



Your source for payments education

Open Banking and FedNow

Everything you need to know

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Key Takeaways

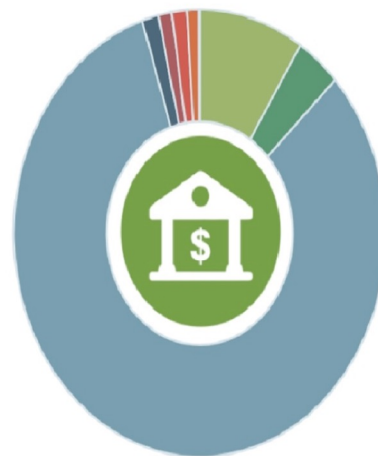
1. What is Open Banking? Where do things stand in the USA?
2. FedNow: What is it, how do you access it, where is it going?
3. Actionable and easily implemented suggestions merchants can take home today.

Open Banking: What, Why, When

Trends seen in Europe and the UK are beginning to show in the USA

- Account to Account payments are growing at 280% year over year in the UK
- In EU **45%** of all electronic payments are bank based
- **71% of US consumers** say said they would like to be able to make purchases or pay bills directly from their bank account

Global Open Banking Facilitated Payments Value in 2026: \$116 Billion



- North America
- Latin America
- West Europe
- Central & East Europe
- Far East & China
- Indian Subcontinent
- Rest of Asia Pacific
- Africa & Middle East



2,800%

Growth Rate in Open Banking Payments Transaction Value, Globally 2021-2026



75%

Europe, Share of Global Open Banking Payment Users, 2026



9%

North American Share of Global Open Banking Payment Values, 2026

What does it look like?



The checkout flow is easy and familiar for your customers!



No debt, fees, or interest



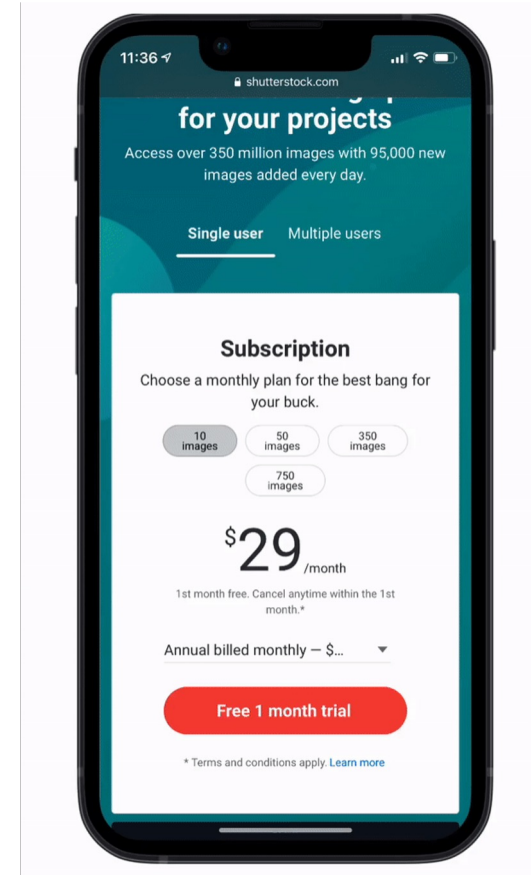
Privacy protection



Secure Transactions



Password or biometric authentication



FedNow requires ecosystem collaboration

Financial institutions

Financial institutions can connect directly to the FedNow Service or through their service provider.

Payment service providers

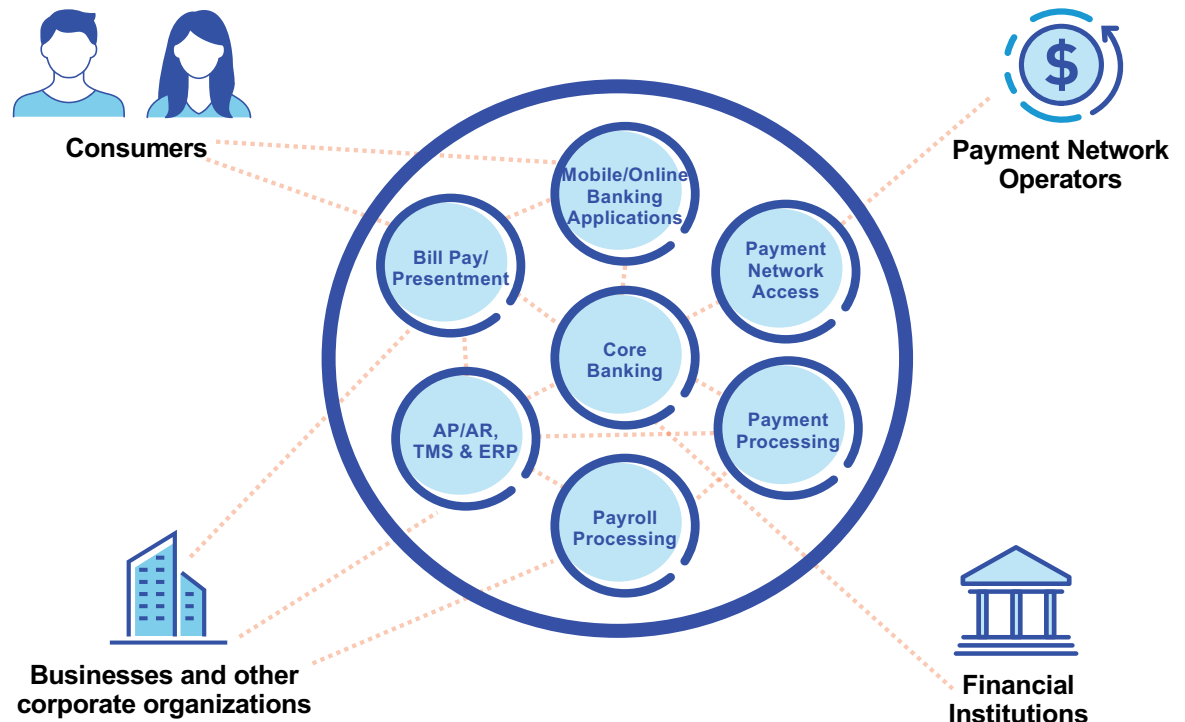
Service providers can connect directly to the FedNow Service on behalf of a FedNow participant/financial institution.

End users

End users can enjoy the benefits of instant payments offered by their financial institutions.

Other industry providers

Other industry providers can work together with financial institutions to create and offer a variety of instant payment solutions.



FedNow R1: Focused on core clearing and settlement

Core clearing and settlement features

Service level



24x7x365

● Basic reporting

● High availability

● Access via FedLine®
Solutions

Transfers



Credit push

● ISO® 20022
messaging

● Maximum
transaction limit

● Remittance information

Settlement



Master
account
settlement

● Correspondent /
respondent

● Seven-day
accounting

● Intraday credit

Summary & Key Takeaways

1. Cards are expensive and prone to fraud and chargeback abuse. Open Banking A2A payments are an easily implemented solve to this problem.
2. FedNow is U.S. payment infrastructure capable of enabling a multitude of use cases and providing benefits to businesses and consumers. FedNow's initial release will focus on basic core clearing and settlement with an eye on additional functionality in subsequent, near-future releases.
3. Payments are unnecessarily expensive and complex. The US payments ecosystem is ripe for disruption. Consider encouraging your customers to pay with non-card based payment methods like FedNow or Open Banking A2A payments.

Thank you

- Don't forget to submit your session evaluation!
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