

the apples and oranges of the instant payment networks

Instant payments are the most consequential industry innovation since the advent of debit cards in the mid-1970s. According to [Grand View Research](#), the global real-time payments market is expected to grow at a compound annual growth rate (CAGR) of 34.9% from 2022 to 2030.

the beginning of faster payments

Anticipating the demand for faster payments, fintechs and big techs developed an array of innovative solutions – including many that are household names today – that reinvented consumer and commercial payments. And these modern, experience-driven solutions that move money in the exact moment of need are disenfranchising banks and credit unions.

Recognizing that the demand for instant payments is strong and growing exponentially; that practical use cases are evolving and expanding well beyond person-to-person payments; and that banks and credit unions cannot meet today's accountholder expectations or successfully compete with the industry disruptors without offering faster payments, a second wave of fintechs developed faster payments networks that enable financial institutions to reclaim their position at the center of the payment experience.



Early Warning Services, LLC developed and operates the Zelle® network, which provides a real-time messaging environment that leverages the debit and ACH networks for settlement. The Clearing House (TCH) owns and operates RTP®, and the Federal Reserve owns and operates the FedNow® Service. These instant payment networks support real-time messaging and immediate interbank settlement and enable the development of new payment products and services.

Anticipating the demand for faster payments, Jack Henry™ developed JHA PayCenter™, a proprietary payments hub that provides seamless connections to these third-party payment networks. With JHA PayCenter, diverse banks, credit unions, and fintechs can expedite time-to-market with faster payments, and materially reduce the financial and operational requirements to develop and maintain their own network connections.

Jack Henry™ also acquired the Payrailz® Digital Payments Platform, which adds the open-loop, real-time person-to-person (P2P) solution Payrailz Pay A Person to our payments ecosystem.

the common barrier to faster payments

According to the 2021 Real-Time Payments Market Insight Report¹ published by Levvel consulting:

- 76% of participating financial institutions believe real-time payments will provide a competitive advantage
- 66% will likely offer real-time payments in the next two years
- 5% do not anticipate offering real-time payments

The Levvel report also cited the lack of understanding and knowledge about the faster payment networks as a fundamental challenge shared by the 47% of the banks and credit unions planning to adopt real-time payments or that have already implemented them.



Faster payments are quickly evolving from a competitive distinction into a competitive necessity for banks and credit unions.

the big decisions

Banks and credit unions that elect to offer faster payments have two fundamental decisions to make:

- 1. Proprietary or Partner Network Connections** – Every financial institution must decide if it will develop and maintain direct network connections or leverage a ready-built hub available through a technology partnership. Most financial institutions participating in the Levvel report – 76% – plan to use third-party providers to offer real-time payments based on the significant investments in infrastructure and the expertise required for direct connections.
- 2. Network/Platform Selection** – With Payrailz Pay A Person (P2P), Zelle, RTP, and the FedNow Service already processing millions of transactions year, selecting faster payments solutions can be daunting. Based on Jack Henry's experience to date, we believe most financial institutions will implement more than one network. For example, a bank or credit union may elect to receive instant payment transactions on multiple networks but initiate send on only one instant payment network based on use cases.



With Zelle, RTP, and the FedNow networks and Jack Henry's Payrailz Pay A Person solution, selecting an instant payments platform can be daunting.

apples and oranges – differentiating the payment networks

To help you compare some of the fundamental network distinctions, we have developed this at-a-glance comparison to help support your network decision(s).

	Zelle Network	RTP Network	FedNow Service
Definition	Real-time message overlay service tied to a directory service with defined UI/UX. Settlement occurs over the debit and ACH rails.	Instant payment network rail for the movement of funds between financial institutions using international standards and prefunded settlement accounts	Instant payment network rail for the movement of funds between financial institutions using international standards with settlement via Fed Master Accounts
All Network-Specific Data Feeds	Generated by JHA PayCenter	Generated by JHA PayCenter	Generated by JHA PayCenter
Network Certification	Managed by Jack Henry	Managed by Jack Henry	Managed by Jack Henry
Onboarding Support	Provided by Jack Henry	Provided by Jack Henry	Provided by Jack Henry
Payment Standard	Proprietary	ISO 20022	ISO 20022
Fraud Mitigation Solutions	Required Integrated into JHA PayCenter	Recommended Integrated into JHA PayCenter	Recommended Financial Crimes Defender™

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	Zelle Network	RTP Network	FedNow Service
Payment Types	<ul style="list-style-type: none"> • Person-to-Person • Business-to-Consumer 	<ul style="list-style-type: none"> • Person-to-Person • Account-to-Account • Business-to-Business • Business-to-Consumer • Consumer-to-Business • Consumer-to-Financial Institution • Financial Institution-to-Consumer 	<ul style="list-style-type: none"> • Person-to-Person • Account-to-Account • Business-to-Business • Business-to-Consumer • Consumer-to-Business • Consumer-to-Financial Institution • Financial Institution-to-Consumer
Defined User Experience	Zelle experience certification required	No UI/UX requirements	No UI/UX requirements
In-Development Use Cases	Small business payments	<ul style="list-style-type: none"> • Bill Pay • AR/AP integration • Closed-loop brick and mortar network 	TBD
Shared Directory	94 million email and mobile phone numbers tied to financial accounts	No	No
QR Code Support	In development	N/A	N/A
Transaction Limit	Established by institution	\$1 Million (April 2022)	\$500k
Transaction Processing	Between sending and receiving financial institutions	Between sending and receiving financial institutions	Between sending and receiving financial institutions

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	Zelle Network	RTP Network	FedNow Service
Intraday Overdraft Allowed	N/A	N/A	Yes
Interbank Settlement	Jack Henry provides complete settlement services on a batch basis Monday – Friday	Real-time gross settlement using a prefunded joint settlement account held at the Fed	Real-time gross settlement with the institution’s master Fed account or via correspondent Fed account
Respondent Settlement	N/A	N/A	Correspondent institution’s Fed account
Funding Agent Support	N/A	Yes – for send and receive environments	N/A
Dispute Management	Good Faith via Zelle CRM, financial institution manages queues	Supported via Request for Return of Funds message	Supported via Request for Return of Funds message
Interoperate	Zelle allows settlement on the RTP rails*	No	No
Functional Support	<ul style="list-style-type: none"> • Send • Request for Payment 	<ul style="list-style-type: none"> • Customer credit transfers • Request for Payment • Token support for account numbers 	<ul style="list-style-type: none"> • Connectivity via FedLine Solutions • Customer credit transfers • Request for Payment • Correspondent/ settlement services for financial institutions • Financial institution liquidity transfer
Jack Henry PayCenter Payment Toolkit Support for Integration with Digital Platforms	Yes	Yes	In development

*Not yet implemented in JHA PayCenter

pricing

(Subject to Change)

	JHA PayCenter	Zelle (Billed by Early Warning Services, LLC)	RTP (Billed by The Clearing House)	FedNow (Billed by the Federal Reserve)
Credit Outbound	<ul style="list-style-type: none"> • \$.60 Zelle In Network • \$.75 Zelle Out of Network • \$.20 RTP • \$ TBD FedNow 	<ul style="list-style-type: none"> • N/A • All fees billed by Jack Henry 	\$.045	\$.045
Credit Inbound	<ul style="list-style-type: none"> • \$.30 Zelle • \$.10 RTP • \$TBD FedNow 	—	\$.0	\$.0
Response	<ul style="list-style-type: none"> • \$.00 Zelle • \$.10 RTP • \$TBD FedNow 	—	\$.01	\$.01
Request	<ul style="list-style-type: none"> • \$.08 Zelle • \$.02 RTP • \$TBD FedNow 	—	\$.01	\$.01
Monthly Fee	Asset Based	—	\$.0	\$25
Request for Payment Incentive Fee	—	—	\$.10	\$0

*Not yet implemented in JHA PayCenter

Payrailz Pay A Person

Payrailz Pay A Person is a flexible, easy way for your accountholders to make person (P2P) payments in real time.

This next-generation solution:

- Operates as an open-loop solution, which does not require senders and receivers to belong to the same payments network or register to receive funds.
- Only requires the recipient's mobile number or email address – no sensitive, personal, or account information is needed.
- Enables recipients to be seamlessly added from the mobile phone's contact list.
- Leverages an AI-driven, highly engaging payments experience that only requires three clicks to initiate payments.
- Supports the options to leverage a defined user experience designed to maximize UI/UX or APIs to create custom user experiences.
- Supports one-time, recurring, and split payments and flexible delivery options.
- Uses good funds settlement.
- Enables transaction limits to be established by each financial institution at transactional, daily, weekly, and monthly levels with the ability to establish custom limits for individuals at these same levels.
- Enables funds to be credited to checking and savings accounts, debit cards, and Venmo accounts (with other options currently in development, including RTP network and the FedNow Service) with real-time messaging.
- Leverages FI Direct to generate real-time direct core messaging and settlement for senders and recipients with accounts at the same bank or credit union.
- Enables seamless integration into existing digital banking platforms.
- Provides complete onboarding support.



Payrailz Pay A Person leverages an AI-driven, highly engaging payments experience that only requires three clicks to initiate payments.

- Leverages the proprietary Paywayz® smart router engine, which eliminates the need for multiple P2P apps and networks and streamlines the entire payments process by automatically accessing all funding sources.
- Optimizes fraud mitigation with one-time password (OTP) functionality, the option to create unique security questions, and our fully-integrated real-time fraud detection solution, Payrailz® Fraud Monitor.
- Supports implementation as a stand-alone solution or strategic component of the Payrailz Digital Banking Platform.
- Provides a lower operating cost than competitive offerings.

Jack Henry

Every financial institution must reinvent and modernize its payments platform if it is going to support the near- and long-term expectations of consumers and businesses and remain relevant in the disrupted financial services industry.

Jack Henry is uniquely positioned to support payments reinvention and help banks, credit unions, and fintechs maximize the potential of instant payments with a true partnership approach that leverages our production-proven payments hub, our experience, and our ongoing strategic guidance.

connecting possibilities

[Learn more](#) about Jack Henry's faster payments hub and the [Payrailz Digital Payments Platform](#).

For more information about Jack Henry, visit jackhenry.com.

Zelle® and the Zelle-related marks are wholly owned by Early Warning Services, LLC and are used herein under license.

RTP® is owned and operated by The Clearing House (TCH).

The FedNow® Service is owned and operated by the Federal Reserve Banks.

sources

1. [2021 Real-Time Payments Markets Insight Report](#), Endava (formerly Levvel), October 27, 2020.