



The Road to Real-time

CASE STUDY

Enabling real-time P2P payments with Zelle

A bank headquartered in Western New York partnered with ICC to empower in-person payments with cutting-edge, real-time technology.

SUMMARY

The pace of change is accelerating and requires that you continuously innovate. This is the situation that banks and financial firms face with the emergence of real-time person-to-person payments. Today's technology can bring this newfound customer expectation to life, but legacy systems and data silos can stand in the way. Through best-practice data quality and systems integration, ICC has not only empowered a New York bank to increase customer value, but laid the groundwork for real-time transactions.

OPPORTUNITY

Silver and gold, paper and plastic, and more recently Bitcoin. Global transactions continue to evolve and the next step in this journey is real-time person to person (P2P) payments.

With P2P Payments, we have plunged more deeply into the era of immediacy. As with weighing silver and writing checks, pending transactions and same-day deposits are no longer sufficient. There are two drivers at play here – the desire for instant gratification and convenience. The modern consumer expects to repay a friend for pizza, sell a desk at a garage sale, and buy groceries – all from her phone, in real time. For banks and FinTechs, this service represents a new requirement for market competitiveness. Services like Venmo, Chase Pay, and Squarespace are already making P2P possible and are eager for underserved customers.

Fortunately, Zelle is here to enable the transformation. Zelle is a back banking platform designed to enable P2P payments, but its real power lays in its network. Customers of a Zelle-enabled bank can share real-time transactions, which means many of the largest banks are moving down this path together. A journey you want to be on. Now, our client is on this road, but empowering legacy banking systems to support a real-time payments solution is no simple process. The bank turned to ICC to help them navigate the complexity.

WHY IT MATTERS

40%

of customers expressed decreased dependence on their bank



That same group has used non-bank providers for financial services in the last 12 months



SOLUTION

There is a critical gap between a bank's existing, legacy data silos and Zelle's new-age platform. These disparate systems must somehow become integrated, along with compatible data sources, field flow, and security protocols.

You could call it the plumbing, because we hide it from view. You can call it the highway, because we're paving the way, or the arteries – because it is essential. Regardless of what you call it, ICC is partnering with the bank to deploy a data architecture that connects the right data to make P2P payments reliable and efficient. Any service that requires a real-time conversation will be executed through this architecture.

RESULTS

Our client's integrated real-time data systems deliver the power of immediate payments, executed from person-to-person with a simple cell number. For the modern banking customer, this has become a common expectation, but now the bank has expectations of its own. P2P payments is a service designed to increase the bank's customer satisfaction, reducing costly attrition. Having made payments exceptionally more convenient, we can expect increased transaction volumes and an overall higher customer value.

From there, the benefits only get stronger for our client. Having enabled real-time payments, the bank is one step closer to moving past the traditional automated clearing-house, to a continuous-business model. Transaction batches and delayed processing create windows for fraudulent activity, but the bank has cut that risk in real-time.

Finally, individual consumers are not the only customers who are concerned with immediacy – phase two addresses the commercial sector. The future of banking is real-time, but P2P payments is only the beginning.

PEER-TO-PEER PAYMENTS ARE THE FUTURE

A survey by WEX found that:



One-third of all Americans already regularly use P2P payment solutions



Nearly half of Millennials, Gen Xers, and Baby Boomers will use P2P e-commerce payment solutions in the next year



44 percent would be comfortable transferring digital payments of \$1,000 or more



71 percent predicted that kids under age of ten will never know how to write a check