Making the Case for an Interoperable Directory to Facilitate Faster Payments

What is an interoperable directory

An interoperable directory allows for look up and routing using multiple methods of payments. Participants can be identified via an ID or equivalent alias provided by transacting parties.

Finding payment routes through the interoperable directory

An Interoperable Directory at Work

Party 1 is registered to Faster Payments Service A

Service A

Party 2 is registered to Faster Payments Services B, C, and D

Service B and C 999-9999 Service D email

Party 1 asks Party 2, what ID can I use to pay you?

Party 1 wants to pay Party 2, so asks for their preferred payment ID.

Party 2 provides phone number.

Party 2 says, use my phone # 999-9999

Pay Party 2 $100

Party 1 initiates a payment of $100 via 999-9999.

Phone number is searched, and payment routes returned.

Payment Alert: $100

Payment is routed through least cost service or Party 1's preference.

To **maximize the economic benefits** of faster payments **for all participants in the payments ecosystem**, an interoperable directory service should **maintain the fundamental attributes of...**

Safety	Interoperability	Governance

...from which **key core** and **value-added characteristics** can **strengthen the value** of a Directory Service...

Accurate Routing	Unique Aliases	Supports Multiple Payment Routes	Minimized Storage of Sensitive Data
Data Mining Safeguards	End User-Controlled Profiles	Payee Verification	Request for Payment Support

...that, in turn, provide **efficiencies**, **revenue** and **cost savings**, and **solve pain points** for senders and receivers of faster payments across various areas.

Area		
Accuracy in Routing	**$188 million** in Savings	*For Accurate Directory Entries that Eliminate Misrouting*
Diminished Fraud	**$1.7 billion** in Email Fraud Losses	**$200 million** Lost from Fake Businesses
Consumer Confidence in Aliasing	**$242 billion** in Revenue	*Based on Increased Volume of UPI Payments*
Compliance	**$90 million** in PCI Compliance Savings	*For Utility Companies Alone*
Automation	**$91 billion** in Cost Savings	*Through Automated Decisioning*
Electronification	**$13 billion** in Cost Savings	*By Moving B2B Check Payments to Electronic Transactions*
User Experience	*Reduce Late Fees*	*Meet Consumer Expectation*

The content for and values contained in this infographic are derived from the Faster Payments Council's Directory Models Work Group white papers:

"The Economic Benefits of an Independent, Interoperable Directory for Faster Payments"

and

"Beneficial Characteristics Desirable in a Directory Service."

About the U.S. Faster Payments Council (FPC)

The FPC is an industry-led membership organization whose vision is a world-class payment system where Americans can safely and securely pay anyone, anywhere, at any time and with near-immediate funds availability. By design, the FPC encourages a diverse range of perspectives and is open to all stakeholders in the U.S. payment system. Guided by principles of fairness, inclusiveness, flexibility, and transparency, the FPC uses collaborative, problem-solving approaches to resolve the issues that are inhibiting broad faster payments adoption in this country. For more information, please visit **FasterPaymentsCouncil.org.**

About the FPC's Directory Models Work Group

The Directory Models Work Group evaluates information, including reports produced by other industry-led work groups, intended to identify and assess an approach for best practices across directory models for the faster payments ecosystem.

For more information, visit **FasterPaymentsCouncil.org/Work-Groups.**