

Announcements, events, tips & more

Instant Payments – Consumer Use Cases

BBOK is ready to help as you evaluate the benefits of implementing instant payments! Last month we addressed the importance of use cases as part of your instant payments strategy to retain and gain deposit accounts. This month we'll look more closely at consumer use cases, since 75% of consumers are already using some form of faster payment, according to an [article by the Federal Reserve](#).

In our world today, time is literally money. The demand to instantly access and send money is not only growing but becoming an expectation for many consumers. Many of your consumer account holders are already utilizing faster payment services such as PayPal, Venmo, Cash App and Zelle to move their money faster. [Venmo was used by 22% of the total population in 2023](#). The balances held in these apps to facilitate routine payment transactions lower deposit balances held in bank accounts and threaten the need for a checking account.

How do you know if your customers are already using a faster payment solution? Review your customers transaction history for these common faster payment activities:

- Same day ACH services
- Transaction activity generated through a Person-to-Person (P2P) payments – either one you offer or others such as PayPal, Venmo or Cash App
- Account-to-Account transactions
- Funding a mobile wallet

Understanding the payment habits of your consumers will with help you evaluate your bank's payment strategy.



Bank Holiday

Bankers' Bank of Kansas will be closed on Thursday, July 4th, 2024 in observation of Independence Day. We will reopen for business on Friday, July 5th.



Meet the Team

Shannon joined BBOK in 2023 and has 10 years of banking experience that includes working behind the teller line, opening accounts, loans, and back-office work.

The personal experience that customers receive every time they

Implementing instant payments may be an opportunity to enhance your payment options – it may also be a defensive strategy necessary in retaining deposits and accounts.

Popular Use Cases for consumer instant payment strategies include:

- Enhancing your current P2P option to include instant payment functionality.
- Eliminating inefficiencies in the bill payment process. By moving these transactions to an instant payment, customers don't have to worry about delinquent payments that can be caused when money is pulled out of an account but takes three days to post.

[If you are interested in more use cases they can be found at the Federal Reserve's website.](#)

Get your questions about instant payments answered! We'll continue use cases in this newsletter with commercial customers next month. [We also invite you to join us and your peers for an open discussion during one of our virtual roundtables – registration is open for our next roundtable on July 30th!](#) Prefer to have a one-on-one conversation about instant payment options? We're happy to meet with you directly too.

Once you've decided to implement instant payments, remember to choose BBOK as your instant payment settlement partner to take advantage of streamlined efficiency in transaction settlement.

Daniel Hayden
Vice President Payments and Deposits

go into a branch is what Shannon likes most about community banking. She knows that the experience customers have is easier and less stressful when there's a friendly face that knows their name and is ready to help with their banking needs.

Shannon moved to Kansas from the state of Washington in September 2020, during the COVID-19 pandemic. She met her husband shortly afterwards and they are expecting a baby girl this September.

FedNow Service Virtual Roundtables

Registration for our FedNow Service virtual roundtable scheduled for Tuesday, July 30th from 10:00 AM-11:30 AM is now open.

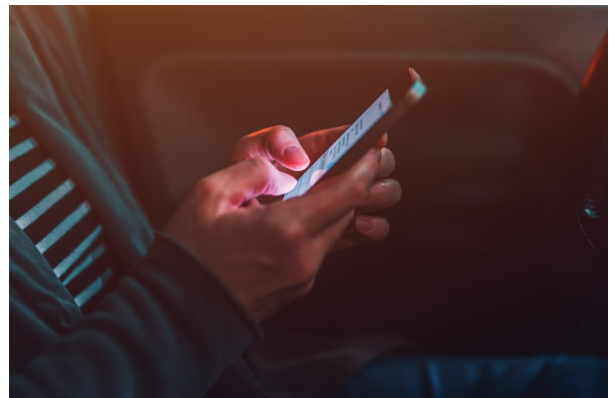
[Register now!](#)

Compliance Corner

Smishing Alert

The Office of the State Bank Commissioner (OSBC) sent out an alert to banks last week advising them to be aware of smishing campaigns targeting bank customers.

"Smishing" is a form of phishing via SMS (Short Message Service) and utilizes text messages to lure customers into revealing sensitive information such as online banking credentials.



The OSBC is advising banks to help mitigate smishing campaigns and educate their customers to avoid being victims. You can do this through checking for copycat websites, monitoring for abnormal account activity, and educating your customers about red flags and encouraging or requiring them to use multi-factor authentication (MFA) for their online banking accounts.

[Read the email sent by the OSBC for more information.](#)

Accessing the BBOK Compliance Statement

Our Compliance Statement is always available on bbok.com if you have questions or need answers on BBOK when you're working on your vendor due diligence.

Login to our website if you are not already logged in.

Username: bbokmember

Password: Leavenworth24!

Click on the Vendor Management link in the top right-hand corner of the website.

Click on the Compliance Statement button. It will be the fifth button from the top.

On the Compliance Statement page, click on 2024 Compliance Statement for Banks and download the PDF as needed.

Our ACH Audit Summary, Audited Financial Statements, Declaration of Insurance, and IT Audit Summary can also be found on the Vendor Management page.

[Click here for step-by-step instructions with screenshots.](#)

Tracy's Tips

The following rules have been approved by NACHA and go into effect 10/1/24:

Codifying expanded use of R17: This rule change explicitly allows a RDFI to use R17 to return an entry that is believed to be fraudulent. Things to keep in mind when using R17: use is optional, it is a requirement to include the descriptor "QUESTIONABLE" in the return addenda record, and the amendment is intended to improve the recovery of funds originated due to fraud.

Codifying expanded use of Funds Availability Exemptions: This rule allows for an additional exemption from the funds availability requirements to include entries that the RDFI suspects are originated under false pretenses. Currently an RDFI is granted an exemption if the RDFI suspects the credit entry was unauthorized; this exemption includes account takeovers. It covers common fraud scenarios such as Business Email Compromise (BEC) and vendor impersonation.



Expanded use of R06 by ODFI: Compliance by the RDFI is still optional and a RDFI obligation to respond to the ODFI is still optional. The RDFI is required to let the ODFI know within ten business days if they are going to comply with the request to return the entry.

Timing of Written Statement of Unauthorized Debit (WSUD) Form: Previously a WSUD could not be filed until the settlement of the entry. The change allows a consumer to complete the WSUD prior to the settlement of the entry. This allows consumers to dispute an entry when they receive an alert or notification of a pending transaction they did not authorize.

Prompt return of unauthorized debit: This requires that when returning an unauthorized transaction in the extended return timeframe, the RDFI must do so by opening of the sixth Banking Day following the completion of its review of the consumer's signed WSUD.

[For complete information on the changes, please visit NACHA's website.](#)

Cash Management

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