud where the authorized party fraud was manipulating into sending a payment.

Next, we turn to authorized party fraud against a payment sender, which is when an authenticated party is manipulated into sending funds to a fraudster. The types of scams are varied and ever evolving.⁵¹ This type of fraud is sometimes called “fraud in the inducement.”⁵² The FPC and other payments experts refer to this as “authorized push payments fraud.”⁵³ The Fed’s Fraud Classifier Model⁵⁴ refers to it as “authorized party was manipulated.” The action steps offered in response to this barrier are addressed to reducing this overall level of this type of fraud. This part of the section offers two action steps in response to authorized party fraud.

Identify, authenticate, and monitor recipients for patterns of fraud.

The third step offered in this section, and the first one for authorized party fraud involving fraudulently induced payments is this: To deter fraud that tricks and manipulates the customer into sending a payment to a fraudster, faster payments services, banks and credit unions, payment networks and others in the payments chain need to give heightened attention to identifying, authenticating, and monitoring recipients to counter fraud committed by tricking an authorized party to send funds. The focus here is on the recipient: whether the recipient’s identity is suspect, and whether the recipient’s account activity and pattern of receiving payments is suspicious.

Implement velocity controls.

The fourth step is to implement velocity controls on the receipt of payments. Velocity controls can reduce the attractiveness of a faster payments payment channel to fraudsters who induce individuals to send them funds. Limits on how many transactions can go into an account within a given timer period may reduce the scale of the opportunity for quick revenue through fraud.

Establish an appeals process for consumers who have been victims of scams.

The fifth step is a response to fraud after it has occurred. Consumers need some way to try to get their money back after being tricked into sending it to a fraudster. Consumers currently have rights under the Electronic Fund Transaction Act when a fraudster tricks the customer into giving his or her credentials and then uses those credentials to steal funds. However, if the fraudster instead tricks the consumer into sending the funds directly, the fraudsters seem to be keeping the money. When there is no remedy for the customer, the quality of the information about activities over the payment method and the network suffers, because scams may not be reported and thus may flourish for a longer time.

The FPC’s Fraud Information Survey describes a consumer protection for authorized push payment fraud that is used internationally. The survey respondents identified the top three fraud mitigation steps used internationally. They chose two steps related to information sharing and monitoring of high-risk recipients, i.e., known money mules, and this step: the “establishment of a consumer protection appeals process for consumers who have been the victims of scams.”⁵⁵

The final two action steps respond to both unauthorized payments fraud and to authorized payments fraud by manipulation of the payment sender.

Build capacity across all entities and networks in the faster payments chain to spot and stop fraud.

The sixth step responds to both types of fraud. It is for strong capacity and activities across all entities and networks in the faster payments chain to spot and stop fraud. Effective fraud fighting will require network-level information and action by all participants. In card payments the effectiveness of anti-fraud measures has varied across card issuing banks and credit unions. Card payments also illustrate the role of the network. The networks at the center of card authorization have recognized the need to take a strong role to secure the entire network, standing up tokenization services, providing fraud prevention services, and establishing security requirements for network participants.

Fraud detection and prevention in faster payments will require that networks, and each participant in the network, build and maintain anti-fraud monitoring and analysis in their processes. The network may have a more complete picture of all the activity with respect to a potentially suspicious payment recipient; as well as the most information to achieve accurate authentication of senders and recipients. Network-level anti-fraud activities should include fraud information sharing across all the entities engaged in providing payment services.

Spot and respond promptly to new forms of fraud as they develop.

The seventh step is for all participants in faster payments to be attuned to and respond promptly to new forms of fraud as they develop. This may be much like the antivirus firms that do the equivalent for viruses and other harmful software and information. It will require activity and cooperation among faster payment providers, banks and credit unions, prepaid card issuers, payment networks, and even billers.

For example, one form of payment fraud that has arisen with faster payments is the request for a return payment after sending a payment to a stranger with stolen funds. The so-called refund payment from the recipient is good funds, while the initial payment is reversed due to the use of stolen funds to make it.⁵⁶

In the future, as request for payment from billers develops, fraudsters may make fake requests for payment. Payment senders cannot see the patterns of such frauds. Payment providers, banks and credit unions, and networks will have to spot the patterns of fraud across the network and in the recipient accounts.

7. Security

Overview

Payment system security matters to all participants and is a topic much broader than this report. The prior section on fraud prevention addresses several elements of security, including authenticating senders, monitoring recipients for indicia of fraud, and network-level analysis of

patterns of activity across the various services comprising faster payments. This section highlights how some choices made in implementing security practices may impact financial inclusion in faster payments.

How security practices are designed and implemented may affect levels of financial inclusion in faster payments. Historical financial infrastructure security models and practices can pose barriers for the underserved. This discussion is offered to raise the issue, with some examples, rather than to provide an exhaustive look at security or at the design of inclusionary security.

Action steps to create inclusion-enhancing security

- Employ new ways to identify users. Combine flexible and adaptable identity verification with more accessible and stronger endpoint encryption. Use a token, endpoint, wallet, or voluntary use of a validated biometric characteristic to enhance security.
- Select data used in security analysis carefully to avoid exclusionary effect. Relying on data about characteristics that some the underserved do not have, such as a stable home address, could be exclusionary. It could also be exclusionary to treat as a red flag a characteristic, such as lack of a scorable credit file, which is more common in parts of the underserved population.
- Recalibrate risk calculations to include more flexibility, a more varied set of data points, and things such as tiered KYC for lower balance accounts.
- Additional concrete steps include staffed customer service to address security problems, tools to report security and fraud issues, and clear communication to customers about password hygiene and about the nature of a faster payment.

The discussion of issues and action steps follows.

Adapt security methods to avoid exclusion.

Traditional security methods may exclude new participants when the security methods are designed around the features of persons already using the system, and do not consider how the underserved population may differ. Traditional security methodology involves verification elements related to types of identification, proofs of address, or the presence of a credit reporting file. These will be exclusionary for those people within the underserved population who do not have them. For example, identity verification and KYC can make it difficult for people who do not have stable housing or government-issued identification to prove identity. Sole-proprietor and online-only small businesses may be excluded by location verification and setup documentation rules. Weak or absent credit histories can trigger automated security red flags which prevent participation across many different types of financial transactions or services.

Lack of access to resources, services, or devices deemed to be “common” among consumers by financial institutions and other financial ecosystem players also increases barriers to participation while simultaneously lessening individual security by and for the underserved. For example, financial offerings may depend upon personally owned smart phones with up-to-date encryption or require a small business to purchase and maintain a particular vendor’s point-of-sale technology, and overwhelmingly there is an assumption of reliable, fast, and ‘always on’ Internet access.

This leads to three action steps to enhance inclusion in developing security processes.

- Employ new ways to identify users. The nature of identity can be redefined for faster payments both in the relationship between user and the financial institution and between participants in a transaction. This in turn can lower risk of both fraud and simple error that stem from traditional identity establishment and proofing. For example, a participant in a faster payment transaction could be identified by a token, endpoint, wallet, or with voluntary use of a validated biometric characteristic. These may provide significantly enhanced security features over the traditional driver’s license which may be used for KYC.
- Select data for security analyses carefully to avoid exclusionary effect. Entities in the faster payments chain must be careful in selecting select the data for dynamic security analysis and for red flags. If security technology looks for characteristics that the underserved are less likely to have or treats a characteristic more common in this population as a red flag, inclusion could be hindered instead of advanced.
- To further enhance inclusion, providers and policymakers would need an appetite to recalibrate risk calculations to include more flexibility, a more varied set of data points, and things such as tiered KYC for lower balance accounts. Some of this relates to provider choices, while some of it is outside the scope of what the private sector can do alone.

Additional concrete steps

- 24-7-365 customer service, preferably staffed by a person who is empowered to address the concerns of end users in the event of a security problem.
- Create tools inside the faster payment app to facilitate a reporting process.
- Communicate to consumers that they should not spend funds when they unexpectedly receive a deposit.
- Require users to update their passwords frequently.
- As conspicuously and effectively as possible, disclose the irrevocability of a faster payment to end users.

Effective and inclusive future innovation in security practices may open the benefits of faster payments more widely to the underserved.

8. Interoperability

Overview

Full interoperability will enhance the usability of faster payments for everyone, including the underserved. When systems are interoperable, individuals and businesses can use faster payments regardless of the type of payment service or account that they use, and regardless of what types of payment services or accounts their payees and payors use. Increased interoperability can save time and cost for small businesses since the one or more payment methods that they use will be interoperable with others. Interoperability will allow everyone to transact with anyone else, regardless of whether the other person uses the same payment service, is processed through the same network, or has a bank, credit union or prepaid account to use as a bridge between various payment systems. The topic of how to achieve broad interoperability is beyond the scope of this report.

Expanded interoperability should extend the reach of faster payments for people who are underserved, particularly those who are unbanked. Interoperable solutions and services should make it easier for at these users to initiate payments to whoever it is that they need to pay, and to be reached by others that need to send them money, such as family, friends, employers, government agencies, and merchants sending refunds. Interoperability should also benefit small businesses who may receive associated services with the payment, as discussed in Part IV.

One caveat is that achieving interoperability across payment solutions could add complexities to authorizing or receiving payments. As the Faster Payments Task Force noted, interoperability requires strong security practices by all participants, and “[a] weak link in an interoperating network of multiple solutions compromises the security and integrity of all service providers in that network.”⁵⁷

This section describes some of the use cases where faster payments and associated services can foster greater financial inclusion, both directly and indirectly. These use cases vary in terms of complexity, digital footprint, cash-like nature, overall experience, and cost. The following examples are not exhaustive. Instead, they highlight the opportunity and potential impact of faster payments for the underserved. While it is no small challenge to overcome the obstacles to the wider adoption of faster payments by the underserved, the impact of successful efforts can be significant.

Direct use cases for faster payments supporting financial inclusion.

Bill Payment. A faster payment could streamline the process of sending money for utility bills, subscriptions, insurance premiums, retirement contributions, and other recurring expenses. Faster payments may be particularly impactful for just-in-time-payments, to help avoid late payment fees or other penalties. They may also help senders to avoid overdrafts. The nature of faster payments also allows payors to hold funds longer and have greater control of when a bill payment is made. Also, bill payment coupled with request for payment capabilities enables the immediate crediting and reconciliation of the payor's account.

Point-of-Sale. There are robust opportunities at the point-of-sale to add value to a faster payment by integrating the payment function with retailer data such as points, offers, receipts, and coupons. The opportunity to obtain point-of-sale benefits could be a moment in time that creates a "call-to-action" that moves an unbanked consumer to take the step of enrolling in an account.

Opportunities to make or receive a faster payment at the point-of-sale are dependent on building out services that can incorporate those functions into a secure and friendly user experience. Integrating faster payments into normal business processes of retailers and other merchants and providing open APIs for products can reduce friction and streamline adoption.

Disbursements. In general, leveraging faster payments for business-to-business and business-to-consumer allows for quicker delivery of funds and in turn more control and flexibility for the payment recipient to promptly reuse the funds received.

- **Payroll.** Using a faster payment-based payroll solution can allow an employer to pay its employees more frequently and in better alignment with the employees' need for funds. This type of solution gives the employee more control around receipt of funds compared to other payment mechanisms like ACH and is particularly prominent and beneficial for gig workers.
- **Loan Disbursements.** In some countries, faster payments apps already support near-instantaneous issuance of loan proceeds. For example, in Portugal corporate end users can receive the proceeds from a newly originated loan instantly.⁵⁸

- **Refunds.** Many companies have to manually issue refunds by paper check and have a slow refund process. Consumers prefer to receive refunds as quickly as possible. Faster payments could be used for refunds in several types of scenarios. For example, many consumers have to wait too long to receive a refund when they cancel a subscription or an insurance policy, and during that time they experience uncertainty as to whether or when that payment request will be honored. Instantaneous payment of a refund solves that problem. A request for payment sent to the company to issue a refund can be another option. Acceptance of the request would allow the recipient to better anticipate the timing of the refund if it is not sent immediately.
- **Benefits, Stimulus, and Subsidies.** Faster and more reliable distribution of government funds can not only stimulate the economy but also provide immediate relief to those most in need. This could be particularly impactful during disasters or times of financial uncertainty.
- **Account Funding/Defunding.** Prepaid accounts are commonly used as alternatives to a traditional bank or credit union account. The ability to fund these accounts by using incoming faster payments could minimize delays. Similarly, having access to withdraw or consolidate funds from digital wallets or other accounts using faster payments can help effectively position consumers to navigate financial challenges.
- **Person-to-Person.** The underserved may be likely to participate in family financial networks, providing support to others and/or receiving financial support from friends and family. Leveraging faster payments for this type of person-to-person payment provides a cash-like experience with opportunities to improve security over holding cash.

Indirect Impact of Faster Payments. Outside of the direct use cases for faster payments that promote financial inclusion, there are also indirect or downstream impacts across many services that can result in a positive impact. Some examples are described here.

- **Personal Financial Management (PFM) tools.** PFM solutions can be leveraged to improve the management of cash flows and finances of resource-constrained customers. Resource-constrained consumers and cash-strapped small businesses typically want and need to receive cash early, but to delay payments and other cash outflows. The use of faster payments increases the digital footprint created by users in their daily activities. This then makes it easier to leverage and use more effective technology-driven PFM solutions to better manage their budgets so that they can better manage and smooth their cashflows. Like faster payments products themselves, PFMs will better support inclusion if they are designed, tested, and implemented with the underserved user in mind, to encourage use, provide the most needed features and maximize the benefit to these users.

- **Gaining Access to Credit Products.** Faster payments may give a lender more information about the borrower and that could reduce the cost of borrowing.⁵⁹ Some of that information is different from that provided by traditional credit score-based underwriting. For example, the Portuguese Instant Loans Service offers an open banking API to facilitate credit underwriting of applicants.⁶⁰ Faster payments data could be used to qualify people for loans, which might include microloans originated at the point of sale. This could provide the underserved with real-time use of the funds, with some important caveats. The consumer could face a context where it is not clear that the purchase involves a loan; could face over-extension; and must be able to repay the loan and the associated interest and fees.⁶¹

The expanded digital footprint created in the use of faster payments by the underserved may offer further insights into their ability to repay a loan. Faster payment services offer evolving opportunities for lenders to leverage more innovative credit underwriting and decisions that are driven by cash flow and the payments' digital footprints rather than credit score-based systems. For example, ISO 20022 request for payment data could provide additional insights to subsequent payment timing made against the invoice requests as well as insight into the purpose of the payments. This could be used in underwriting credit for small businesses.

Resource-constrained consumers and cash-strapped small businesses may benefit from improved and expanded access to newer and innovative credit underwriting, subject to the same cautions about overextension and attention to the ability to repay and to the cost of offered credit as would be applicable to any type of new credit.

These use cases are offered to illustrate the value that faster payments could provide to resource-constrained, underserved individuals and small businesses, as the various barriers or pain points that may deter usage are addressed.

- **Infrastructure factors contributing to faster payments use cases for the underserved.** There are various features, functionality and underlying infrastructure components that will contribute to the effective design and delivery of services to satisfy these use cases. Some of these factors are outlined briefly in Appendix A, Infrastructure factors contributing to faster payment use cases for the underserved.

Part V. Remaining considerations

The action steps offered in this report are designed to expand financial inclusion in faster payments. However, financial inclusion in the United States is a longstanding and multifaceted issue. Thus, the recommended steps do not fully address all the pain points that may hinder full financial inclusion in faster payments. This section describes a variety of unsolved issues. These remaining considerations relate to the adoption of bank accounts; user impact; uses of data and privacy; mistake, fraud, and security; and close with a general consideration.

Issues for those who are unbanked

Getting more of the U.S. population banked is a long-term, resource intensive, community-based effort. Lack of a bank or credit union account is a barrier to fully inclusive faster payments because the account provides a way to move funds into and out of faster payments at no cost, and without the cash load fees associated with a prepaid account. However, expanding bank account usage is a long term, societal issue going beyond the activities or responsibility of the faster payments sector.

A nonbank faster payment account is not equivalent to or a substitute for a bank account. People who attempt to use a payment service account as a substitute for a bank or credit union account may have expectations unmatched by the reality. They may expect the same level of oversight that applies to banks and credit unions; or the same consumer protections that they have received with other payment methods. However, oversight may differ by entity type, and legal rules may apply differently to different types of payment products.⁶²

The FPC has said in its educational materials that faster payments should only be used for certain types of payments,⁶³ such as payments to trusted persons, with certainty about addressing information. Hence, faster payments cannot fully substitute for a bank, credit union or prepaid account, which may be used to pay both known persons and strangers. A person who makes all their payments via a non-bank faster payment method also does not have the option to choose a slower, less immediate payment method when desired.

Are funds for faster payments held outside of the banking system? If the customer is holding a balance in a non-bank payment account, where is the money being held and for how long? Are the funds at risk of an insolvency somewhere in the chain of entities?

Siloed funds make money management more complex for those without a bank, credit union, or prepaid account to easily move the funds between faster payment providers. Because unbanked consumers lack an easy way to bridge funds between various faster payments providers, funds paid to these consumers via faster payments may be siloed among varying providers, making money management more complex. Rather than tracking all available funds in a bank, credit union, or prepaid account, the consumer would need to track, juggle, and move balances held with different faster payments providers. This problem can also arise for banked people if their bank, credit union, or prepaid provider does not accept transfers to and from all the faster payments services that the consumer wishes to use.

Low-cost ATM access is not a complete solution to the cash in/cash out challenge for the unbanked. Because ATMs support round dollar amounts, unbanked consumers will still face hurdles in depositing only the amount necessary to send a specific faster payment; and may find it difficult to withdraw the last dollars and cents in the payment account.

User impact considerations

There will be a timing mismatch if incoming funds are subject to availability delays. Funds availability law permits delay times on incoming payments that do not match up well with faster outgoing payments. While such longer hold times are contrary to payment systems rules, if banks and credit unions apply the longer holds allowed by law to incoming faster payments, this could create or exacerbate cash flow issues.

Data and privacy considerations

Future uses of the data generated by faster payments may not necessarily lead to greater inclusion in mainstream credit. Some innovative uses of faster payments data could enhance access to mainstream credit, new lower cost forms of credit, or other inclusion, while other uses of faster payments data could exacerbate inequality or have other unintended consequences.⁶⁴ There will be a need for transparency to customers, and for provider and regulatory oversight about how data generated by faster payments is used.

Digital payments create records of activity. Any electronic payment method, including faster payments, creates electronic records that are not created when cash is the method of payment. Any form of digital payment, including a faster payment, is less private than cash.

Fraud considerations

Faster payments are attractive to those attempting to defraud the customer. The promise of speed and irrevocability are attractive to fraudsters.⁶⁵

New payment methods also mean new avenues for fraud against consumers. One form of payment fraud that has arisen with faster payments is the request for a return payment after sending a payment to a stranger with stolen funds. The so-called refund payment from the recipient is good funds, while the initial payment is reversed because it was made with stolen funds.⁶⁶ Another scam involves QR codes. Scammers have learned how to embed malicious URLs with malware inside QR codes,⁶⁷ exposing a consumer to payment fraud and creating vulnerabilities in the privacy of the information on a mobile phone.⁶⁸ Scams can be expected to continue to evolve.⁶⁹

Consumer protections will have to keep up with innovation. As providers design add-on services on top of the faster payments core infrastructure, regulators should keep pace with these and other innovations and be ready to act as needed to protect consumers, ensure safety and soundness, and protect privacy.⁷⁰

Voluntary anti-fraud efforts may not be enough. Voluntary anti-fraud efforts may be incomplete, and fraudsters may shift to focus on customers of non-participating institutions. In 2022, the UK government called for legislation to change from an existing voluntary system to refund funds lost by consumers to authorized push payment fraud to one that is mandatory.⁷¹

Security considerations

Irrevocability of faster payments leaves little or no room for error in identity and in endpoint verification.

Bringing elements of existing security models into faster payments from other forms of financial services authentication may not promote inclusion.

To enhance inclusion, providers and policymakers would need an appetite to recalibrate risk calculations. Such a recalibration could include more flexibility, a more varied set of data points, and things like tiered KYC, with reduced requirements for identity verification for opening lower balance accounts. Considerations about KYC are not solely in the purview of the private sector, as they involve government policy.

General consideration

Finally, limited financial inclusion in faster payments may hinder other forms of financial inclusion as the use of faster payments becomes more widespread across transactions. To avoid contributing to a further divide in financial inclusion, faster payments solutions must be ubiquitous and widely accessible to the underserved; and be available at a very low-cost and time-burden to these resource-constrained consumers and small businesses.

This report offers a blueprint for greater financial inclusion in faster payments in the United States. It describes steps that entities throughout the faster payments chain can take to make faster payments more attractive and usable to unbanked people, to people living paycheck to paycheck, and to cash-strapped small businesses. It offers a blueprint of practical action steps that private sector actors in faster payments can take to respond to address identified pain points for the underserved that now pose barriers to expanded inclusion in faster payments. It describes some use cases for the underserved who adopt faster payments. The report also identifies unsolved issues that will remain after the action steps set forth in this report are taken. The U.S. Faster Payments Council is pleased to add this report to the national efforts to achieve expanded financial inclusion.

Appendix A Infrastructure factors contributing to faster payment use cases for the underserved

As stated in Part IV on enhancing solutions and services for the underserved, there are several factors that contribute to the full functionality and success of faster payments use cases. These factors are components of how the service is delivered and infrastructure considerations. Examples include:

- Alias or Directory – Payments made leveraging aliases or directories expedite the process of initiating or requesting payments, reducing friction, and improving overall payment accessibility and experience.
- Application Programming Interfaces (APIs) – APIs will help solution providers make their products more flexible and easier to integrate with, benefitting downstream partners and product users.
- Authentication – Effective authentication requirements will lead to greater security and trust for all users, including the unbanked and other underserved.
- Blockchain – Blockchain can reduce many costs, while improving authentication of identity.
- Cloud Native Architecture – The use of secure cloud services enables services to scale faster, at lower costs, and get to market sooner.
- Cash-Like Nature – Solutions that mimic the transparent and ubiquitous nature of cash may be attractive and impactful for the unbanked and other underserved.
- Confirmation of Payee – Confirmation of payee works by validating the recipient's name matches name on the registered recipient's account and can be a critical component of building more trust and reliability in a faster payment.
- Confirmation of Receipt – A confirmation of receipt acknowledges the success or completion of the payment and can also be a key function of building faster payments use cases to support financial inclusion.
- Payment Certainty – Infrastructure that will empower solution providers to give end users the ability to control their transactions is crucial, particularly for users who are more financially vulnerable.
- Request for Payment (RFP) – RFP is a valuable component of faster payments that can be leveraged to create greater control and transparency in a payment experience.
- QR Codes – QR codes can be leveraged to improve ubiquity and interoperability, reducing

Private participants in faster payments can take these steps to expand financial inclusion:

- 1. Design for the financial life of the underserved consumer financial life of the underserved.**
 - Design faster payments products and interfaces for the underserved as primary users of the product.
 - Conduct user research and testing with the underserved population before and after deployment and monitor usage data to determine effectiveness.
 - Consider the technology that the users will use to access the product.
 - Value simplicity across the product platform, features, and services.
 - Build in product features that mimic the actual or perceived benefits from using cash.
 - Provide customer service and product features to respond to an interruption in access to funds or loss of funds, such as losses due to mistake, fraud, or a weakness in security.
- 2. Liquidity constraints**
 - Provide prompt funds availability to ensure that bank and credit union hold policies do not deprive individuals of the “faster” element of faster payments.
 - Extend reach across family financial networks.
 - Address user apprehension about level and unpredictability of fees with low, transparent, slowly changing fees.
- 3. Cash in/cash out: How people without bank accounts get cash into and out of faster payments**
 - Support local efforts to get more people banked.
 - Develop community-based adoption strategies.
 - Provide low-cost ways for people to get cash into and out of faster payment services.
- 4. Trust**
 - Maintain security that includes access controls; proper authentication; protected funds; account access stability guarantees; fraud prevention controls, remediation, dispute resolution; and cybersecurity.
 - Build confidence in the service providers on both ends of a transaction that the funds have reached the proper intended party.
 - Make fees simple and transparent.
 - Provide customer service that is timely, readily accessible, omnichannel and of high quality.
 - Offer language accessibility and culturally friendly products, practices, and service.
 - Achieve broad reach supported by interoperability to enhance convenience.
- 5. Mistake Prevention**
 - Build in speed bumps during payment authorization.
 - Give end users the opportunity to review and confirm a payment order.
 - Allow recipients to voluntarily return funds plus enable electronic request for return of funds.
 - Allow legitimate senders to request return of funds sent in error.
 - Cross check the payment order with other information on hand.
 - Offer tools that help consumers confirm identify of the proper recipient.

- Give consumers easy access to the tools they need to resolve their concerns.
- Monitor and respond to mistake rates across customer segments.
- Test the authorizations process for common and new forms of mistake and how to prevent them.
- Provide a dispute resolution process and potentially an indemnity for losses from mistakes.

6. Fraud prevention and response

- Recognize that some of the underserved will be hesitant to provide biometric information for authentication.
- Recognize limits of behavioral/pattern analysis to identify customers. These may work less well when verifying some persons who are underserved; for example, if a person has frequent address changes or lacks a fixed location of employment.
- Build a strong set of processes to identify, authenticate and monitor payment recipients and to analyze patterns of receipt of payments for fraud indicators.
- Implement velocity controls on receipt of payments, to narrow the usability of faster payments for large scale fraud.
- Establish an appeals process for consumers who have been victims of scams.
- Build fraud spotting capacity and fraud information sharing across the entities and networks in faster payments.
- Spot and respond promptly to new forms of fraud as they develop.

7. Security

- Employ new ways to identify users. Combine flexible and adaptable identity verification with more accessible and stronger endpoint encryption. Use token, endpoint, wallet, or voluntary use of a validated biometric characteristic to enhance security.
- Select data used in security analysis carefully to avoid exclusionary effect. Relying on data about characteristics that some the underserved do not have could be exclusionary. Treating a characteristic more common in parts of the underserved population as a red flag could also be exclusionary.
- Recalibrate risk calculations to include more flexibility, a more varied set of data points, and things like tiered KYC for lower balance accounts.

Specific concrete steps include:

- Provide 24x7x365 customer service, preferably staffed by a person who is empowered to address the concerns of end users in the event of a security problem.
- Offer tools inside the faster payment's app to facilitate a reporting security problems or fraud.
- Communicate to consumers that they should not spend funds when they unexpectedly receive a deposit.
- Require users to update their passwords frequently.
- Disclose irrevocability of a faster payment to end users as conspicuously and effectively as possible.

8. Interoperability

- Achieve increased interoperability.

About the Faster Payments Council and the Financial Inclusion Work Group

The U.S. Faster Payments Council's vision is a world-class payment system where every person or organization can safely and securely pay anyone, anywhere, at any time and with near-immediate funds availability. To further this vision, the 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.

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