



# **Faster Payments: Improvement Opportunities and Alternative Paths**

Carol Coye Benson

Chicago Payments Symposium  
September 2013

# Immediate Funds Transfer?

Should  
We?



How?

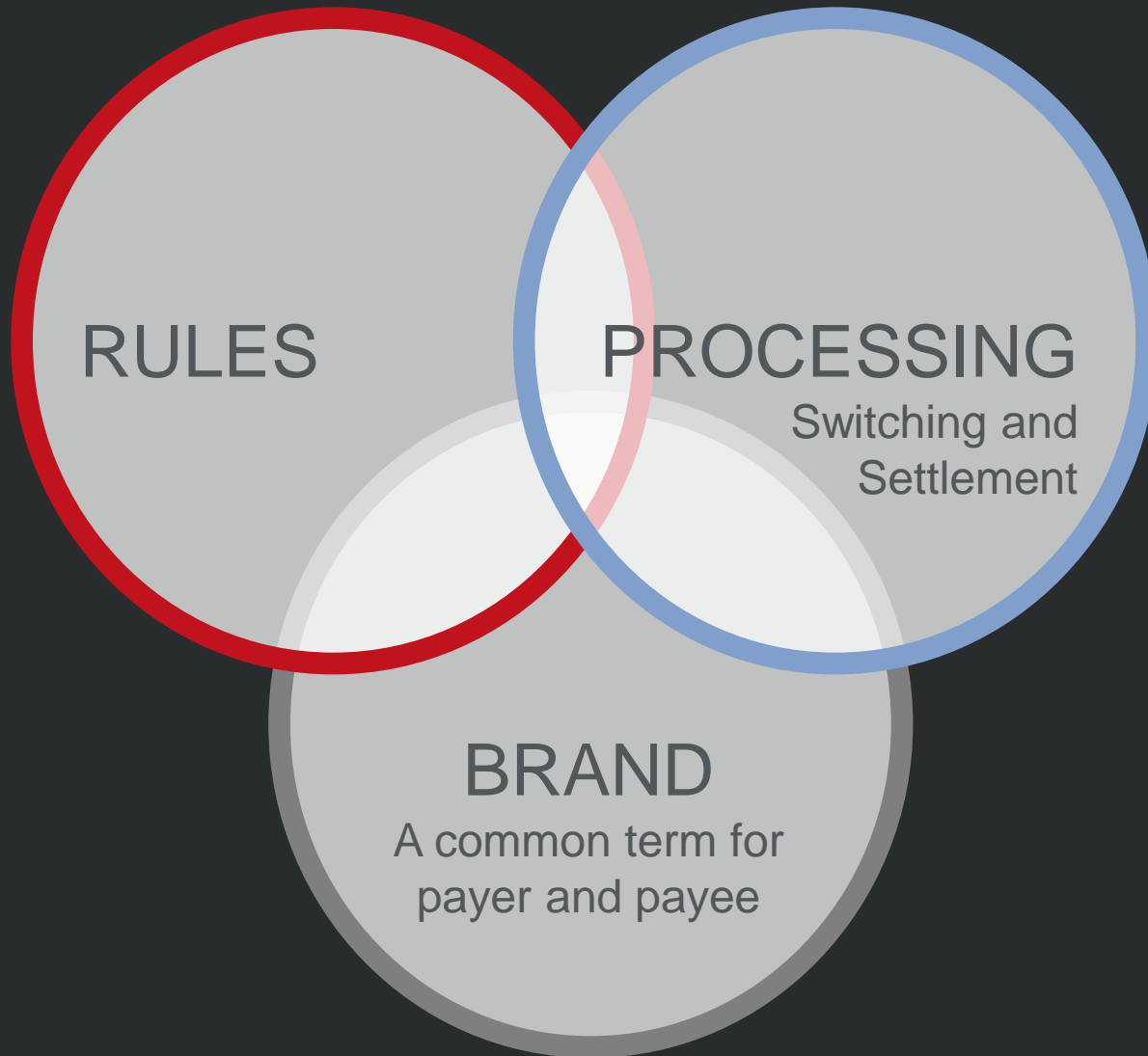
When?



# Challenge # 1

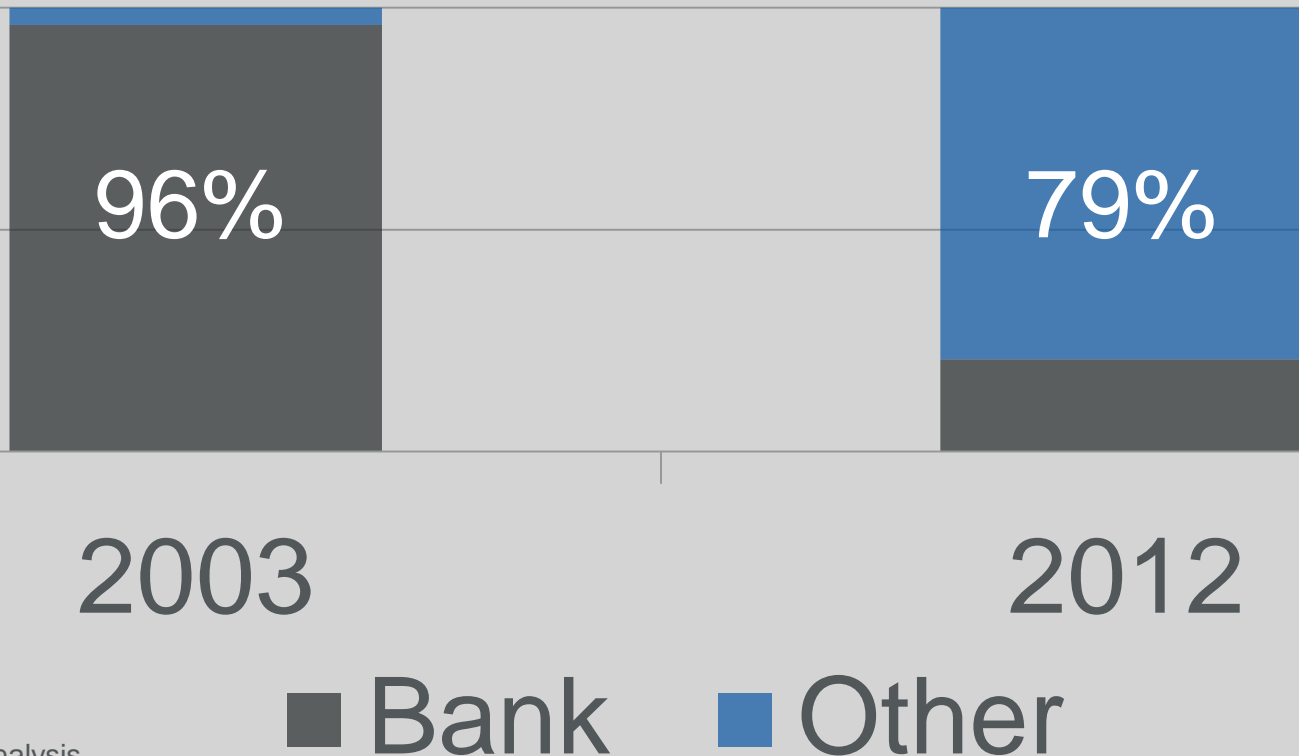
## Rules

# What Does a Payments System Do?




# Who Makes the Rules?

U.S. Consumer Payments, Count Basis,  
By Direct Control of Network Rules



Source: Glenbrook Analysis





# Challenge # 2 Interoperability

# What the Phone Companies Avoided....

“Gee, I wonder if  
this will work...


What telephone  
company does my  
sister use?”



# Might SEPA Be a Model?

“No distinction between cross-border and national payments within the euro area.....”

“Ensure that euro payments, whether domestic or cross border, are handled with the same level of service and at the same price...”




It *isn't* interoperability if  
“off network” transactions are  
slower or more expensive!



A nighttime photograph of a city skyline, likely Chicago, with numerous skyscrapers illuminated against a dark sky. The city lights create a dense pattern of yellow and white dots across the lower half of the image.

# Challenge # 3 Business Model

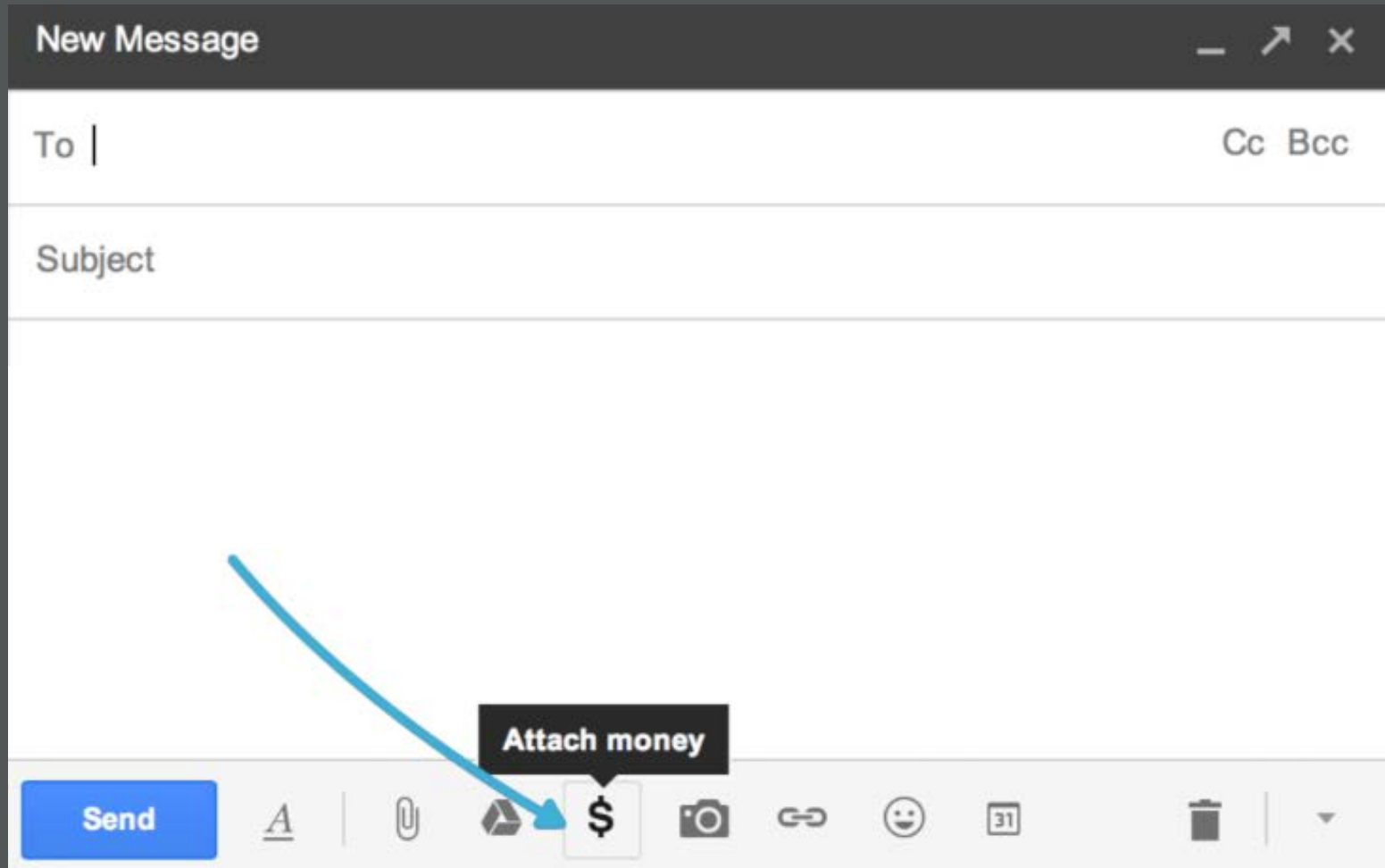
# AOL IN 1995?



“Steve, our customers are going to LOVE email.  
It is so much faster and cheaper than using the post office!

I think we can charge at least 25 cents an email....or if that  
doesn't work, maybe we could hold back delivery on 'standard'  
emails and just charge for 'immediate' ones?”

# Keep in mind the competition....



# And the Conversation That's *Not* Happening:

“This looks like a great way to finally make some money!”

“Yeah!”



And Keep A Long Term Perspective...

Today's P2P transfer...



Might become tomorrow's “push” payment at the POS – let's make sure the economic model works!



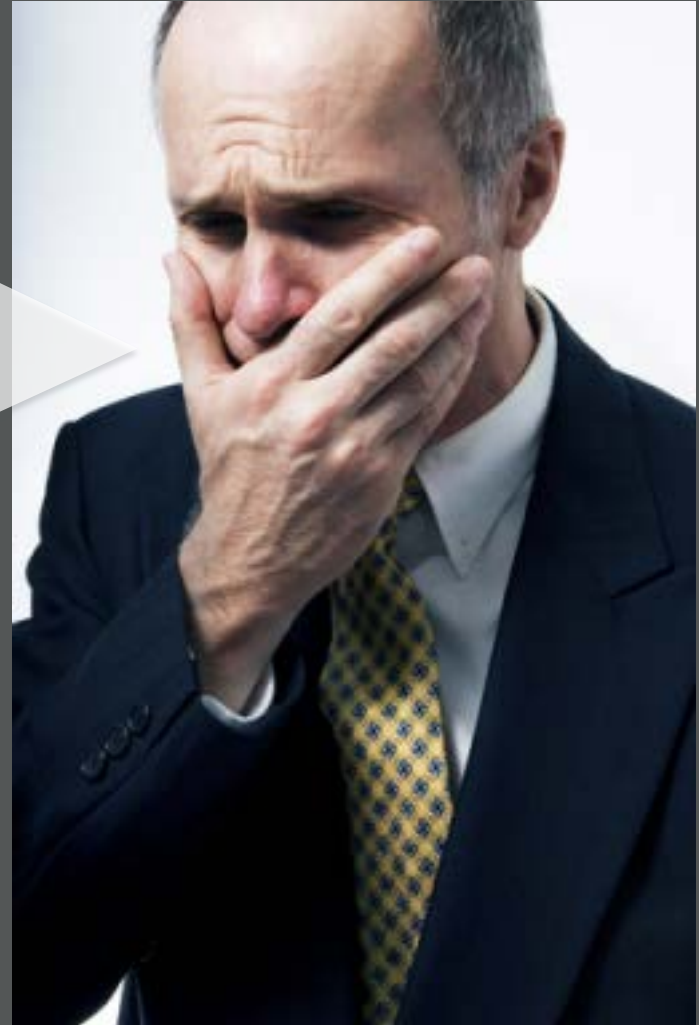
A nighttime photograph of a city skyline, likely Chicago, featuring several illuminated skyscrapers. In the foreground, there is a park area with trees and a walkway, also lit up. A semi-transparent black box with a red border is overlaid on the right side of the image, containing the title text.

# Challenge # 4 Risk Management

# Aren't We Supposed to be *Good* At This?

“That looks risky.  
We better not do it – or  
else put a lot of  
controls in place.

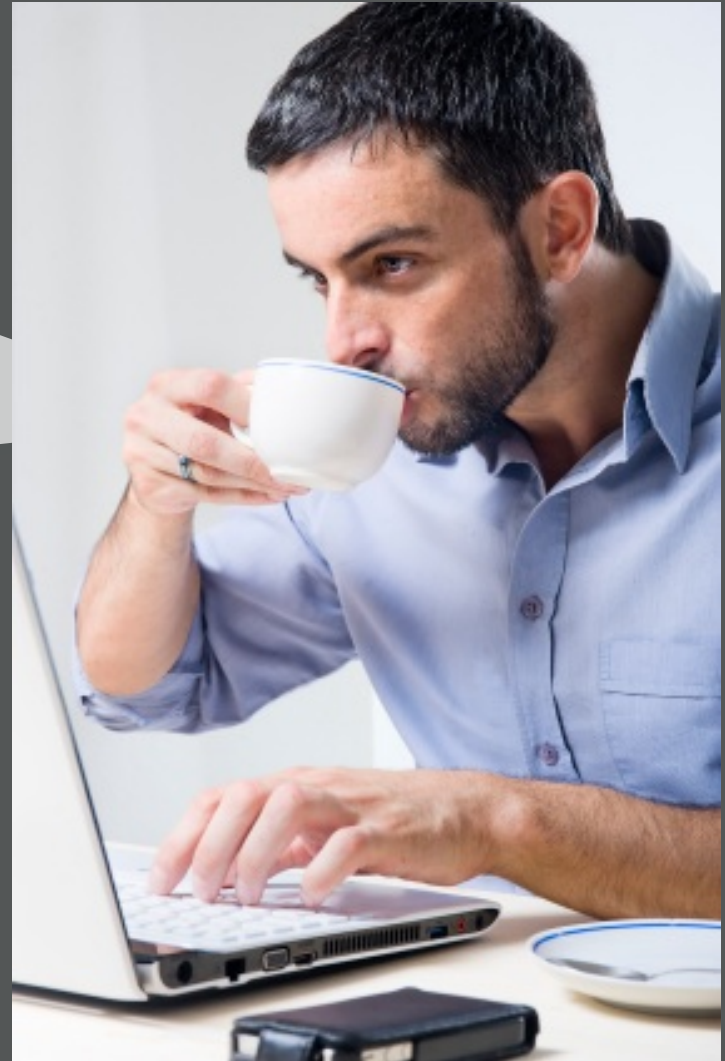
The controls may make  
it harder for our  
customers to use our  
system, but they will  
reduce our risk.”



# So Why Are They Doing a Better Job?

“That looks risky.

How can we do it and  
manage the risk?”



# A Goal for Faster Payments?

A grayscale background image of the Chicago skyline at night, with the city lights reflecting on the water. The text is overlaid on this image.

Make it **easy** for our customers to  
use their money  
**quickly** and **safely**...

Make sure they can **tell** the other  
party how they're being paid!





**GLENBROOK**

Carol Coye Benson  
[carol@glenbrook.com](mailto:carol@glenbrook.com)

---

[www.glenbrook.com](http://www.glenbrook.com)  
[www.paymentsnews.com](http://www.paymentsnews.com)