

Achieving balance between speed and accuracy of payments

Help protect your payments and reduce errors with Account Validation Service

Government entities need to make more immediate, seamless and secure payments just like any business. Now, more than ever, innovative collaborations with the commercial sector offer critical solutions to pay faster, create stronger customer experiences and reduce fraud.



Improper payments in the public sector

Improper and unknown payments continue to contribute to financial waste in government spending.

\$214B+ in improper payments made in FY 2022¹

41% increase in improper and unknown payments from 2019 to 2022¹

To build trust and credibility with the communities they serve, the public sector needs to manage the financial and reputational risk, while improving the user experience from end to end.



Use emerging technology that can learn and correct discrepancies via return intelligence



Have confidence in validation and authentication with identity proofing processes



Interrogate multiple data sources for optimized results



Employ frictionless, straight-through processing

Addressing improper payments

As little as three steps to improvements in addressing improper payments².



1. Build a technology framework

Better technology can help reduce the need for manual processing, improve payment times and lower the error rate.



2. Leverage data to prevent fraud

Use data analytics to increase accuracy, proactively prevent errors and mitigate payment fraud.



3. Improve the user experience

Enhance all aspects of the payment experience, including identity validation and payment account verification, to minimize improper payments.

Protect against fraud

Take action to help protect against fraud and improper payments.

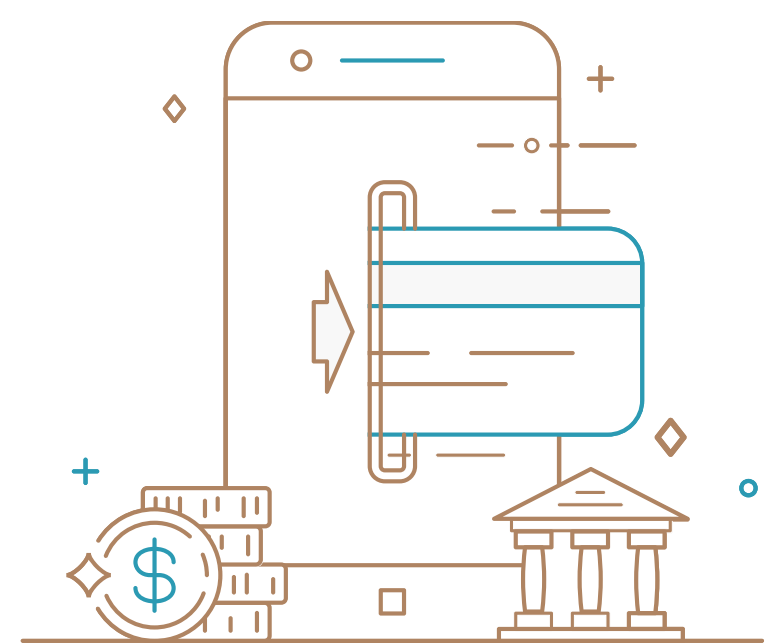


Validate recipient accounts

- Mitigate risk of payments fraud as technology advances
- Reduce identity takeover and re-direction of funds to unauthorized recipients
- Manage operational, collection and recovery costs from payments fraud more effectively
- Minimize reputational risk, which can be just as damaging as financial losses

Defend against fraud

- Authenticate account ownership identity prior to payment initiation
- Validate accuracy of payee information
- Reduce returned transactions due to bad payee information
- Limit financial losses associated with payment fraud
- Support customer satisfaction with rapid risk decisioning



AVS use cases

Account Validation Services helps government entities and GSEs overcome challenges.



1. Help ensure payment accuracy

Use recurring ACH enrollment to validate new payee details, identify potential errors, and authenticate ownership before issuing a first payment.



2. Work to prevent identity theft

Simplify tax payments and earned income credits. Confirm the taxpayer is registered, validate deposit accounts, and assess the risk associated with processing a refund.



3. Protect constituent data

To make changing bank details more secure, authenticate account ownership and validate account existence and status. Review vendor financial information before updating emails.



4. Issue emergency payments and benefits

For one-time and recurring payments, customers provide account information for monthly benefit payouts. AVS validates the account's existence, status, ownership and associated risk.

Sources:

1 <https://www.paymentaccuracy.gov/payment-accuracy-the-numbers/>

2 <https://www.jpmorgan.com/solutions/treasury-payments/insights/strategies-for-addressing-improper-payments>

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