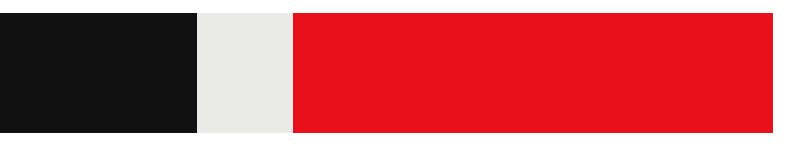
Faster payment networks got a boost in Q2 but now face heightened competition from FedNow

Article









The data: Demand for real-time (RTP) and faster payments is on the rise.

- The Clearing House's RTP Network processed 58 million transactions in Q2 2023, up from 41 million from the same period last year, <u>per</u> a press release. The value of the transactions increased as well, reaching \$29 billion in Q2 2023, up from \$18 billion the year prior.
- Nacha's Same Day ACH payments totaled 199.4 million in Q2 2023, up 7.7% year over year (YoY), per a press release. The value of the payments hit \$612.6 billion, an increase of 26.1% YoY.

What's next? The **Federal Reserve** <u>rolled out the long-awaited</u> **FedNow** instant <u>payments</u> <u>service</u> last week. It's too early to predictFedNow's uptake, but the service brings new realtime payments competition to RTP Network and Same Day ACH.

- FedNow will likely offer more competitive pricing than the other networks, because it can't turn a profit as a government-run entity.
- These lower fees could test RTP Network's and Same Day ACH's brand loyalty.
- But on the other hand, FedNow will also likely fuel even more demand for faster payments—a rising tide that can lift RTP Network's and Same Day ACH's boats, too.



