

# The Clearing House's RTP Network bolsters offering ahead of FedNow rollout

Article

**The news:** The Clearing House (TCH) is trying to make using its Real-Time Payments (RTP) Network easier and more secure.

TCH and Fiserv partnered to make the RTP Network more accessible for consumers and businesses, per a press release.

- Fiserv's clients can access the RTP network through Fiserv's NOW Gateway, an access point for financial institutions (FIs) to support RTP options. FIs can use the NOW Gateway to offer RTP services for **Zelle** peer-to-peer (P2P) payments, gig worker payouts, and bill payments, among other transactions.
- The tie-up simplifies the onboarding process so FIs can more easily integrate TCH's RTP Network, which should help boost interest in the offering and grow RTP volume.

**TCH also added a new tokenization capability to the RTP Network, per another press release.**

- Secure Token Exchange (STE) issues tokens to replace a customer's bank account and routing numbers, which can then be used to complete transactions. **PNC Bank** and financial data-sharing provider **Akoya** already use STE.
- STE keeps customers' bank account numbers hidden from third parties like retailers or fintech apps. This helps better protect customers and FIs and mitigates fraud risk.

**Why this matters:** Working with TCH will help make Fiserv's NOW Gateway a more attractive offering thanks to growing FI demand for RTP.

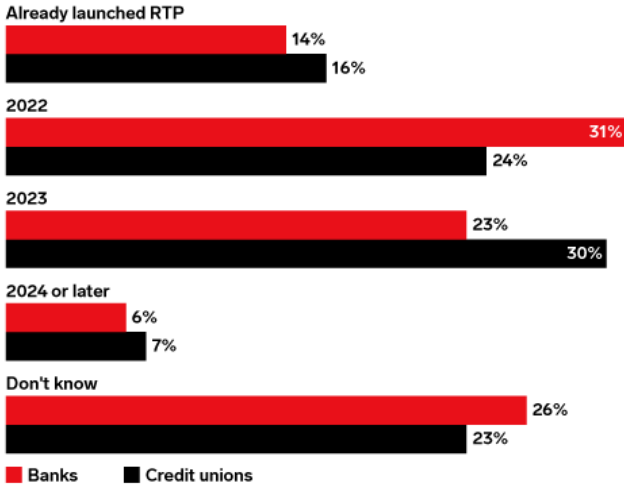
- **27% of surveyed FIs** are already connected to TCH's RTP Network, almost double the number from a year prior, according to a Q1 2022 Volante survey of mid-tier banks and credit unions.
- And **37% of respondents are committed to joining the RTP Network** in the coming year, with more than half of the mid-tier market planning to connect by 2023. Most big banks are already connected to the network, so an uptick in adoption from the mid-tier FIs will be a large growth opportunity for TCH.

**The bigger picture:** TCH is preparing for FedNow's 2023 launch, which will drastically shift the competitive landscape of RTP payments.

The Federal Reserve **kicked off** its pilot phase just this week, and FIs are already interested. **Thirteen percent of mid-tier banks and credit unions** said they will join FedNow immediately upon its launch, according to the Volante survey, and an additional 16% of respondents plan to join in the first year. TCH will have to go head-to-head with FedNow, so partnerships with providers like Fiserv and technological improvements like STE can help give the network a leg up before the government initiative rolls out.

## When Do US Bank vs. Credit Union Executives Plan to Implement Real-Time Payments (RTP)?

% of respondents, Dec 2021



Note: n=300

Source: Cornerstone Advisors, "What's Going On in Banking 2022," Jan 25, 2022

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