



November 6, 2023

An open letter to financial institutions and their customers:

The Automated Clearing House (ACH) network is an essential part of the nation's financial infrastructure and enables the electronic transfer of funds to and from nearly any bank account in the United States. The Clearing House Payments Company (TCH), the private-sector ACH operator, and the Federal Reserve Banks, which operate the FedACH service, collectively process tens of millions of ACH transactions each processing day and exchange payment instructions between their two networks. In 2022 alone, the network processed approximately 30 billion payments.

On November 2, 2023, due to a processing error, some ACH payment instructions were sent to financial institutions with the account number and names of customers masked. As financial institutions need this data to process incoming payments and post them to customer accounts, the impacted ACH payments, which were expected to post to customer accounts on November 1st, 2nd or 3rd, were delayed. In many cases they continue to be so. While this issue impacted a very small percentage of the daily ACH volume processed on that date, we know that for those affected consumers and businesses, the impact is meaningful.

The delay in posting these ACH payments to customers' accounts was due to a TCH error and was not caused by the financial institutions that originated or received the payments, or the businesses or other accountholders that initiated them.

TCH is working with the financial institutions with impacted customers, and with the Federal Reserve, to resolve this issue as quickly as possible. Many of the delayed payments have already been posted, and we will continue working with financial institutions to ensure the remaining transactions are processed.

The November 2nd error was an unfortunate and isolated issue, and immediate steps have been taken to prevent a reoccurrence. The ACH network continues to operate normally, processing tens of millions of electronic payments each day. TCH apologizes for the impact that this event has had on financial institutions and their customers.