

The **POWER** and **POSSIBILITIES** of **INSTANT PAYMENTS**

Financial institutions and other organizations can leverage the FedNow[®] Service to build and deliver new payment solutions that consumers and businesses are increasingly demanding. The possibilities are endless, but here are a few sample use cases and quotes to spark your imagination as your financial institution thinks through the instant payment solutions you might offer—either on your own or in partnership with service providers.

CONSUMER TO BUSINESS

A parent uses instant payments to pay his daughter's monthly preschool tuition. He typically submits the payment the day after his paycheck settles in his account and a few days before the payment is due.



"I love being able to precisely time the payment so I can make sure my paycheck is in my account before I pay the preschool bill. I have more control over my money paying this way."
– Trevor, preschool parent

BUSINESS TO BUSINESS

A restaurant owner instantly pays her new specialty supplier for fresh local ingredients as soon as they are delivered.

"Using instant payments allows us to get fresh specialty ingredients we need when we need them, while helping us to manage our cash flow and reduce the administrative burden of a lengthy invoicing process. It also builds a positive relationship with this new supplier!"

– Tasha, restaurant owner



CUSTOMER TO FINANCIAL INSTITUTION

A customer makes a car loan payment to his financial institution in the nick of time.

"My partner and I miscommunicated and we each thought the other had made the payment. When we discovered the mix-up, we paid it just in time with instant payments and avoided a late fee and penalty."

– Ricky, car loan holder



BUSINESS TO EMPLOYEE

A driving service enables its drivers to receive their wages with the click of a button whenever they like. When a driver logs into the company's secure interface and requests payment, the money owed to them is immediately transferred to the driver's chosen account.



"With instant payments, we're able to pay our employees as soon as they request payout which improves employee satisfaction and ultimately helps us retain our drivers."

– Naomi, human resources executive



“When I used to collect fees via check or cash, I was often fronting the money not knowing if I’d get paid back in full. Using instant payments is a game-changer. Plus, the other parents like it because it’s easy and convenient.”

– Rory, team manager

PERSON TO PERSON

A parent and team manager of a youth soccer team requests the other parents pay a last-minute tournament fee via instant payments. The payments are instantly available to the manager, who can then pay the tournament fee without having to wait for transactions to clear and settle.

ME TO ME

A small business owner instantly transfers funds from one of the business’ accounts at one financial institution to an account at another financial institution to make payroll payments.

“Being able to instantly transfer this money right before payroll goes out allows me to better manage cash flow.”

– Sonya, small business owner



LEARN MORE

To see many more instant payment use cases, visit the [Use Case Arena](#) on [FedNowExplorer.org](#).

Note: The examples and quotes in this infographic are fictional and for illustrative purposes only.

The Federal Reserve Financial Services logo and “FedNow” are service marks of the Federal Reserve Banks. A list of marks related to financial services offered by the Federal Reserve Banks is available at [FRBservices.org](#).

© 2023 Federal Reserve Banks