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Fiserv Releases Top 10 Reasons Why Financial Institutions Have the Advantage in the Battle for the Payments Franchise

- | Banks and credit unions are facing new competition from non-traditional payment providers — the battle for consumer payments is where the action is in 2011
- | From a revenue perspective, the payments business is the most significant single line-of-business in U.S. banking
- | Consumers know what they want - 65 percent of consumers would prefer mobile payments offered by their financial institution
- | 74 percent would prefer to use their primary DDA account for new media payments

BROOKFIELD, Wis.--(BUSINESS WIRE)-- [Fiserv](#), Inc. (NASDAQ: FISV), the leading global provider of financial services technology solutions, announced today the Top 10 reasons why financial institutions have the advantage in the battle for consumer payments, including Web and social media payments. Those reasons are:

1. Consumers express a strong preference for a financial institution-centric new media payments system, according to Fiserv primary and sponsored research.
2. Customers already have an account relationship with their financial institution.
3. Financial institutions have payment systems that are robust, and secure.
4. Financial institutions have extensive fraud prevention, detection, and resolution operations in place.
5. Financial institutions are held to strict privacy practices which today are pervasive throughout their organizations.
6. Payment systems at financial institutions are strongly regulated, so even though banking regulations are currently in flux, consumers are best protected from fraud or abuse.
7. Financial institutions have laws, binding agreements and professional standards governing their payment-related activities.
8. Financial institutions can be held responsible, with known personnel and locations, which may contribute to a higher level of trust by consumers and businesses to handle transactions.
9. Financial institutions payment pricing models depend on repeat business, not one-time payments, IPOs or collateral advertising revenues.
10. Financial institutions already have extensive, secure, bank-to-bank payment networks in place including ACH, credit card, check clearing and more.

From a revenue perspective, the payments business is the most significant single line-of-business in U.S. banking. In fact, according to First Annapolis Consulting, payments in the U.S. represented more than \$282 billion in total revenue.

Financial institutions are in a unique position in this battle for the consumer's loyalty. Fiserv Consumer Insights research indicates that 65 percent of consumers prefer mobile payments offered by their bank; 74 percent prefer to use their demand deposit account (DDA) for new media payments and 75 percent feel it is important that the transmitted funds be deposited in a DDA.

"Now is the time for financial institutions to strongly defend the payments franchise, while the industry has the advantage," said George Warfel, consulting director, Fiserv. "However, this will require opening up to new ways of doing business and

offering new payments methods that people, merchants and corporations will want to use again and again, such as Internet or web payments, mobile phone and iPad payments, and soon, social media payments."

Warfel has more than 25 years of experience in payments product innovation and has developed retail and wholesale banking products in markets from Hong Kong and Denmark to the U.S. and Canada. His payments innovation work extends from central bank national payments systems to consumer level payments products. A social scientist by training, Warfel deploys surveys, focus groups, customer product design sessions and payment product innovation laboratories in his development of payment systems and products. He holds a patent for an image letter of credit system and has received industry awards for his payments innovations.

Warfel, along with Richard Oliver, executive vice president at the [Federal Reserve Bank of Atlanta](http://www.frbatlanta.org/), will be presenting on "The Coming Payments War: Recapturing the Payments Franchise" at the [NACHA Payments Conference](http://payments.nacha.org/) in Austin, Texas, April 3-6. The session will be held on Tuesday, April 5 from 10:00-11:15 a.m. in room 19AB.

Fiserv is a leader in payments, managing more than 20 billion digital transactions in 2010. As such, Fiserv offers solutions for optimizing all aspects of the payments mix including online, mobile, person to person, credit, debit, prepaid, check, ACH, and cash solutions to help financial institutions create efficiency and drive growth.

Additional Resources:

- | Federal Reserve Bank of Atlanta - <http://www.frbatlanta.org/>
- | NACHA Payments Conference - <http://payments.nacha.org/>

About Fiserv

Fiserv, Inc. (NASDAQ: FISV) is the leading global provider of information management and electronic commerce systems for the financial services industry, driving innovation that transforms experiences for financial institutions and their customers. Fiserv is ranked No. 1 on the FinTech 100 survey of top technology partners to the financial services industry. For more information, visit www.fiserv.com.

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