



Research report

Understanding Instant Payments Solution Providers.

Takeaways Financial Institutions can use to shape and challenge their thinking around the landscape of solution options



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Technology is advancing at a record pace, driving modernization across all industries, and banking is no exception. Whatever your sector, customers expect a standard of technical capabilities and convenience based on the best experience they have, regardless of who provides it. As a result, banks need to meet that standard in terms of both function and necessity.

As such, money movement, and more directly, real-time payments lie at the epicenter of convenience and expectations, as illustrated by early-stage adoption. Based on market feedback the primary barrier to further adoption by financial institutions (FIs) isn't for a lack of interest or need, but rather a lack of clarity regarding the RTP® third-party service provider (TPSP) vendor landscape.

Recognizing this as a barrier, Endava has partnered with The Clearing House Payments Company L.L.C. to bring clarity to the market in the form of this market research report. Endava and The Clearing House would like to thank all the vendors who willingly participated. The consumers of this report will find that there are many quality solutions available—it is simply a matter of identifying which solution aligns to your needs and capabilities.



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In the current payments ecosystem, there is a great deal of choice. Choice in the numerous ways consumers or businesses can pay, choice in technology services providers supporting FIs of all sizes, and choice in real-time payments networks.

We all know that a competitive environment drives the innovation needed to grow the market and allows decision-makers in both their personal and professional lives to determine the best solution for their individual requirements. We also know that as everyone becomes accustomed to convenience and speed in all areas of commerce, the ease with which one experiences banking and payments services must be similar to these other areas. Consumers and businesses alike demand immediate access to their accounts, and real-time payments options need to be available to all.





This is why The Clearing House Payments Company L.L.C. is proud to partner with Endava on research that aims to simplify the evaluation process many banks and credit unions face when choosing a technology service provider that connects to a real-time payments network. We support FIs of all sizes in their instant payments journeys with information about the RTP® network. We also work directly with third-party service providers to make solutions and information about instant payments easily available to their customers.

Our goal in publishing this document is to share independent research couched in a framework that informs better decision-making around creating and implementing a real-time payments strategy and plan.

We are grateful for the willingness of our technology partners to openly share their organizations' data, which is the foundation for this study, and enables the financial services industry to collectively evolve and increase real-time payments adoption. On behalf of Endava and The Clearing House, I hope you find the "Understanding Instant Payments Solution Providers" guide valuable.



Disclaimer.

The information provided in this document is for general informational purposes only. While every effort has been made to ensure the accuracy and completeness of the information contained herein, it should not be relied upon as advice or as a substitute for obtaining tailored advice from qualified professionals.



This document is not an exhaustive analysis of instant payments solutions providers or any subject matter, and it does not cover all possible payment providers, scenarios, products or variations that may arise. The landscape is subject to change, and readers are encouraged to carry out independent market research and/or seek independent advice.



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02 Objective

This report aims to educate readers on the diverse approaches and styles of different providers, emphasizing strengths and trade-offs. Leveraging anonymized survey data, the report focuses on objectivity and neutrality, highlighting strengths of generalized services rather than ranking vendors. FIs can leverage this report to understand the different approaches and styles of vendors, as well as to identify capabilities that are important to them.

The researchers' goal is to empower FIs to identify the right approach and group of vendors for any final selection by providing clear, unbiased information to help the reader understand the available options and how they might align with specific needs within your organization. It is expected that FIs would prioritize a true self-assessment to identify the ideal vendor match, with a request for information (RFI) and/or a request for proposal (RFP). The primary goal is to empower FIs' stakeholders and decision-makers with clear, data-driven information, enabling them to navigate their instant payments journey confidently.

While Endava has extensive experience guiding FIs through their instant payments' journeys—from strategy development and RFP creation to vendor evaluation and implementation—this report is intentionally neutral and fact-driven, focused on **education** rather than scoring. If readers need further assistance for a more detailed evaluation or an implementation, Endava is here to help. Please reach out for personalized support and deeper insight.

03 How to read this report

This report provides FIs with a preliminary introduction to the instant payments solution landscape. The report is intended to help FIs to start to understand the basic feature sets of the solution providers. By leveraging this understanding, it is expected that FIs can accelerate their comprehensive evaluation and solution selection efforts. This report **does not rank or score the solution providers**. Instead, it introduces three groupings of vendor solutions, each equally valuable depending on an FI's business requirements, objectives and capabilities.

FIs can use this report as a stepping off point into a comprehensive solution selection and evaluation process. Using the survey results provided by the solution vendors, this report provides a high-level view into commonalities across the providers, as well as key differentiators. In addition, common FI objectives are called out and the report aligns them with the categories and functionalities of the vendors. The report is intended to provide FIs with a guide to evaluating providers and ensuring their selections align with their goals and operational requirements.

Chapter

04 Executive summary



This report provides a comprehensive analysis of the instant payments solution provider landscape in the US. The report is designed to help FIs make informed decisions. It introduces provider groupings based on capabilities and services, rather than traditional industry grouping. Three groups were identified where:

- **Group One**
Offers essential services for rapid implementation with minimal integration complexity.
- **Group Two**
Adds support for additional payment rails and extended application programming interfaces (APIs) for broader services.
- **Group Three**
Presents advanced fraud prevention, external partnerships and enhanced reporting.

The report delves into insights obtained from anonymized surveys, highlighting both shared and differentiating functionalities among providers.



Shared functionalities

Market presence

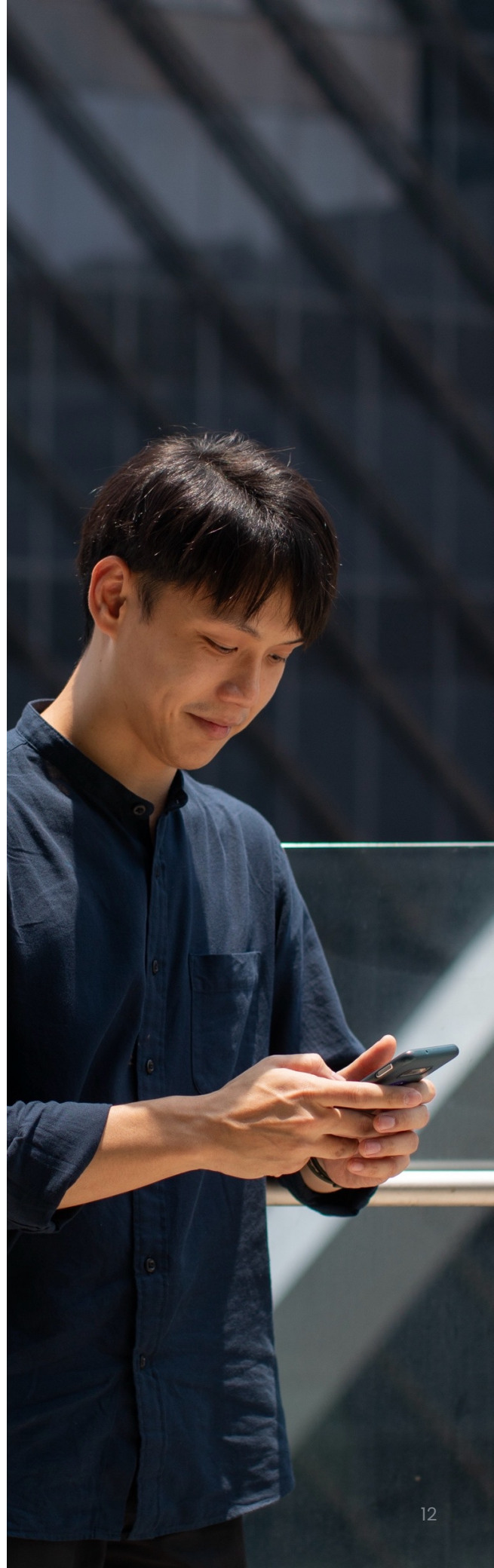
Most providers have over five years of experience, indicating reliability and innovation.

Onboarding

Comprehensive implementation guides and efficient onboarding processes ensure smooth and quick deployments.

Training

Providers offer extensive training for both business and information technology (IT) personnel, supporting effective adoption.



Differentiating functionalities:

Implementation timeline

Varies from under three months to seven months or more, reflecting differing levels of complexity.

Deployment options

A mix of hosted, on-prem, managed and software-as-a-service (SaaS) options provide flexibility.

Documentation and sandbox

Most providers offer extensive documentation and developer sandboxes.

Core integration

Support a wide range of core banking systems with API integrations.

Fraud mitigation

Many have built-in fraud solutions and third-party integration.

Non-real-time core support

Multiple mechanisms support FIs with non-real-time cores.

Safeguarding posting

Various mechanisms ensure transaction continuity during downtimes.

Cloud providers

Support for multiple cloud platforms enhances scalability and security.





Testing simulators

Most offer ISO 20022 simulators for comprehensive testing.

Non-production environments

Various testing environments ensure robust implementation.

Reporting

Robust reporting capabilities with transactional dashboards are commonly offered.



This report, commissioned by The Clearing House Payments Company L.L.C., offers actionable guidance for FIs to select the best vendor based on specific needs, emphasizing rapid market entry, modernizing payment processing, advanced reporting, leveraging transactional data, digital channel readiness and partnerships. It aims to empower FIs with data-driven insights for the confident navigation of their instant payments journey.



Top findings

7 of 13

Providers

Focus on rapid deployment and cost-effective models to accelerate the adoption of instant payments rails, offering streamlined onboarding and flexible pricing structures.

6 of 13

Providers

Excel in advanced integration with internal systems and fintech solutions, offering comprehensive operational tools. They prioritize preparedness for complex use cases like Request for Payment (RFP), emphasizing the need for FIs to invest in their digital infrastructure.

4 of 13

Providers

Offer highly customizable solutions with advanced security measures and the option to collaborate with fintech providers.

Participants

In the evolving landscape of instant payments, FIs will need to carefully evaluate their options when selecting a provider. This report includes 13 prominent instant payments providers, representing a broad spectrum of capabilities and market presence. These providers were identified based on specific criteria to ensure a comprehensive and representative study.

Market presence

Domestic or global

Product and service diversity

Industry position

Traditional incumbent or new entrant

Technological approach to instant payments and payments in general

Network certification

RTP® and/or FedNow®

Core provider and/or core-agnostic

While not all identified providers participated, insights from the 13 that did offer a robust understanding of the current landscape. This detailed analysis provides valuable information for FIs seeking an instant payments solution.

The researchers thank participating providers for their valuable contributions and willingness to share details and operational information. By contributing product expertise and experiences this resource can aid FIs in making informed decisions about instant payments solutions.

The participating vendors, and their respective products, are as follows:

ACI Worldwide®

Real-Time Payments
Cloud (RTPC)

[Website](#)

Alacriti

Orbipay Payments Hub
Orbipay Unified Money Movement

[Website](#)

FINASTRA

Global PAYplus
Payments To Go

[Website](#)

finzly

Payment Galaxy

[Website](#)

FIS

OPF Instant Payments

[Website](#)

fiserv.

Enterprise Payments Platform (EPP)
NOW Gateway
Payments Exchange

[Website](#)

FORM3

[Website](#)

jack henry™

JHA PayCenter
(Jack Henry)

[Website](#)

OPN Open Payment
Network®

Open Payment Network

[Website](#)

Payfinia

A Tyfone Company

Instant Payments Xchange (IPX)

[Website](#)

pidgin

[Website](#)

tabapay

Tabapay RTP

[Website](#)

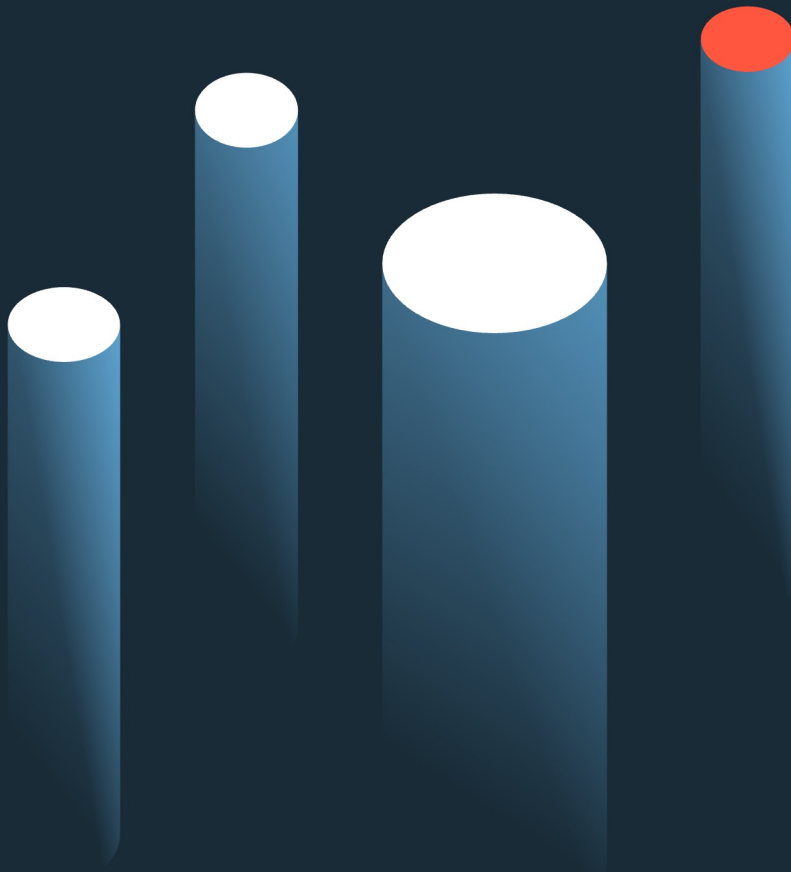
Volanté 

Volante Payments Platform

[Website](#)

Identified provider → groups

Implementing instant payments requires strategic decision-making, as solutions vary. The researchers have categorized providers into three groups based on their offerings to aid FIs in identifying the best fit for their needs.





Identified provider groups

Group One

Features providers with connectivity that is essential and baseline for the FI.

Key capabilities include:

- Key connectivity and payment execution services to enable instant payments
- Essential tools and interfaces with online banking systems
- Pre-configured back-office tools with limited customization options
- Do not offer testing specific products but offer a scaled-down testing support for FIs
- Capabilities around core offline scenarios may differ

Providers in this category are best suited for FIs prioritizing faster time-to-market and/or seeking to minimize scale/scope or FIs looking for higher control over integration with other internal systems.



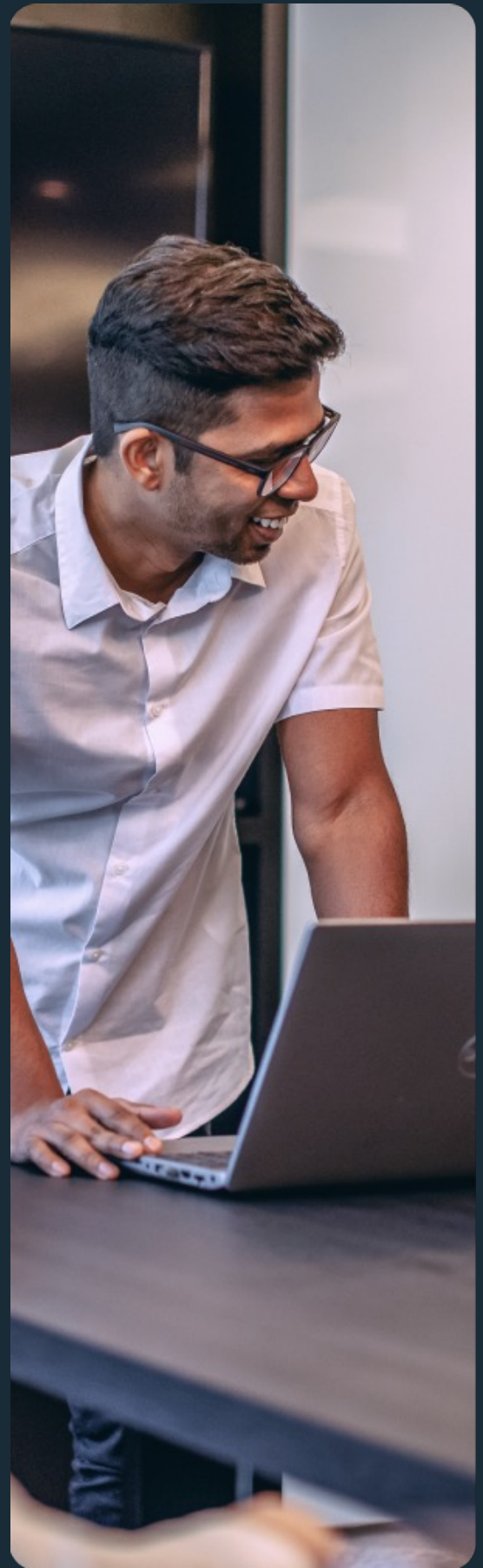
Identified provider groups

Group Two

Offer **Group One** capabilities, plus:

- Support of other payment rails
- Pre-configured integration with prominent fraud prevention providers
- Pre-configured integration with prominent online banking and mobile banking providers
- Extended API offering to integrate with FI downstream systems
- Back-office and administrative dashboards to analyze and monitor instant payment transactions
- Variety of options around core offline scenarios
- Multiple deployment options to suit different FIs' needs

FIs looking for extended services around instant payments as well as other rails and potential interoperability between them could consider providers in this group.



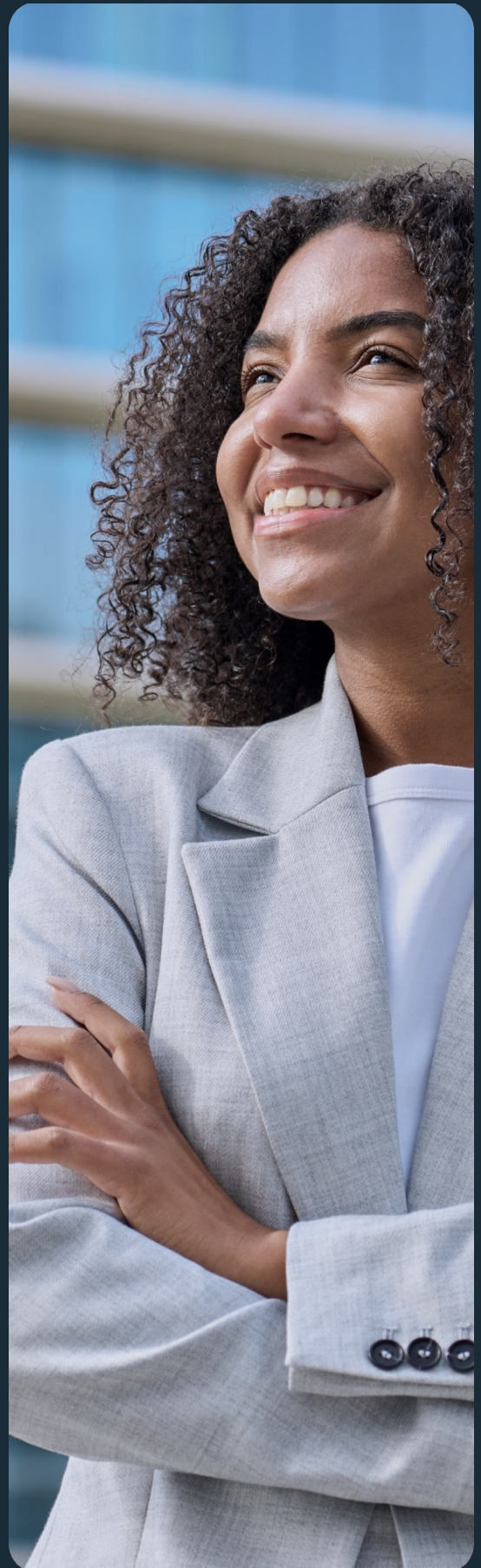
Identified provider groups

Group Three

Offer Groups One and Two capabilities, plus:

- Robust integrated solutions for all payment rails
- Advanced fraud prevention capabilities with their own product or that offer multiple options to the FI: pre-configured integration with a leading fraud provider, or customized integration with the FI's own fraud system
- Integration with fintech partners to help FI offer additional services based on pre-configured integration with these other partners
- Advanced posting safeguards for core offline scenarios
- Reporting and extra analysis capabilities for the FI back-office personnel

Providers in this category are best suited for FIs with a more complex internal systems architecture and require a more detailed approach, or for FIs that require more control over capabilities and integration.



Provider groups summary

Group One.

SaaS – multi-tenant	SaaS through a shared infrastructure, potentially reducing costs for the FI
Budget	Flexible pricing structure and cost-effective solutions, often focusing on transaction-based or simple subscription models
Policy engine	Provides basic rules-based transaction processing and routing capabilities
Support structure	Standard customer support with limited resources
Compliance and security	Works to ensure compliance with regulatory requirements and provides essential security features
Simplicity and ease of use	Focuses on core functionality with a user-friendly interface, minimizing complexity for the FI
Core functionality	Prioritizes the essential features needed for rapid payment processing without extensive customization options
Customer references	May need more customer references, especially if newer to the market
Integration timeline	Offers streamlined onboarding processes for faster implementation
Flexible contract management	Allows for some negotiation on contract terms, although flexibility may be limited compared to other providers
Risk and fraud management	Offer standard fraud prevention such as limit control

Provider groups summary

Group Two.

Group 1 Capabilities, plus:

Payment process management	Offers more advanced tools for managing the end-to-end payment lifecycle, including exception handling and transaction workflow customization
Extended notification module	Real-time notifications and alerts for various events, such as payment status updates or potential fraud, plus the ability to define and modify
Reporting features	Detailed reports and analytics for better visibility into payment flows and transaction trends
Unified platform	Provides a single platform for managing multiple payment rails and services
Data extracts	Enables easy extraction of payment data for analysis and reporting purposes
Developer portal access	Provides access to APIs and developer tools for further customization and integration with other systems
Readiness training	Offers comprehensive training programs to prepare the FI's staff for instant payments implementation and operation

Provider groups summary

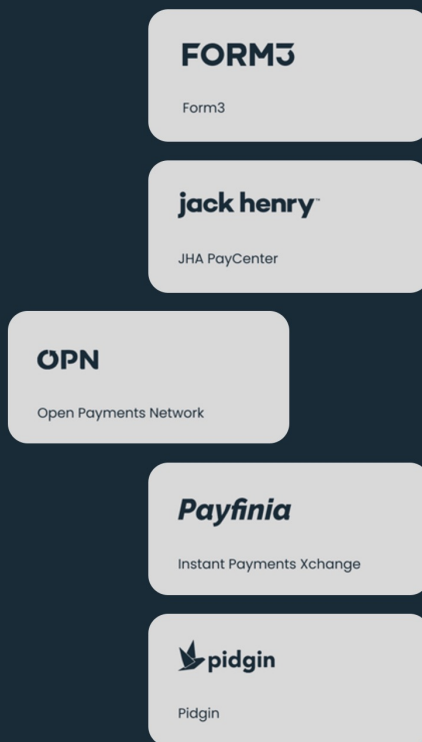
Group Three.

Group 2 Capabilities, plus:

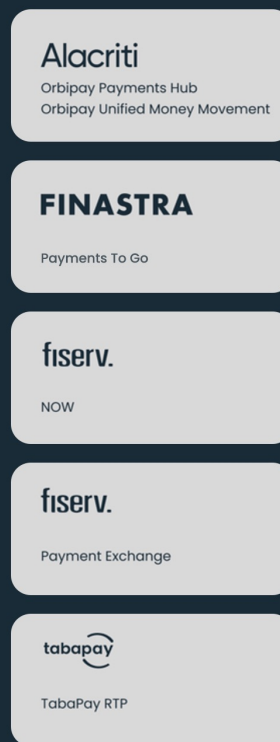
Hyper-personalization	Enables highly customized experiences tailored to the FI's branding and its preferences
Third-party services	Facilitates the integration of third-party services into the payment flow, such as loan origination, accounts payable (AP) and accounts receivable (AR)
Partner ecosystem	Offers a network of pre-integrated partners (e.g., fintechs, processors) for additional value-added services
Comprehensive policy engine	Provides a robust, customizable policy engine with advanced rules and risk management capabilities
Data streams, including notifications	Provides the ability to handle large amounts of data (e.g., remittance information) in real-time for advanced monitoring and analytics
Risk and fraud management	Includes advance fraud detection and prevention tools, potentially with artificial intelligence (AI) and machine learning (ML) capabilities and closed-loop fraud networks

This diagram organizes instant payments solution providers into three categories, each tailored to the different operational needs and service preferences of FIs. The numbers indicated on the diagram do not imply a hierarchy.

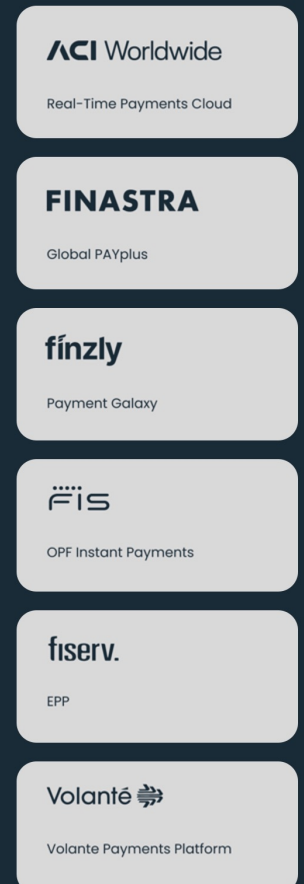
Group One.



Group Two.



Group Three.



Chapter

05 Behind the report



Evaluated categories

Nine foundational categories serve as the basis to analyze all of the providers.

Market presence and experience

Maturity in the market, the different use cases supported, the certification type and the onboarding processes.

Capabilities

Ability to integrate with FIs' internal systems or provide capabilities related to online banking experience, accounting and core integration. It also covers the provider's ability to integrate with other fintechs or providers.

Compliance and security

Adherence to regulatory and network requirements, ability to integrate with anti-money laundering (AML), the Office of Foreign Assets Control (OFAC) and fraud solutions, or ability to provide its product(s) in the compliance and fraud space or ability to provide pre-integration with risk and fraud solutions.

Performance and reliability

Ability to ensure high availability, uptime and reliable transaction processing. Disaster recovery and failover mechanisms.





Training and documentation

Capacity to offer comprehensive training and documentation to the FI's business users and technical staff. Availability of training materials, the quality of documentation and responsiveness to support requests.

Operations and reporting

Tools offered to help the FI's operation team have visibility and/or troubleshoot or investigate if needed, as well as the ability to provide the data required for analysis and insights around instant payments.

Pricing structure

Diversity in pricing model structure offered to FIs.

Roadmap

Readiness for extra functionality, network changes and market shifts, among other things.

Testing

Ability to guide and support the FI during the implementation and certification process.

Research methodology and limitations

For this report, a comprehensive survey was provided to the participants, followed by interviews to refine the knowledge and understanding given in the survey. The survey had a total of 135 questions that covered the various categories aiming to research a broad spectrum of capabilities for the solution providers. A combination of qualitative and quantitative methods was used for segmenting. To evaluate the vendors' landscape, the researchers applied the following research principles.



Research methodology and limitations:

01 /

Secondary research

Raw data was obtained from the survey. This data was analyzed and validated against publicly available information, such as the provider website, public technology and business documentation, available developer sites, webinars and other online resources.

02 /

Quantitative model

To ensure an objective understanding of providers, the researchers developed a unique model. This model incorporates weighted criteria derived from the proposed categories, the survey and secondary research. The information gathered from the secondary research, coupled with data analysis, forms the basis for an unbiased and fair assessment.

03 /

Interview validation and clarification

The researchers conducted an hour-long structured interview with all participating providers to validate our findings, gain deeper insights into their solutions and clarify any ambiguities in the survey responses.

Other considerations:



Legal and confidentiality constraints

Some providers, for legal and confidentiality restrictions, preferred not to answer some of the survey questions. General assumptions and input received during the interviews were considered in these cases.



Cost analysis

Price structure provides a glimpse of the different offerings around pricing; however, the cost itself for each provider was not discussed.



Report intent

It is crucial to reiterate the approach and intent of this research report. The goal is not to compare or contrast individual providers, but to highlight different approaches and styles.

Chapter

06 Findings



What the research found:

The research reveals a diverse landscape of instant payment providers with shared characteristics and distinct differentiators. The results show that providers are uniform in market presence, onboarding and training. However, some variations were observed in implementation timelines, fraud and core integration, highlighting each provider's unique strengths.

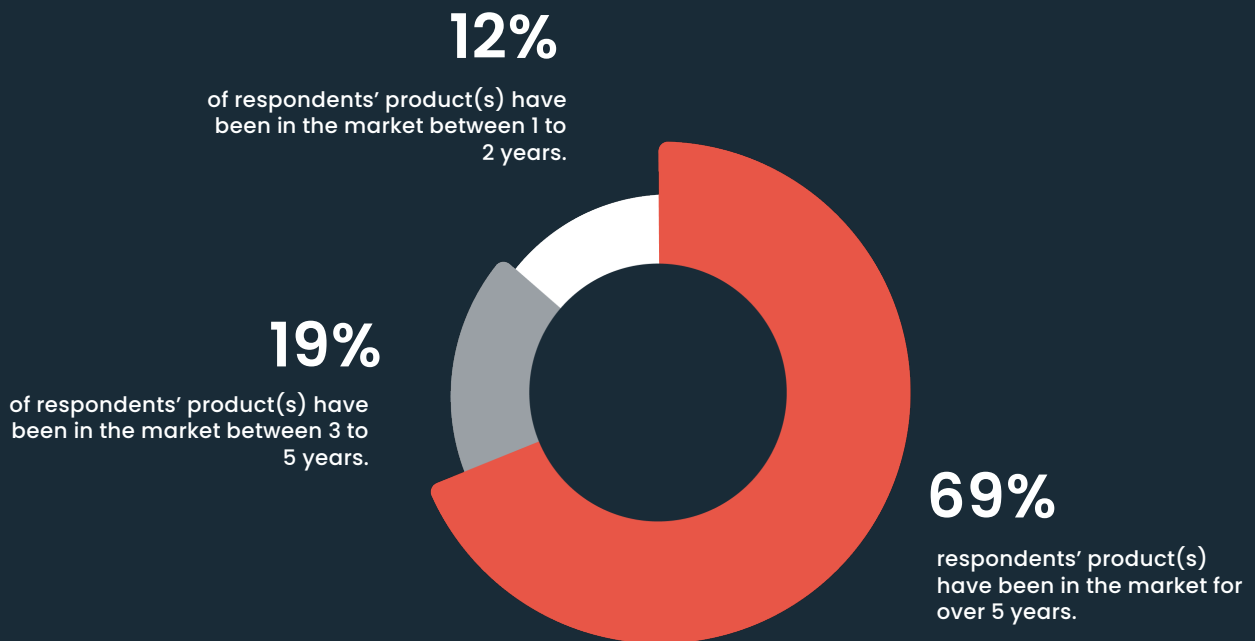


Shared functionalities

This section explores the shared foundation among the providers, highlighting the categories where instant payments solution providers converge to meet the fundamental needs of FIs.

Shared functionalities

Market presence and experience



The data underscores a robust foundation of industry experience, with 69% of providers demonstrating more than five years of expertise, indicating a deeply experienced and reliable ecosystem.

Additionally, the presence of newer entrants introduces fresh perspectives and innovation to the market. This blend of established and emerging players enriches the industry, offering a dynamic environment that fosters continuous improvement and adaptation in response to evolving market needs.

Shared functionalities

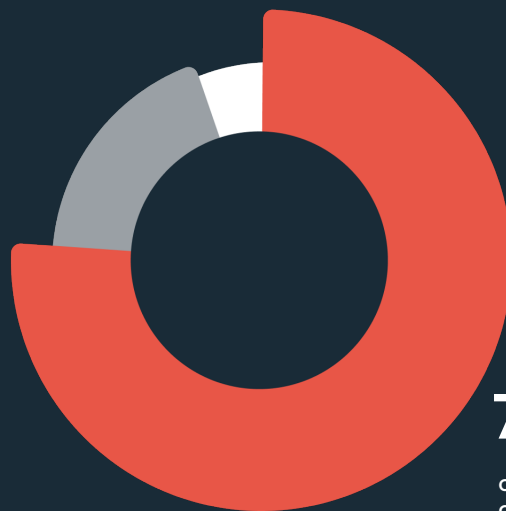
Onboarding

4%

of providers have more streamlined onboarding, often focusing on essential functionalities without extensive documentation or dedicated support personnel.

19%

of providers have a balanced onboarding process with some technical guidelines and support structures and enough dedicated personnel and implementation structure.

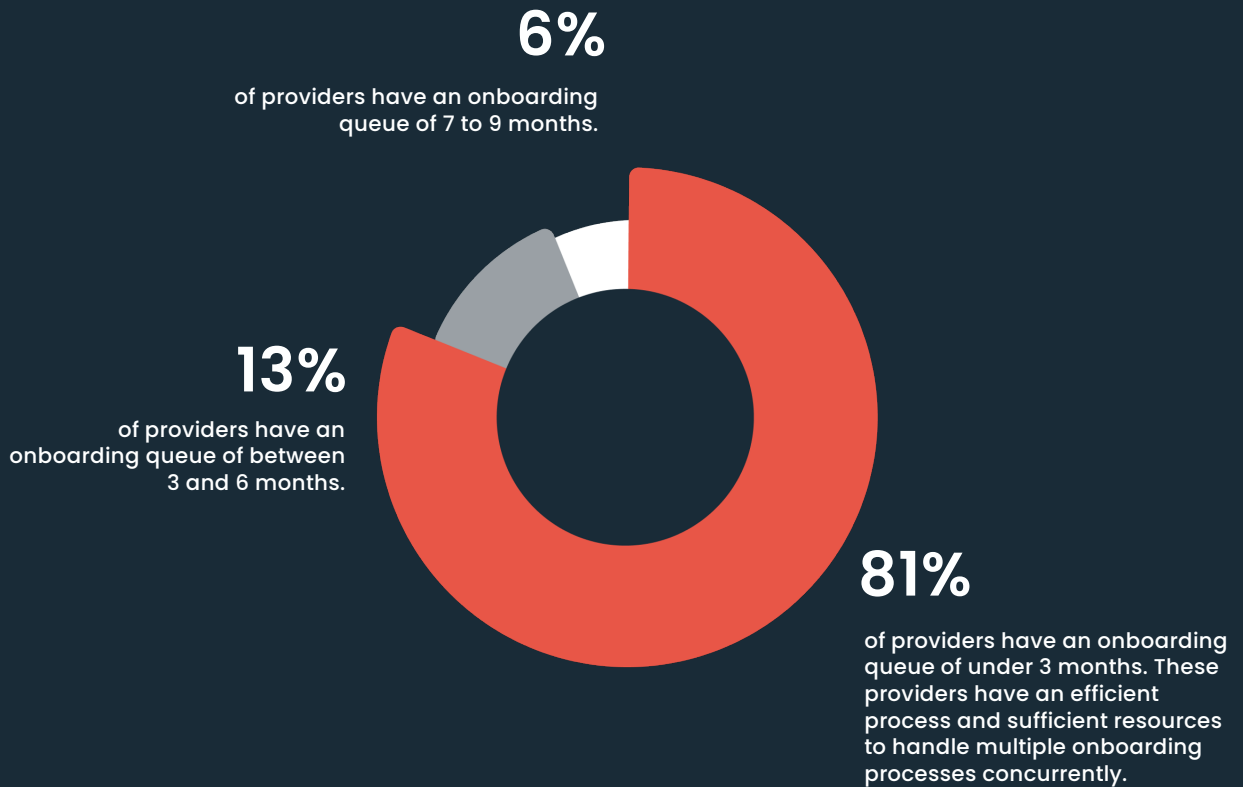
**76%**

of providers have a structured onboarding approach, comprehensive implementation guides and robust support mechanisms in place.

The above numbers reveal significant insights based on the presence and comprehensiveness of implementation/rollout guides. Most providers offer comprehensive implementation guides that include technical, operational and troubleshooting sections. This indicates a strong emphasis on detailed and structured onboarding processes, which facilitates smoother and more efficient implementations for FIs.

Shared functionalities

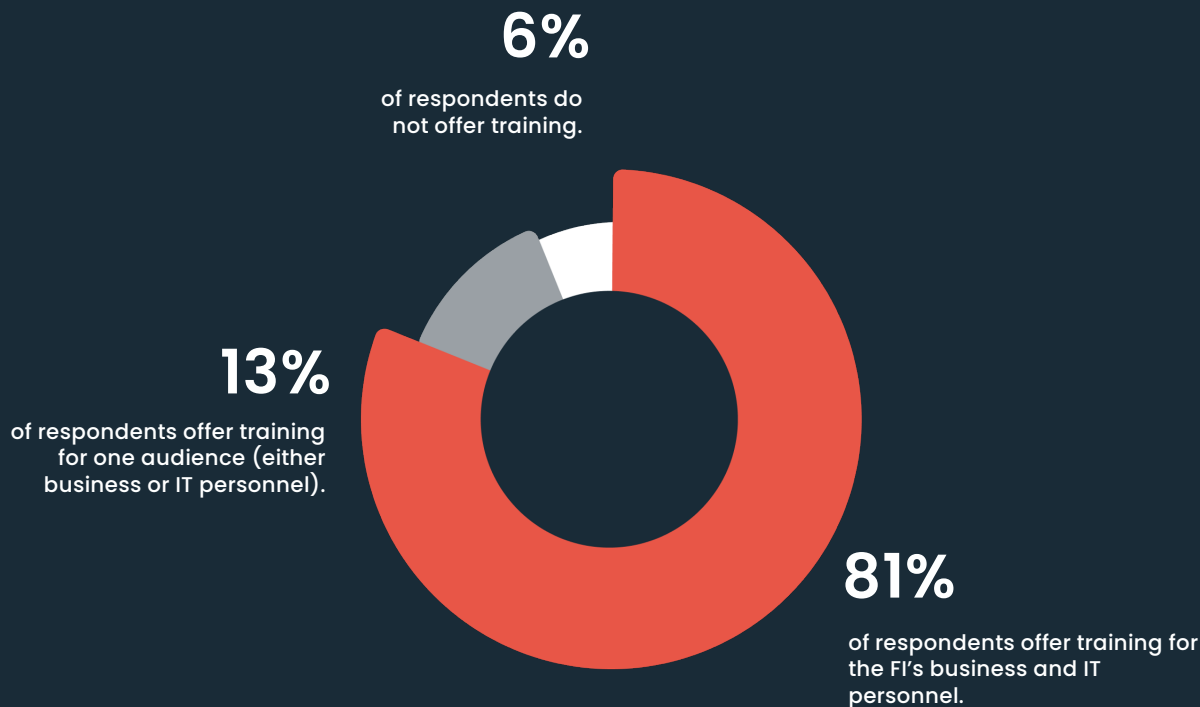
Onboarding queue



The graph highlights the varying wait times FIs face before beginning the onboarding process. Most providers can start the onboarding within three months, which is crucial for FIs aiming for quick implementation.

Shared functionalities

Training



The data presents how many providers actively support the FIs during adoption and implementation of instant payments by providing comprehensive training programs for their internal resources.

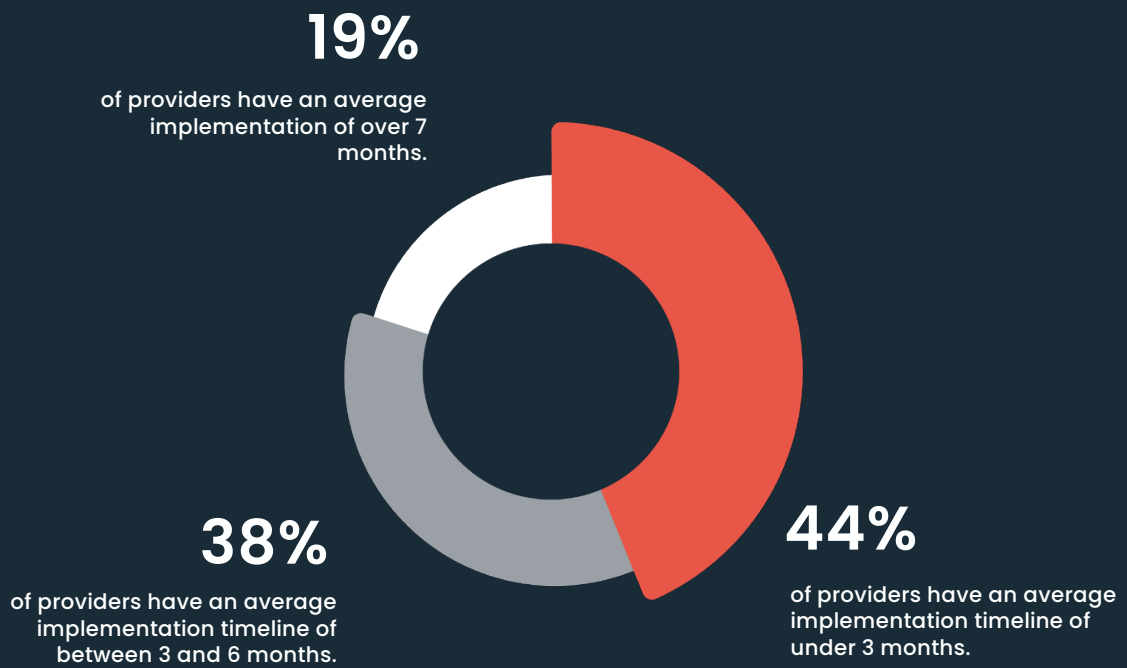
Differentiating functionalities

In a market full of options, identifying the differences between instant payments solution providers can be challenging. This section highlights some of the identified differences based on the data collected from the survey, interviews and additional research.



Differentiating functionalities

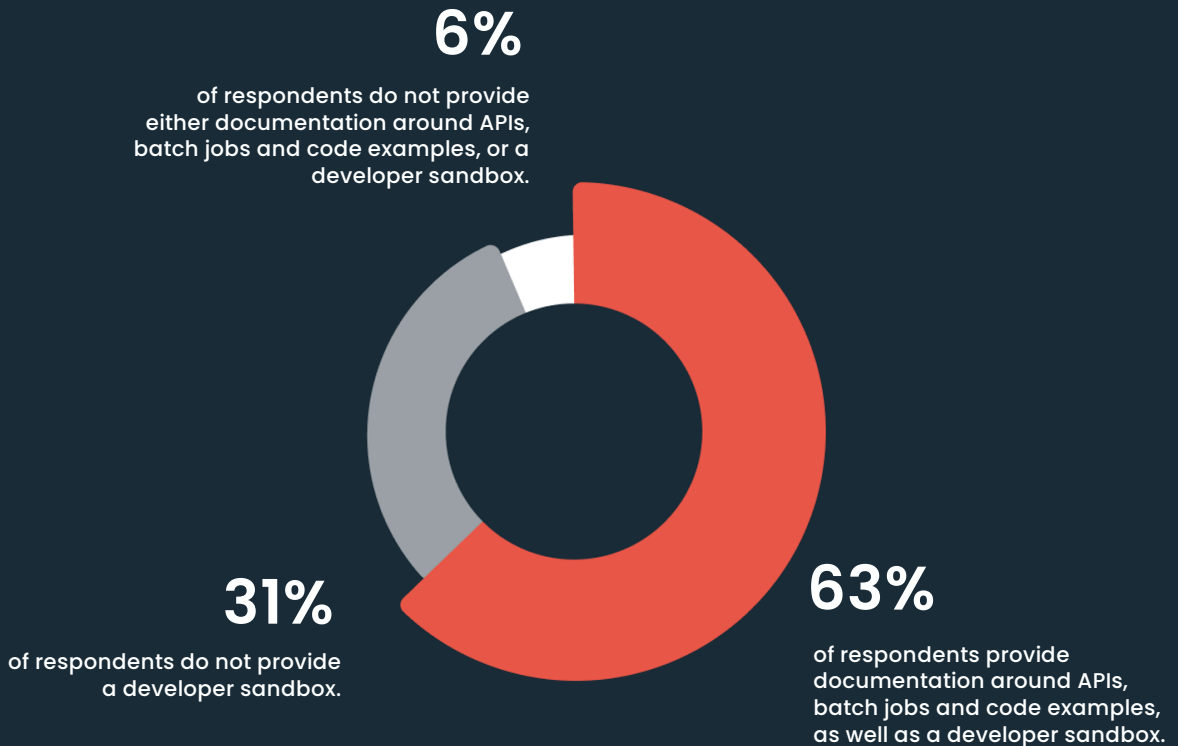
Implementation timeline



A small group of providers delivers the longest implementations, extending to 7–9 months or more. These extended timelines may indicate more intricate requirements and integrations. FIs considering these providers will need to ensure they have the necessary support and resources to manage these projects effectively.

Differentiating functionalities

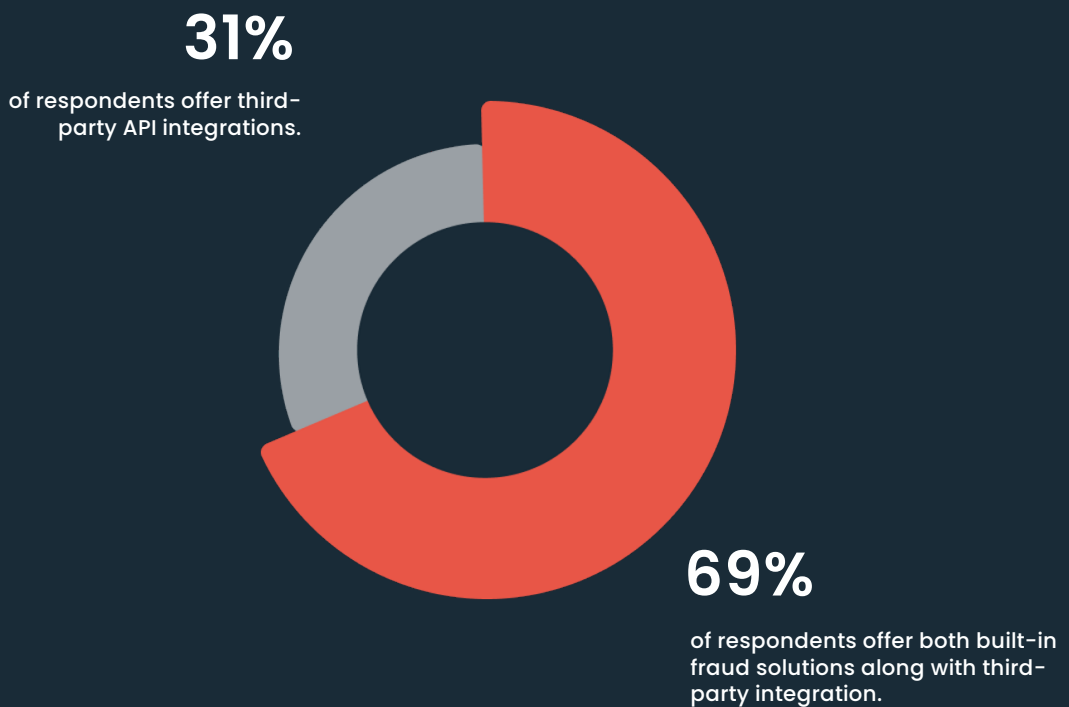
Documentation and sandbox support



The majority of providers demonstrate a robust approach to developer support, with comprehensive documentation and sandbox environments that facilitate effective solution deployment and facilitate integration tasks for the FI.

Differentiating functionalities

Fraud

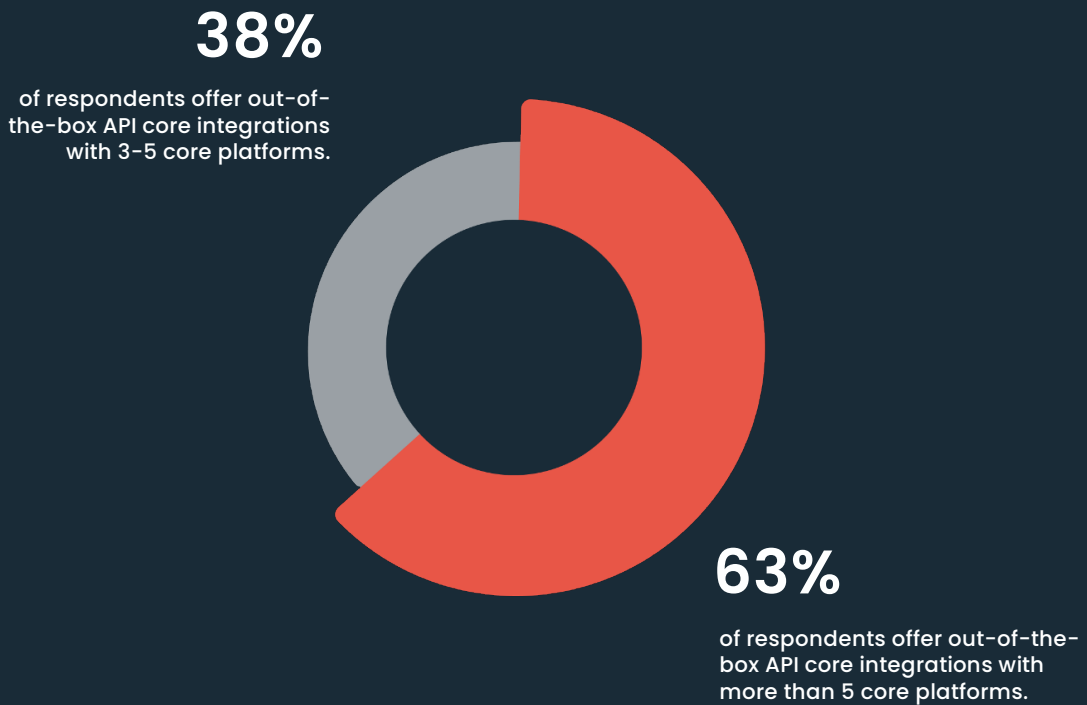


Fraud prevention is a top priority for both FIs and providers. Due to the irrevocability of instant payments, it is paramount. There is a need to not only identify potential fraudulent transactions, but to stop them.

The above highlights that most instant payments solution providers have both built-in fraud mitigation tools and the ability to integrate with third-party solutions. This demonstrates a robust commitment from providers to offer FIs additional layers of protection and flexibility in choosing their fraud prevention tools.

Differentiating functionalities

Core integration

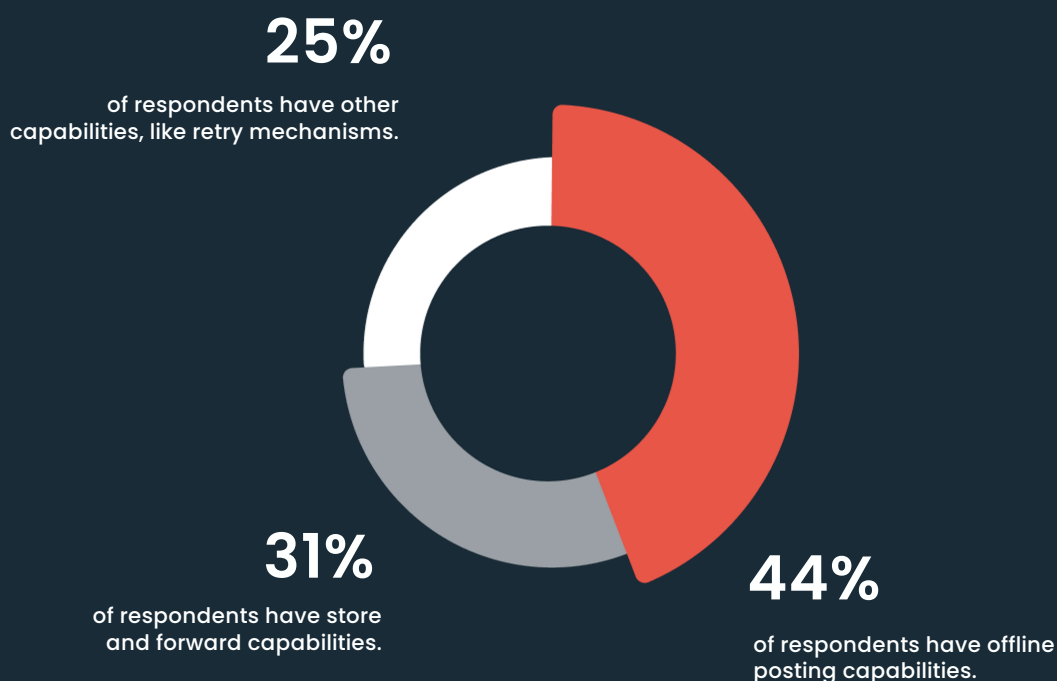


The chart illustrates the combined capabilities of instant payments solution providers in terms of real-time account posting and core banking system integration. The majority of providers offer both real-time account posting and support for multiple core banking systems, making them highly desirable for FIs that require efficient, real-time processing and broad compatibility with their existing infrastructure.



Differentiating functionalities

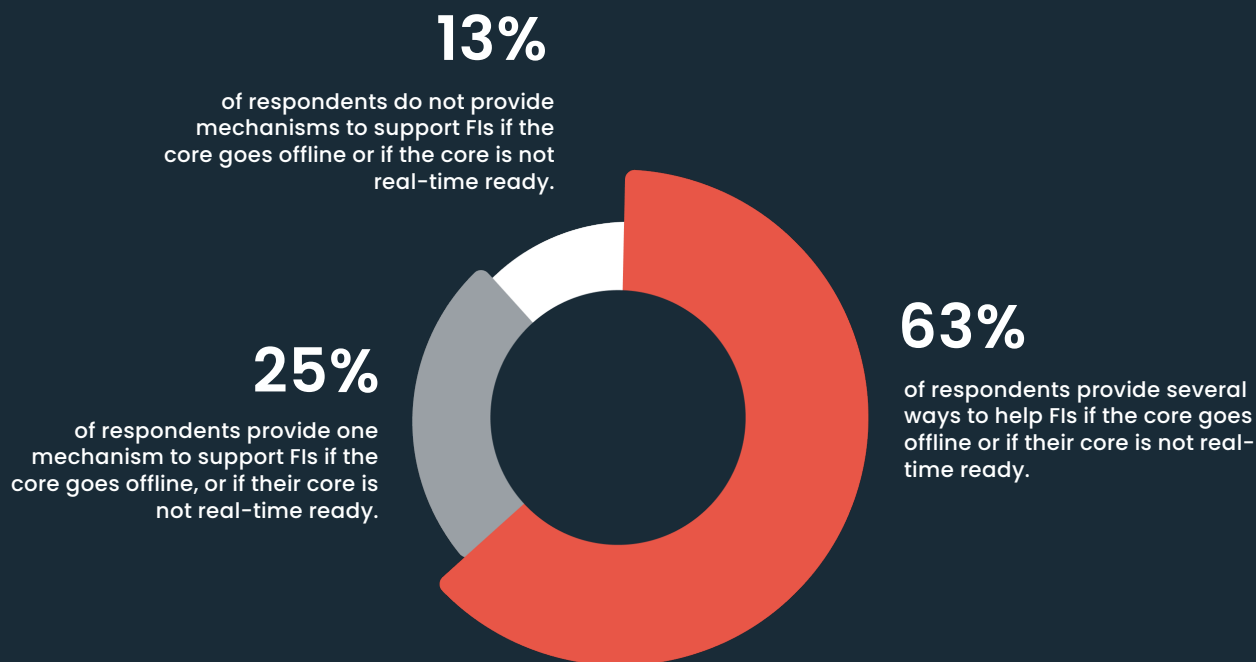
Safeguarding posting



Nearly half of providers implement offline posting as their safeguard, indicating a robust capability to record and process transactions even if the core system is temporarily unavailable. Another significant group of providers employs store and forward capabilities, which allow transactions to be securely stored during downtime and forwarded for processing once the system is back online. A smaller group of providers relies on other mechanisms, such as retry mechanisms, to handle transaction posting. These methods provide additional layers of reliability.

Differentiating functionalities

Support for non-real-time cores

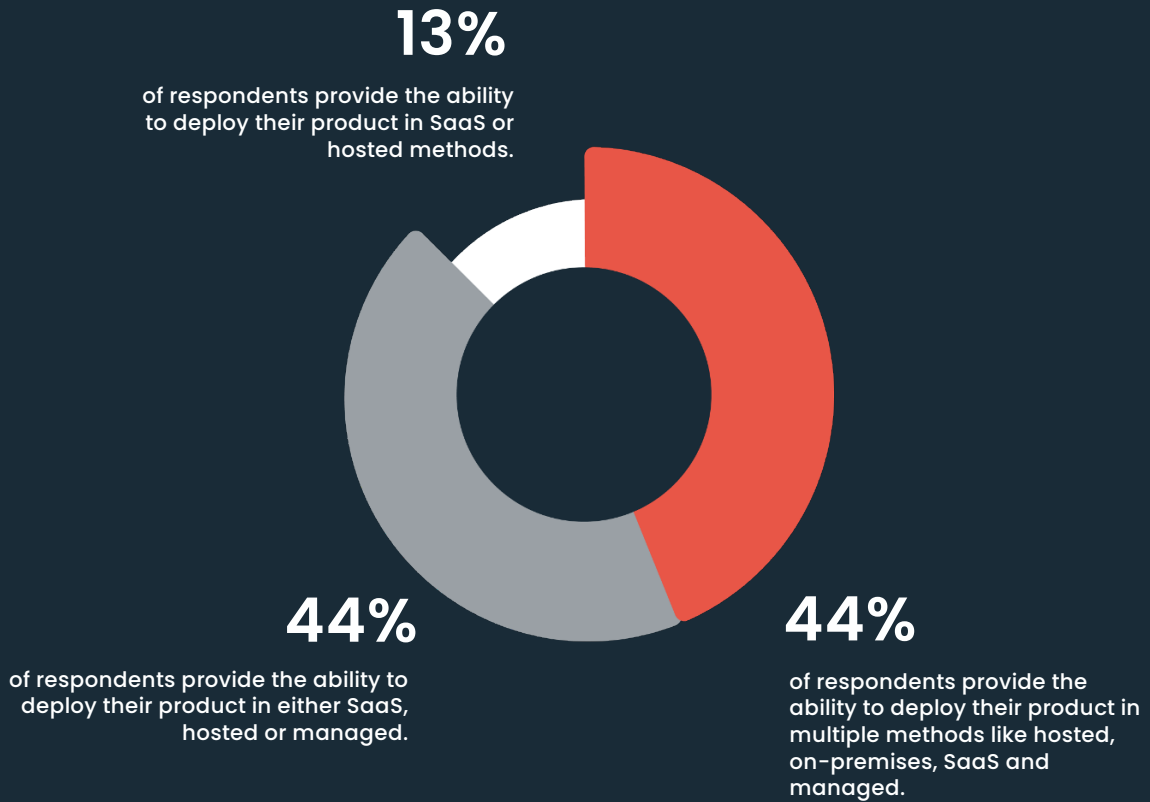


It is important to note that all the participants support legacy and next-gen cores. Some providers identify themselves as “core-agnostic.”

Support for non-real-time core banking systems is becoming increasingly crucial. Providers implement different mechanisms to ensure continuous service availability and minimize disruptions by providing emergency offline capabilities. These mechanisms are beneficial and critical for maintaining seamless transaction flows and enhancing the reliability of instant payments services, particularly for FIs that rely on legacy core systems not designed for real-time operations. This support ensures that even non-real-time cores can offer near-instant payment experiences, aligning with the demands of modern financial services.

Differentiating functionalities

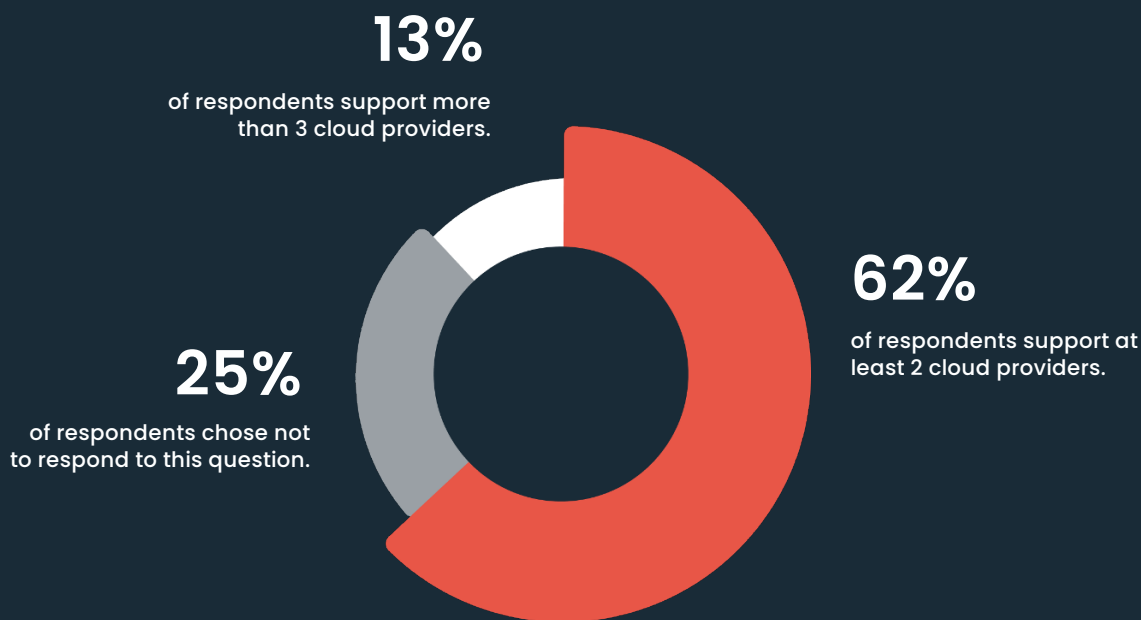
Deployment options



The data shows that many providers support a combination of hosted, on-premises, managed and SaaS deployment options, offering maximum flexibility to FIs. This comprehensive range of deployment methods is crucial as it allows FIs to select the most suitable option based on their specific infrastructure, security requirements and operational preferences.

Differentiating functionalities

Cloud providers



When it comes to supporting instant payments solutions, leading solutions providers often rely on cloud platforms such as Amazon Web Services (AWS), Google Cloud and Microsoft Azure. These cloud providers are known for their scalability and global reach, essential for handling the high transaction volumes and stringent security requirements of instant payments. Each has its own advantages:

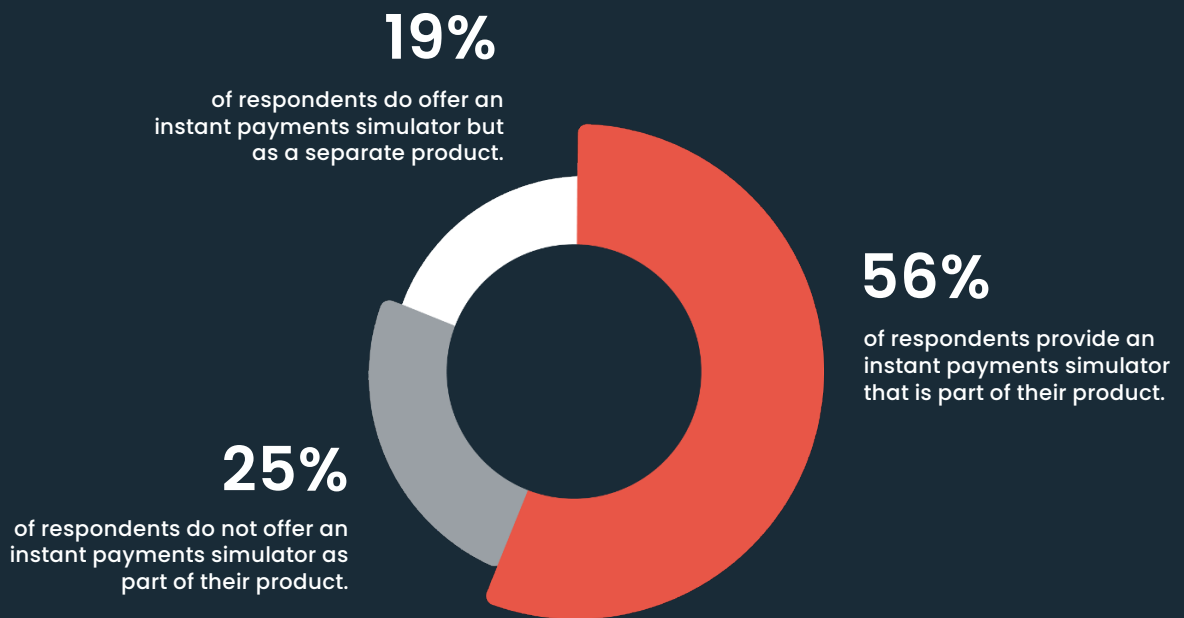
1. AWS offers a suite of services making it a popular choice for many payments solutions providers.

2. Google Cloud offers advanced data analytics and machine learning capabilities, which can enhance fraud detection and operational efficiency.
3. Microsoft Azure offers integration with enterprise software and support for compliance to FIs with complex IT environments.

By leveraging these cloud platforms, instant payments solution providers can offer flexible, more secure and high-performance solutions that meet the diverse needs of FIs.

Differentiating functionalities

Testing simulator

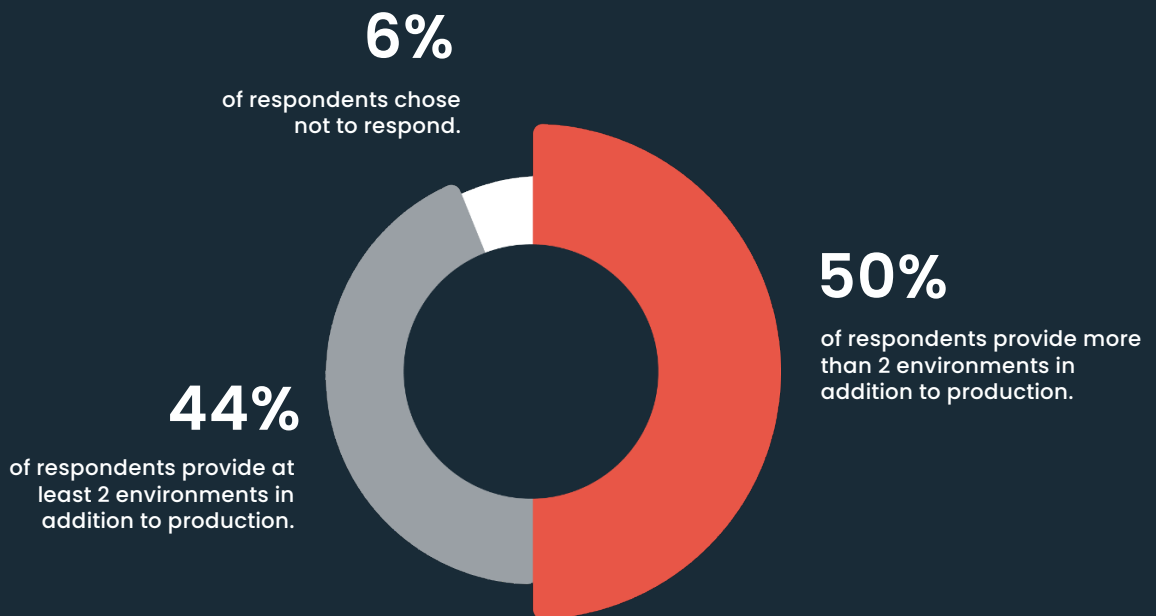


Most providers offer an ISO 20022 simulator for the different instant payments messages (e.g., pacs.008, pacs.002, among others) indicating a strong commitment to facilitating comprehensive testing for FIs. This capability is crucial as it allows FIs to thoroughly test and validate their payment processes in compliance with network standards, ensuring seamless and accurate transactions.

Some providers include simulators directly in their product offerings, providing a seamless and integrated testing solution. Other providers offer the simulator as part of a different product within the overall package, which, while still supportive, may require additional steps for integration.

Differentiating functionalities

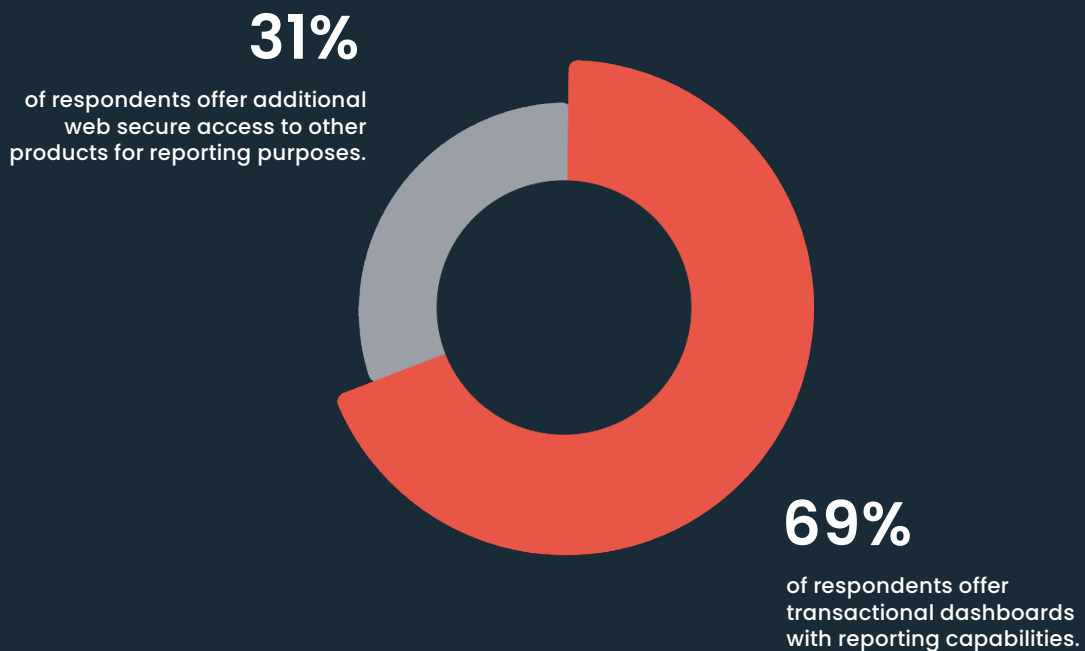
Non-production environments



The data shows that many instant payments solution providers offer comprehensive testing environments, including test, staging and integration. This allows FIs to conduct thorough testing in various scenarios, ensuring robust and reliable implementation of instant payments solutions.

Differentiating functionalities

Reporting

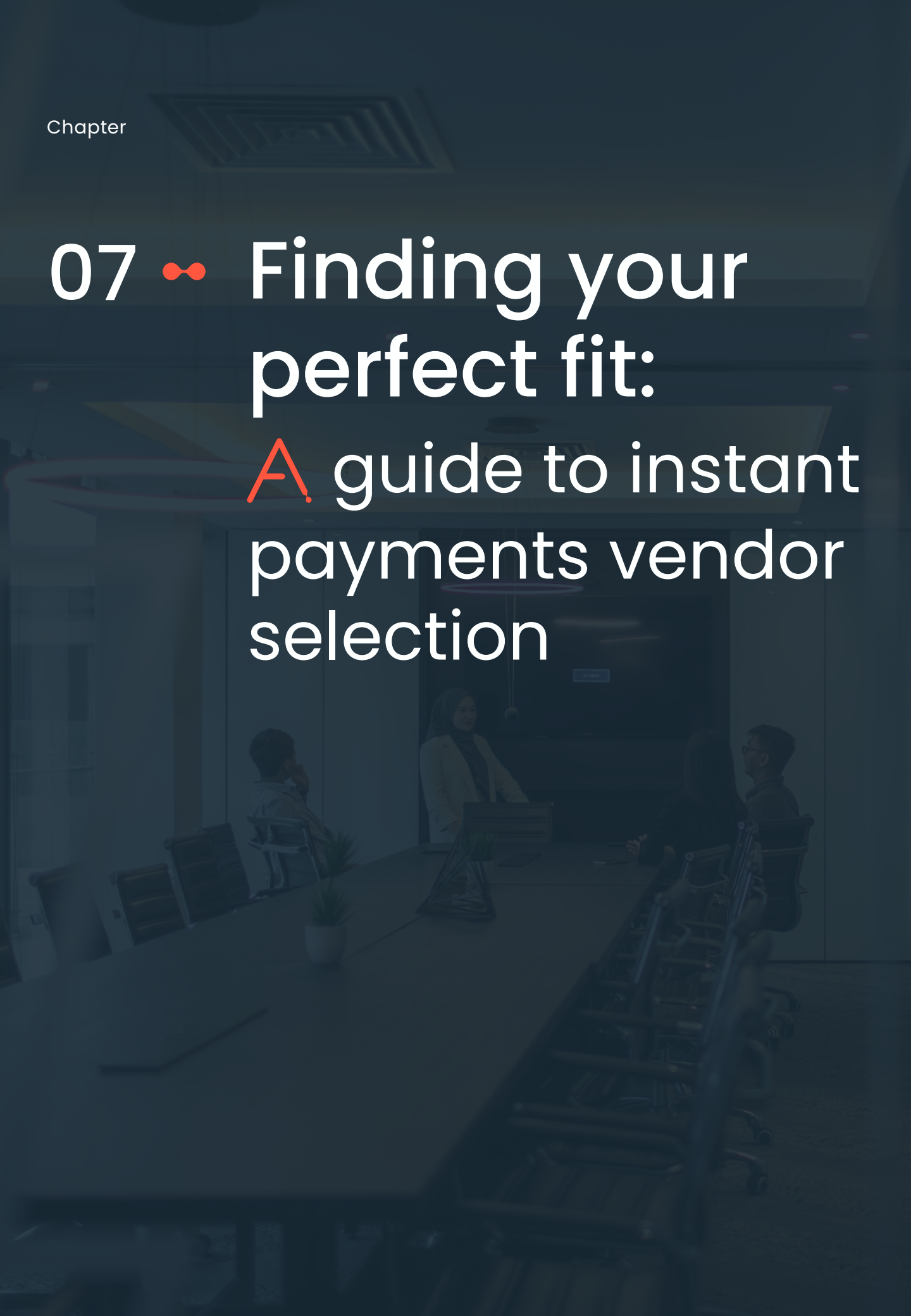


Many instant payments solution providers offer transactional dashboards with robust reporting capabilities. This ensures that FIs have flexible and comprehensive access to data for generating detailed reports and performing in-depth analysis.

Additionally, some providers offer secure web access to other products for reporting purposes, further enhancing their data management and reporting options.

07 Finding your perfect fit:

A guide to instant payments vendor selection



The provider ecosystem is vast and the ideal fit for an FI will depend on multiple factors. Based on the data collected, the researchers have created some scenarios to help FIs in the decision-making process:

01 /

Prioritizing rapid market entry

Speed to market can be a significant competitive advantage, enabling a FI to capture market share and meet growing customer demand for real-time payments.

To achieve this, the chosen instant payments provider will need to offer robust support for fast deployment, including comprehensive implementation guidelines, dedicated onboarding teams and seamless integration with existing systems.

Additionally, providers that offer **pre-configured solutions** and **modular deployment options** can help streamline the process, ensuring that the FI can quickly adapt to market dynamics and customer needs. In this scenario, a provider from Group One could be a good fit.

02 /

Modernizing payment processing

Modernizing payment processing is a strategic priority for many FIs aiming to enhance efficiency, reduce operational costs and improve customer satisfaction. For an FI considering such a modernization, evaluating how well the new instant payments solution integrates with existing systems and how the solution handles other payment rails and supports future scalability is essential.

The provider's ability to offer advanced technologies such as **API-driven integrations**, **cloud-based processing** and **robust security** measures will be critical in achieving these modernization goals. In this case, a provider from Group Two could be a good fit.

03 /

Advanced reporting and operational tools for greater visibility

Providers with robust reporting features, **comprehensive analytics**, and tools tailored for managing the complete payment lifecycle are key for FIs looking to maximize their insights into transactional analysis. Critical capabilities include real-time notifications, highly **customizable reporting options**, and access to APIs for seamless integration with other systems.

By partnering with a Group Two provider, the FI could optimize operational processes, enhance decision-making capabilities and fulfill reporting obligations with precision and efficiency, thereby supporting its strategic goals and ensuring regulatory compliance.

04 /

Leveraging instant payments transactional data

FIs can enhance fraud detection, personalize customer offerings and optimize financial forecasting by integrating instant payments data into their analytics platforms. This requires a provider that supports **robust data capture** and integration and offers advanced **analytics tools** and capabilities.

Providers in Group Three are best suited for leveraging transactional data as part of a data analytics strategy. They offer capabilities like real-time data streams, advanced monitoring and analytics and a comprehensive policy engine. These features support the integration of large amounts of transactional data for sophisticated data analytics and business intelligence.

05 /

Digital channel readiness

The FI's existing infrastructure should support real-time transaction processing, provide instantaneous feedback to users and maintain high levels of security and reliability.

Providers in Group Two offer a **unified platform** for managing multiple payment rails and services, ensuring seamless integration with existing digital channels or online banking platforms. They provide advanced **payment process management tools** and real-time notifications, helping to maintain a robust digital payment infrastructure.

06 /

Partnerships and integrations

Providers in Group Three offer a rich array of capabilities, including a robust **partner ecosystem** with **pre-integrated fintechs and processors**, enabling seamless integration of third-party services such as loan origination and accounts payable/receivable management. Moreover, these providers excel in providing **advanced customization** options like hyper-personalization, empowering the FI to tailor payment experiences according to specific branding and customer preferences.

These providers also have a sophisticated policy engine that supports complex rules and risk management, for maintaining regulatory compliance and minimizing financial risks. By partnering with these providers, the FI could diversify its service portfolio, **forge strategic alliances** and deliver innovative payment solutions that cater to evolving customer needs and uphold stringent security and compliance standards.

Chapter

08 Why instant payments?



The impact of instant payments

The value of real-time payments is well recognized within the industry, as merchants, businesses and retail banking customers have expressed interest in the different use cases being implemented. From person-to-person (P2P) transactions to business-to-consumer (B2C) disbursements, loan disbursements, merchant deposits, wallet top-offs and early-wage access, there are multiple ways real-time payments can benefit those who adopt them.

FIs are uniquely positioned to capitalize on the numerous opportunities instant payments present.



Key areas

Key areas where FIs can leverage this technology include:



Accounting and finance efficiencies

Partnering with ERP (enterprise resource planning), AP (accounts payable) and AR (accounts receivable) software providers can:

- Enhance cash forecasting
- Accelerate DSO (days sales outstanding)
- Automate reconciliation processes
- Reduce the need for manual invoice tracking



Internal operational efficiencies

- Streamline heavily manual-oriented or batch-dependent processes, such as manual reconciliation and exception processing
- Shift internal money movement (between FI entities) from check to instant payments to gain savings



Innovation opportunities

There are benefits to providing instant payments capabilities and offering value-added services in:

- Disbursements (B2C) (e.g., insurance)
- Personalized finance management tools
- Real-time lending platforms
- Instant cashback rewards programs
- Intracompany cash management tools for small businesses and corporates
- Expedited invoice payments (C2B)
- Expedited wages and instant rebates



Customer insights

Insights from more detailed transaction data can help FIs

- Move toward a data-driven model
- Offer more targeted products, which will can improve/customize financial services offerings
- Handle remittance information as part of the transaction
- Provide customers (especially corporates) access to transactional data and drive efficiency, particularly in reconciliation

Participants:

For FIs, the path to implementing instant payments is not always straightforward. It starts with a sound strategy, business case and cost-benefit analysis. It is crucial to build internal consensus on priorities by identifying key customer demands, prioritizing use cases, developing a roadmap and selecting the right partner to help drive that roadmap.

Below are some of the key challenges and potential solutions:

Challenge	Solutions
Internal alignment	<ul style="list-style-type: none"> • Secure executive support and business sponsorship • Address competing priorities with other transformation projects • Conduct a thorough systems assessment to understand readiness • Assess operational assessment and readiness (training and adoption) • Implement organizational change management enterprise-wide
Identify use cases	<ul style="list-style-type: none"> • Conduct a multi-department product workshop to identify potential use cases • Start with internal use cases
Regulatory compliance and operational readiness	<ul style="list-style-type: none"> • Supports regulatory compliance needs of participating FIs • Comply with data security and privacy standards, such as ISO 20022, PCI DSS, SOC2, GDPR • Establish risk and fraud management with incident response readiness
Provider selection	<ul style="list-style-type: none"> • Devise a solution architecture before provider selection • Create request-for-proposals (RFPs) with a limited number of providers that align with your FI strategy and vision

Other considerations and some key questions to keep in mind:

Consideration	Questions
Implementation	<ul style="list-style-type: none">• Do you have enough resources to tackle the integration challenges?• What is your target time to market?• How will your legacy architecture be impacted by the new integrations?• Are all of your systems ready to operate in a 24/7 environment?• Are all your applications ready to handle larger transactional data?
Cost	<ul style="list-style-type: none">• What is the total cost of implementing the solution?• What is the ongoing maintenance cost?• Are there any additional costs from implementing this new solution?

Chapter

09 Instant payments in the US

For additional context on the state of instant payments in the US, this section looks at the history and opportunities for FIs adopting new payment rails in a rapidly evolving landscape.

In 2017, a new payment rail entered the US market for the first time in over 40 years when The Clearing House Payments Company L.L.C. introduced instant payments when it launched the RTP® network. This innovation transformed the landscape by enabling both consumers and businesses to send and receive instant funds transfers directly to and from their bank and credit union accounts. This service operates 24/7, providing unprecedented convenience and efficiency.



Key features of this new instant payments system are:

- Immediate availability
- Payment certainty/transparency
- Irrevocability
- Credit push-only

Moving ahead

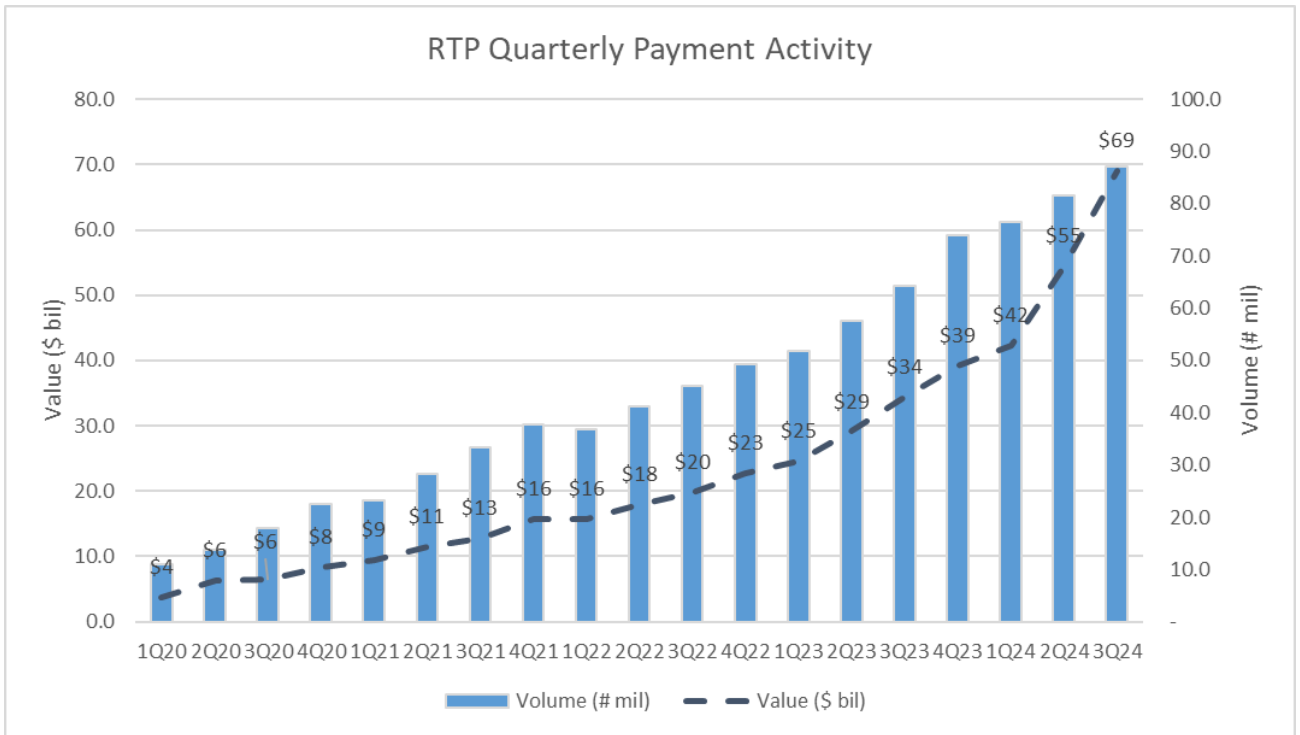
In July 2023, the Federal Reserve launched FedNow[®], its instant payments platform. It operates similarly to the RTP[®] network in leveraging ISO 20022 messages and immediate settlement and is irrevocable. The RTP[®] and FedNow[®] networks are contributing to the growth of instant payments in the US.

The complex US payments ecosystem presents challenges for FIs, including technical integration with legacy systems (that may not operate in real-time), fraud concerns, regulatory compliance and the sheer breadth of implications in adopting a brand-new payment rail that serves all customers and clients, all products and all channels.

Despite these hurdles, instant payments offer significant opportunities for FIs to build new products and services, enhance customer satisfaction, streamline operations, create new revenue streams, reduce operational costs and gain competitive advantage.



In the second quarter of 2024, around 82 million transactions were processed in the RTP® network, representing around \$55 billion. Notably, as of August 2024, 99.18% of payments in the RTP® network were completed under 10 seconds¹. FedNow® has also gained traction and has onboarded around 550 organizations².



3Q24

- 87 million transactions for \$69 Billion
- 7% volume growth and 27% value increase

While interest in instant payments in the US has risen, the market is less mature than in other regions of the world. There are around 9,000 FIs in the US and many have still not joined either the RTP® network or Fednow® ¹. However, FIs are increasingly adding instant payments to their payments strategies and road maps. They are identifying use cases that align with their end customer needs and are also keen to offer the latest in instant payment technology. To support these efforts, FIs are working to find a technology solution provider that best supports their current goals and vision.

¹ Data obtained from The Clearing House ([Real Time Payments | The Clearing House](#))

² Numbers from the Federal Reserve, FedNow® Service Update ([FedNow Service Participants and Service Providers \(frbsecurities.org\)](#))

What the research found:

The analysis of instant payments solutions providers reveals a dynamic landscape where rapid deployment, advanced integration and strategic collaborations are key differentiators.

Providers are not only focused on accelerating the adoption of instant payment rails through cost-effective and swiftly deployable solutions, but on enhancing their capabilities to support complex use cases and seamless integrations with existing systems.

An emphasis on high customization, robust security measures and partnerships with fintech providers underscores the importance of a holistic approach to developing comprehensive instant payments solutions. Investing in digital infrastructure and leveraging these advanced capabilities will enable FIs to fully harness the potential of instant payments, whilst ensuring they remain competitive and responsive to evolving market demands.

The providers' market is diverse, with some vendors offering comprehensive and robust solutions across multiple categories, better suiting FIs seeking well-rounded services. Others are more specialized in specific areas such as compliance, security and training.

In choosing an instant payments solutions providers, FIs need to consider alignment with their specific needs, resources and strategic goals.

- **Group 1** providers could be an ideal choice for cost-conscious FIs seeking rapid deployment
- **Group 2** providers offer a balance between advanced features and integration capabilities
- **Group 3** providers offer customization, high scalability and advanced support for complex operations.

By understanding key capabilities and aligning them with requirements, FIs can make informed decisions that enhance their payment processing capabilities and overall operational efficiency.

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About The Clearing House

The Clearing House Payments Company L.L.C. operates U.S.-based payments networks that clear and settle more than \$2 trillion each day through wire, ACH, check image, and real-time payments. It is the nation's most experienced payments company, with a long track record of providing secure and reliable systems, payments innovation, and strategic thought leadership to FIs. In 2017, The Clearing House revolutionized U.S. payments by introducing the RTP® network, which supports the immediate clearing and settlement of payments, along with the ability to exchange related payment information across the same secure channel. These RTP® capabilities enable all FIs to offer safer, faster, and smarter digital transaction services for their corporate and retail customers. Learn more at www.theclearinghouse.org.

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