



A Re-imagined Bill Pay Experience

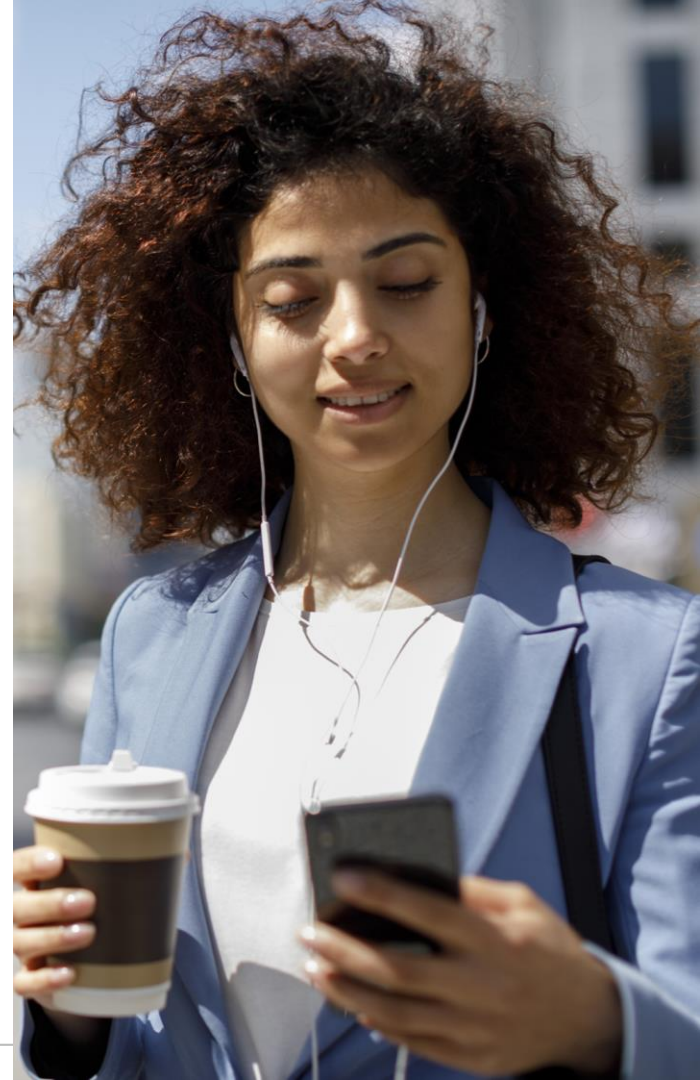
Value Proposition and the Brand Promise
with Sample Communication

January 2021

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Draft: RTP® brand and positioning are in development.

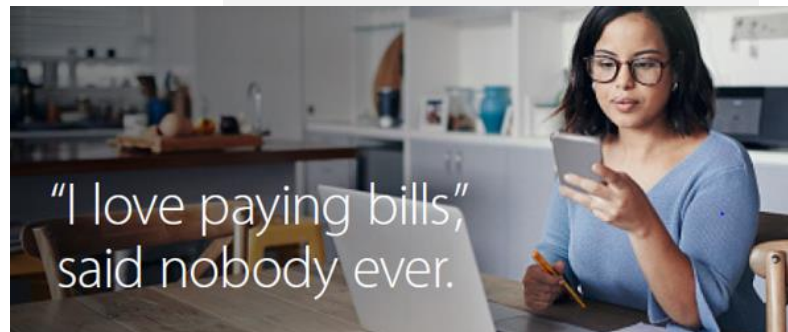


Introduction

Consumers are living in a digital world and they like it – with high expectations for faster and smarter ways to do just about everything, including paying bills. But today's bill paying experience is far from ideal.

Most customers must make a trade off between the *timely delivery* of payments to the biller (through Biller Direct), and the *control* they get from paying multiple bills using the same interface, such as an online banking service.

They need both.



This module includes:

- A reimagined way to pay bills that gives Bill Payers a consolidated view of their bill portfolio and bank accounts and control over the precise timing and amount to pay. And, this new experience can improve efficiencies and cash flow for Billers, while providing a better commerce experience for their customers
- Biller and Bill Payer profiles and other sample education materials
- Sample ads or emails to show how Banks and Billers can introduce the new service to the customers they share
- Sample registration and FAQs

Brand Promise
Value Proposition

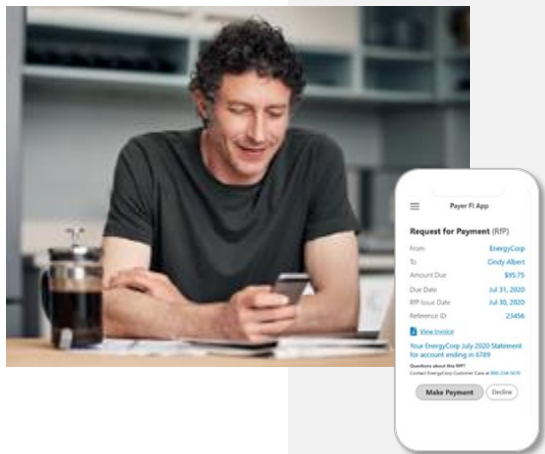
Sample materials



Background

The RTP® network, designed by financial institutions and The Clearing House, powers the immediate payment capability with related transaction detail to be exchanged in a single, secure stream. Quite simply, it enables a complete and certain commerce exchange between parties.

The technology is impressive, but the network's real power is in the way banks and businesses are putting its smarter and faster capabilities such as Request for Payment (RfP) together to create new and enhanced services. This module introduces one of them— a reimagined bill payment experience that benefits both Billers and Bill Payers. For Bill Payers, it supports a portfolio view of bills and funds available as well as customer control over the timing of payments. For Billers, it enables efficiency and cash flow advantages, as well as a better experience for customers.



How it works:

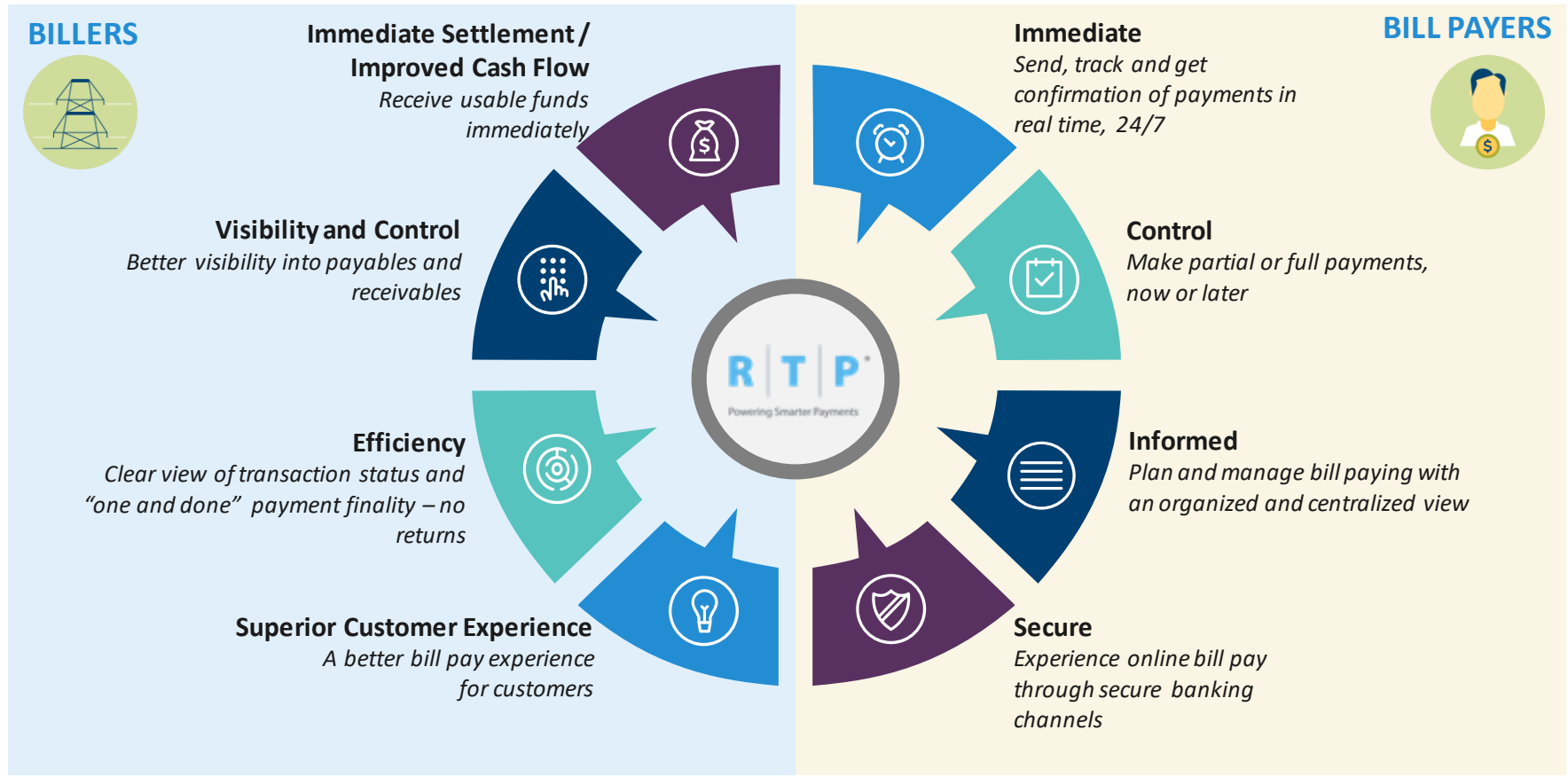
- Bank incorporate RTP® immediacy and two-way information exchange capabilities in their online banking service and encourage their corporate clients to offer the new option to their customers.
- The customer completes an enrollment process. (The specific steps will depend on the bank and biller requirements).
- Once enrollment is complete, Billers send the requests for payment to the customer through RTP for display in the online banking service. The customer controls precisely when to pay (24/7) and the amount. Details about the payment and/or any correspondence can be exchanged across the same, secure channel.
- In addition to receiving and making immediate payments, customers have an integrated view of their payments and accounts on their online banking service. This includes seeing what's been paid and what's coming due along with the funds available without having to sign on different systems.



Brand Promise and Value Proposition



Brand Promise



Value Proposition

BILLERS



Billers today find it difficult to predict cash flows which require them to maintain significant cash reserves.

They seek immediate payments, transparency in tracking payables and receivables, and richer data for better reconciliation.

They want to improve their bill payers' experience through innovative and secure payments offerings.



With RTP® Request for Payment (RfP) capabilities underpinning bill paying services, Billers receive usable funds immediately and have better visibility into the transaction. These features give billers control over cash flow, opportunities for back office efficiencies and better bill pay experience for customers.

Bill Payers today are limited in their ability to manage and pay their bills in a timely manner. They need help with keeping track of upcoming bills, along with the flexibility to make partial/full payments.

They want to avoid any potential late fees or overdrafts caused by processing delays, and need their FIs to provide a trusted secure channel for protection of their personal information and money.



With RTP® Request for Payment (RfP) capabilities underpinning bill paying services, the bill pay experience is redesigned in a way that gives customers the consolidated information they need to make decisions and control over how much and precisely when to pay 24/7. These payments are delivered securely by their FI's online banking solution.

BILL PAYERS



Education Samples



Education Samples: Financial Institutions to Billers

Financial institutions may want some assistance in introducing their new services powered by the RTP® capabilities to their own relationship managers and then to corporate clients. The following pages expand on the brand promise and value proposition discussed earlier, in a more visual way to assist with this education process.



James:

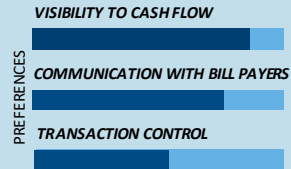
CORPORATE
TREASURER



“We trust our bill payers when they say they have made a payment and turn their electricity back on. In a way we provide them with provisional credit which is a risk we always carry”

AGE: 41

Company: Metropolis Power and Gas Company – Treasurer



ABOUT ME

I work in Corporate Treasury for one of the power and gas companies in Midwest.

MY ROLE

I oversee all budgetary and finance related matters for the company. I forecast cash flows and ensure that sufficient funds are available to meet ongoing operations and investment needs of the company. My team is responsible for the bill payer's experience including responding to inquiries and resolving issues.

MY GOALS

I want to improve efficiency by reducing manual interventions and billing errors.

I want better visibility into fund inflows and outflows so I can make informed decisions about reserves.

MY NEEDS

- Better cash flow visibility
- Better visibility into bill payer's propensity to pay and fewer payment failures
- Better transparency in payment transactions in order to reduce bill payer queries and improve their experience
- Faster payments and alternative payment methods
- Ability to streamline and automate our back-office systems

MY PAIN POINTS

- Collection times are unpredictable and slow
- Lack of visibility in cash flows causes us to maintain large cash reserves which could have been used otherwise for investments
- Lots of time is spent in addressing billing errors, coordinating with call-center team to identify bill payer accounts and processing charges
- Less transparency in status of payments and slow payment methods reduce our bill payer experience metrics






INTENSITY OF PAIN POINT

Low High

Note – James is a composite representation of feedback provided during surveys about bill pay “pain points” and are not verbatim quotes from actual people

Common Bill Payer Needs

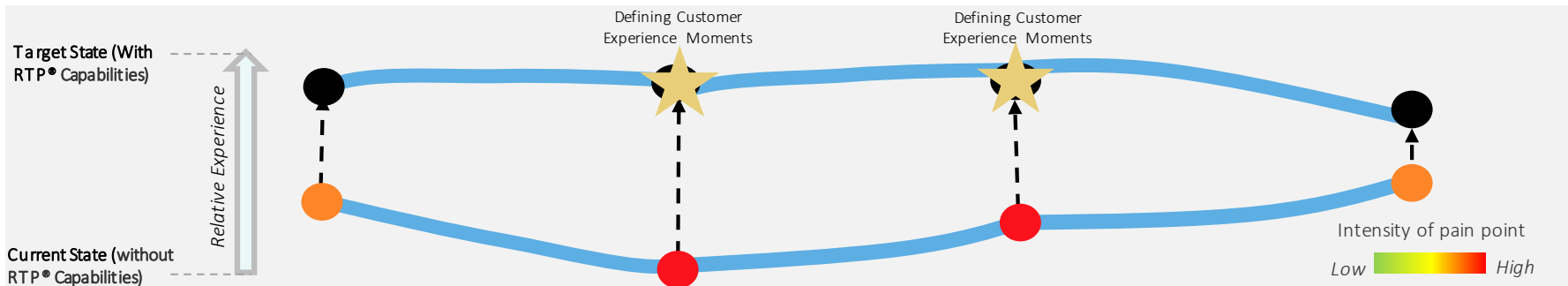
The below needs are identified based on the bill pay concerns expressed by billers in [2019 AFP Electronic Payments Survey Report](#)

| Immediate Receivables | Better Cashflow Predictability | Richer Data for Reconciliation | Customer Satisfaction | Secure Payments Channel |
|--|--|---|---|--|
|  <p><i>“I need to be able to receive emergency payments from bill payers to prevent shutoff, and make use of funds immediately”</i></p> |  <p><i>“I need to be able to better predict timing of future revenue inflows in order to improve cash management, and / or minimize intra day borrowing or need to maintain a large cash reserve”</i></p> |  <p><i>“I need more information on payment details to apply funds correctly and track delivery of funds and reconciliation and straight through processing”</i></p> |  <p><i>“I want to provide my bill payers with immediate payment options for ease and flexibility.</i></p> <p><i>I also want to provide them with access to ad hoc services (e.g., field services) that are currently difficult due to lack of immediate payment options”</i></p> |  <p><i>“I need a secure method of billing and receiving payments from my customers”</i></p> |

Note – These statements are a composite representation of feedback provided during surveys about bill pay “pain points” and are not verbatim quotes from actual people



A Better Process for Billers



Enabling Features

- Auto-RfP scheduling (to send RfP on the RfP issue date)
- Provision of biller details within the RfP for quick redressal of bill payer issues, along with a link to the detailed bill**
- Ability to view upcoming receivables, including scheduled bill payer/ supplier payments
- Funds immediately available for use and updated account balance
- Automated reports with payment statuses (e.g., successful payments, failures)
- Capabilities to easily issue refunds immediately
- Easy reconciliation by leveraging richer data
- Faster application of funds against bill payer a/cs by using STP
- Acknowledgement of payment receipt sent to bill payer*

*Time taken for the biller to update the biller account depends on the biller's internal process (24-48 hours for most billers currently). However, they are encouraged to post the payment in real time



Stay in control of your cash flow and get back to growing your business.

A better way to send bills and receive payments, powered by RTP®

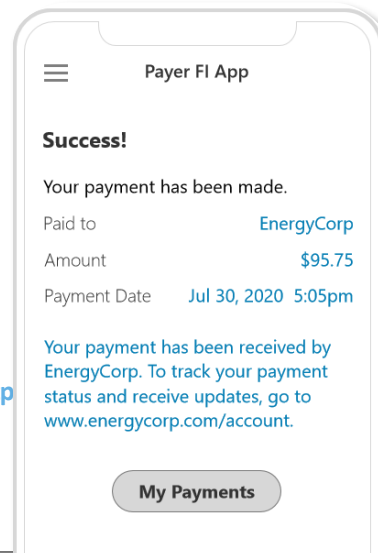
Visibility and Control Gain better visibility into payables and receivables, access customizable cash management solutions offered by your financial institution.

Cash Flow Schedule or send immediate Requests for Payment to bill payers and receive usable funds now.

Efficiency Achieve efficiencies by offering a cost-effective payment method, and achieving automated reconciliation by accessing richer payments data.

Superior Customer Experience Offer better bill pay experience to customers, and gain a competitive market position.

Learn more at www.theclearinghouse.org/rtp



Education Samples: Financial Institutions to Bill Payers

Financial institutions may want some assistance in introducing their enhanced bill paying option in their online banking services. The following pages expand on the brand promise and value proposition discussed earlier, in a more visual way to assist with this customer education process.



Cindy:

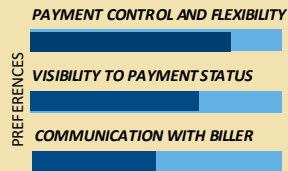
LAST MINUTE BILL
PAYER



“I do my best to pay bills on time, but the payment doesn’t go through immediately and I am never sure if I will have sufficient funds when the FI debits my account. It is very stressful.”

AGE: 29

Company: Driftwood Diner; Sally’s Catering - Waitress



ABOUT ME

I’ve been waitressing at the diner for years. I’ve recently picked up waitressing gigs at nights and on the weekends for some extra money, and to take care of my family.

MY ROLE AND RESPONSIBILITIES

I am the sole bill payer in my family. I try to stay on top of our bills but having multiple credit cards and other bills with different due dates makes it harder for me to track them. Since my husband and I and I are both contractors, what we can pay varies each month, making it tougher to plan our payments.

MY GOALS

I want a one-stop-shop for all of my bill payments and alerts to remind me to pay. I’d also like an immediate confirmation that my payment was complete so I don’t have to worry about late fee / penalties.

MY NEEDS





- Set payment schedules that fit my needs (timing and amount)
- Be reminded of upcoming bills
- Immediate acknowledgement of payment made
- View of payment history
- Organized view of bills due, along with bill prioritization capabilities
- Financial safety and security

MY PAIN POINTS

- Cannot make immediate payments in emergency situations
- Delayed receipt of bill payments made (at the last minute) lead to stress of potential penalties
- Time wasted talking to customer service to ensure payments were received
- Volume of bills and due dates to keep track of is overwhelming

Note: Cindy is a composite representation of feedback from bill payers interviewed to understand. The statements are not verbatim quotes from actual people

Bill Payer Needs

| Informed | Control | Immediacy | Security |
|--|---|--|---|
|  <p><i>“I need help keeping track of my balance(s) and upcoming bills to align payments and prevent overdrafts”</i></p> |  <p><i>“I need to be able to pay partial/full amounts as and when I receive my income”</i></p> |  <p><i>“I need to avoid payment processing delays that cause my last-minute payments to be received later than the due date/time and may lead to penalties”</i></p> |  <p><i>“I need my FI to assure protection of my personal information and money.”</i></p> |

*Based on a sample size of 15 bill payer interviews



Bill Payer Story



LAST MINUTE BILL PAYER:

Cindy struggles to remember the different due dates of her bills throughout the month

- 1 Cindy does her best to pay her bills on time, but bill payment statuses are typically opaque and she never knows when her payment will reach the billers. When Cindy's payments are late, she is penalized with increased interest rates and / or late fees
- 2 Every biller has different policies and penalty structures, and the interest rate hikes and fees increase Cindy's monthly expenses, adding to her burden to make ends meet. She feels there is a "snowball effect"
- 3 Cindy works several different jobs, and her income can be inconsistent in both timing and amount, which can make financial planning difficult and unexpected expenses crippling
- 4 Cindy is constantly stressed because she does not feel in control of her finances
- 5 Cindy's FI and biller offer a new payment option that give her a portfolio view of all her bills so she can make informed decisions about precisely when and how much to pay, 24/7.
- 6 Cindy receives notifications reminding her to send or schedule upcoming bill payments. She can respond to these Requests for Payment (RfP) in real time, with partial/full payment, and biller's FI can now confirm receipt of her payment immediately, giving her the peace of mind that she will not be penalized
- 7 Cindy can now prioritize / organize her bill payments better and make payments that fit her financial needs

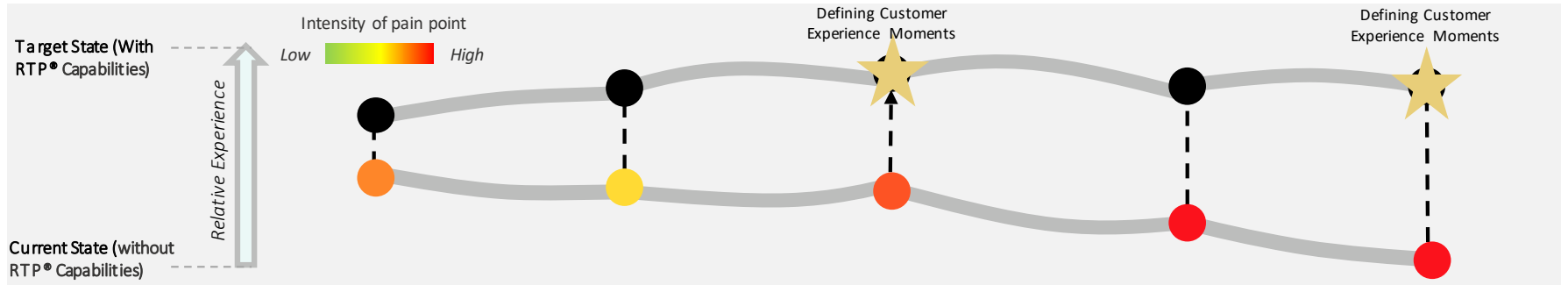
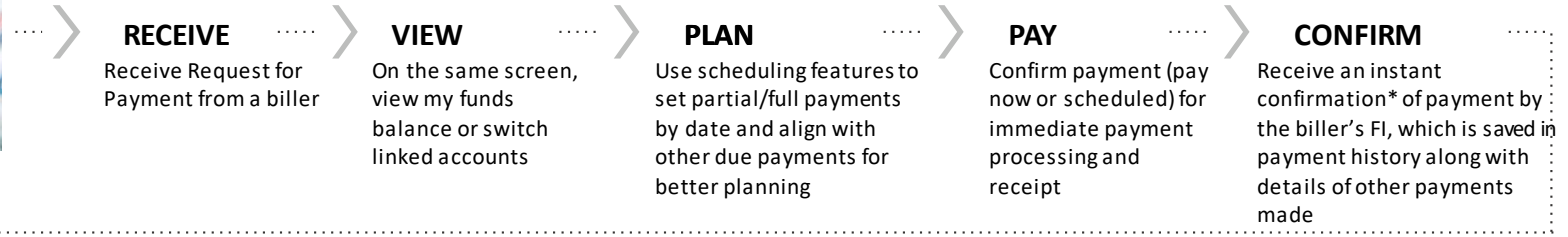


EMPOWERED BILL PAYER:
Cindy is informed and in control of her finances

Note – Cindy is a composite representation of feedback from bill payers interviewed to understand. The statements are not verbatim quotes from actual people



A Better Process for Bill Payers



Enabling Features

- Intuitive notification on the phone's home screen
- Bill Presentment in the mobile banking app
- Biller, amount due, due date, along with a link to the detailed bill**
- Easily accessible / visible funds balance
- Ability to choose another linked account to make a payment
- Ability to organize view of bills by date or amounts or statuses
- Schedule Payment capability to set partial/full payment amounts for certain dates
- Confirm payment button to send immediate payment to the biller
- Visibility into real time payment status
- Payment acknowledgment message
- Screen to show in-app payment history
- Payment confirmation PDF for external saving/printing

*Time taken for the biller to update the biller account depends on the biller's internal process (24-48 hours for most billers currently). However, they are encouraged to post the payment in real time

**To know more about DocumentServices, please refer to Link [to be updated]



Stay in control of your bills and get back to enjoying your life.

An informed and precise way to manage and pay bills

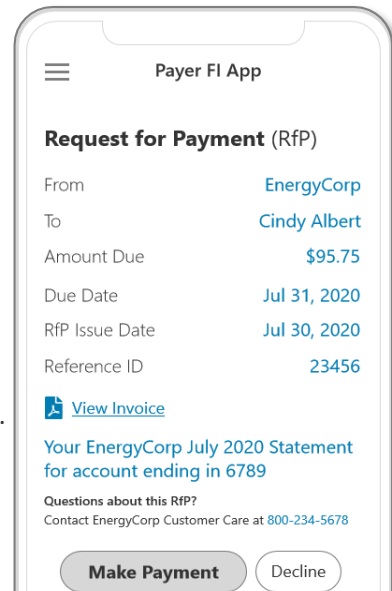
Immediacy Make payments in real time 24x7, track them and get instant acknowledgment of payment receipt.

Control Prioritize bills, set an exact payment schedule, and make partial/full payments based on your income and expense needs.

Informed Get a clear, organized and centralized picture of all of your bills, including information on those that have been paid, and/or are coming due.

Security Pay your bills online all through a secure banking channel (web or mobile bill pay).

Learn more at www.theclearinghouse.org/rtp



Promotion Samples



Promotion Samples: Financial Institutions to Consumers

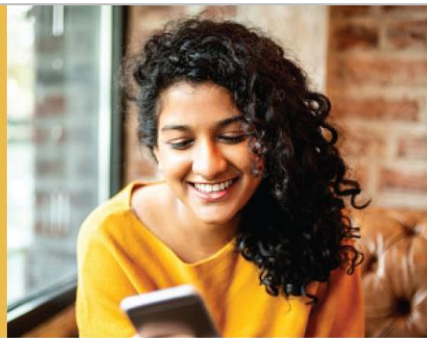
How can financial institutions introduce their customers to a new bill payment experience featuring the ability to make payments in real-time?

Retail banks may use this document as a sample template to help draft their message to introduce to their customers to a new bill paying capability delivered through their online banking services, that presents the information and they need to make decisions and allows control over precisely when and how much to pay, 24/7.

***Note:** As with any customer communication, banks should review this template with counsel and compliance professionals and tailor as appropriate for their organization*



“I love paying bills,”
said nobody ever.



We get it. Bills are no fun. But we want to make paying bills a little better by giving you more control over the process.

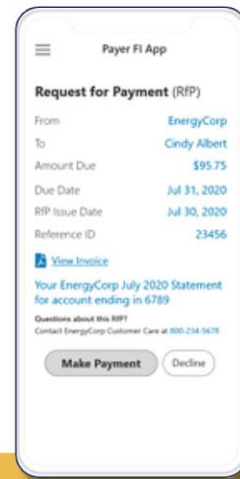
We worked with customers, just like you, to create an online and mobile bill paying experience that’s smarter and faster. Here’s how it will change your life—at least when it comes to paying bills:

Stay in the know. You can keep your total bill status organized – including scheduling, reminders, what’s due when, and the funds available to pay them.

Pay with precision. Know exactly when payments will hit your account, decide precisely the amount to pay and exactly when you want to pay, 24/7 – even on weekends and holidays.

See where you stand. Your biller immediately confirms that your payment has been received and posted. You can even track it.

Bank on it. For your convenience and security, information about your bills, payments, and accounts is consolidated and integrated into your bank service.



[Placeholder for call to action/enrollment process. The specific steps will depend on the bank and biller requirements.] Get started today!



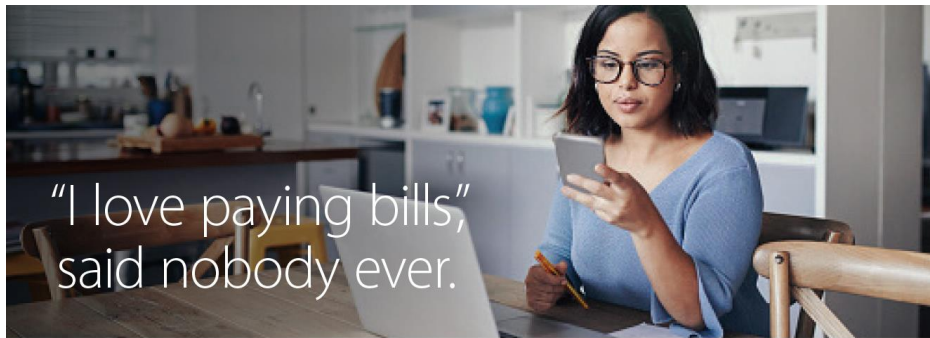
Promotion Sample: Biller to Consumers

How can Billers introduce their customers to a new bill pay experience featuring the ability to make payments in real-time?

Billers may use this document as a sample template to help draft their message to introduce to their customers a new way to pay bills that features the ability to pay in real-time and includes other proprietary bill pay features. Billers may also leverage the FAQ section (not exhaustive) to respond to most commonly asked questions.

***Note:** As with any customer communication, banks should review this template with counsel and compliance professionals and tailor as appropriate for their organization*





“I love paying bills,”
said nobody ever.

Paying bills has a reputation for being annoying. But we just made paying bills a little better by giving you more control over the process.

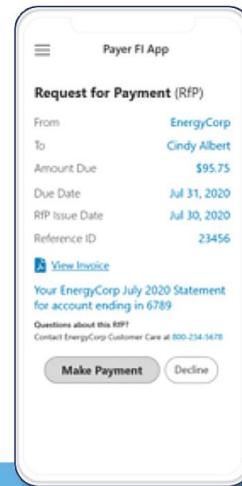
We’ve teamed up with some really innovative banks to bring you a smarter, faster bill payment option. We promise it will make your life better—at least when it comes to bill paying. Here’s what you can expect:

Stay in the know. You can keep your total bill status organized – including scheduling, reminders, what’s due when, and the funds available to pay them.

Pay with precision. We’ll send a request for payment to your phone or other device, and you can respond with precisely the amount to pay and exactly when you want to pay, 24/7 – even on weekends and holidays.

See where you stand. We immediately confirm that your payment has been received and posted. You can even track it.

Bank on it. For your convenience and security, information about your bills, payments, and accounts are consolidated and integrated into your bank service.



[Placeholder for call to action/enrollment process. The specific steps will depend on the bank and biller requirements.] Ready to take control of your bills? We thought so.



Everything you could ever wonder about a better way to manage and pay your bill, and then some.

Q: How do I enroll? (Sample only – subject to individual bank and biller requirements.)

Step 1: Go to [payment preferences](#).

Step 2: Add your bank account details in the space provided if they're not already saved with us. If your bank account details are already saved with us, select RTP® as the payment method.

Step 3: Look for your enrollment confirmation from us.

Step 4: Visit your online or mobile banking app to activate the service.

Q: What if I have questions about my bill?

You can reach out the way you always do, or you can message us through your online banking service.

Q: What is a request for payment? How does it work?

You receive a Request for Payment through your bank's online banking service once you've enrolled with your bank and us. After receiving the request, it is up to you to decide when to pay and how much to pay, or you can decline or ignore the request. If you respond to the request by making a payment, your payment is sent and received by us in real time.



Q: When I receive a request for payment for a bill, do I have to pay it?

No, everything is within your control. You decide when and how much to pay, or you can choose to decline the request entirely. But just like any other time you decide not to pay a bill, you will need to work out the reasons why and payment schedule with us. You can message us through your online banking service, or get in touch by phone or email.

Q: What happens if I pay my bill another way, but I still receive a request for payment for the same invoice?

Simple, just ignore it. Or you can decline it. If you accidentally end up paying the same bill twice, the excess payment will be [To be modified based on biller's internal processes].

Q: How long does a request for payment stay open?

A request for payment will stay active until the expiration date set on it. This may be different from the due date. If a request does not have an expiration date, your bank may keep it open until you receive another request for payment from us. If this happens, the old request for payment will become inactive once you get a new request for the new billing cycle.

Q: Can I schedule a future-dated payment? Can I pay a partial amount for my bill?

Possibly. You can schedule a future-dated or make a partial payment if your bank supports and offers these options. We suggest you reach out to your bank directly to be sure.



Q: What happens to a request for payment if I only pay a partial amount for my bill?

If you make a partial payment, the request for payment may remain open and valid until the expiration date or until you pay the remainder of the bill, or whichever comes first.

Q: What happens if I accidentally pay a higher amount than the actual bill amount?

If you accidentally overpay, [To be modified based on biller's internal processes]. You can also contact us about a refund of the extra amount paid.

Q: How do I know if my payment has been received?

You'll receive a "Payment Sent" message on your through your online banking service as soon as the payment is received by us, usually within seconds.

Q: How long does it take for my payment to be posted on my biller account?

You'll receive a "Payment Sent" message on your bank bill pay interface as soon as the payment is received by us. But it can take some time for the payment to be reflected on your account with us after it is received, usually within [To be modified based on biller's internal processes]. Once your account with us is updated, we will send you a payment confirmation. And you won't be charged a late fee as long as you made the payment before the due date.



< FAQs

Q: Will I be charged a late fee or penalty if I make the payment at the last minute?

This is the really cool part. Your payment is debited from your bank account and accepted by us literally within seconds. The “Payment Sent” message received on your bank bill pay interface serve as confirmation that if paid by the due date no late fee or penalty will be applied to your account, and it should be reflected on our website within [To be modified based on biller’s internal processes]

< Page 4



Change Log

Changes from Version 2.0 to Version 2.1

| Page No. | Change in Content | Comments |
|----------|---|----------|
| 3 | Created an executive summary | |
| 6 | Drafted the RTP® Brand Promise to establish the value proposition and promise of the product for both billers and bill payers | |
| 9 | Created persona of a corporate treasurer | |
| 10 | Made updates to common needs shared among billers | |
| 11 | Made updates to the RTP value proposition for billers | |
| 12 | Made updates to reflect recent biller discussions and prioritized product features | |
| 15 | Made updates to common needs shared among bill payers | |
| 16 | Made updates to the RTP value proposition for bill payers | |
| 17-18 | Made updates to reflect recent FI discussions and prioritized product features | |

