

Real-Time Payments: Innovations and Challenges

Unidad de Regulación Financiera (URF) Seminar on
Electronic Payments – 6 December 2017

(Adapted from the Faster Money Challenge, Money 20/20 2017)

The Faster Money Challenge

We are a 'Want It Now' World

1995



2017



The Faster Money Challenge

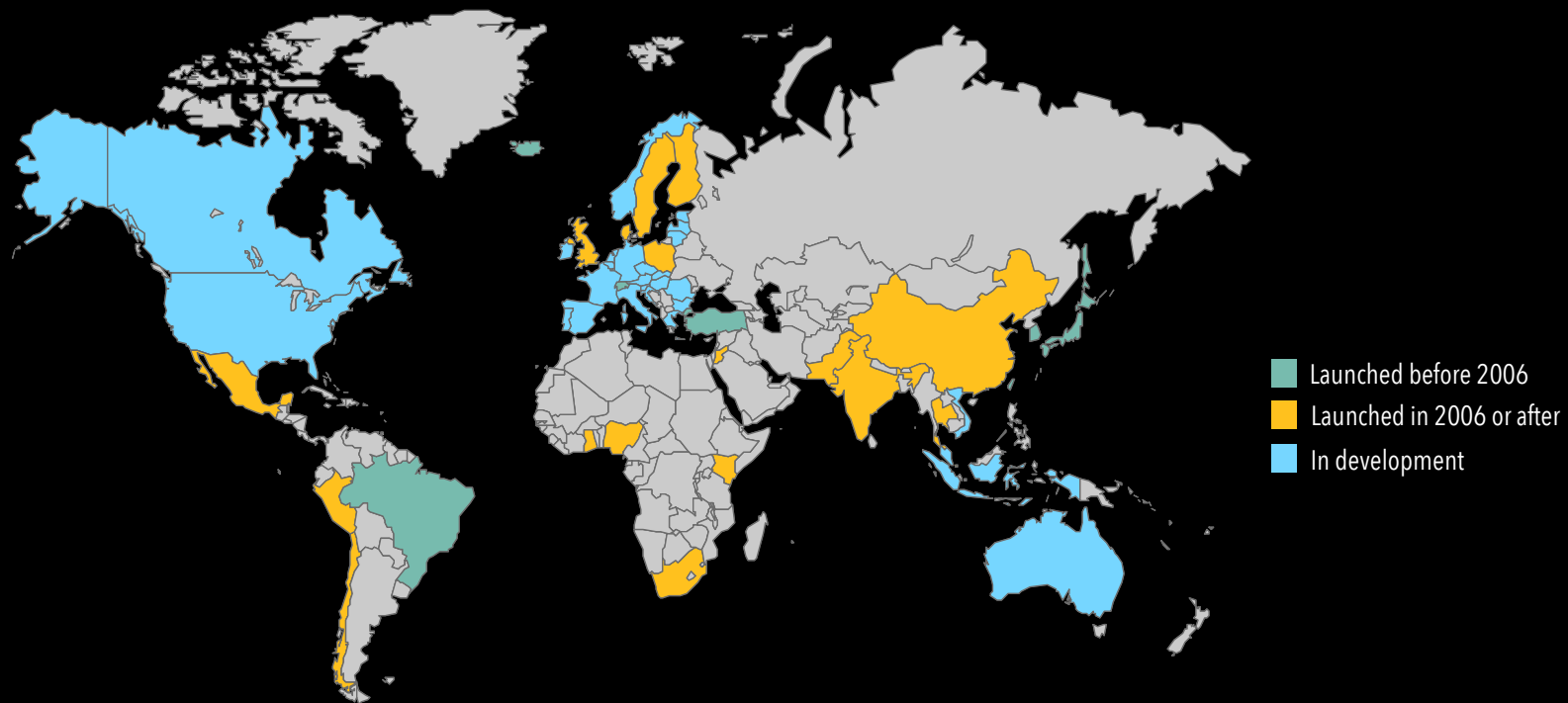
The U.S. Banking Rails Haven't Kept Up



Source: Planet Money, 2013

The Faster The Money Challenge

Real-Time Payments is ~~Becoming~~ the New Standard



The Faster Money Challenge

Faster Money Common Features

Credit 'push'
transfers



Good
funds

~~NSF~~

Immediate
funds

\$\$\$

Irrevocable



Payment
confirmations



24x7x365
processing model

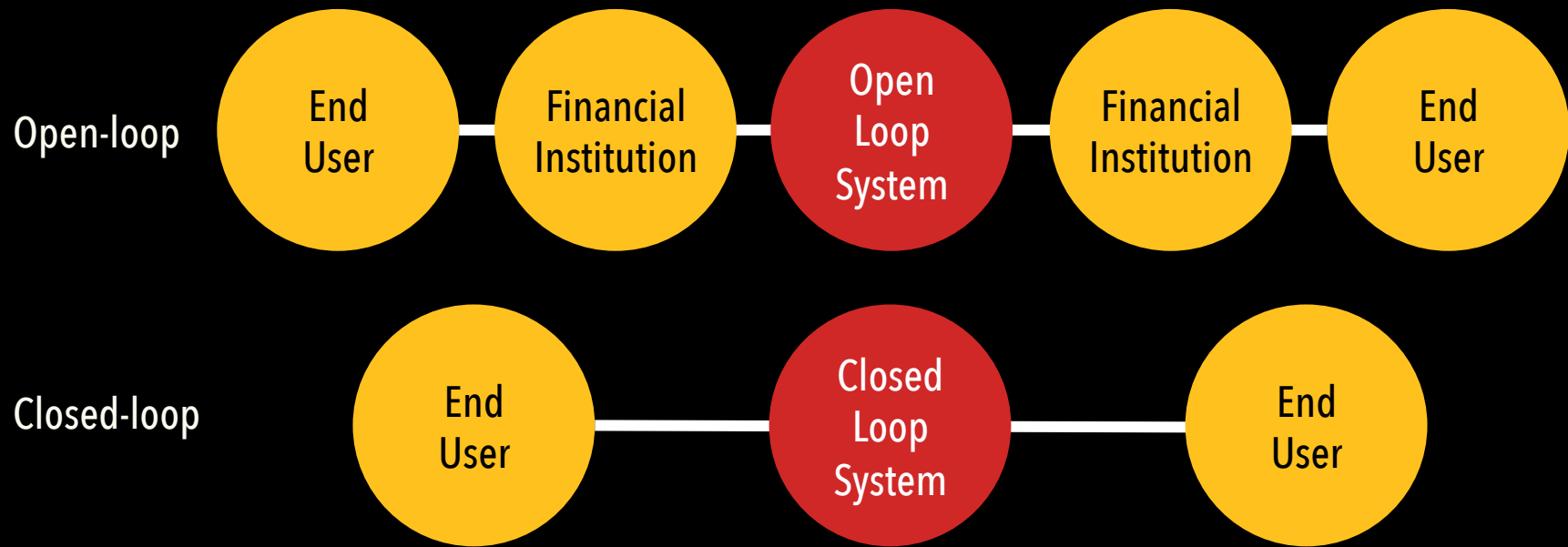


Request
for funds



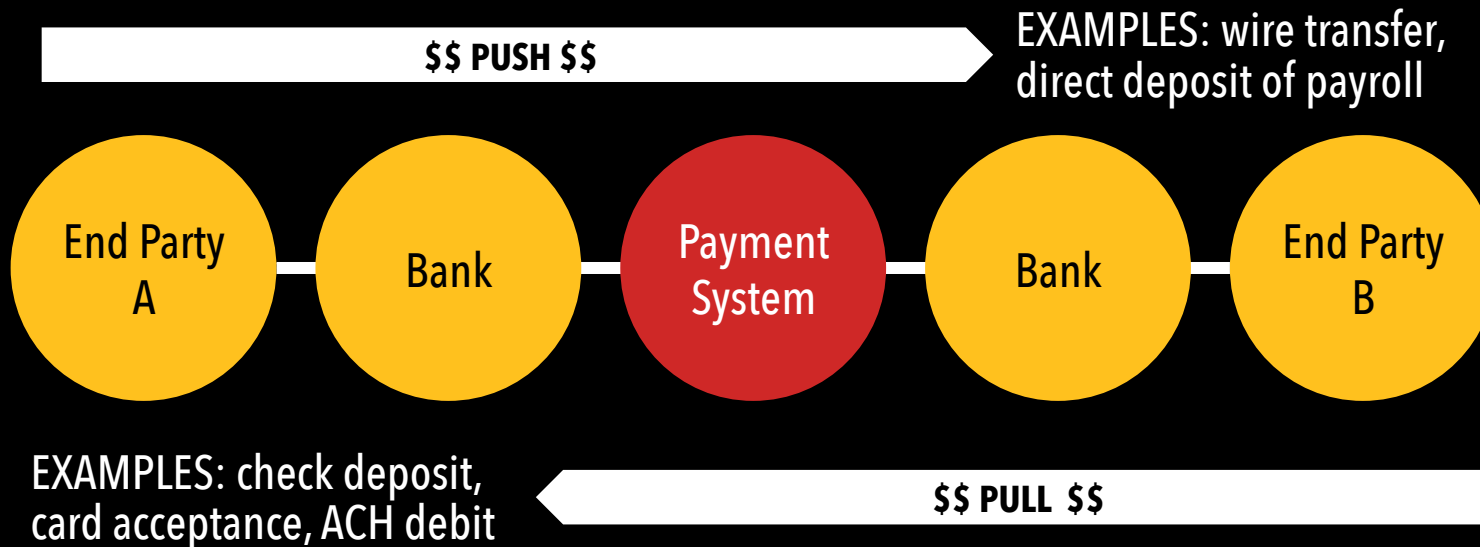
The Faster Money Challenge

Two Kinds of Payments Systems



The Faster Money Challenge

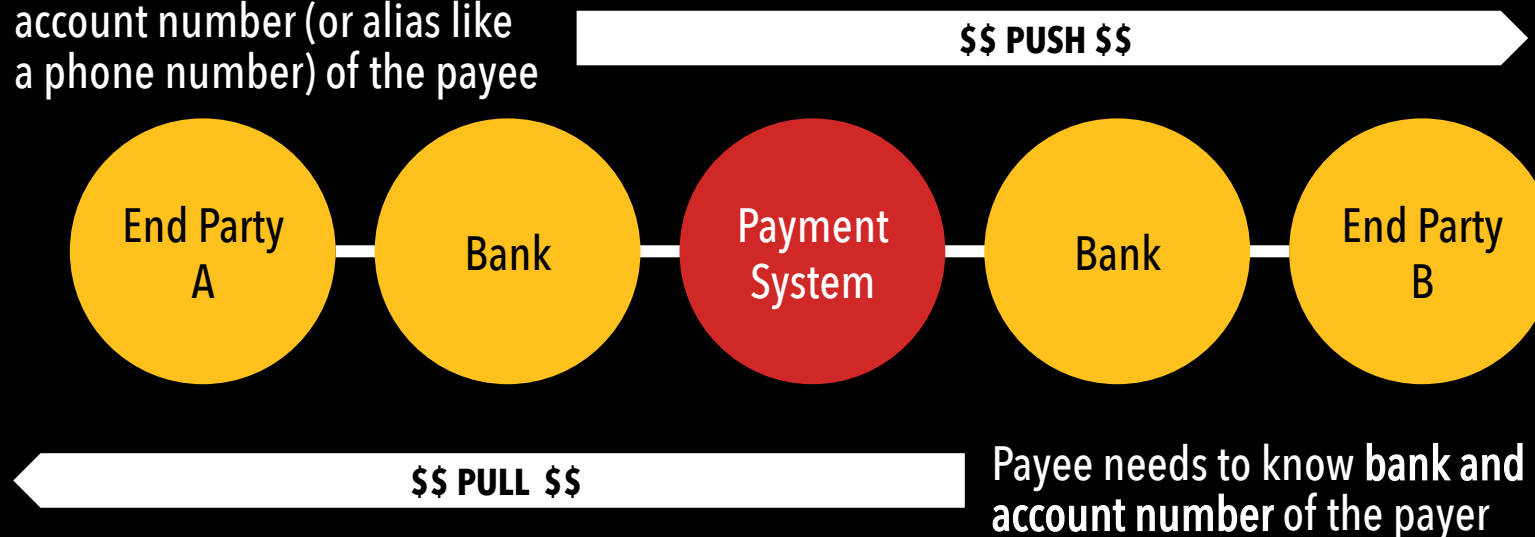
"Push" and "Pull" Payments



The Faster Money Challenge

Making Payments

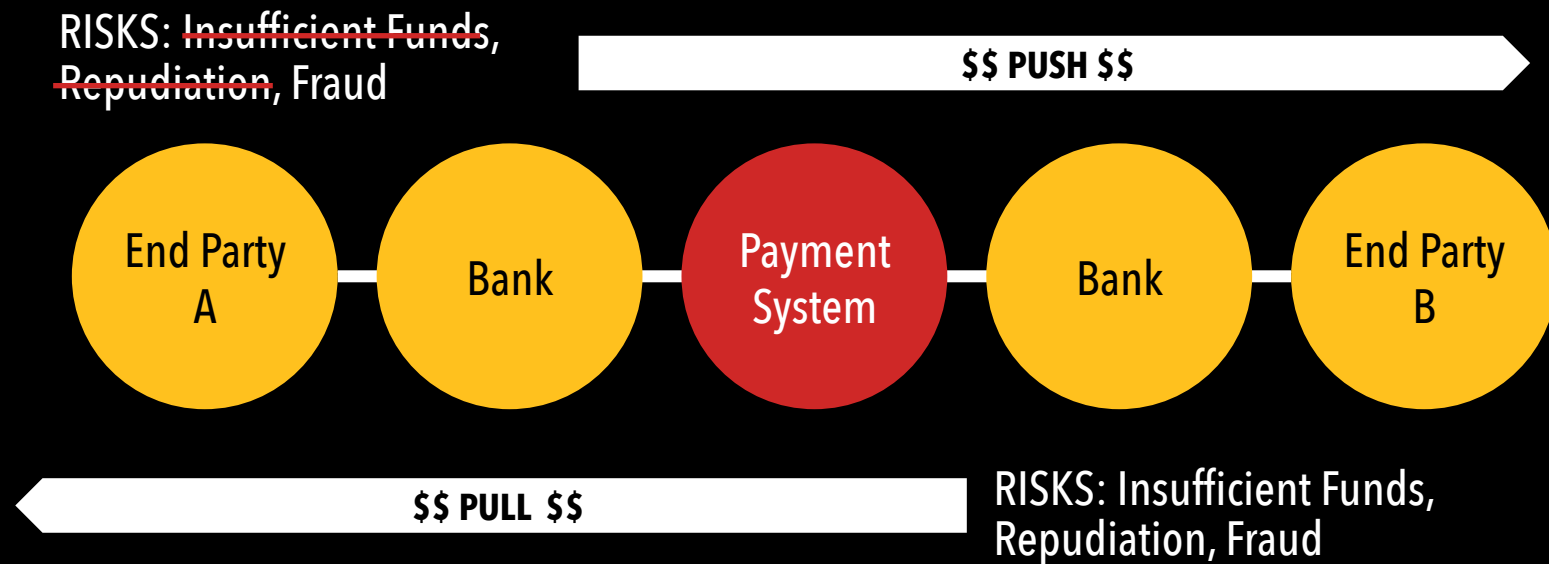
Payer needs to know bank and account number (or alias like a phone number) of the payee



Payee needs to know bank and account number of the payer

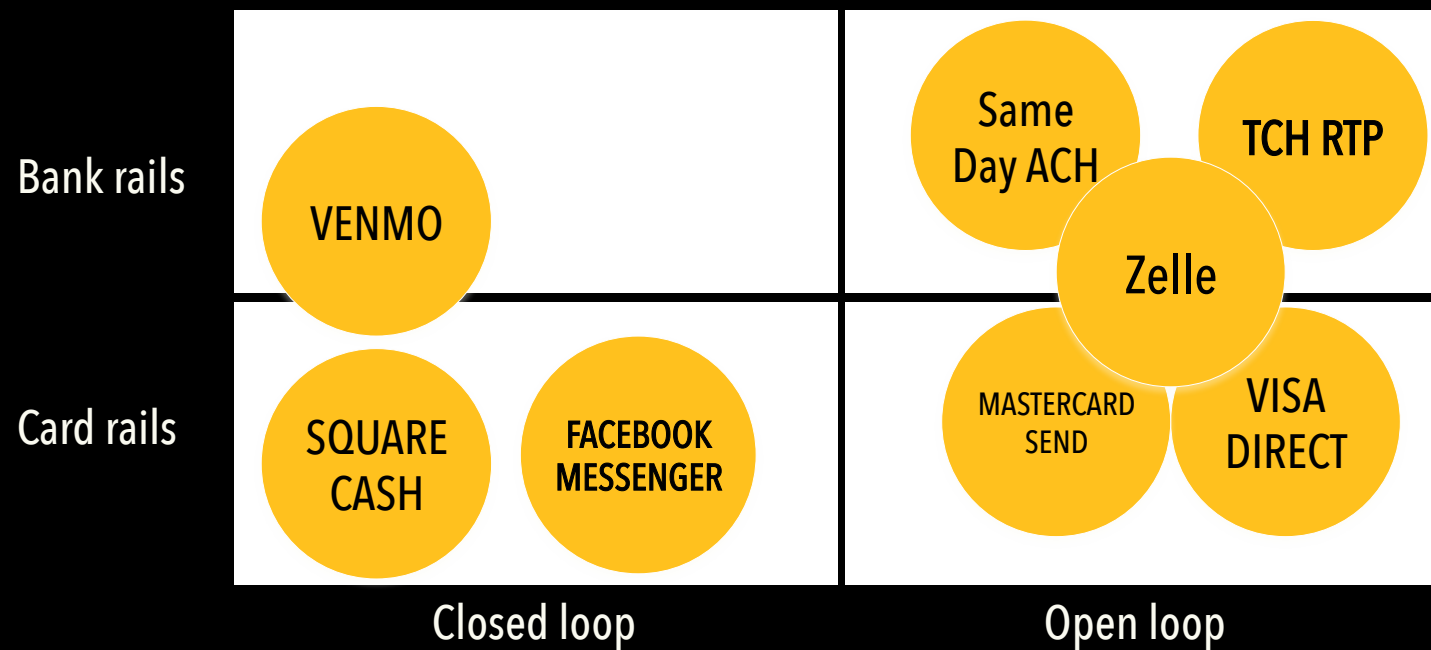
The Faster Money Challenge

Risks



The Faster Money Challenge

Comparing Approaches



Thank You

Elizabeth McQuerry, Ph.D.
elizabeth@glenbrook.com
+1.404.655.2252