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RESERVE  
BANK  
*of* ATLANTA

Retail Payments Risk  
Forum

# Payments in 2022: What Had Our Attention?

Talk About Payments Webinar

December 15, 2022

The views expressed in this presentation are those of the presenters and do not necessarily reflect the positions or policies of the Federal Reserve Bank of Atlanta or the Federal Reserve System.

# WEBINAR LOGISTICS

- **Have technical issues**
  - Submit issue in chat in the webinar platform for assistance.
- **Ask a question**
  - Click the Q & A button in the webinar platform and enter question.
- **Take the survey**
  - We'll send you a short survey immediately following webinar. We welcome your feedback.
- **Listen again**
  - Recording, presentation deck, and transcript will be posted on the Retail Payments Risk Forum website in approximately a week (<https://www.atlantafed.org/rprf.aspx>).

# RETAIL PAYMENTS RISK FORUM MISSION

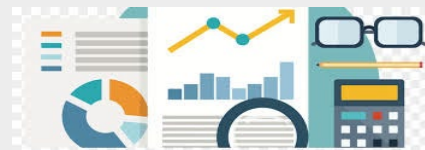
## Research and Education



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Payments  
Research



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Engagements

# TODAY'S PANELISTS



Nancy Donahue



Dave Lott



Jessica Washington

# AGENDA

1

**Payments Word of the Year**

2

**Payments infrastructure evolution**

3

**Business payments**

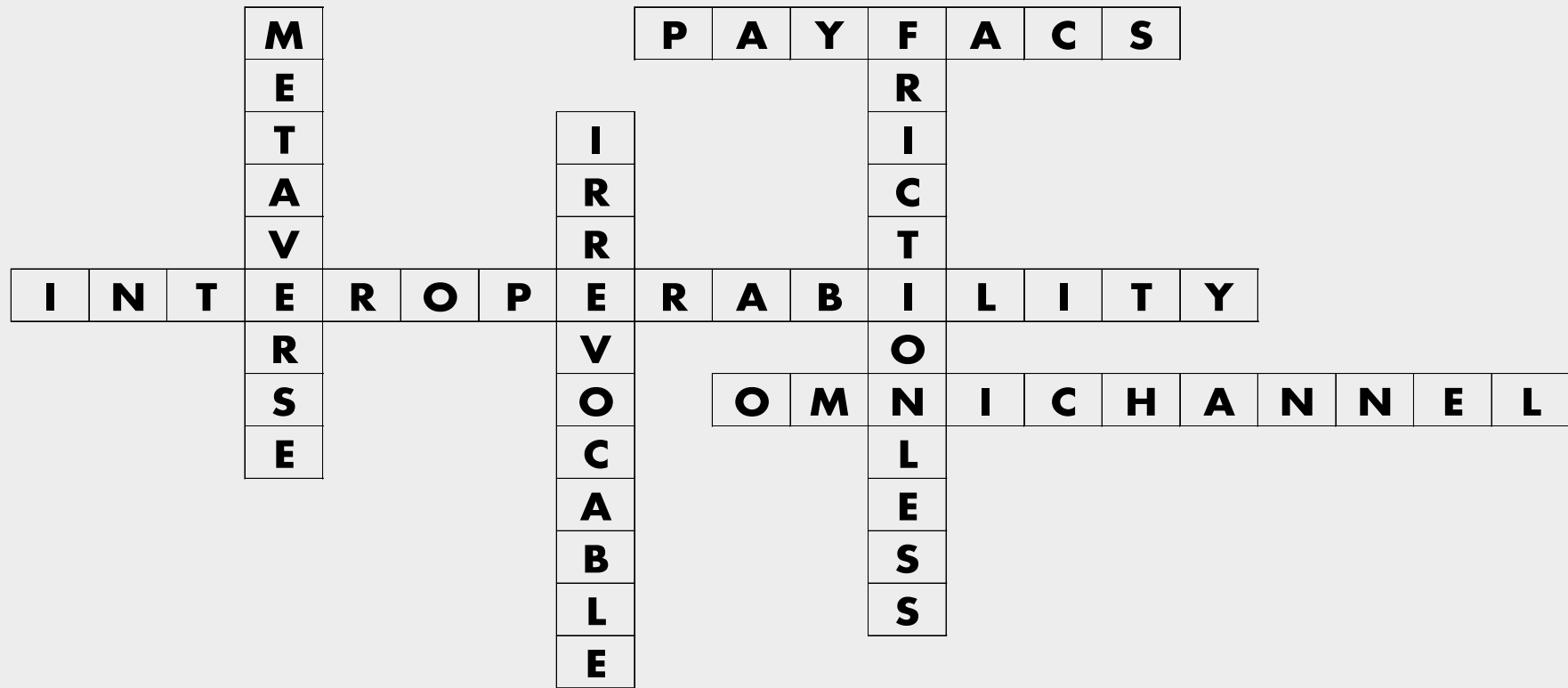
4

**Fraud collaboration**

5

**Audience Q&A**

# PAYMENTS WORD OF THE YEAR



# POLLING QUESTION

Which of the following words gets your vote for the Payments Word of the Year?

- a) Frictionless
- b) Interoperability
- c) Irrevocable
- d) Metaverse
- e) Omnichannel
- f) PayFacs

# EVOLUTION OF THE PAYMENTS SYSTEM





# PAYMENTS SYSTEM EVOLUTION

- Instant payments
- Same-day ACH
- Contactless payments
- Economic inclusion
- Open banking
- Debit routing
- Future technology

# Payments Inclusion



## Cash Preservation

Ensure consumers are able to continue to use cash as a widely accepted means of payment.



## Benefits of Digital Payments

Understand the benefits, bridge the gaps, design and research inclusively.



## Optionality

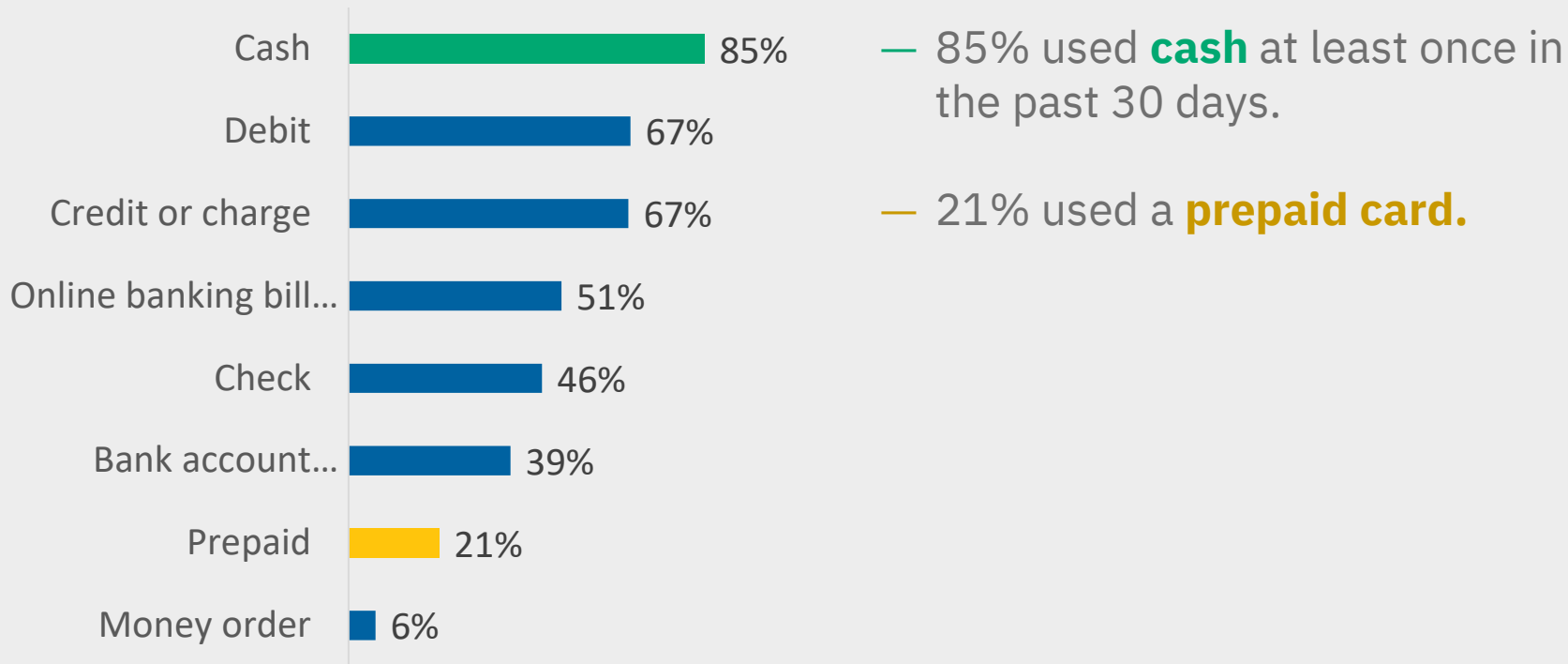
Ensure fair and equitable access to and use of payment options.



## Economic Resilience and Mobility

Promote economic resilience and mobility through financial and payments inclusion.

# MORE US CONSUMERS USE CASH THAN ANY OTHER PAYMENT INSTRUMENT



Source: 2021 Survey and Diary of Consumer Payment Choice

# PAYMENTS SYSTEM EVOLUTION

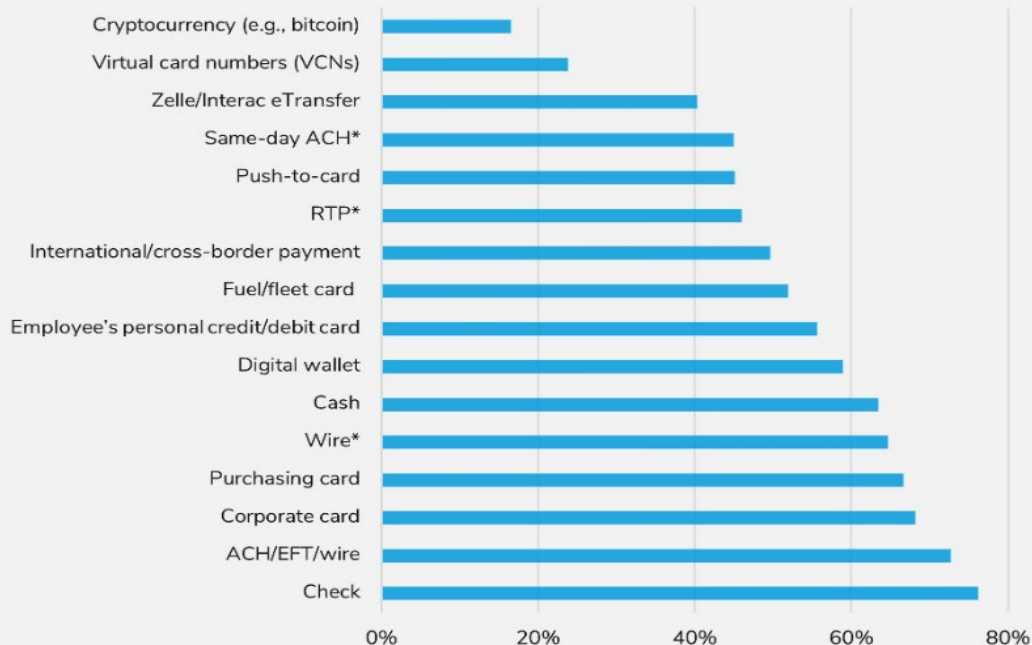
- Instant payments
- Same-day ACH
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- Economic inclusion
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- Future technology

# BUSINESS PAYMENTS



# BUSINESS PAYMENTS INNOVATION

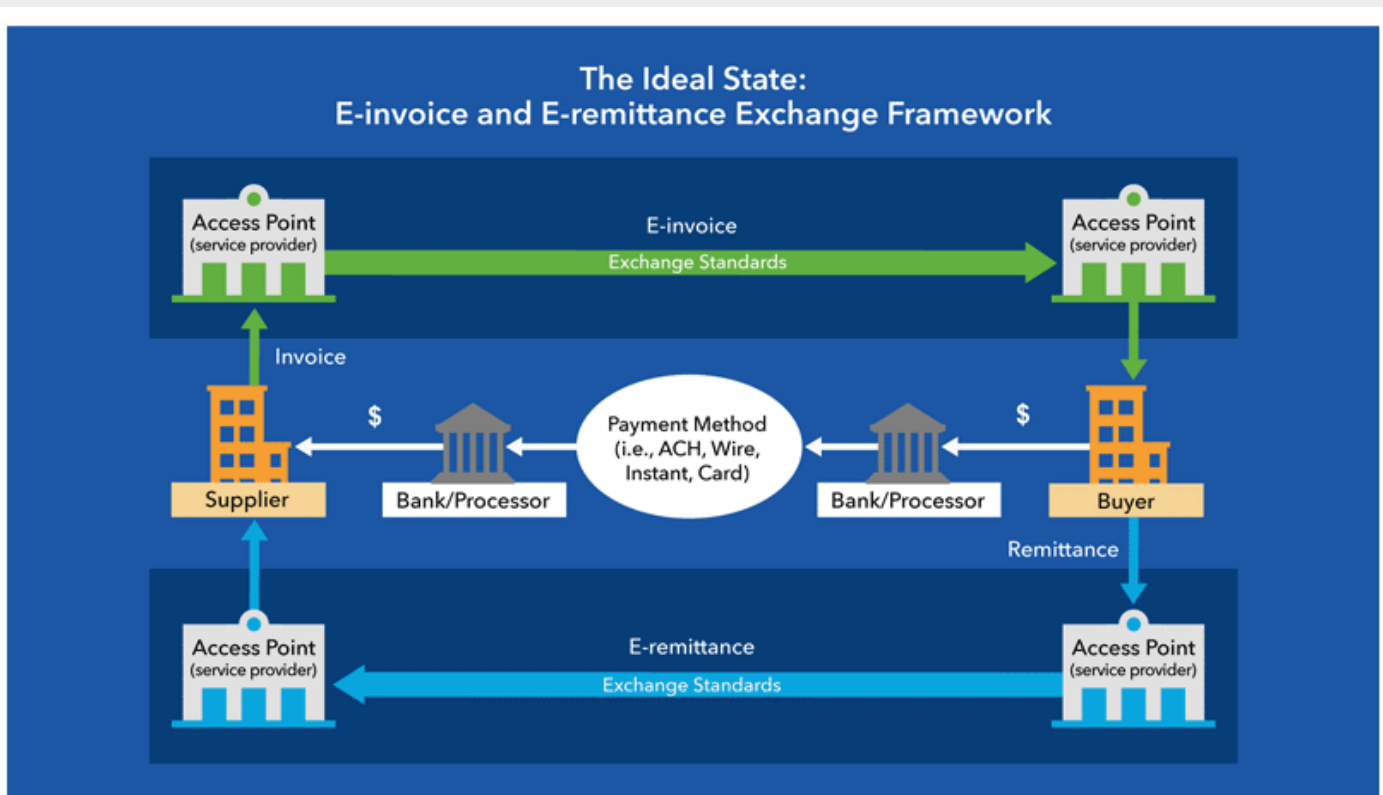
Q. Has your organization made any payments using the following payment tools in the past 12 months?  
(Base: 399 employees of midsize and large U.S. and Canadian companies)



\* Base: 300 employees of midsize and large U.S. companies

Source: Aite-Novarica Group survey of 790 employees of midsize and large North American and European organizations, Q2 2022

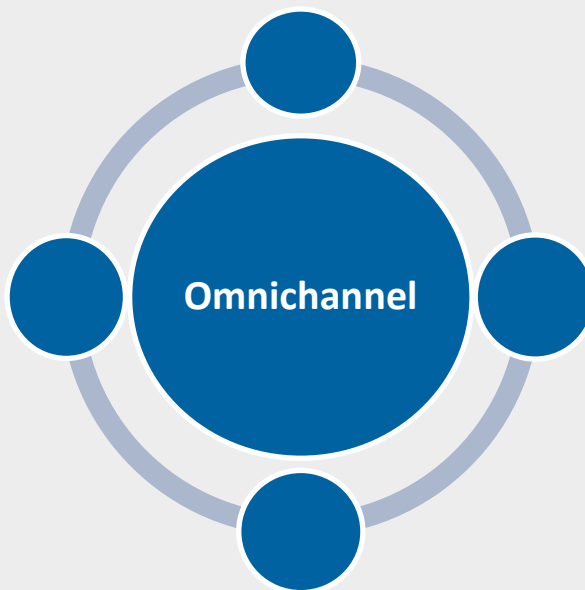
# BUSINESS PAYMENTS INNOVATION



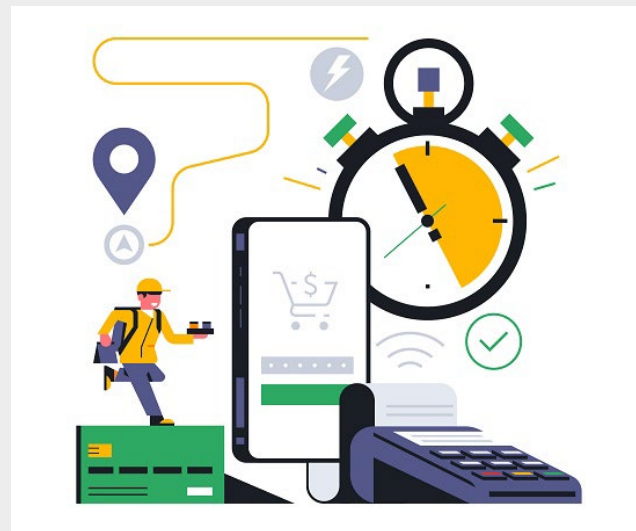
Source: [The E-invoice Exchange Framework: Paving the Path to B2B Payments Modernization - FedPayments Improvement](#)

# BUSINESS PAYMENT INNOVATIONS

## Virtual cards

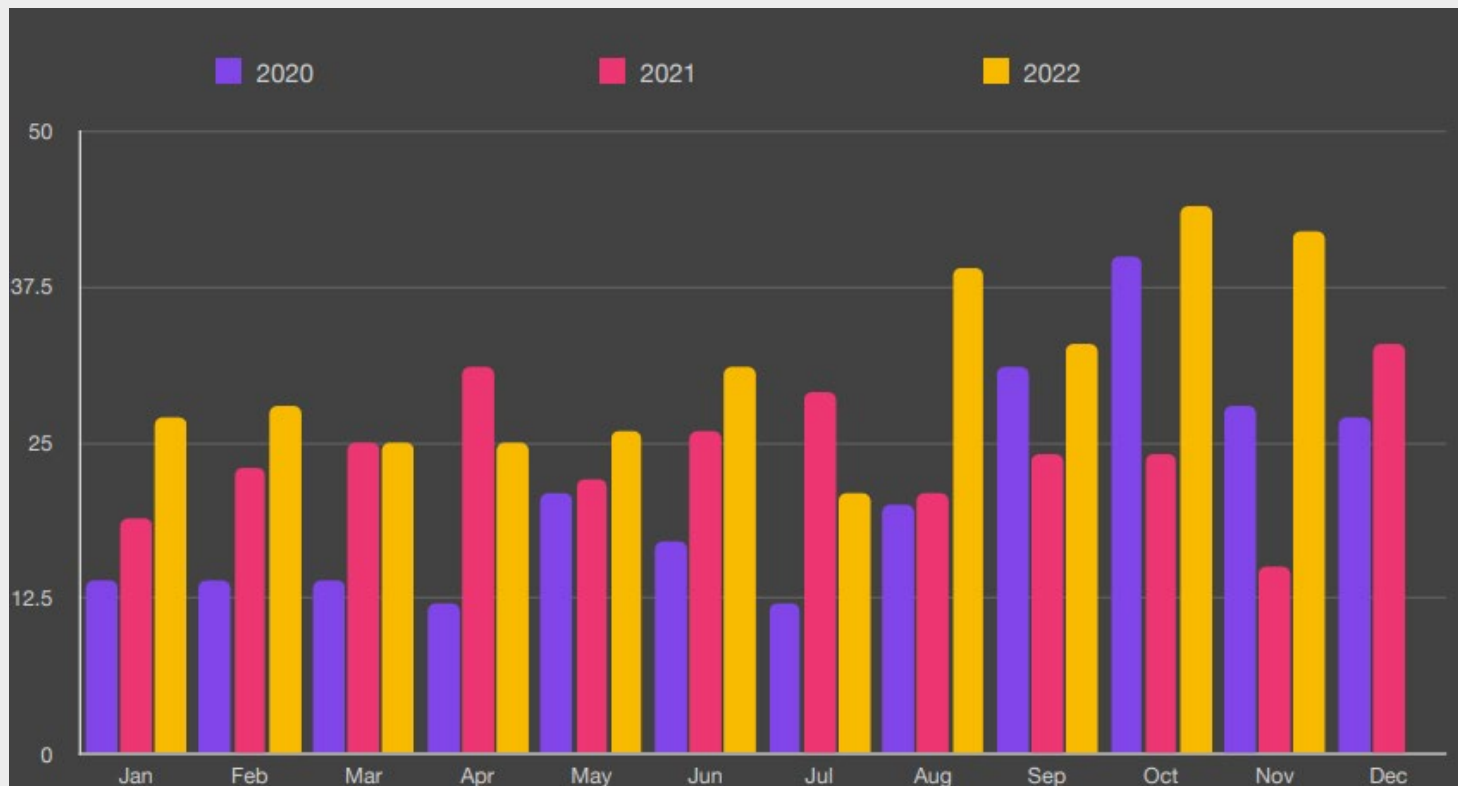


## Instant payments



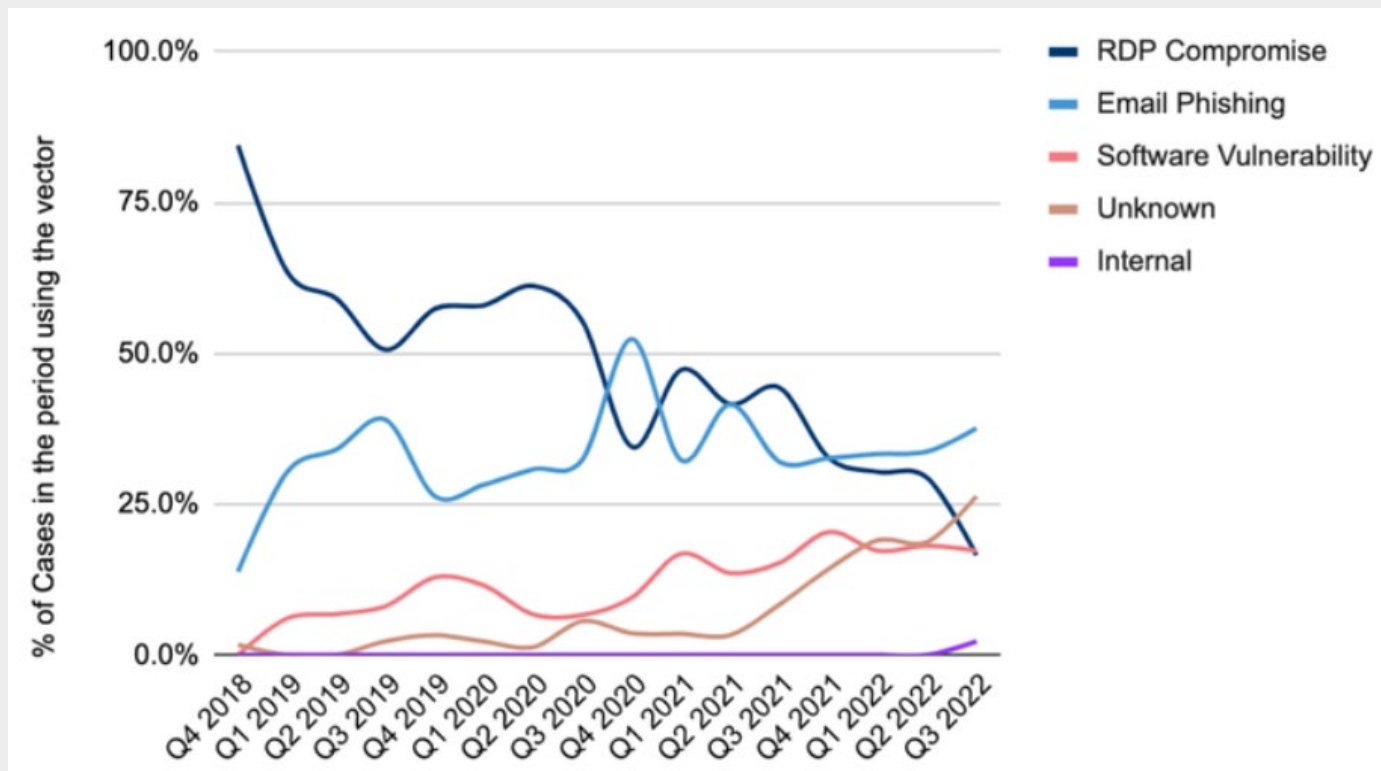


# RANSOMWARE TRENDS BY MONTH



Source: [BlackFogRansomwareReport-Nov-2022](#)

# RANSOMWARE ATTACK VECTORS



Source: Coveware <https://www.coveware.com/blog/2022/10/26/q3-2022-quarterly-report#payment>

# FRAUD COLLABORATION



# PAYMENTS FRAUD



- Fraud scenarios w/credit-push
  - Business email compromise
  - Vendor and payroll impersonation
  - Account takeover
  - P2P scams
  - Authorized push payment (APP)
- Chargebacks and 1st-party fraud
- Online fraud–eCommerce

# NACHA's NEW RISK MANAGEMENT FRAMEWORK



## AREAS OF FOCUS

- Defining the role of the receiving account-holding institution
- Enabling and providing information sharing among financial institutions
- Expanding and improving end-user awareness and education



## OBJECTIVES

- Increase awareness of fraud schemes that utilize credit-push payments
- Reduce the incidence of successful fraud attempts
- Improve the recovery of funds after frauds have occurred

# FRAUD COLLABORATION



- Interoperable network modeling
- Attack exercises

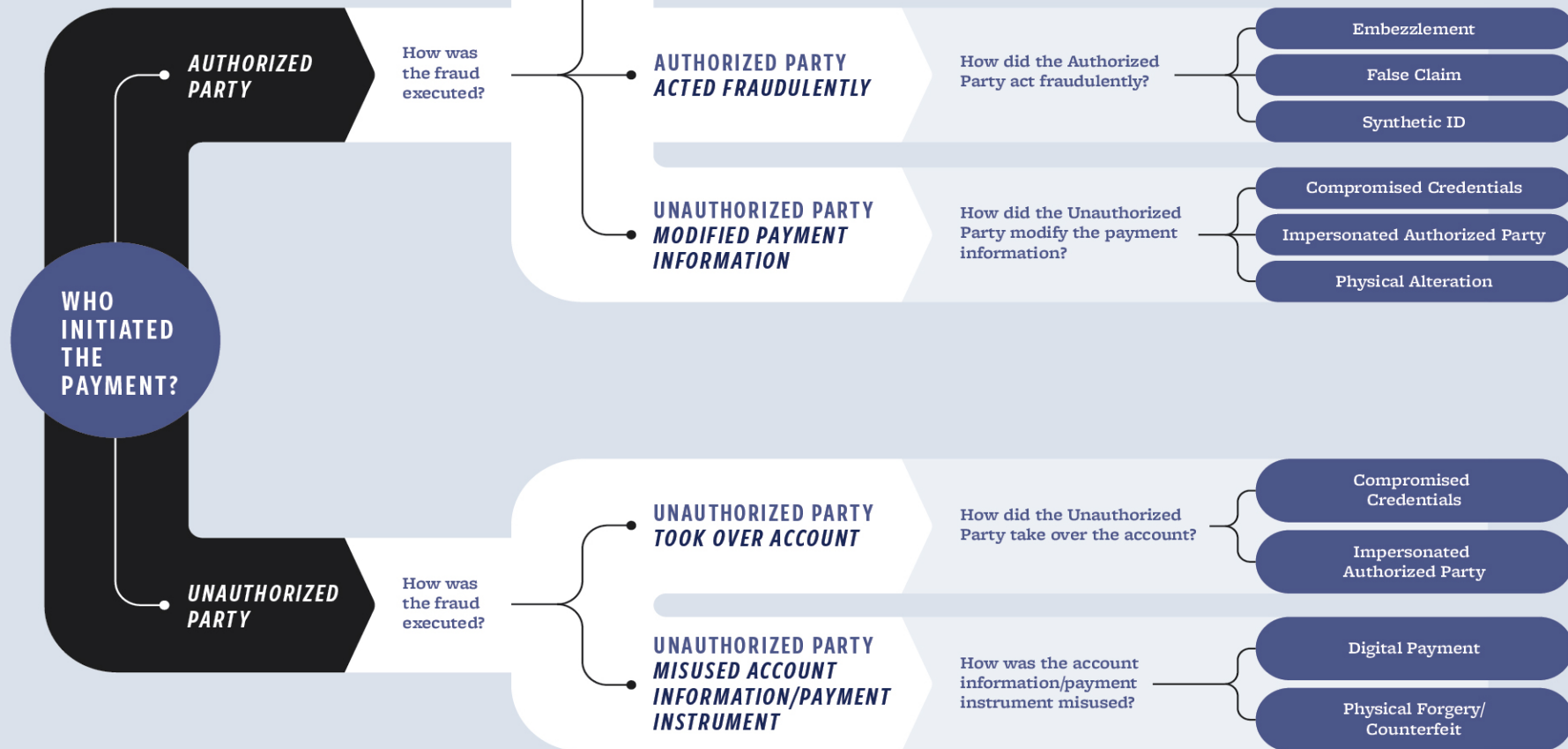


- Payment associations
- FS-ISAC
- Law enforcement
- The Fed
- Regulators



# FRAUD CLASSIFIER

Better Fraud Data. Better Defense.



# WATCHING IN 2023

- Banking-as-a-service
- Buy now, pay later
- Consumer shopping
- Gig economy
- Instant payments
- Master accounts





# What questions can we answer?

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**Click the Q&A button in the webinar platform to submit your questions.**



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## Retail Payments Risk Forum



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