

\$P smarter PAYMENTS TRACKER™

NOVEMBER 2018

FEATURE STORY

How Escrow.com uses digital tools
to create smart marketplaces

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NEWS AND TRENDS

Hong Kong's Faster Payment System
enables transfers of up to HK\$1 million

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ACKNOWLEDGMENT

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WHAT'S INSIDE

THE RECENT EXPANSION OF FASTER PAYMENT SYSTEMS

in several global markets has caused the payments landscape to undergo significant changes. As these systems become more prevalent, they are also encouraging some companies to update their traditional business models. Thanks to the greater speed and interoperability for payments and payment systems, companies are discovering new opportunities to elevate their businesses by adopting more efficient payment tools and improving the speed at which they deliver payments to suppliers and customers.

The Spanish government, for example, is trying to push the nation's [B2B payment system](#) into the digital era. Three months after passing a law requiring public procurement contracts to be submitted electronically, Spanish authorities debuted an online platform that enables government contractors to submit electronic invoices for their work.

While Spain promotes the adoption of electronic invoices, Canada is moving ahead with

improvements to its own payments infrastructure. Banks in the Great White North recently [added](#) a third exchange window, enabling companies to make electronic funds transfers in Canadian dollars and helping companies on Canada's west coast avoid late payments.

The latest Smarter Payments Tracker™ delves into the expansion of faster payment infrastructures and examines how this growth is prompting some businesses to re-examine their business models.



Around the smarter payments landscape

In the U.S., NACHA – The Electronic Payments Association recently shook up its own business model in an effort to improve B2B payments. It [announced](#) the acquisition of the Business Payments Directory Association (BPDA), a nonprofit group that oversees the industry's B2B directory. The BPDA will continue to operate as an independent organization and work closely with NACHA to develop and deploy a B2B payments and remittance directory.

NACHA also recently [unveiled](#) a set of decisions aimed to boost the adoption of its Same Day ACH system. These changes include raising the

maximum amount for same-day transactions from \$25,000 to \$100,000, extending the eligible time frame by two hours to allow businesses more time to submit ACH transactions and requiring funds for certain same-day and next-day transactions to be available by 1:30 p.m. – three and a half hours earlier than is currently allowed.

Even gig economy platforms are changing their business models due to the availability of faster payments. Postmates, for one, will work with Visa to offer [“instant deposits”](#) facilitated by Stripe's Instant Payouts and operated by Visa Direct. The change will give Postmates' drivers access to wages in real time, rather than forcing them to wait seven business days for a payout.

Deep Dive: How Faster Payments Change Business As Usual

The adoption of faster payment systems is a [worldwide trend](#), with more than 40 countries now offering their own schemes. Financial systems in Singapore, the U.K., Hong Kong, Australia and the United States have adopted their own services, and the availability of faster payments in these markets is prompting some banks to invest in new financial solutions that could change how their customers conduct business.

This month's Tracker includes a Deep Dive (p. 21) that explores how faster payments are ushering in changes to both B2B and B2C businesses.

Smarter payments to build smarter marketplaces

Online marketplaces are facing these changes to their business models with the implementation of digital escrow payment solutions. According to [Escrow.com's](#) general manager, Jackson Elsegood, digital escrow tools are transforming old-fashioned online marketplaces into smart marketplaces. With these tools, platforms that once required buyers and sellers to negotiate prices and exchange funds offline can now enable the full exchange to be completed online. For this Tracker's feature story (p. 7), Elsegood outlines the factors that make a marketplace smart, and how Escrow.com's new API solution can support the sale of big-ticket items online.

EXECUTIVE INSIGHT

What opportunities do companies have to transform their current business models to remain competitive in the smarter payments landscape?

"Companies that take advantage of the faster, smarter payments landscape will find new, meaningful and impactful opportunities for how they manage cash flow and drive operating efficiency throughout their businesses. The ability to push invoices electronically with embedded links for real-time payment receipt, for example, can transform critical processes like inventory and supplier management, making them nimbler and more efficient.

Further, moves toward global standardization formats like ISO 20022, which pairs payment information with corresponding data and instructions so that both travel across networks together, mean that companies can spend less time, money and resources addressing reconciliation errors and back-end processing. In turn, they'll have more resources they can invest in driving new business and providing better overall products, services and user experiences.

Payments and data traveling instantaneously will also present opportunities to deliver highly relevant end-user engagement. Companies that pair these valuable insights with a no or low friction experience can cultivate sustainable customer loyalty."

DONDI BLACK,

vice president of payment strategy for [FIS](#)



64%

Share of treasurers who reported using same-day payments or another immediate payment solution option



450K

Number of bank customers able to use QR codes to make transfers, purchases and pay bills using the Hong Kong Monetary Authority's platform



64%

Share of B2B payments still made using paper checks



16%

Projected CAGR of the global home and garden B2C eCommerce market through 2022



\$360
MILLION

Total funds raised by B2B FinTechs in September to address inefficiencies in corporate banking, B2B payments and logistics


FIVE FAST FACTS



FEATURE
STORY

HOW

SMARTER PAYMENTS
HELP BUILD SMART
MARKETPLACES



**“CONSUMERS
HAVE NO
SHORTAGE OF
OPTIONS WHEN
IT COMES TO
BUYING AND
SELLING GOODS
ONLINE.”**

JACKSON ELSEGOOD
GENERAL MANAGER AT ESCROW.COM

Consumers have no shortage of options when it comes to buying and selling goods online: Marketplace giants like Amazon, eBay and Etsy have made the purchasing process simple and hassle-free for both consumers and merchants.

Not every digital marketplace has these frictionless checkout services, however. Old-school marketplaces, such as Craigslist, allow sellers to list their products and services, but the exchange of money and goods typically takes place offline. Buyers and sellers have to meet somewhere in person and hope that the transaction is genuine.

Digital escrow tools could help these “vertical” or “feature” marketplaces develop smarter business models for both buyers and sellers. By

implementing these solutions, both parties can use a company’s platform to communicate about a product’s price before committing to a sale. The marketplace can then hold the funds until both sides of the transaction are satisfied with the terms of the exchange.

Hoping to enable such sales to take place, [Escrow.com](https://www.escrow.com) offers solutions that allow funds to be held in an escrow account until both the buyer and the seller are ready to move forward with the transaction. In a recent interview with PYMNTS, Escrow.com’s general manager, Jackson Elsegood, explained how digital escrow tools can transform digital sales and help feature marketplaces become smart marketplaces that allow both parties to negotiate within the marketplaces’ own platforms.

“

You really need to know who the buyer is, and you need to be a part of the transaction. ...

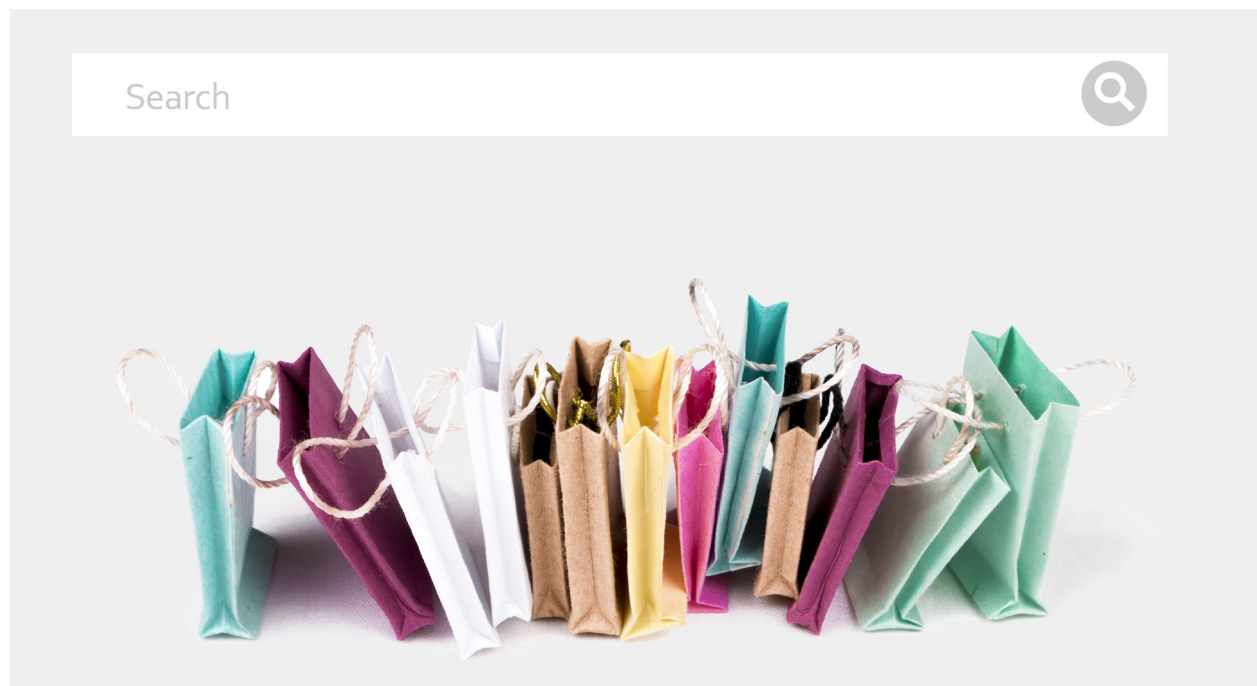
These are two key parts to understanding the whole smart marketplace environment.

”

“Vertical marketplaces across the globe are looking at [companies] like eBay, Amazon, Etsy and Alibaba and seeing them do all the transactions on platform,” Elsegood said. “They’re seeing them move to a revenue model that reflects what they’re delivering and, of course, they’re saying, ‘I want to be able to do that.’”

Tapping APIs to build smart marketplaces

Most feature marketplaces’ messaging services enable buyers and sellers to engage in price negotiations, but the actual payment must be completed offline. This leaves marketplaces without insights into whether sales ultimately took place, the final selling price of an item and the payment method used to complete the sale.



Marketplace platforms also miss opportunities to take cuts of each transaction.

This is only the beginning of feature marketplaces' woes. Many of these platforms allow users to post listings for free, collecting money only if sellers want to boost their listings and attract more potential buyers. They're also unable to learn more about customers' purchasing habits. As a result, marketplaces often struggle to deliver personalized services to returning buyers, such as products and services related to their earlier purchases.

"Most marketplaces, outside of Amazon and eBay, don't know anything about their buyers," Elsegood said. "They don't really know what communications are coming from a buyer or what offers are being made."

In an effort to help feature marketplaces transition from old-fashioned ways of selling, where sellers list items and communicate with buyers outside the platform, Escrow.com recently launched a new API solution, Escrow Offer. The solution allows marketplaces to implement messaging for buyers and sellers, and holds transaction funds in a digital escrow account.

Escrow Offer can be implemented on a feature marketplace by adding a line of code, and, once in place, it allows sellers to submit listings, review offers and negotiate prices with potential buyers.

UNDER THEHOOD

How do you define a smart marketplace?

"We think of a feature marketplace in the same way [we think of having] a smartphone that does everything versus a feature phone just makes calls or sends SMS [messages]. Changing [from a feature to a smart marketplace] is as big as the change from feature phones to smartphones. The marketplace needs to present [the customer with,] 'This is what we think you want based on your searches and based on your previous purchases.'"

You've already experienced it if you use marketplaces like Amazon. When you log on, they know you bought an LGTV or a Roku through them. They say, 'Oh, you're obviously into movies and streaming. Would you like a wall mount that exactly fits that TV? Would you like to subscribe to Prime Video?' The reason Amazon is so successful is that they capitalize on those previous purchases; they have a huge amount of search data. They know a lot about you and they're doing a lot to increase the amount they know about you."

Jackson Elsegood,
general manager at [Escrow.com](https://www.escrow.com)

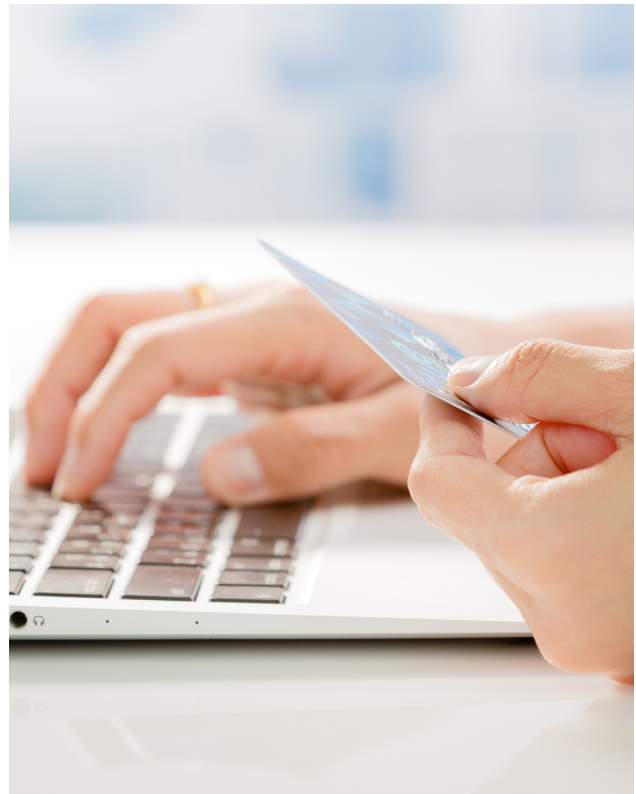
Feature Story

When both parties are satisfied, the escrow funds are released through ACH or by wire transfer.

"This really opens up a huge treasure trove of data to those marketplaces," he said.

Becoming a smart marketplace

Two key components are necessary if these platforms are to transition into smart marketplaces, one of them being the availability of customer purchasing data, which provides insight into how platforms can better serve existing buyers.



"The first is to know your customer," Elsegood said. "Knowing who they are, where they are, what they're searching for and what they've bought in the past."

The second necessary component is insight and control over certain elements of the transaction, including the final price of a sale.

"Once you're a part of that transaction in the marketplace, you can control a lot more," he said. "You can control where the funds come from and go, you can control the speed of the transactions and throw in add-ons."

These steps, he said, are essential for traditional feature marketplaces to shift from



old models that only give them insights into sellers' activities.

"You really need to know who the buyer is, and you need to be a part of the transaction," Elsegood said. "These are two key parts to understanding the whole smart marketplace environment. Without that, you'll only know about the seller."

Bringing big-ticket purchases online

With the availability of greater payment controls and data insights, Elsegood hopes to see buyers

and sellers move away from the Craigslist-style approach to commerce, in which two parties with minimal amounts of trust might agree to meet at a specific location to complete a sale.

"When you communicate with someone on Craigslist, you use masked email addresses and try not to hand out any personal information," he said. "Then you end up meeting a guy in a dark parking lot at 9 o'clock at night in the suburbs and hope he doesn't have a knife or a gun."

Using data analytics and escrow tools to hold funds until the transaction is completed, Elsegood said, can introduce trust into the relationship between buyers and sellers. By implementing the right tools, and shifting to a smart marketplace model, these companies can enjoy the same level of trust that consumers and sellers give to larger players, like Amazon and eBay.

Escrow.com is also aiming to bring marketplaces that sell high-value items, like automotive and marine equipment and jewelry, into the eCommerce space. It's already working with Efty, a marketplace that sells domain names and website templates.

"My hope," he said, "is that these marketplaces that previously forced their customers to go offline and do their own kick-the-tires-like due diligence can now safely transact over a shorter period of time with a higher degree of confidence."

As payments become smarter, businesses need to become smarter as well. Marketplaces that want to compete in the smarter payments landscape must be quick to embrace change and help buyers and sellers trust each other more easily.



NEWS

AND TRENDS

BUILDING A BETTER B2B SYSTEM

Bureaucratic fuel is pushing B2B payments toward digital

Spanish authorities recently [launched](#) an online platform that enables government contractors to submit invoices electronically. The move follows the June passage of a law requiring electronic submission of public procurement contracts valued at €5,000 (approximately \$5,700) or greater. While the platform was originally designed to address business-

to-government (B2G) payments, analysts believe it also has the potential to be used for B2B.

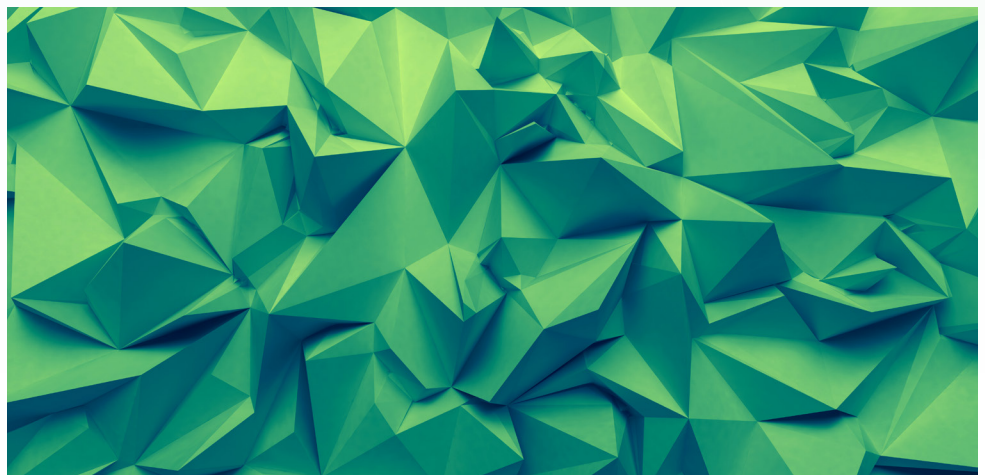
Main contractors must conduct all payment-related activities, including paying subcontractors and rejecting outdated invoices, through the platform. According to recent reports, the platform is available voluntarily for B2B invoicing.

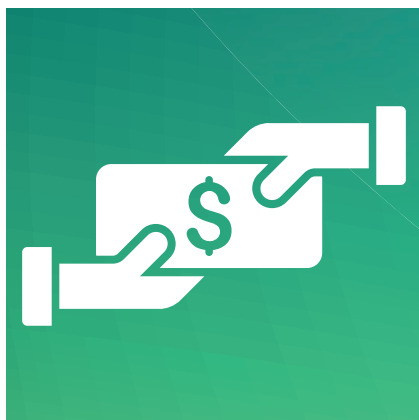
There have been similar developments in other EU nations, including Italy and Germany,

as the EU is pushing to expand the digitization of B2G and B2B invoicing and transactions. The union is calling for member nations to outline B2G electronic invoicing rules by November.

NACHA buys B2B payments directory

Across the pond, NACHA – The Electronic Payments Association recently announced a development that will improve the pace of B2B payments. In early October, NACHA [acquired](#) the Business Payments





Directory Association (BPDA), and according to a [news release](#), the BPDA will continue to operate as an independent, member-led, self-governed group. This acquisition aligns the efforts of both organizations to facilitate B2B payments through the development and deployment of a B2B payments and remittance directory based on blockchain technology. The directory will be structured as a network of credentialed service provider “sub-directories,” which will store trusted and validated payee information, such as ACH payment details.

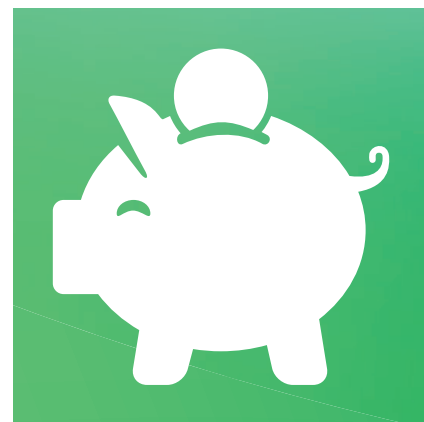
Credentialed service providers will allow access to the stored electronic payment information, and payers can query the directory

to obtain information for a single payee or multiple payees, while payees can manage their information in real time to ensure payment details are current. The directory follows an August 2018 collaboration between the BPDA and Discover Financial Services, where the two developed a proof-of-concept platform for the directory.

FIGHTING LATE PAYMENTS

Europe’s late payment scourge

A new [study](#) conducted by trade credit insurer Atradius points to rising problems with late payments in the EU’s B2B space. Delayed payments due to insufficient funds rose by 10 percent last year in Eastern Europe, and 64 percent — up from 55.8 percent in 2017 — of respondents said collecting receivables can become problematic when business partners are filing for bankruptcy or closing up shop. Electronic invoices can help improve the flow of



payments, but late payment trends could slow Eastern Europe’s long-term growth prospects.

Late payments are also causing issues with the U.K.’s healthcare system. *The Health Service Journal* recently reported that roughly one-third of hospital trusts pay suppliers late, violating the law. Public enterprises are required to pay suppliers within 30 days, but “dozens of hospital providers have resorted to delaying payments to manage their cash flows.”

The trend risks relationships between suppliers and trusts, and could become more serious: Some suppliers will not make deliveries because of late payments, which could put patients’ health at risk.

Report: Businesses are getting used to late payments

Another new [report](#) from Atradius delivers a warning for the business community over late payments – businesses could get used to them. More than 90 percent of U.S. businesses reported experiencing a delinquent payment.

A recently published article by Interstate Capital sheds light on the costs of accepting late payments by detailing how they cause a domino effect of businesses paying their partners late and incurring late fees as a result, which harms growth prospects and delays expansion opportunities and investments.



Interstate Capital also outlined the potential benefits of invoice factoring – the process of selling outstanding invoices to a third party. A [news release](#) explained that, under an invoice-factoring model, a provider will pay a fraction of the outstanding amount to the business holding the debt. The owed company then collects the outstanding debt from the debtor.

FASTER THAN THE SPEED OF PAYMENTS

Scotiabank sounds off on Canada's first payments modernization step

While businesses in Europe grapple with delayed payments, Canada is working on improving its own payments infrastructure. Payments Canada, the organization responsible for operating the nation's payments and clearing settlement system, recently [launched](#) a payment modernization effort to improve the speed and efficiency of payments. As part of this effort, Canadian banks recently added a third exchange window, enabling companies to make electronic funds transfer payments in Canadian dollars, giving business customers a new



option to submit a payment file to fulfill a transaction.

In a recent interview, Scotiabank's executive vice president of global business payments, Rania Llewellyn, told PYMNTS that the third payment window will help SMBs and corporates submit payments if they miss the two earlier windows. This feature is particularly useful to companies based on Canada's west coast, which operate in a later time zone.

Faster payments go live in Hong Kong

On the other side of the globe, faster payments are now a reality in Hong Kong. Hong Kong's always-on Faster Payment System (FPS) went live on September 30, connecting banks and stored-value facilities (SVFs) — prepaid electronic cards — on the same platform. The [platform](#) connects 21 banks and eight electronic payment operators, according to a [press release](#), and enables users to transfer money across different banks and SVFs with funds becoming available



almost immediately. To make or receive a payment, users must first make an account by registering their mobile phone numbers or email addresses.

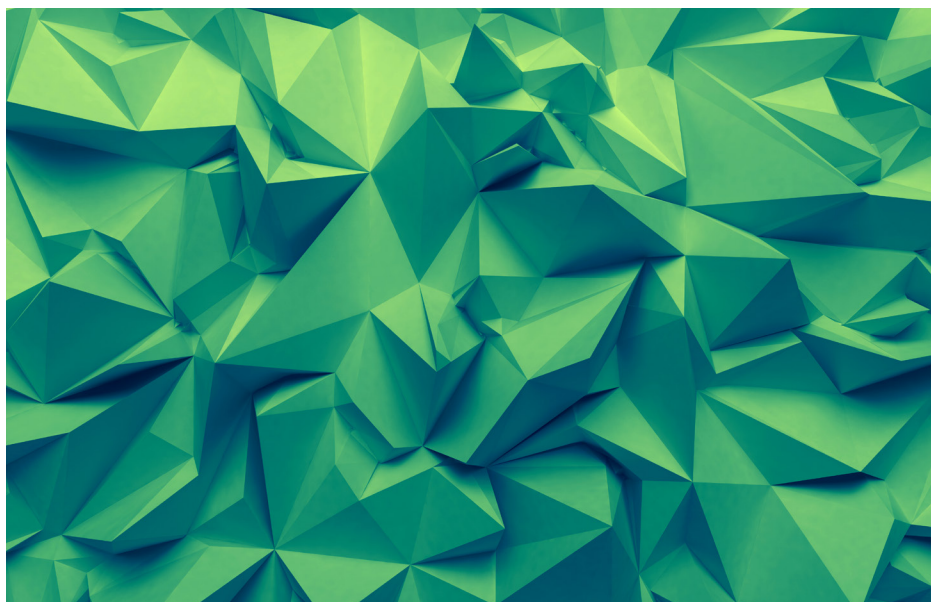
Plans for the FPS were first announced by the Hong Kong Monetary Authority (HKMA), the region's central bank, in March 2018. Banks connected to the platform include HSBC, Citibank, Standard Chartered, Bank of China Hong Kong and others. Peer-to-peer (P2P) services like WeChat and Alipay are expecting the platform to enhance the pace of their payment capabilities. Transfer amounts on the FPS platform are projected to be valued at approximately HK\$1 million (or roughly US\$128,000).

Around the world, faster payments expand

The launch of faster payment systems in Canada and Hong Kong is part of a broader global trend. The latest [Flavors of Fast](#) report from FIS noted that real-time payment systems are [rolling out](#) at a rapid pace around the world and identified 40 active real-time payment programs, up from 25 in 2017 and roughly triple the number reported in 2014. Another five real-time payment programs are under development with an additional 16 expected to go live in the next 12 to 18 months.

The report also found that open APIs and overlay services, including chats, retail apps, instant loans and others are driving innovation





and encouraging consumers and businesses to adopt real-time payments. The report highlighted three individual real-time programs – India’s Immediate Payment Service (IMPS), Australia’s New Payments Platform (NPP) and Singapore’s Fast and Secure Transfers (FAST) service – as the highest scoring programs in its index. The index rated these programs on a scale of one to five based on how well these programs meet the needs of consumers and corporate customers.

Visa, Postmates offers gig workers instant pay

Freelance delivery drivers in the U.S. could soon be getting paid faster, thanks to a partnership between financial services giant Visa and delivery marketplace Postmates. Under the newly struck [agreement](#), Postmates will offer “instant deposits” facilitated by Stripe’s Instant Payouts and run on Visa Direct, Visa’s real-time push payment platform.

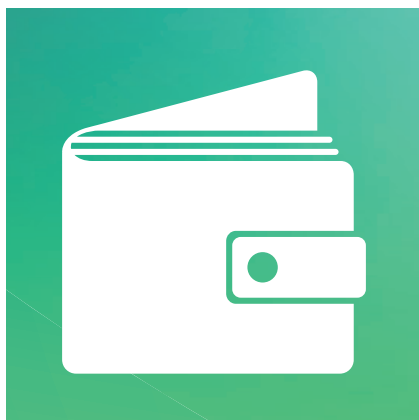
The service is now available to more 200,000 Postmates delivery

drivers, and those who are Visa cardholders will get real-time access to their earnings, as opposed to waiting four to seven business days for a payout. In a news release announcing the decision, the companies cited data from the PYMNTS [Gig Economy Index](#) indicating that 84.5 percent of gig workers said they would accept more work if they were paid faster.

Choosing how to access instant payment schemes

Offering [access](#) to faster payments can be a game-changer for financial institutions (FIs), but the process is often easier said than done. While FIs are interested in offering faster payments, they must





first choose whether to invest in building a direct, labor-intensive way to connect to faster payment schemes, or to partner with and rely on the services of an already-connected FI. As a challenger bank in the U.K., Starling Bank opted to build its own connection to the nation's Faster Payment Service (FPS), becoming one of 21 FIs that have directly joined the scheme.

According to Starling's chief operating officer, Julian Sawyer, the decision to directly connect was important for a challenger bank.

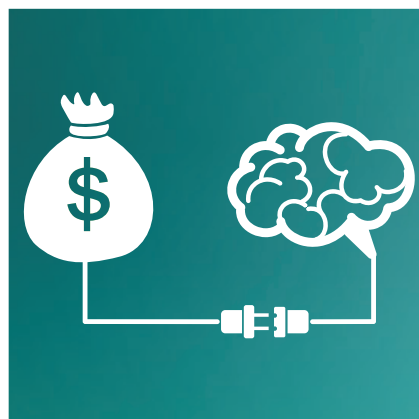
"It doesn't make sense to be a bank and be in the world of payments, and then use somebody else to do payments, or to not be in real time," he recently told PYMNTS,

noting that partnering with a bank would leave Starling depending on a partner bank's technology. Developing its own connection offers the institution flexibility and control over its services.

FEDERAL RESERVE

The Fed unveils always-on settlement system proposal

The U.S. Federal Reserve recently outlined the idea of a new settlement system for faster payments. In early October, the Fed debuted a [proposal](#) calling for the real-time settlement of payments and, in a statement, Lael Brainard, a member of the Federal Reserve's board of governors, emphasized



that "a [24/7] economy with [24/7] real-time payments needs [24/7] real-time settlement." Payment-by-payment interbank settlement systems delivering real-time gross settlements could help banks by minimizing payment risks and maximizing payment efficiencies.

The proposal also outlines a real-time gross settlement plan for settlement payments and includes a liquidity management tool that the Fed says will support real-time interbank settlement services for faster payments and minimize risk for banks. The plan is outlined in a 47-page document posted to the Federal Register, and the Fed plans to take comments on the proposal until December 14.

TCH looks to expand real-time payments access

While the Fed looks for comments on its real-time payments system, another payment network is already blazing forward with its own plans to expand access to faster payment services. The Clearing House (TCH) recently [reported](#) that 36 FIs have connected to its Real-Time Payments (RTP) network since it went live a year ago. The number is projected to rapidly increase, reaching 1,000 by next quarter and 3,000 by the end of June 2019. Based on current activity, more than 7,000 FIs could be connected to the RTP platform by the end of next year, either directly or by relying on a third-party provider.

Tom Mills, TCH's vice president of business development and product management, recently told *Digital Transaction News* that, by the end

of the year, roughly half of the nation's demand deposit accounts will be ready to receive RTP transactions, and approximately 40 percent will be able to use RTP to send payments. Mills also predicted that those figures would increase to 60 percent and 50 percent, respectively, over the course of 2019.

NACHA aims to remove Same Day ACH friction

NACHA – The Electronic Payments Association is also taking steps to improve the pace of payments. The organization recently [unveiled](#) a set of decisions aimed at laying the groundwork for Same Day ACH. First, in a move aimed at helping FIs process B2B transactions more effectively, NACHA [announced](#) that the dollar ceiling on same-day transactions will be raised from

\$25,000 to \$100,000 as of March 20, 2020. The decision follows input from users who reported the \$25,000 limit was too low.

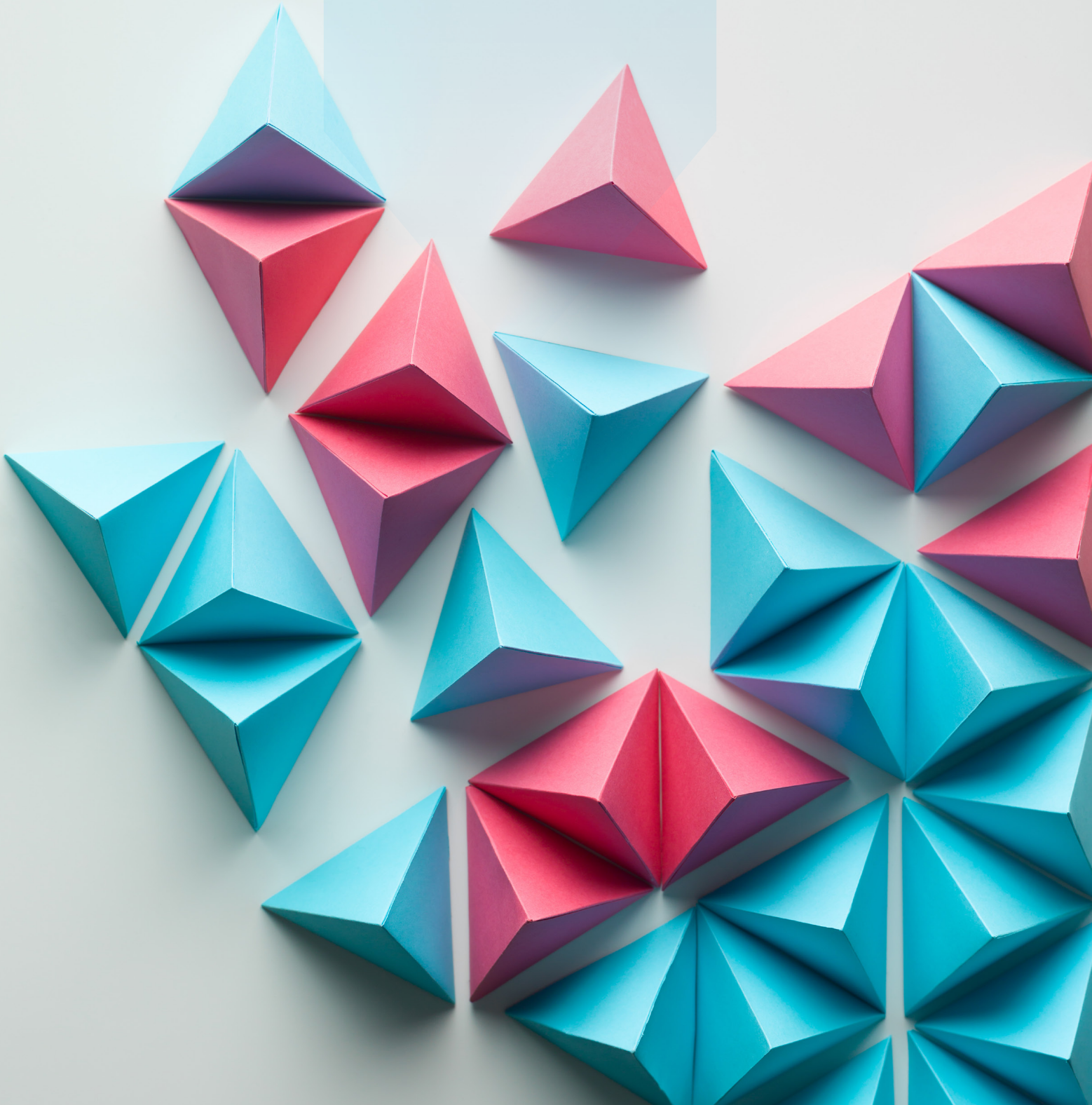
It will also extend the eligible time frame by two hours to provide users with more time to submit transactions. The new window will go into effect by September 18, 2020 and allow institutions to submit ACH transactions by 4:45 p.m. Eastern time, allowing FIs in the Mountain and Pacific time zones more time to process transactions.

Finally, NACHA announced that it would improve same-day funds availability, requiring funds for certain same-day and next-day credit transactions be available by 1:30 p.m. The rule, which goes into effect on September 19, 2019, will make funds available three and a



DEEP DIVE

How Faster Payments Change Business As Usual



HOW FASTER PAYMENTS CHANGE BUSINESS AS USUAL

Faster payments systems are popping up around the globe in regions like Singapore, the U.K., Australia and the U.S., and as they become more prevalent, they're changing not just the pace at which businesses operate — they're also providing businesses with an alternative way to conduct business.

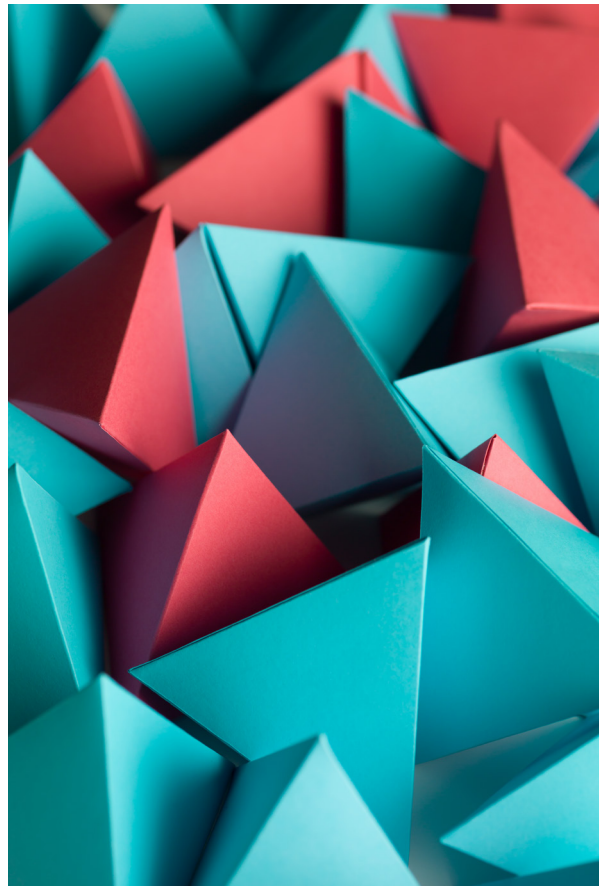
A recent [report](#) from FIS found that 40 real-time payment systems are currently active worldwide — up from 25 last year. The same report noted that five other real-time systems are currently under development, and another 16 are on track to go live in the next 12 to 18 months.

Hong Kong recently [launched](#) its always-on Faster Payment System (FPS), which has connected to 20 banks and eight electronic payment operators. The system benefits businesses by enabling real-time settlements, allowing these companies access to faster cash flows.

Recent developments in the U.S. indicate that access to faster payments is on track to expand even further. The Federal Reserve recently released a [proposal](#) for a new settlement system for faster payments. Meanwhile, another payment service, The Clearing House (TCH), launched its Real-Time Payments (RTP) network last year. The

network has seen impressive growth since its launch and TCH is [anticipating](#) additional growth over the next year.

As faster payments systems continue to become popular, banks and FIs are under pressure to invest in solutions that can help their corporate customers make B2B payments, while improving how consumers send and receive money. As a result, many are looking for opportunities to maximize their networks' capabilities.





The following Deep Dive looks at how the rise of faster payments is impacting the traditional models in both the B2B and business-to-consumer (B2C) sectors, and how that speed is influencing and informing smarter evolutions of these models.

FASTER PAYMENTS, BETTER BUSINESS

As payments continue to become faster, corporates are increasingly pursuing the most effective opportunities to make use of these services. By tapping into real-time payment capabilities, banks can develop payment tools

specifically geared toward corporate customers that offer the same simplicity and customer experiences provided by mobile payment technology.

One of the most likely use cases for B2B payments could be just-in-time payments, which allow businesses to determine exactly when they make a payment and when it will be delivered. This information is particularly useful for smaller businesses that have less capital on hand and want to exercise greater control over exactly when a payment should be delivered. A 2015 [report](#) found these types of payments were valued at \$11 billion in the U.S. alone.

Because payments are settling faster, companies are able to access funds more quickly. This means small businesses don't have to wait as long to access earnings from sales. A recent [collaboration](#) between Paysafe and Ingo Money could even help roughly 250,000 U.K. merchants get access to the funds from their sales on the same day they are paid. Use cases like this could soon become more prevalent among small businesses as SMBs seek faster access to their revenues.

Faster payments can also change the way businesses pay employees. Financial services giant Visa, for example, recently announced a [partnership](#) with delivery marketplace Postmates, enabling the company to pay its approximately 200,000 workers in real time. The service will use

Deep Dive



Stripe's Instant Payouts and Visa's real-time push payment platform.

In the U.S., corporates could change traditional business operations now that Same Day ACH (SDA) is available. PYMNTS' [Corporate Survey](#), published earlier this year, found that 59 percent of corporates have plans to increase their use of SDA credits, while 40 percent plan to rely more on SDA credits instead of paper checks.

In other words, faster payment systems are likely to bring significant changes to the way business issue payments.

THE BUSINESS OF CONSUMER PAYMENTS

Faster payments are also demonstrating promise in the B2C sphere, particularly in the insurance market, which could see significant changes for how consumers access payouts.

With faster payments capabilities in place, insurance claim adjusters can quickly review the damage to a vehicle or property and authorize a claim from their smartphones. This would spare the consumer weeks of waiting for a paper check to arrive in the mail.

[Travel insurance](#) is another market seeing faster payments take flight. Insurance provider Allianz,

59%

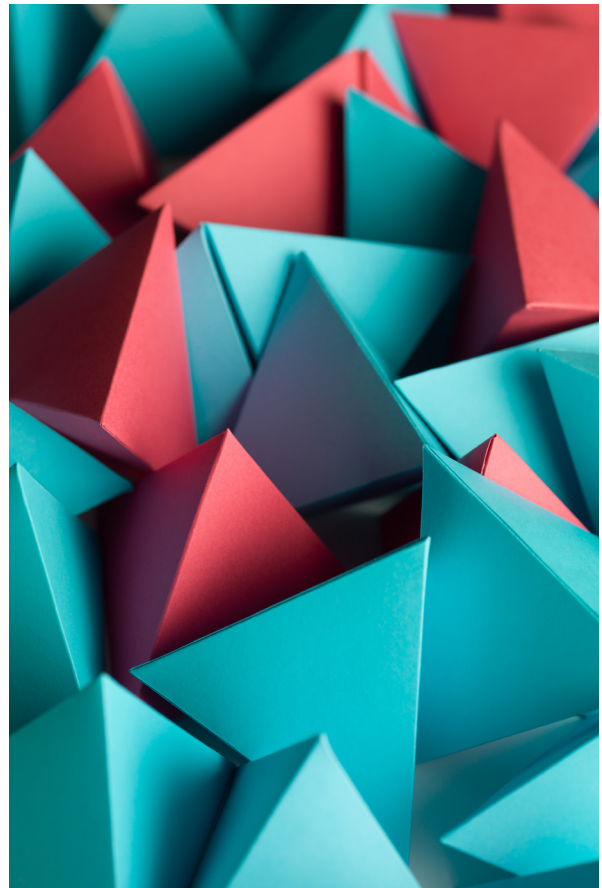
of corporates have
plans to increase
**THEIR USE OF
SDA CREDITS.**

for instance, recently launched SmartBenefits, which prompts travelers for payment information in the event that a flight is cancelled. The program offers same-day disbursements to help travelers get their plans back on track.

Allstate is also stepping up its efforts, helping consumers access auto [insurance claims](#) more quickly with QuickCard Pay, which allows customers to receive payments for claims instantly, giving them access to the funds they need to repair their vehicles following an accident.

Workers in the caregiving field, including babysitters, pet sitters and home sitters, can also access funds more quickly through electronic payments, rather than relying on cash. Care.com's vice president of payments [told PYMNTS](#) last year that faster payments are putting caregivers on a path to legitimacy by offering simpler access to benefits like healthcare and tuition payments.

Whether in the B2C or B2B arena, the availability of faster payments is doing more than simply inviting a quicker delivery of funds. It's also enabling businesses and markets to transform old models into new structures that make the most of

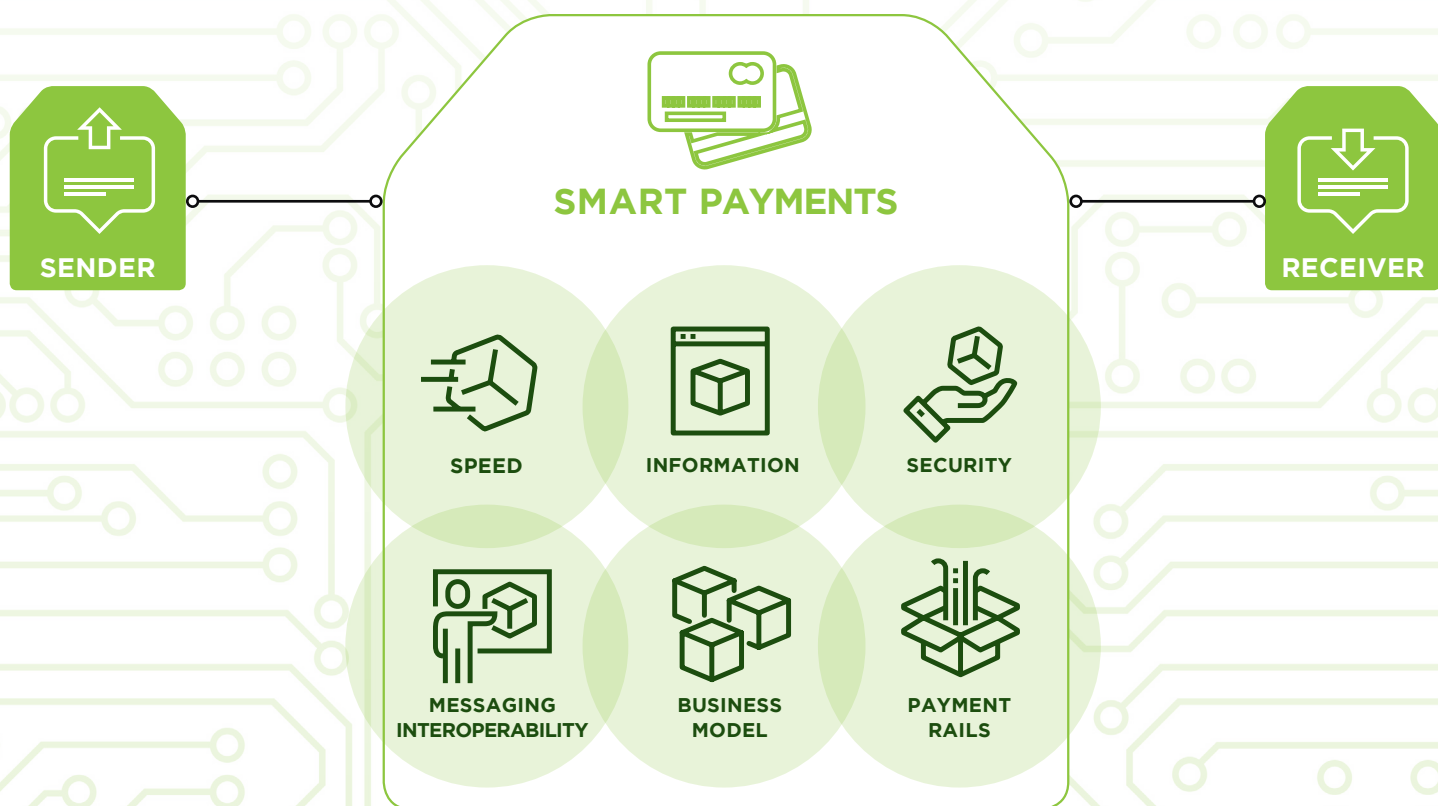


digital payment technologies and faster payment deliveries. As the speed of payments continues to quicken, businesses large and small are realizing they need business models that maximize the potential of faster payments.

\$marter PAYMENTS ARCHITECTURE

THE ANATOMY OF SMARTER PAYMENTS ARCHITECTURE

The Smarter Payments Tracker™ highlights the latest trends at the intersection of smarter payments and authentication. Each monthly report explores one of the six tenets of the Smarter Payments Architecture, including messaging interoperability, speed, information, security, payment rails and the modality of B2B and B2C payments and their value.



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We are interested in your feedback on this report. If you have questions, comments or would like to subscribe to this report, please email us at SmarterPayments@pymnts.com.

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