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PAYMENTS SYMPOSIUM





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Panel:

**Instant Payments  
in the U.S.**





# Instant Payments Adoption Outlook: **QUANTITATIVE SURVEY** of U.S. Financial Institution Enablers



[FasterPaymentsCouncil.org](https://FasterPaymentsCouncil.org)

# Why this study?

With recent increases in the number of institutions adopting faster and instant payments and the need to help bring these services to the fuller market, it is important to get a more quantitative baseline of adoption, drivers, headwinds, tailwinds and quantified insights to next priorities.



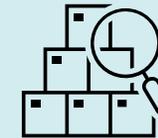
## Information available

The FPC's Faster Payments Barometer has provided critical early information to the industry, leveraging the value of industry leaders across the ecosystem.



## Types of current information

Meanwhile, the insights from the Faster Payments Barometer and other studies are not necessarily representative of the broader market. Various stakeholders are increasingly asking for these types of more representative and quantitative insights.



## Quantifying market-wide view

Survey of third-party providers to U.S.-based institutions created to better understand their insights with implementing faster/instant payments.

# Quantifying adoption outlook: Steady year-by-year growth in institutions receiving instant payments

Respondents expect between 70% and 80% of U.S.-based FIs to be receive-enabled participants by 2028, helped along by activation of strategic use cases, including:

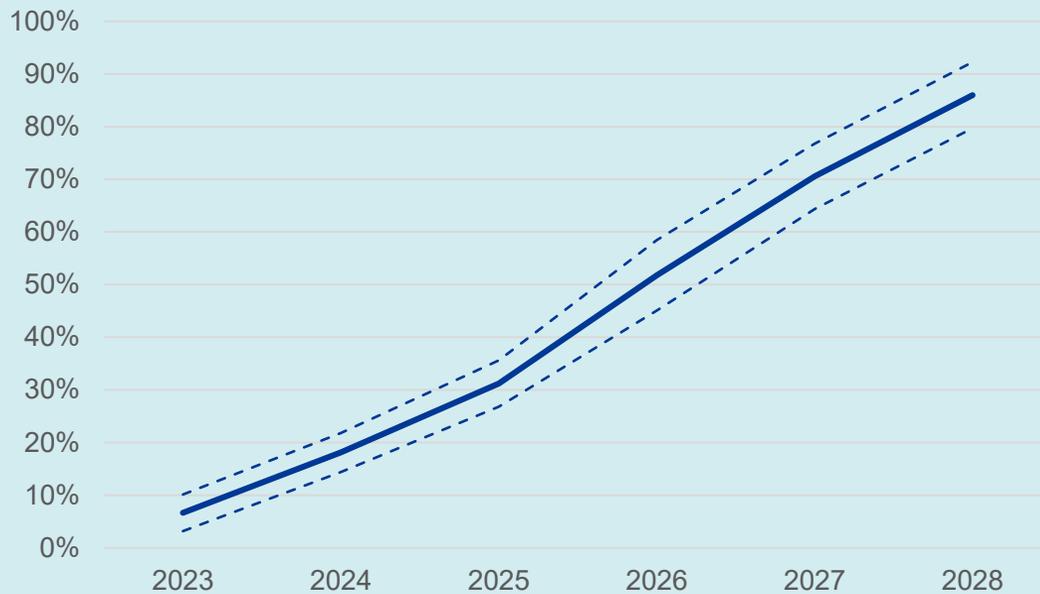
- Mobile wallet funding/defunding
- Earned wage access
- Government disbursements

The charts below includes 95% confidence intervals to highlight the natural uncertainty.

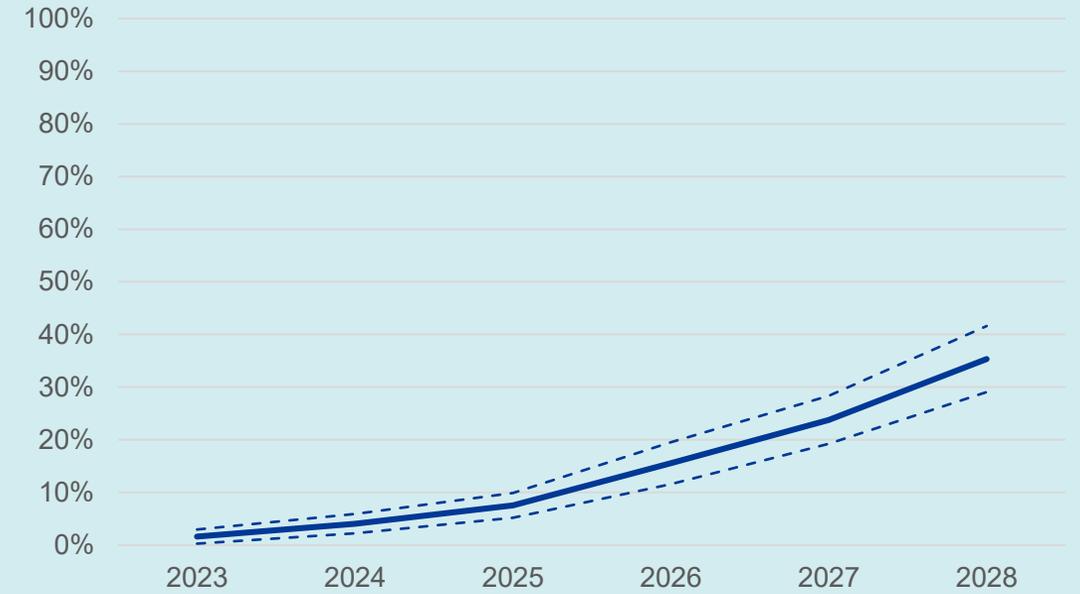
Respondents expect between 30% and 40% of U.S.-based FIs to be sending instant payments by 2028, influenced by:

- Availability of fraud tools
- Availability of ubiquitous alias tools
- Pace of integration into end-user interfaces
- Continued growth in receiving institutions
- New use cases generating additional volume/benefits

### FIs Receiving Instant Payments



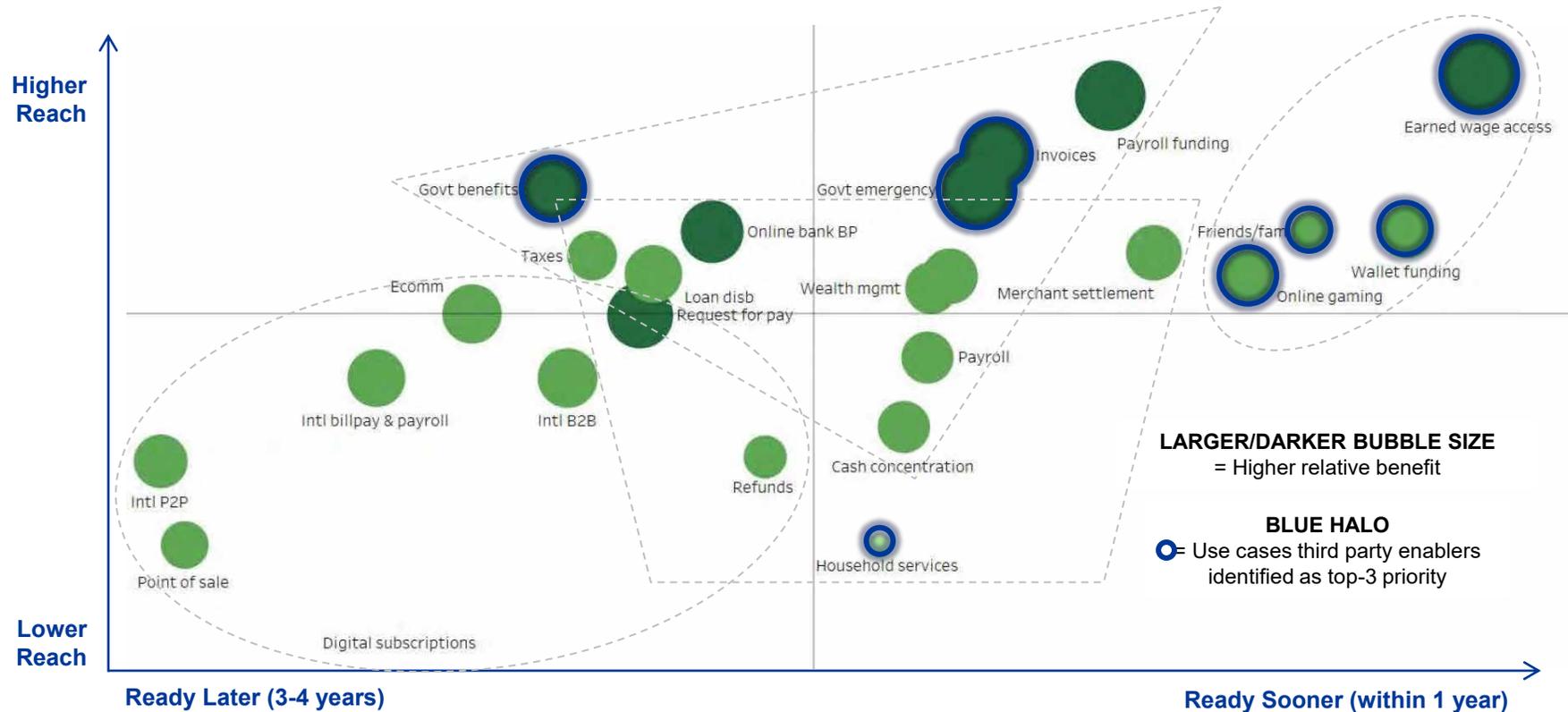
### FIs Sending Instant Payments



About how many of the total U.S.-based financial institutions do you think will be participating actively as either receive-only or receive and send financial institutions?

# Use case insights: Detailed results in context

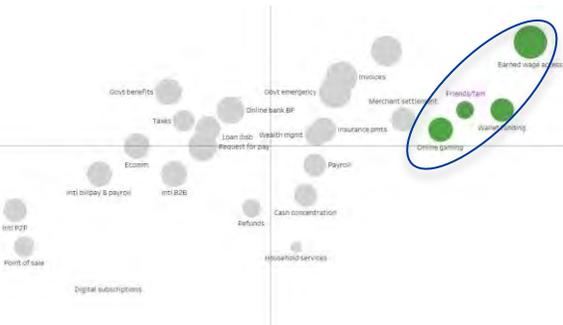
Respondents shared views into the timing, reach and relative benefits of use cases. The darker shaded and larger bubbles are seen as being relatively high benefit. The combined assessments identified earned wage access, payroll funding, invoice payments and government emergency disbursements as having the greatest benefit overall. Blue halo use cases indicate respondents selected them as delivering the most benefit for the least effort in the shortest time.



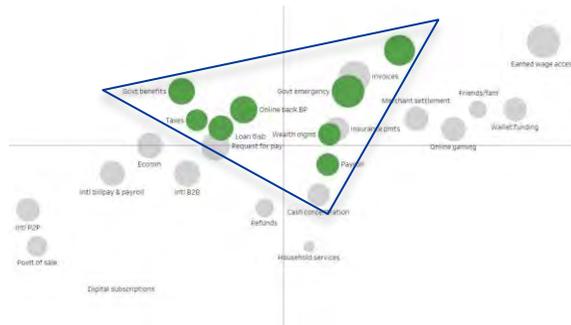
# Use case insights: Detailed results in context

Third-party enablers shared views into the timing, reach and relative benefits of use cases. These use cases were then grouped by themes for discussion.

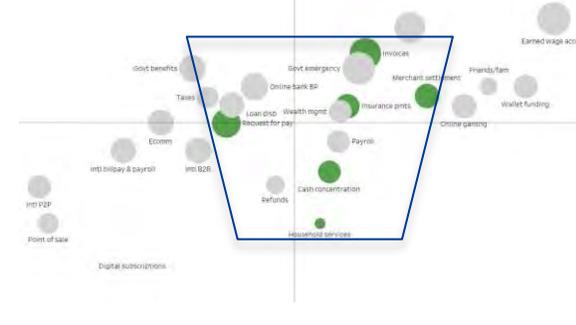
## 1. Enable innovative receipt today



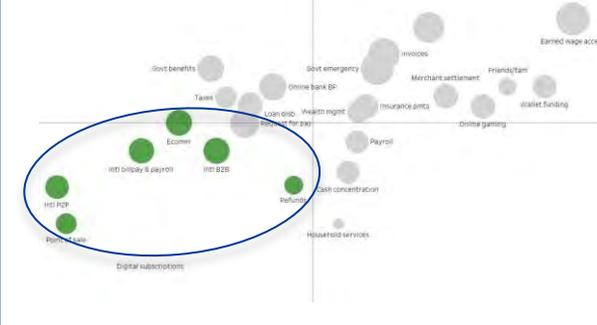
## 2. Enable strategic sender and receiver use cases



## 3. Higher value send use cases



## 4. Next generation use cases



- Earned wage access
- Wallet funding
- Online gaming
- Friends and family

- Payroll / payroll funding
- Online banking bill pay
- Taxes / tax payments
- Loan disbursements (real estate, auto)
- Wealth management
- Govt emergency
- Govt benefits

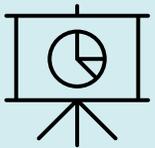
- Invoice / supplier
- Request for pay (bill pay)
- Merchant settlement
- Legal & insurance payments
- Cash concentration
- Household / SMB services

- Ecommerce
- Point-of-sale
- Digital subscriptions
- Refunds / rebates
- International bill pay/payroll
- International P2P
- International B2B

# Benefit insights: In respondents' own words

When asked about the most important benefits, delivering value to customers is evident – from helping businesses better manage cash flow to enabling working Americans reap the perks of instant funds availability. Fostering seamless, end-to-end service levels through mobile enablement and ancillary tools were viewed as critical benefits in advancing adoption.

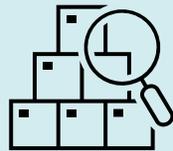
**“Customers want instant payments without specifically asking for them.”**



## Better services

“Improved cash flow, greater funds certainty, and enhanced transaction data for surrounding process improvements, such as reconciliation of accounts payable/receivable.”

“Government adoption of payments for Federal, State and local (e.g., moving payroll, Social Security, SNAP and other benefits, unemployment payments).”



## Activating key use cases

“Highlighting instant payroll as a benefit to attract and retain employees.”

“Instant payroll is win-win for businesses and employees.”

“Disbursements from mobile apps that an end user can carry a balance; and being able to transfer that to a standard banking account in real time.”



## Enabling end to end

“FIs enabling their customers to use APIs to support instant payment sending.”

“Instant account verification by doing micro-deposits.”

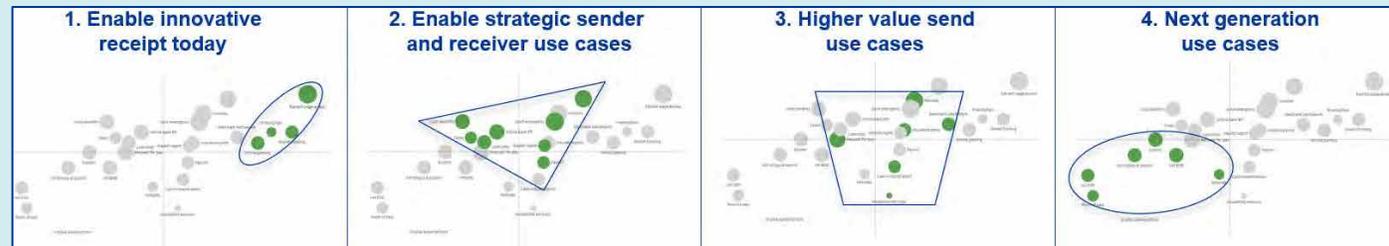
What is the most exciting bank or customer benefit story that you have heard which would build momentum for the development of instant payments?

# Looking forward: Quantifying relative headwinds and tailwinds



Ranking alternative factors needed to realize adoption highlights that there is considerable work to be done in the coming years, often use case specific. Some use cases are ready to move forward now; others may require additional action. Respondents note that the following will be critical to realizing these adoption outlooks:

- A** Activating additional use cases over time (the only factor rated by third-party enablers as a tailwind in mid-2024, and as a result is shaded light green).



- B** Advancing fraud tools, error resolution, alias enablement and user interfaces to grow network reach and usage.
- C** Advancing other technology applications like QR codes, APIs and request for pay, thereby driving account-holder awareness.

One area for follow-on discussion will be the differences seen in past FPC barometer surveys and this survey around the potential need for enhanced work-around rules and standards, training and go-to-market tool kits identified by financial institutions.

For each of the following conditions listed below, please indicate whether you think it is a "headwind," slowing adoption, or a "tailwind," helping drive adoption (where 1=major headwind and 6=major tailwind)