Faster Payments Council

FPC 2023 Spring Member Meeting

March 20 – 21, 2023 Kansas City, MO

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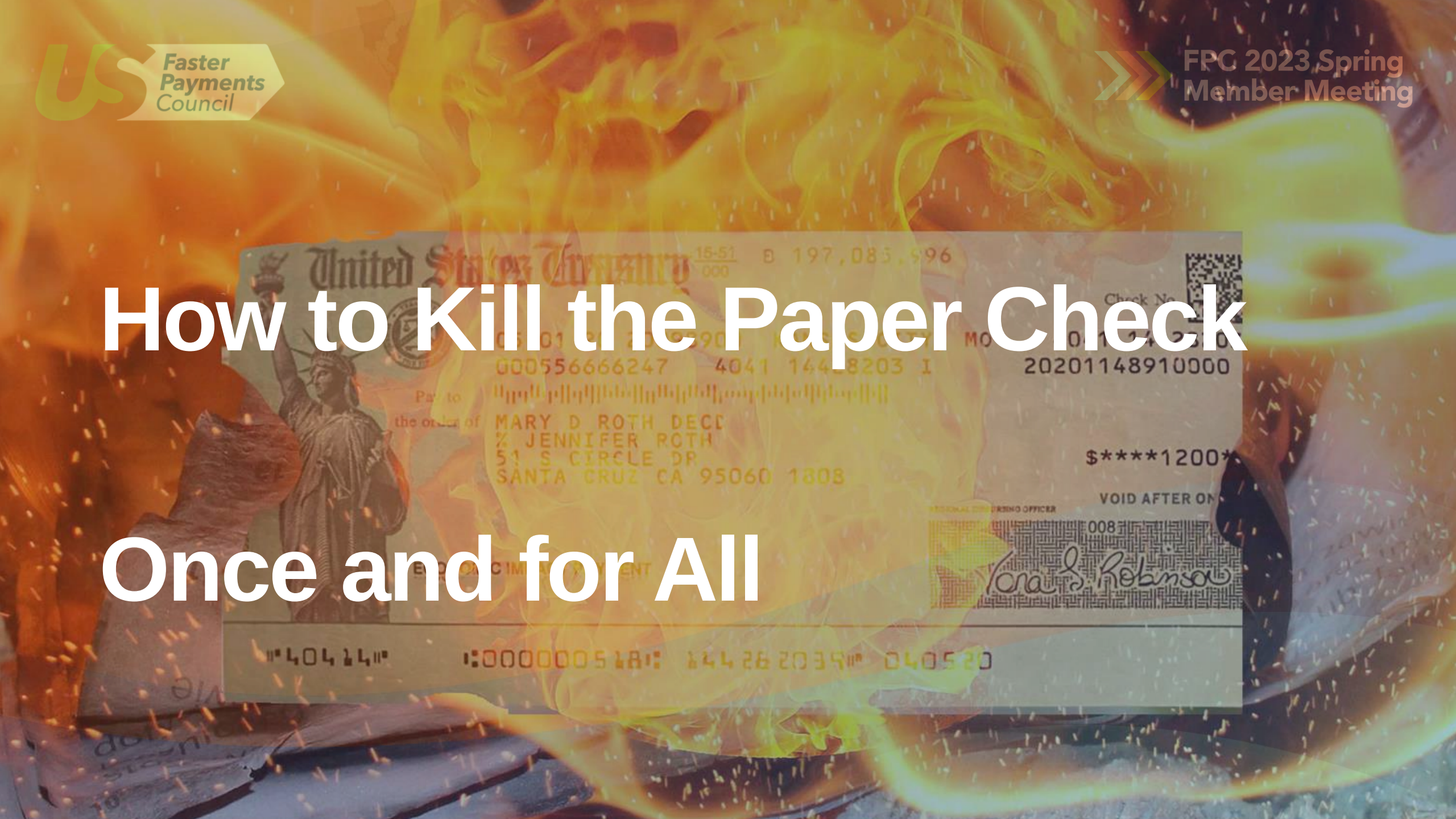
How to Kill the Paper Check Once and for All



Check killers…at large

Angela Murphy, PhD

Photon Commerce

Elspeth Bloodgood

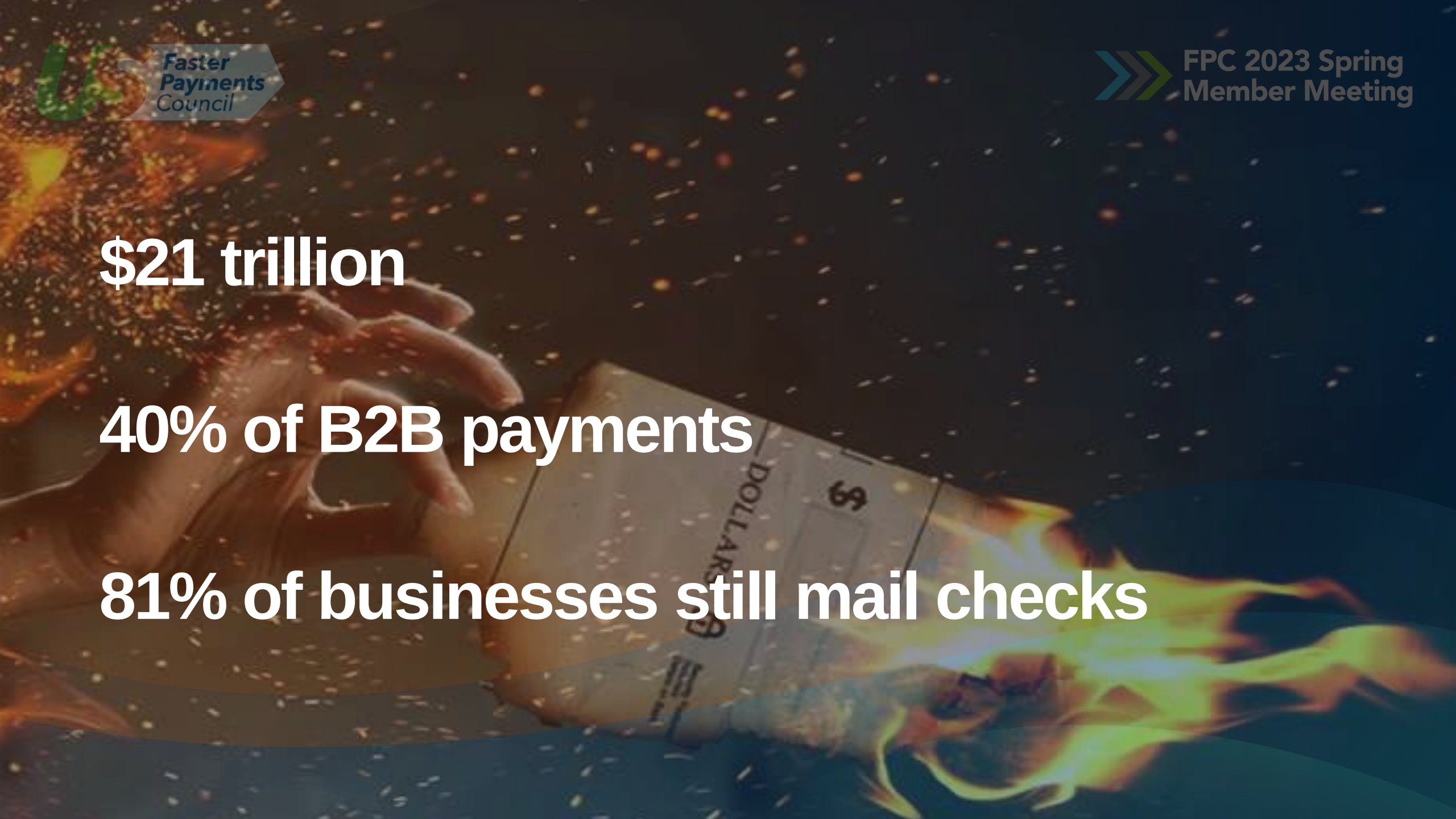
Jack Henry

Ryan Gullum

Protiviti

Steve Wasserman

Vments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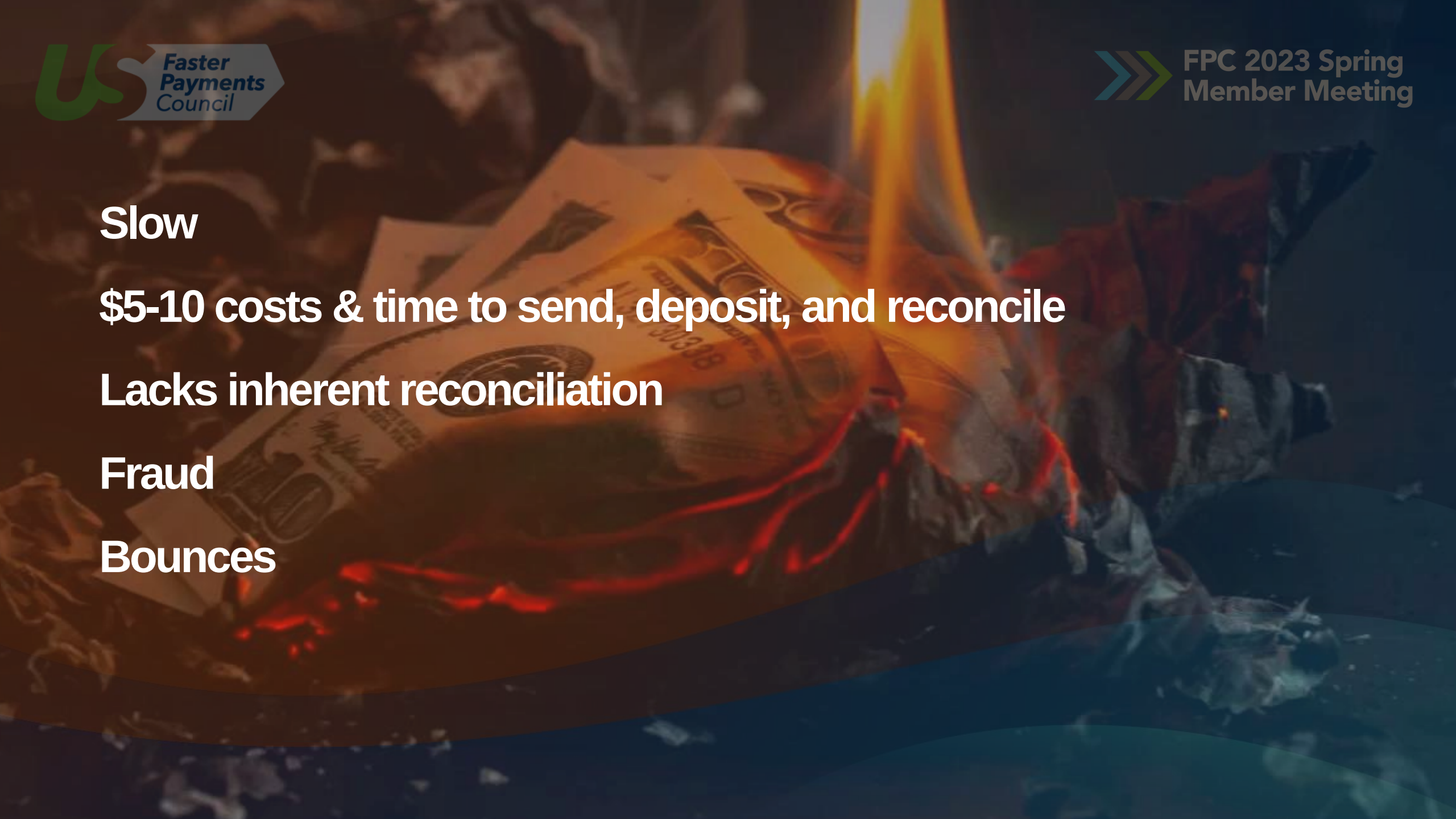
$21 trillion
40% of B2B payments
81% of businesses still mail checks



Slow

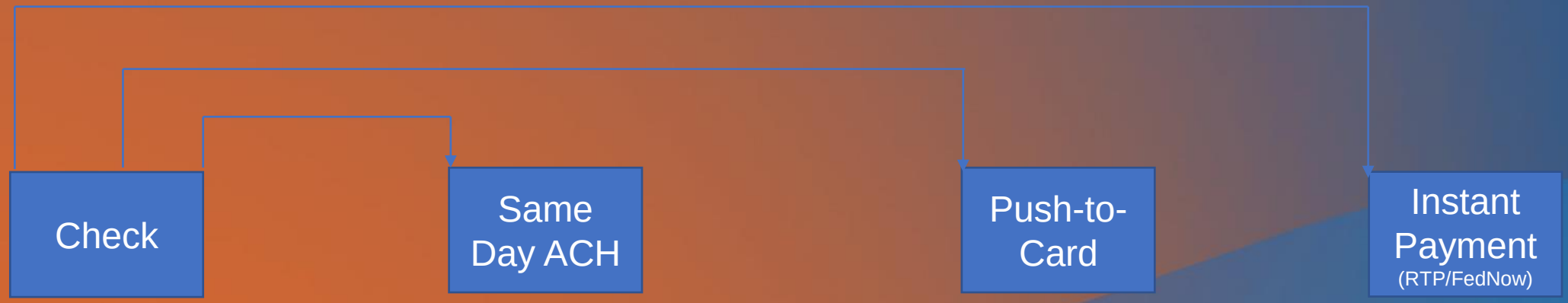
$5-10 costs & time to send, deposit, and reconcile

Lacks inherent reconciliation

Fraud

Bounces

Faster payments to kill the check



Convert check routing + account into tokenized QR code

The greatest value in payments: remittance data

REMITTANCE ADVICE

ALBERTSONS COMPANIES
20427 N 27th Avenue
Phoenix AZ 85027-3241

VENDOR NUMBER
13830
VENDOR NAME
ATLANTIC FISH & SEAFOOD

CHECK NUMBER 1110067299
DATE 02/03/2022
AMOUNT $******9,843.24
PAGE NUMBER 1 OF 1

INVOICE NUMBER	INV DATE	PO NUMBER	INV AMOUNT	DISCOUNT	NET AMOUNT
568857	01/07/2022		11,088.00	0.00	11,088.00
819399					
ALW011505898-01	01/31/2022		-217.44	0.00	-217.44
COMPLN724664LD_WMEL22	01/27/2022		-500.00	0.00	-500.00
PO 724664	LATE DUE				
COMPLN812880NS_WNCA22	01/26/2022		-250.00	0.00	-250.00
PO 812880	NO SHOW				
COMPLN819399NS_WNCA22	01/26/2022		-250.00	0.00	-250.00
PO 819399	NO SHOW				
NS20211134-013830-48	01/26/2022		-27.32	0.00	-27.32

- To automate straight through AR processing using: Memo lines and remittance data
- Include with converted or alternative payment method
- Send separate using ISO 20022 remit

How can the paper check be converted?

- Before check is mailed: Remote Send Capture
- Upon receipt: Remote Deposit Capture
- How is check converted: Scanning + AI

How is Nationwide that handles larges volumes of checks tackling this?

- For checks sent
  - By 2020 had reduced checks by 50%
  - Digital disbursements including ACH, Zelle, and Push-to-Card
  - Claims agent team training and scorecards
  - Simplified registration

- For checks received
  - Drive to ACH and Open Banking tools

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Panel Questions

- How do you see the check disappearing?
- How can this be done with minimum system changes?
- What about the handling of remittance detail?