

FAST ACCESS, FAST PAYMENTS

EXCERPT/SUMMARY

Credit unions are in uncharted waters. Accelerated by the COVID-19 pandemic, demand for faster payments continues to increase as members required immediate access to funds from government disbursements, paying bills on the due date became more prevalent amid tighter budgets, and the reduction of in-person transactions moved more consumers to digital channels.

The *Fast Access, Fast Payments* white paper, a collaboration with Javelin Strategy & Research, provides guidance on the key elements required to begin the initial phases of faster payments. Faster payments are about more than just payment rails – they’re about the operations, technologies, and member experiences that support them.

Executive Summary Findings:

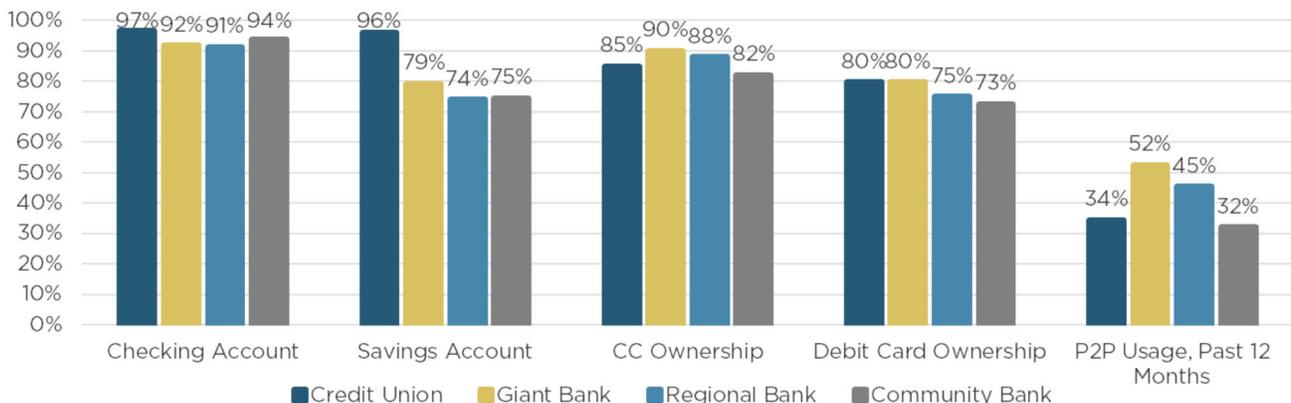
- A phased approach to enabling faster payments will be critical to the sustainability of the credit union sector

- Credit unions should focus on receiving funds quickly, migrating in-person branch services to digital channels, and enabling real-time digital account provisioning
- Establishing a framework is critical for a successful transition to faster payments
- The long-term operational considerations that faster payments will bring need to be thoroughly reviewed

P2P & Digital Wallets: The Gateway to Faster Payments

P2P payments are the primary vehicle through which consumers are aware of faster payments and are increasingly offered within digital wallets. Yet, among credit union members, P2P usage lags behind major banks even though checking and debit card ownership is higher than or on par with their bank counterparts.

Credit Unions Fall Short in Building P2P Payment Accessibility



Source: Javelin Strategy & Research 2020

Building Blocks of a Successful Faster Payments Strategy

New payment strategies should be adopted quickly, yet carefully, to ensure that a phased approach delivers long-term results. Focusing on existing card-based payment methods that have lower utilization within the credit union market will deliver needed services with minimal operational disruption. Initial faster payment initiatives should focus on:

- Enabling receipt of real-time deposits via integration into Visa Direct or Mastercard Send
- Migrating in-person transactions to digital experiences via digital wallets and mobile banking apps with P2P integration
- Immediate card issuance and provisioning

Next Steps

To meet the increasing demand for faster payments, credit unions will need to adapt and deploy faster payments in a phased approach that focuses on what will provide the highest impact. Without expedited implementation of payment strategies that are now considered table stakes, credit unions will be forced to make difficult decisions as the economic fallout continues.

The strategic nature and urgency of access to funds mean that conversations cannot wait until the economy “gets back to normal.” To deliver necessary services, credit unions will need to work with service providers to deploy new member experiences and better technology. The key is being proactive – identify readily available components and start implementing them.