

Faster Payments in a New World

Accelerating Your Payment Journey from Paper to Digital in a Changed World

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Interest has always been high when it comes to faster payment solutions. In the middle of this unprecedented disruption to the marketplace, however, we've found that our clients are expressing a new urgency, and are talking with us about making an immediate, conscious shift in their payments structure. The processing and handling of paper in almost any context is now viewed—in the current challenging operating environment—as a risk, and they're looking for answers on how to move forward while improving customer experience and cutting costs.

The tools organizations need to improve their systems securely are here and available, and they're making a dramatic difference in day-to-day processes through payment authorization, quick and secure transfers and the elimination of costly procedures. Because no single solution is a one-size-fits-all, there is often a need for multiple services to achieve desired results. The struggle these companies have faced is how to best implement a new process with limited resources.

The paper (namely check-based) payment solutions they're currently using have been working adequately, so in the past we've seen their reluctance to move to a digitized platform. Back-office processes are functioning and checks are being delivered to the appropriate recipient. But the current environment has changed everything, including earmarking priorities when they're looking to enhance their payment structure. Factors like security, speed and simplicity are now taking a front seat as institutions are recognizing that the time to move forward is now—not because of a temporary event, but because they're adapting to a world that's been permanently changed.

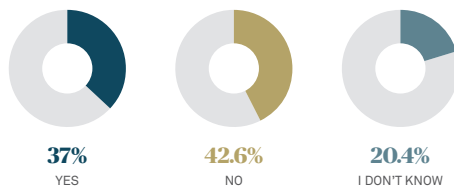
WAKING TO NEW REALITIES

In a recent webinar on [Expediting Your Paper-to-Digital Journey](#), our payment experts addressed these very obstacles and provided insightful responses on the current state of organizations' payments strategies derived through polling questions and submitted inquiries (see Fig.1 below on what our attendees had to say). Despite a lack of current payment digitization solutions, our experts are hearing that an adjustment in thinking and a desire to quickly move toward that digitized future is here—not to get ahead, but to keep up. With participation from 84 poll respondents, many indicated slow adoption of digitized payment solutions, and a majority of them indicated an inability to validate accounts (42.6%), and a continuance of printing/issuing/mailling large volumes of checks (54%).

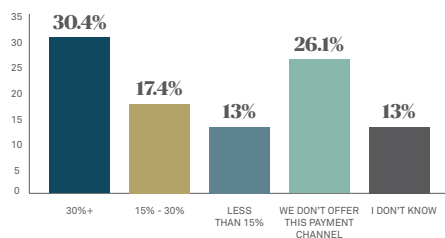
Figure 1

How are Corporates Managing Digitization?*

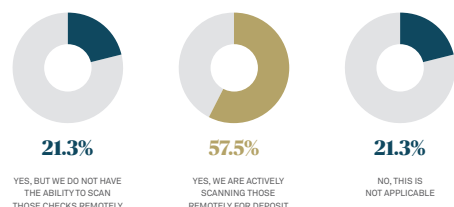
Does your institution have the ability to validate the status and ownership of accounts prior to disbursing a payment (such as ACH, Wire or Real-Time Payments)?



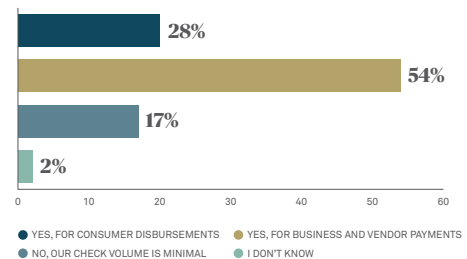
What percentage of your customers leverage electronic bill presentment and online/mobile payment channels?



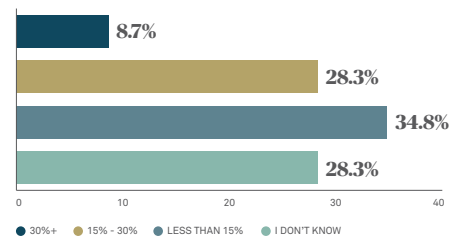
Do you collect checks for deposit across multiple sites?



Does your institution still print/issue/maill large volumes of checks?



What percentage of your customers pay via their home-banking platform (online retail banking)?



*Responses were provided through polling questions in a May 7, 2020 webinar entitled "Expediting Your Paper-to-Digital Payment Solutions Journey".

Evidence continues to show that consumer demand is increasing the need for institutions to offer digitized forms of payment. Though 26% of attendees responded that they do not offer electronic bill presentment or online mobile bill payment, more than a third stated that 30%+ of their consumers use an electronic payment in some format.

Through discussions around some of the key industry-leading products that are available to aid in their digital payments journey, solutions that offer companies a greater sense of security, improve their clients' experience, and simplify the process for all parties involved not only currently exist, but enable companies to rapidly address their payment issues.

SOLUTIONS TO ENHANCE YOUR PAYMENTS JOURNEY

Fortunately for those organizations looking to take the leap into digitizing their payments, there are many options to choose from, depending on what the specific needs are. Those opportunities are here and ready for immediate use. The following BNY Mellon solutions solve for those requests:

- Online and mobile threats continue to enable criminals to misdirect funds and falsify accounts, compromise business email and impersonate vendors. **Account Validation Services (AVS)** reduces fraud by verifying that an individual or company is authorized to make or receive a payment, improving customer experience and lowering return rates.
- Obtaining banking and personal information has been a barrier for some organizations in the migration to digital payments. **BNY Mellon Tokenized Payments® Now Available with Zelle®** replaces slow fund distribution and improves customer satisfaction by processing transactions within minutes* providing convenience, speed and security using only an email address or mobile phone number.
- If you're experiencing risky and slow check distribution, **BNY Mellon Paymode-X®** provides payment security and check distribution automation by using the Automated Clearing House (ACH) network. A revenue share is provided as a payer because most vendors in the network have agreed to pay a fee.
- Increase payment speed and drive customer engagement through automation of your receivables process with our **Bill Pay Advantage solution**, which enables you to automate the distribution of customer bills, accept payments and reconcile billing.
- Costly paper payments are eliminated with **Consumer Electronic Receivables (CER)** which converts home banking payments from check to ACH. This solution also helps validate account numbers and address account number conversion issues, while minimizing the receipt of unwanted payments and overpayments to ease your refund process.
- For clients continuing to remit checks to your **Retail Lockbox**, BNY Mellon can assist you in capturing payers that provide authorization via their remittance stub to **opt-in for recurring ACH Debit** via a custom reporting file to transition check clients at enhanced speed.

- If you have challenges with the physical transportation of check deposits, check courier costs and delayed funds availability, **Remote Deposit** could be an appropriate solution. It significantly lowers the opportunity for fraudulent activity by scanning and truncating checks received from payors when substitute checks are printed and processed through wholesale lockbox or directly through deposit processing.

As organizations and consumers continually evolve their means of doing business, it is imperative to also advance the payment structure to meet increasing demand for faster and more secure payment solutions. The tools to satisfy that demand are now available and tailored solutions can meet every need as we navigate this new world economy that demands faster, safer ways of making and receiving payments.

*Transactions typically occur in minutes when the recipient's email address or U.S. mobile number is already enrolled with Zelle.

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