# Why this study?

With recent increases in the number of financial institutions adopting faster and instant payments and the need to help bring these services to the fuller market, it is important to get a more quantitative baseline of adoption, drivers, headwinds, tailwinds and quantified insights to next priorities.

Information available

The FPC's Faster Payments Barometer has provided critical early information to the industry, leveraging the value of industry leaders across the ecosystem.
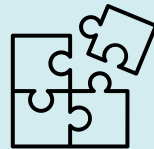
Types of current information

Meanwhile, the insights from the Faster Payments Barometer and other studies are not necessarily representative of the broader market. Various stakeholders are increasingly asking for these types of more representative and quantitative insights.
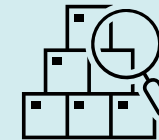
Quantifying market-wide view

Survey of third-party providers to U.S.-based institutions created to better understand their insights with implementing faster/instant payments.

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Quantifying adoption outlook: Institutions expected to receive and send

Respondents expect between 70% and 80% of U.S.-based FIs to be receive-enabled participants by 2028, helped along by activation of strategic use cases, including:
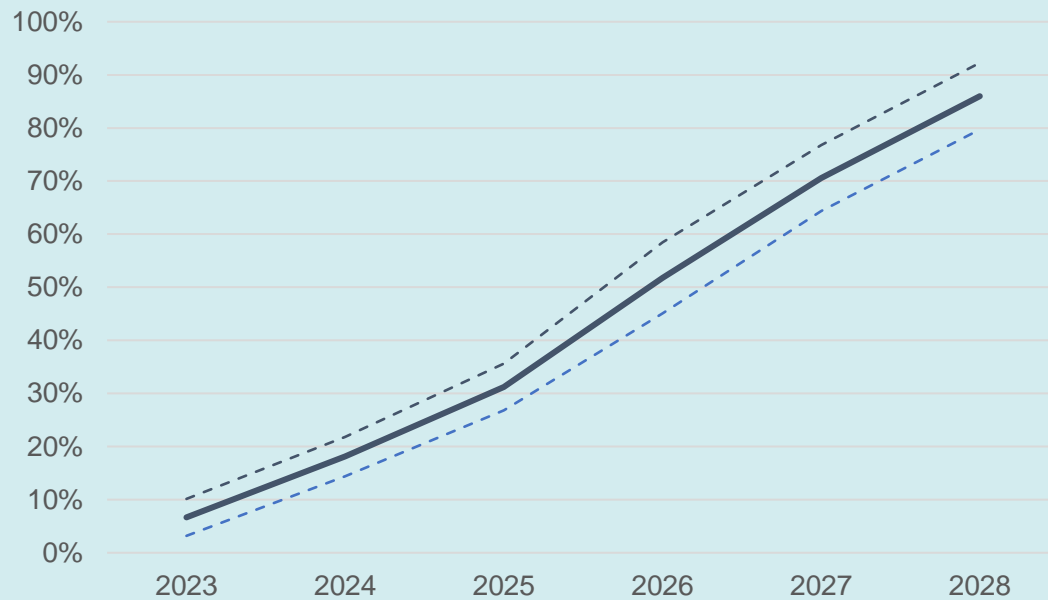
- Mobile wallet funding/defunding
- Earned wage access
- Government disbursements

The charts below includes 95% confidence intervals to highlight the natural uncertainty.
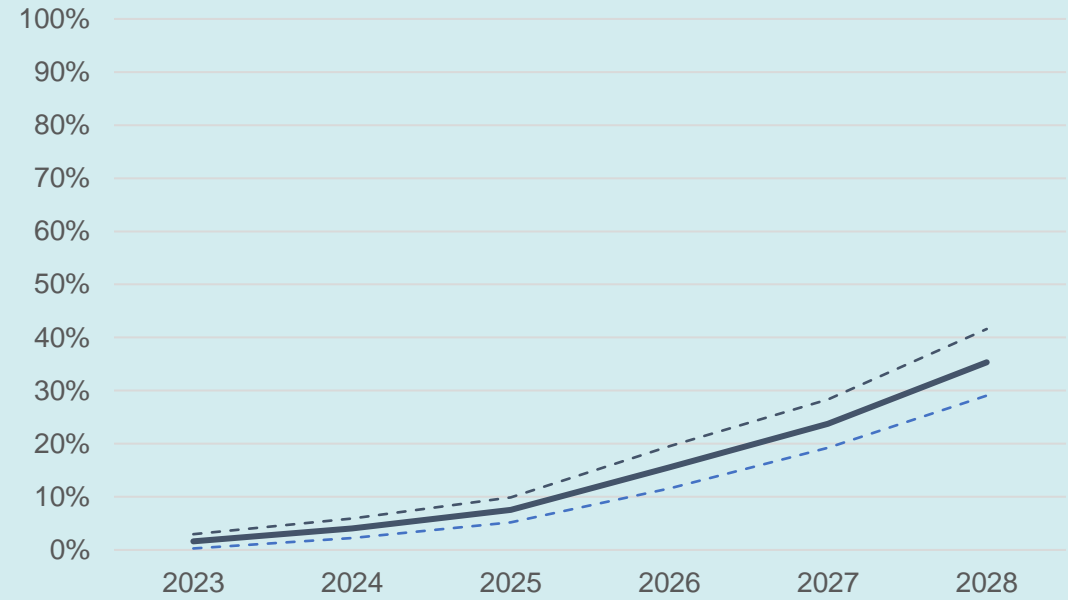
Respondents expect between 30% and 40% of U.S.-based FIs to be sending instant payments by 2028, influenced by:

- Availability of fraud tools
- Availability of ubiquitous alias tools
- Pace of integration into end-user interfaces
- Continued growth in receiving institutions
- New use cases generating additional volume/benefits

FIs *Receiving* Instant Payments


FIs *Sending* Instant Payments

About how many of the total U.S.-based financial institutions do you think will be participating actively as either receive-only or receive and send financial institutions?

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Use case prioritization: Detailed quantified results in context

Respondents shared views into the timing, reach and relative benefits of use cases. The darker shaded and larger bubbles are seen as being relatively high benefit. The combined assessments identified earned wage access, payroll funding, invoice payments and government emergency disbursements as having the greatest benefit overall. Blue halo use cases indicate respondents selected them as delivering the most benefit for the least effort in the shortest time.
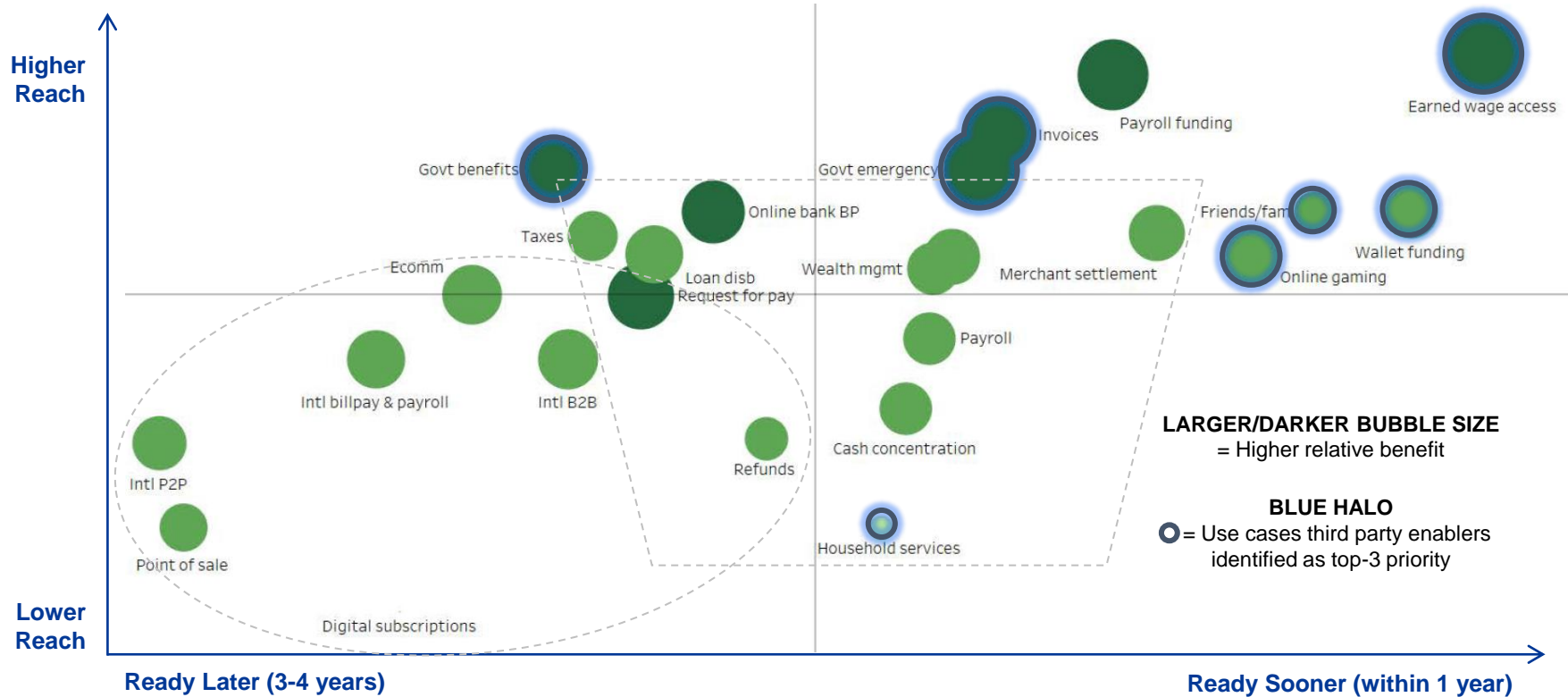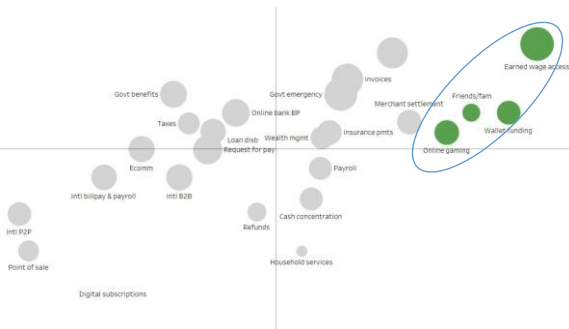
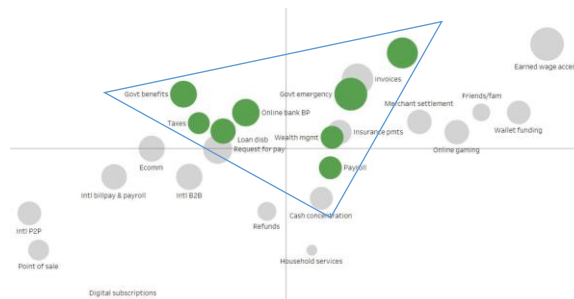# Use case prioritization: Detailed quantified results in context

Third-party enablers shared views into the timing, reach and relative benefits of use cases. These use cases were then grouped by themes for discussion.

1. Enable innovative receipt today

- Earned wage access
- Wallet funding
- Online gaming
- Friends and family

2. Enable strategic sender and receiver use cases
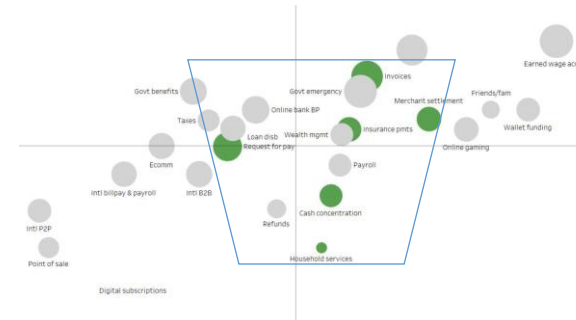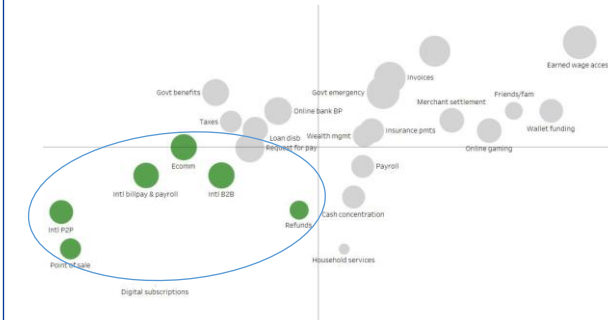
- Payroll / payroll funding
- Online banking bill pay
- Taxes / tax payments
- Loan disbursements (real estate, auto)
- Wealth management
- Govt emergency
- Govt benefits

3. Higher value send use cases

- Invoice / supplier
- Request for pay (bill pay)
- Merchant settlement
- Legal & insurance payments
- Cash concentration
- Household / SMB services

4. Next generation use cases

- Ecommerce
- Point-of-sale
- Digital subscriptions
- Refunds / rebates
- International bill pay/payroll
- International P2P
- International B2B

Looking forward: Quantifying relative headwinds and tailwinds

In early stages of advancing toward industry instant payments maturity

	Top headwinds challenging	Minor headwinds challenging	Minor tailwinds helping	Top tailwinds helping

A) Business decision making

Use case activation (A)	3.6
Cost & ease of integration	2.4
Organizational buy-in	2.3
Network reach (B)	1.9

B) Operational readiness

Training and documentation	3.5
Rules and standards	3.4
Reconciliation	3.2
Workflow automation	3.1
Error Resolution (B)	2.9
End user interfaces (B)	2.5
Fraud tools (B)	2.2

Path to accelerating adoption

C) Use case enablement

Request for Payment	3.1
APIs (C)	2.9
QR Codes (C)	2.8
Alias enablement (B)	2.2

D) Go-to-market execution

Go to market toolkits	3.1
Consumer customer awareness (C)	2.8
Business customer awareness (C)	2.6
Operational and technological readiness (C)	2.6

Ranking alternative factors needed to realize adoption highlights that there is considerable work to be done in the coming years, often use case specific. Some use cases are ready to move forward now; others may require additional action. Respondents note that the following will be critical to realizing these adoption outlooks:

(A) Activating additional use cases over time (the only factor rated by third-party enablers as a tailwind in mid-2024, and as a result is shaded light green).

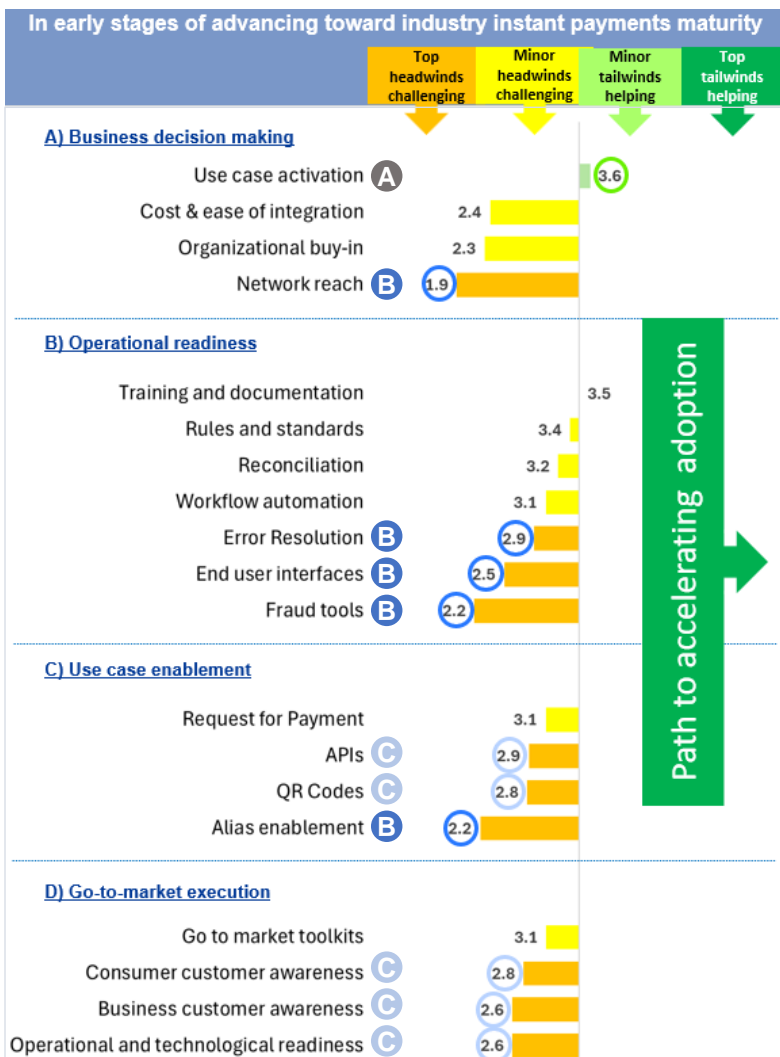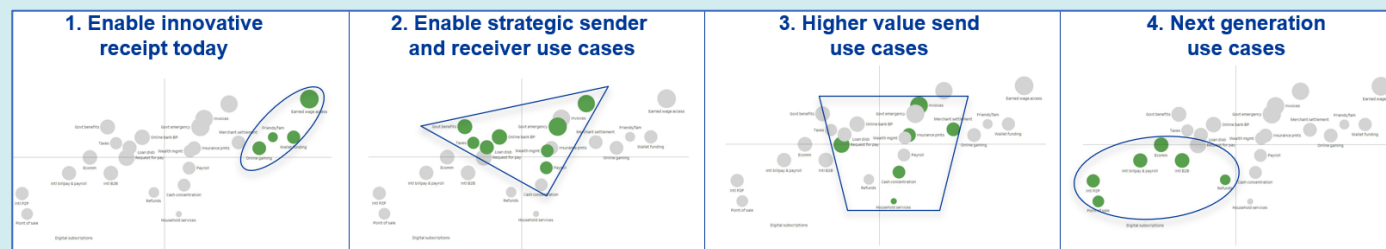| 1. Enable innovative receipt today	2. Enable strategic sender and receiver use cases	3. Higher value send use cases	4. Next generation use cases

(B) Advancing fraud tools, error resolution, alias enablement and user interfaces to grow network reach and usage.

(C) Advancing applications like QR codes, APIs and request for pay, thereby driving greater adoption faster.

One area for follow-on discussion will be the differences seen in past FPC barometer surveys and this survey around the potential need for enhanced work-around rules and standards, training and go-to-market tool kits identified by financial institutions as more important.

For each of the following conditions listed below, please indicate whether you think it is a "headwind," slowing adoption, or a "tailwind," helping drive adoption (where 1=major headwind and 6=major tailwind)

Looking forward: Faster Payments Council work stream alignment

The FPC's work groups are aligned to our three areas of strategic focus, leveraging our members' knowledge and expertise to accelerate usage of instant payments. This slide maps needed areas of focus identified by survey of third-party enablers to specific FPC workstreams.
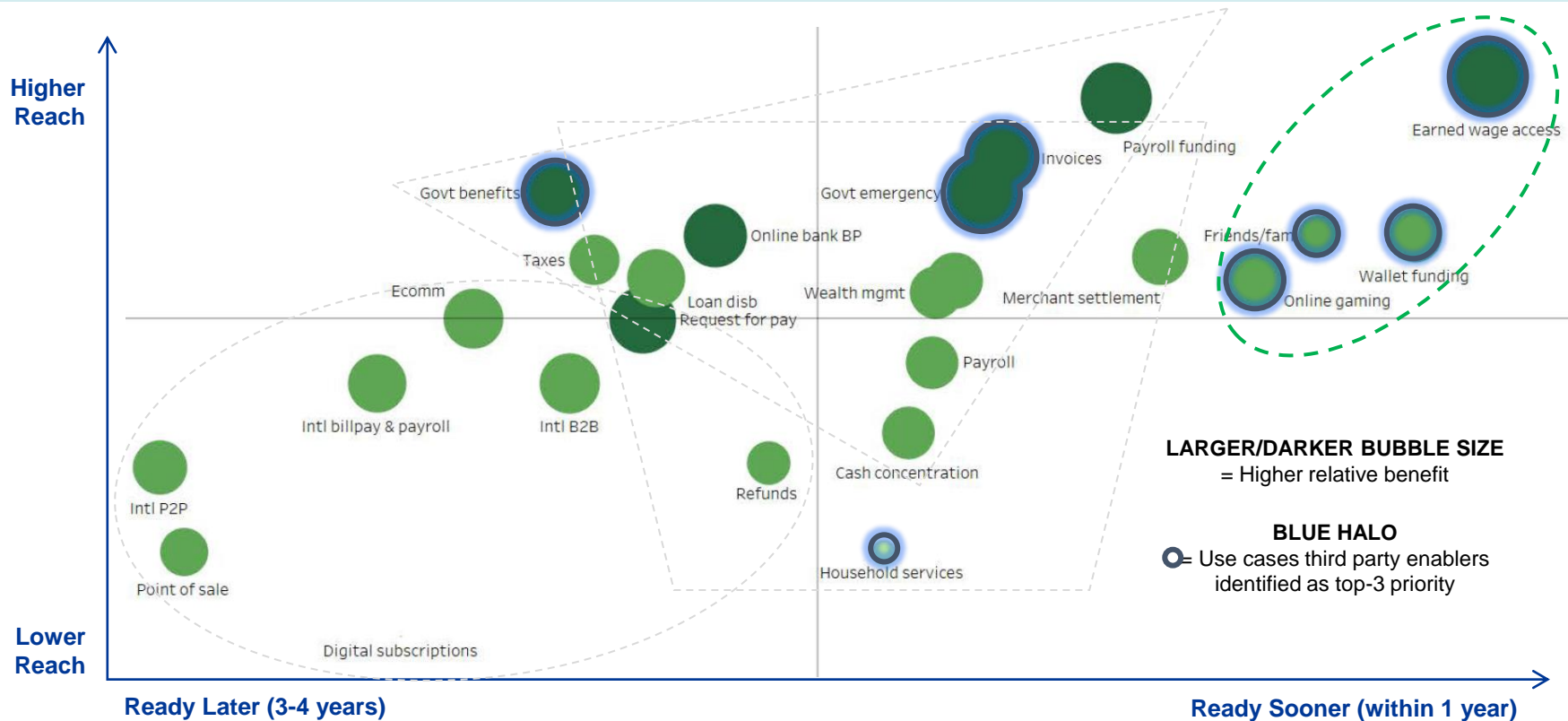
	FPC focus areas		
	Reach Growing the reach of the networks	**Experience** Developing the user experience	**Trust** Enhancing user trust
Needed focus (Study ratings, scale 1-6, 1=Headwind, 6=tailwind)	• Network reach (1.9) • Consumer customer awareness 2.8 • Business customer awareness 2.6 • Use case activation (3.6)	• End user interfaces (2.5) • Alias enablement (2.2) • APIs 2.9 • QR codes 2.8	• Fraud tools (2.2) • Error resolution (2.9) • Rules and standards (3.4) • Training and documentation (3.5)
FPC work groups	• Education and awareness • Cross-border payments • Business benefits of B2B instant payments	• Directory models • Secure instant and immediate payments APIs • QR code interface • Real-time recurring	• Fraud work group • Operational considerations for instant and immediate payments • Financial inclusion

US Faster Payments Council

For each of the following conditions listed below, please indicate whether you think it is a "headwind," slowing adoption, or a "tailwind," helping drive adoption (where 1=major headwind and 6=major tailwind)

Appendix: Activate additional innovative receipt today

Respondents shared views into the timing, reach and relative benefits of use cases. The darker shaded and larger bubbles are seen as being relatively high benefit. The combined assessments identified earned wage access, payroll funding, invoice payments and government emergency disbursements as having the greatest benefit overall. Blue halo use cases indicate respondents selected them as delivering the most benefit for the least effort in the shortest time.

Higher Reach

- Govt benefits
- Taxes
- Ecomm
- Online bank BP
- Invoices
- Payroll funding
- Govt emergency
- Earned wage access
- Friends/fam
- Wallet funding
- Wealth mgmt
- Request for pay
- Loan disb
- Merchant settlement
- Online gaming
- Intl billpay & payroll
- Intl B2B
- Payroll
- Refunds
- Cash concentration
- Intl P2P
- Point of sale
- Household services
- Digital subscriptions

Lower Reach

Ready Later (3-4 years) → **Ready Sooner (within 1 year)**

LARGER/DARKER BUBBLE SIZE
= Higher relative benefit

BLUE HALO
⊙ = Use cases third party enablers identified as top-3 priority

1. Enable innovative receipt today

- Earned wage access
- Wallet funding
- Online gaming
- Friends and family

Appendix: Activate strategic sender and receiver use cases

Respondents shared views into the timing, reach and relative benefits of use cases. The darker shaded and larger bubbles are seen as being relatively high benefit. The combined assessments identified earned wage access, payroll funding, invoice payments and government emergency disbursements as having the greatest benefit overall. Blue halo use cases indicate respondents selected them as delivering the most benefit for the least effort in the shortest time.
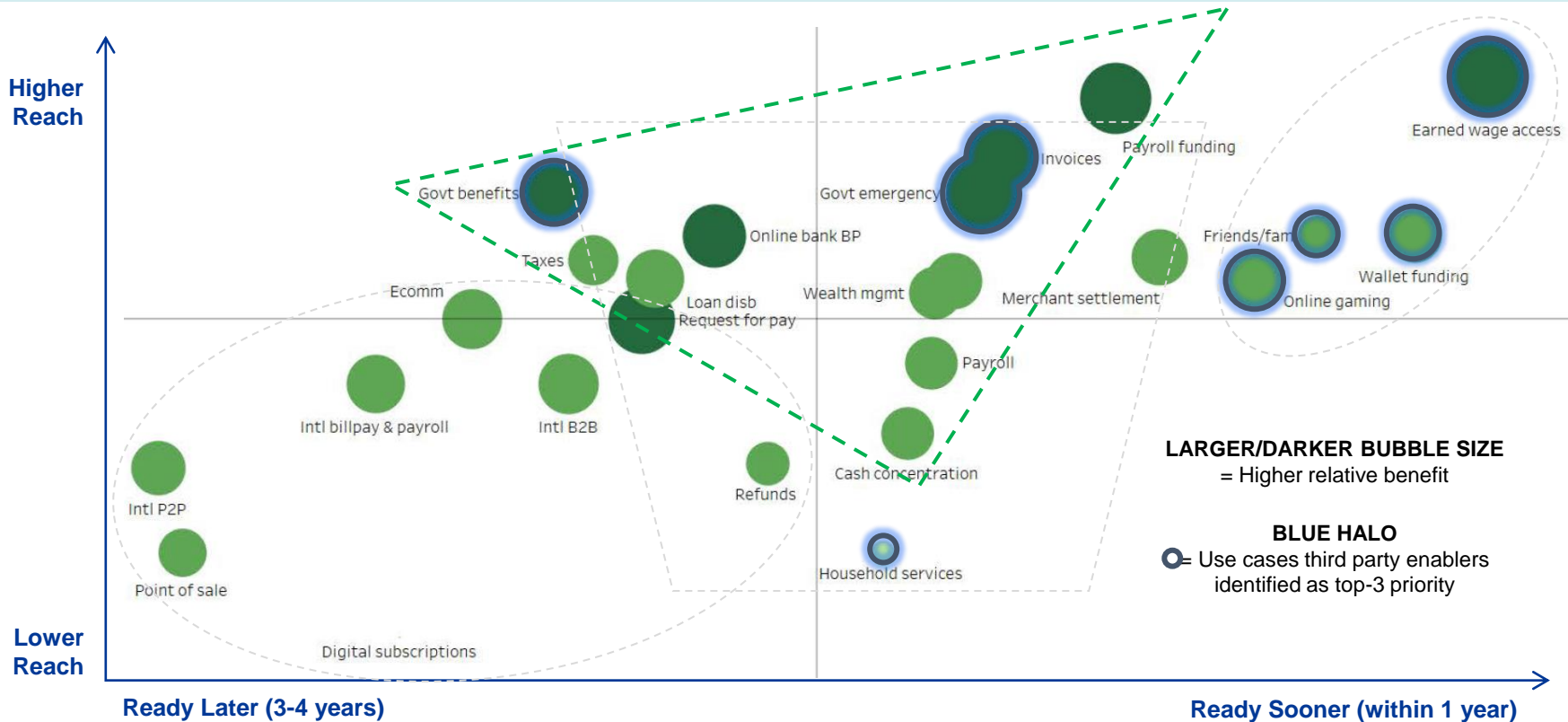

2. Enable strategic sender and receiver use cases

- Payroll / Payroll funding
- Online banking bill pay
- Taxes / tax payments
- Loan disbursements (real estate, auto)
- Wealth management
- Govt emergency
- Govt benefits

Appendix: Activate higher value send use cases

Respondents shared views into the timing, reach and relative benefits of use cases. The darker shaded and larger bubbles are seen as being relatively high benefit. The combined assessments identified earned wage access, payroll funding, invoice payments and government emergency disbursements as having the greatest benefit overall. Blue halo use cases indicate respondents selected them as delivering the most benefit for the least effort in the shortest time.

LARGER/DARKER BUBBLE SIZE
= Higher relative benefit

BLUE HALO
◉ = Use cases third party enablers identified as top-3 priority
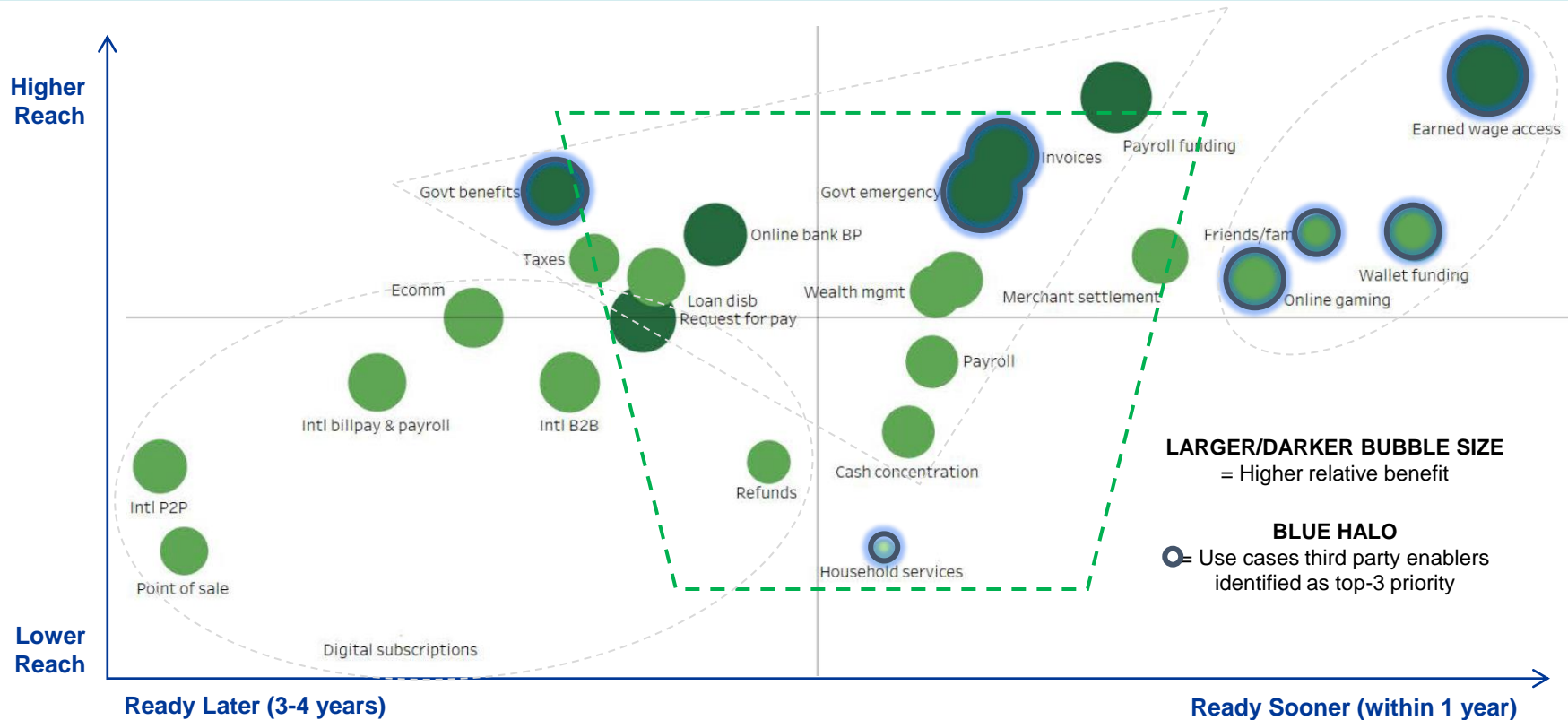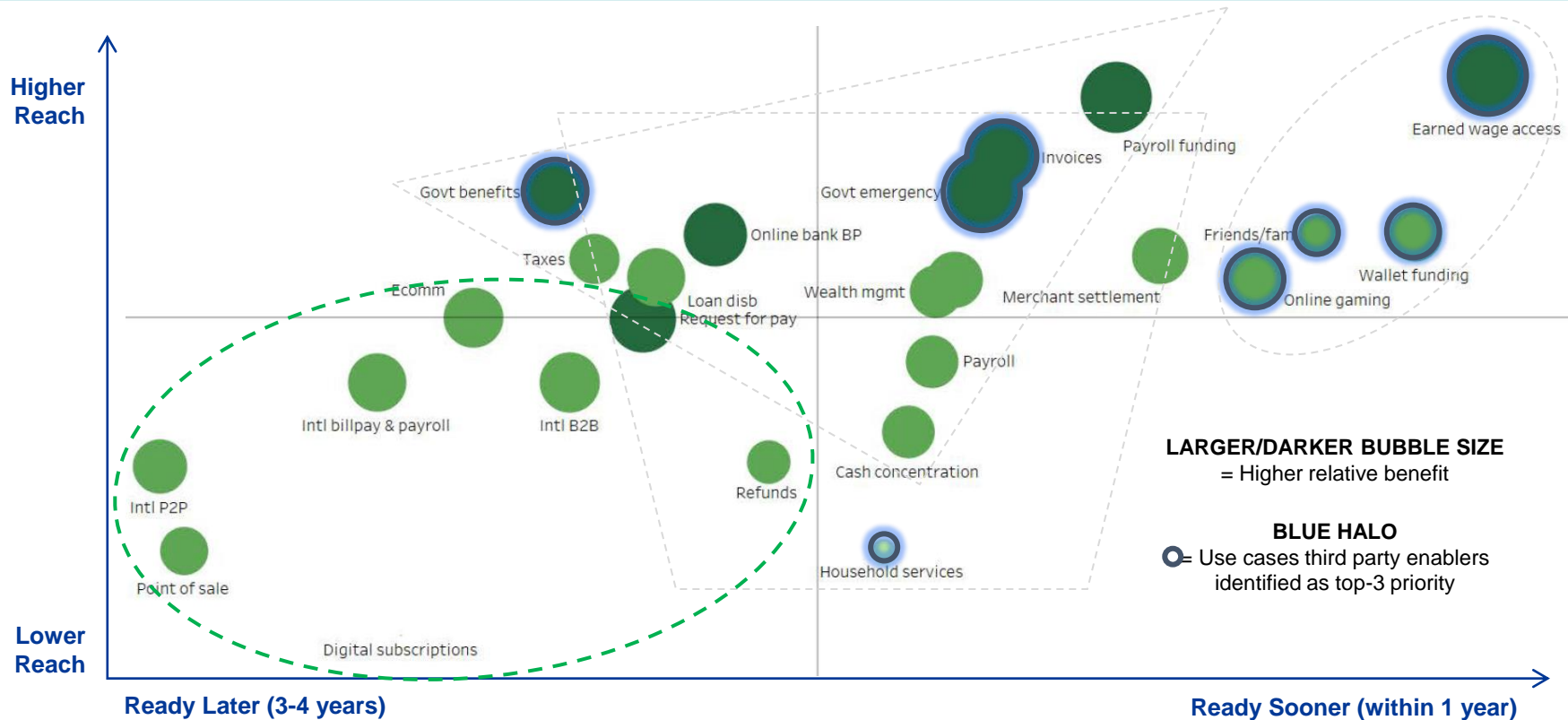
3. Higher value send use cases

- Merchant settlement
- Invoice / supplier
- Cash concentration
- Legal & insurance payments
- Request for pay (bill pay)
- Household / SMB services

Appendix: Activate next generation use cases

Respondents shared views into the timing, reach and relative benefits of use cases. The darker shaded and larger bubbles are seen as being relatively high benefit. The combined assessments identified earned wage access, payroll funding, invoice payments and government emergency disbursements as having the greatest benefit overall. Blue halo use cases indicate respondents selected them as delivering the most benefit for the least effort in the shortest time.

Higher Reach / **Lower Reach** — **Ready Later (3-4 years)** → **Ready Sooner (within 1 year)**

Bubble labels: Earned wage access, Payroll funding, Invoices, Govt emergency, Govt benefits, Online bank BP, Taxes, Friends/fam, Wallet funding, Online gaming, Ecomm, Wealth mgmt, Merchant settlement, Loan disb, Request for pay, Intl billpay & payroll, Intl B2B, Payroll, Refunds, Cash concentration, Intl P2P, Point of sale, Household services, Digital subscriptions

LARGER/DARKER BUBBLE SIZE = Higher relative benefit

BLUE HALO = Use cases third party enablers identified as top-3 priority

4. Next generation use cases

- Ecommerce
- Digital subscriptions
- Refunds / rebates
- Point-of-sale
- International bill pay/payroll
- International P2P
- International B2B

Audience Q&A