



## Faster Payments Transparency Guidelines for Payment Services Providers Business Transactions FAQs

The objective of the U.S. Faster Payments Council (FPC) End-User Transparency initiative is to promote service provider strategies, policies, practices, and capabilities that provide end users with transparency into what to expect when making faster payments. The primary way the FPC seeks to promote transparency in faster payments is by publishing guidelines that describe how providers can better inform their customers about the services they offer.

This document includes guidelines for faster payments service providers to formulate disclosures, marketing materials, and notifications to consumers that increase transparency in three areas: transaction characteristics, fees, and the resolution of errors and disputes. The document is formatted as a “Frequently Asked Questions” chart to be answered by a service provider to describe the specific characteristics, policies, and other elements of its faster payments offering.

| CHARACTERISTICS OF BUSINESS TRANSACTIONS                              |  |
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| <b>Accounts</b>   | What type of account is required to use the faster payments service (e.g., existing account at a domestic financial institution, prepaid account with the faster payment service, linked deposit or card account)?   |
|   | If the faster payment service requires users to open an account with the service provider, what information is required?   |
|   | How are accounts validated and protected against fraud?  |
|   | Once an eligible account has been opened and funded, how soon can a customer send or receive a faster payment?   |
|   | Are funds in the customer’s account insured (e.g., FDIC, NCUA)?  |
|   | What, if any, differences exist between personal and business accounts?  |
|   | Does the account support multiple authorizers for sending/receiving faster payments?   |
| <b>Speed</b>  | What is the faster payment and settlement flow and timeframe (e.g., Originator > Originating Financial Institution > Operator > Receiving Financial Institution > Receiver)?   |
|   | When are funds available to the payee?   |
|   | How are payers and payees notified of the status of a payments, and in what time frame?  |
| <b>Use Cases</b>  | What are the primary use cases/applications for the faster payment service?  |
|   | What, if any, use cases are not allowed with the faster payments service?  |
| <b>Payments, Requests for Payments, Authorizations, and Approvals</b> | What types of transactions are supported by the faster payment service? <ul style="list-style-type: none"> <li>• Credit transfers – “push” payments initiated by the payer</li> <li>• Requests for payment – non-payment messages requesting a credit transfer (e.g., can be used to request payment of an invoice or bill)</li> <li>• Preauthorized debits – “pull” payments initiated by a payee based on prior authorization by the payer</li> <li>• Other</li> </ul> |
|   | How do I know if a receiver is eligible to receive a payment or request for payment (answer separately for payments and requests for payments)? <ul style="list-style-type: none"> <li>• How can a user identify which payees or payee destinations (e.g., financial institutions) can receive payments or requests for payment?</li> <li>• Define what is required to add payees or destinations to the payment service.</li> </ul>                                     |

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|   | What information (e.g., account number, alias, proxies) is required to identify the payer, payee or payment requestor?   |
|   | If account proxies or aliases such as email addresses, phone numbers, biller IDs or tokens are used, who maintains the directory?  |
|   | When sending or receiving payments using an account proxy, how are details such as remittance information, approval and confirmation routed to the payer or payee?   |
|   | Can a business have an alias or proxy, and if so, can the business use a single alias for multiple accounts?   |
|   | If the account allows multiple parties to authorize payments, how are they authenticated and how is authorization done?  |
|   | Does the account allow a user to require multiple authorizations, or a hierarchy of permissions and approvals?   |
|   | What is required to authorize a faster payment?  |
|   | What channels can be used to originate or receive transaction? Can the customer request additional safeguards around origination?  |
|   | What, if any, daily deadlines apply to faster payment origination?   |
|   | What, if any, situations would allow for a faster payment to be initiated without authorization at the time of origination (e.g., recurring transactions)?   |
|   | What, if any, authorization differences exist for debit versus credit transactions?  |
|   | What parties (e.g., any registered party, only verified accounts) will be eligible to initiate a request for payment?  |
|   | Can the receiver of a request for payment make partial payments?   |
|   | How long will a request for payment be available for payment before it expires? Can this be customized the sender or the receiver?   |
|   | If a faster payment request does not receive a response and expires, how will the payee and payer be notified of the expired request?  |
| <b>Limits and Controls</b>                                | For a payer, what are the outbound payment limits (e.g., per payment, daily, weekly, monthly, any other velocity-type limits that could affect the payer experience)?                                      |
|   | What, if any, limits apply to payees (e.g., amount, frequency)?  |
|   | What, if any, differences are there in limits on debit versus credit faster payments (e.g., per payment, daily, weekly, monthly or any other velocity type limits that could affect the payer experience)? |
|   | Are there limits on the origination of requests for payment?   |
|   | What, if any, process is available for a payer/payee to use if they want to originate/receive funds in excess of standard limits?  |
|   | What are the requirements for funding payment?   |
|   | Can the payer account be overdrawn or will the payment be denied? If overdraft is allowed, what are the limits, processes and fees for overdrawing the payer account?                                      |
|   | Are there controls that apply to new payees such as limits on the number, frequency (velocity) or amount of payments?  |
| <b>Reporting, Supplemental Data, and Record Retention</b> | What remittance data (e.g., invoice numbers, billing account, SKUs, allowances, free-form text) can be included in a payment message?  |
|   | What other methods for providing remittance data (e.g., link to external database, separate addenda records, third-party electronic EDI network) are supported?  |

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|  | What data can be included in a request for payment message (e.g., invoice numbers, e-lockbox number, free-form text)?   |
|  | What formats for information reporting are supported (e.g., ANSI 820, ANSI X BTRS)?   |
|  | What transaction data formats are supported by the faster payments service?   |
|  | What, if any, payment data limits exist for faster payments transactions?   |
|  | What reporting options are available for summary and detail transaction data (e.g., online real-time reporting, same-day summary reporting, next-day reporting, monthly statement)?   |
|  | How do customers access payment information reporting?  |
|  | What information and interfaces are provided to support payer and payee receivables/payables accounting and reconciliation?   |
|  | What are the faster payments record retention schedules?  |
| <b>Payment Confirmation and Application of Funds</b> | Can the payee send an acknowledgment or confirmation to the payer? Is acknowledgment required or optional?  |
|  | Are there requirements regarding how a business that receives payments for bills, invoices or debts to applies payments to their customers' accounts?   |
| <b>BUSINESS FEE TRANSPARENCY FAQs</b>                |   |
| <b>General Questions</b>                             | What, if any, fees are charged for faster payment transactions? <ul style="list-style-type: none"> <li>• Credit transfers (e.g., payer or payee fees)</li> <li>• Requests for payment (e.g., sender or receiver fees, fees for payments sent or received)</li> <li>• Preauthorized debits (e.g., payer or payee fees, fees for authorization)</li> <li>• Other</li> </ul> |
|  | Are there any restrictions on the fees or surcharges a business may charge its customers for transactions that use the payment service? Are there restrictions on fees passed on by businesses to their customers?  |
| <b>Disclosure</b>                                    | When are fees disclosed for using the Faster Payment service (e.g., at enrollment, when the fee structure changes)?   |
|  | How are changes in the fee structure communicated?  |
|  | What is the notice period before new fees take effect?  |
|  | How often can fees be updated?  |
| <b>Charges</b>                                       | How are fees applied (e.g., per transaction, flat service charge, time of delivery) to the account?   |
|  | When are fees charged for using a faster payment (e.g., per transaction at initiation or approval, at regular weekly or monthly intervals)?   |
|  | When, if not paid on transaction, are fees due?   |
|  | What if any penalties exist for not paying fees?  |
| <b>Fee History</b>                                   | How can a customer view fee history?  |
|  | What, if any, limits exist for viewing fee history?   |
|  | What transaction detail (e.g., amount, reason) provided in the fee statement?   |
| <b>Fee Disputes</b>                                  | How does a payer or payee dispute a fee (e.g., errors)?   |
|  | Are fees refundable?  |
|  | If fees are refundable, how are refunds received by account holders?  |
|  | If fees are refundable, what is the payment timeline?   |

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| <b>Business Error, Exception, and Dispute Resolution</b> | What is considered an unauthorized payment and what rights does a payer have in the event that an unauthorized payment is made from the payer's account? (Provide examples to clarify).          |
|  | What is the process for disputing a payment  |
|  | What might cause faster payment's real-time delivery failure (e.g., payment processing speed, failure of payee to accept, receiving account is closed or not set up to receive faster payments)? |
|  | What is the process for reclaiming or returning payments made or received in error?  |
|  | How are exceptions such as reversals, rejects, refunds and voids handled?  |

**For the purposes of this document:** "Account" refers to a "faster payments-enabled account" unless otherwise specified. "Payer" refers to the sender of the faster payment. "Payee" refers to the recipient of the faster payment. This is not a legal document and was not prepared by lawyers. This is intended as a guide to help service providers deliver information to their customers. Use of these guidelines is voluntary for faster payment service providers. This document does not address compliance requirements for disclosures and notifications in reference to Electronic Funds Transfer Act (Regulation E), UDAAP, Truth in Savings and any other applicable Federal or state regulations that may impact your service delivery. Service providers should consult with their legal counsel to ensure their disclosures comply with applicable legal requirements. The FAQ format used by this document is intended to help service providers take the customer point of view when providing information to consumers. The FAQ format may not be appropriate for every situation, so service providers should adapt the format to the context (e.g. "pop-up" notice when initiating a transaction, bold-face notice in enrollment agreement, periodic disclosures). The appropriate method of delivery may vary across access channel (e.g. online, mobile, physical POS, bill payment, etc.). The FPC plans to provide guidance on the context for providing information in future publications. There are significant differences among faster payment services, so the answers to these questions will vary. Not all questions will be applicable for a specific payment service. The provider should only answer questions that are relevant to their faster payment service.