

# The Rise Of Faster Payments



Faster payments are no longer a negotiable but a must-have, thanks in part to the pandemic which created consumer expectations for faster everything, and our digital, on-the-go lives. They are defined as payments where the transaction and fund settlement occur in real-time or near real-time – regardless of using a card, a P2P service or ACH – and can also be referred to as real-time or instant payments.\* With the Federal Reserve’s introduction of their FedNow<sup>SM</sup> Service, it’s time to learn more about faster payments.

\*Definitions of faster payments, real-time payments and instant payments can vary by use case.

## What are Faster Payments?

Electronic payment services that provide funds to the payee within seconds or up to a few hours of initiation by the payer. These can include:

Federal Reserve Market Readiness Brief, The Federal Reserve, 2022



### Instant Payment Services

That credit the payee’s deposit account within a matter of seconds of initiation.



### Same Day ACH

That credits the payee’s deposit account by end of day if payment is initiated by the midday cutoff.



### Push-to-Card

That credits the payee’s debit card account within minutes of payment initiation



### Digital Wallet Apps

That credit the payee’s digital wallet within minutes of payment initiation.

## Meeting the Demand for Faster Payments

**\$17.57 billion**

Was the global real-time payments market in 2022, with an expected CAGR of 35.5% from 2023 to 2030. Transaction volume was valued at over \$100 billion in 2022.

Real-Time Payments Market, 2023-2030, Grandview Research, 2022

**80%**

Of consumers are interested in leveraging faster payments to pay businesses for everyday goods and services.

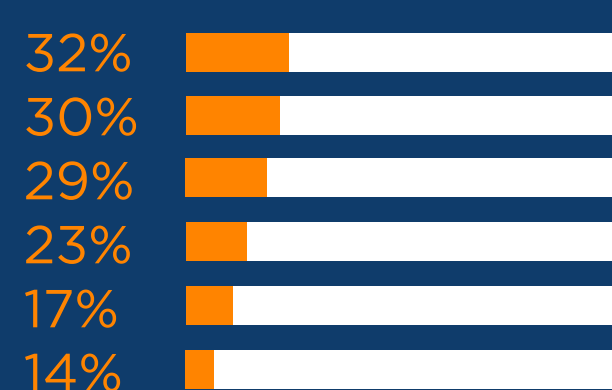
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**60%+**

Of consumers want a real-time view of their account balance and immediate posting of payments they initiate.

## Consumer to Business: Use Cases for Faster Payments

“From recurring payments to last-minute bill pay, consumers are looking for faster payment options that give them more control over the timing of their transactions with businesses,” said Connie Theien, senior vice president and head of industry relations for the Federal Reserve System.



Last-minute bill payments  
Online shopping/e-commerce  
Recurring bills  
In-person retail purchases  
Unexpected bills  
Taxes and fee payments

New Federal Reserve survey underscores growing consumer demand for faster payments, Fed360, 2022

Federal Reserve Market Readiness Brief, The Federal Reserve, 2022