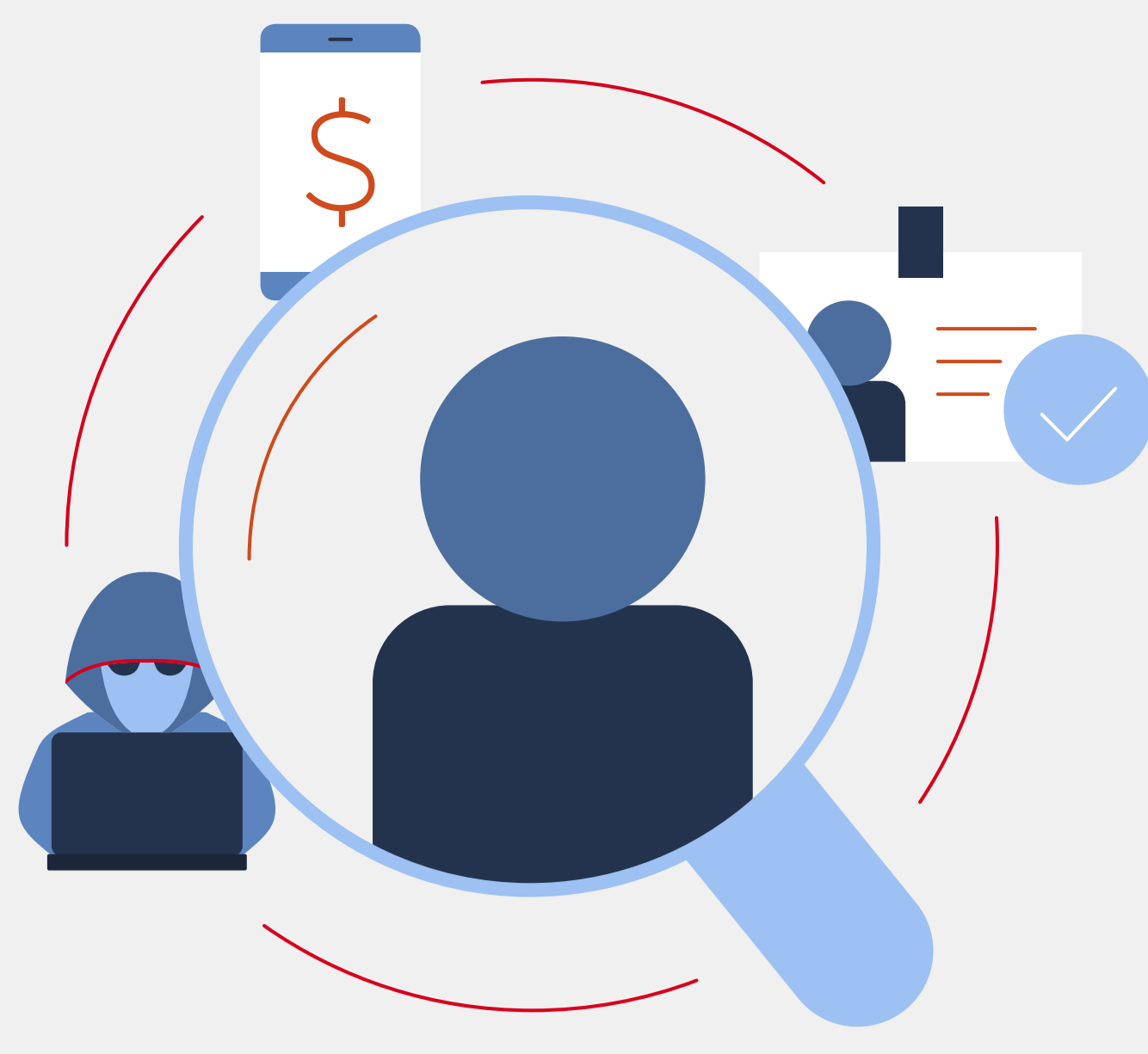


Real-time Account Validation

Ensure compliance with WEB debit entries



The Challenge

In the era of digital banking, the ubiquity of online transactions has solved some problems and introduced others. There are more technologies, more guidelines and rules, more considerations for merchants and billers.

Financial institutions must continue to embrace digital banking and help to empower online transactions that bolster consumer confidence in banking capabilities.

Increased adoption of online banking and financial services

54% indicated they use digital banking tools more due to the pandemic today than they did last year¹

Expanded engagement methods

54% of consumers want expanded engagement methods and also modern types of products and services²



Delivering on customer experience will be an integral part of how banks reassert their positive role in society during the coronavirus crisis. By addressing new customer needs and concerns while improving their own efficiency and effectiveness, banks will be a stabilizing force in a very uncertain environment.

- McKinsey & Company, April 2020

Fraudsters are continuously finding new methods of fraud as payments speed up and organizations are moving more digital transactions to real-time.

To mitigate account takeover and other ACH-facilitated fraud, Nacha-mandated that all ACH originators of WEB debit entries must make reasonable efforts to validate accounts to help detect fraud. This applies to financial institutions as well as corporations that are originating those transactions.

fraud losses
↑ **15%**

The average fraud attack has become more lucrative, leading to a 15% increase (to \$16.9 billion) in year-over-year fraud losses³

payments fraud
81%

81% of organizations experienced attempted or actual payments fraud in 2019⁴

account takeover losses
↑ **72%**

Account takeover losses rose by 72% over the prior year⁵

The Solution

Organizations need a solution that can verify account and account owner information in real-time while simultaneously identifying high-risk transactions.

Early Warning® has solutions that leverage the industry's most current and accurate source of collaborative account information to validate accounts and provide responses for high-risk transactions. Whether you are looking for a full account verification solution or simply need to verify the account status to be compliant with recent WEB debit changes, we have a solution that can meet your needs. With a single inquiry, Early Warning's solutions can answer the following questions in real-time:

- Is the person transacting authorized to do so on this account?
- Is the account open and active?
- Is the account new?
- Is the account in a negative status?
- Is the account a 'non-DDA' account?
- What is the account's associated risk?
- Am I able to debit this account?

USE CASES

Financial Institutions
Payments and deposits—check, ACH, wire, mobile deposit remote capture

Corporates
Payments and receivables—check, ACH, wire

Online new account funding

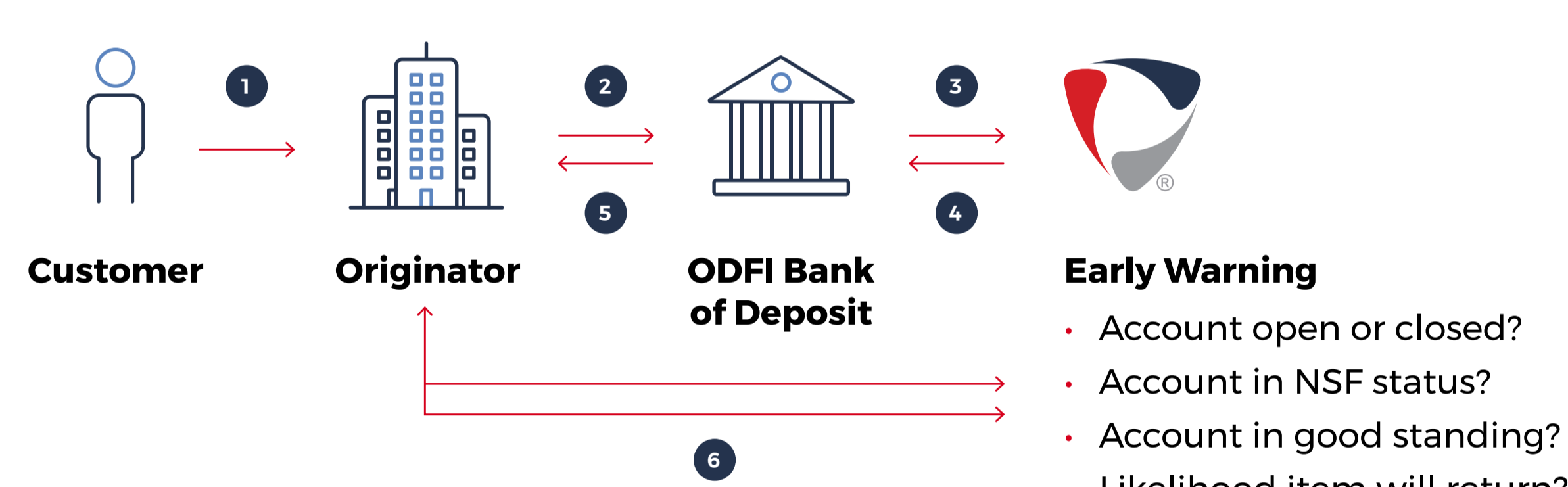
WEB debit account validation

External account linkages for money movement

Credit card payments or ACH payment enrollment

HOW IT WORKS

- Confirms account ownership
- Identifies open/valid accounts at point of transaction
- Provides specific condition of that account
- Provides immediate notification of high-risk transaction
- Identifies accounts that are currently returning transactions



Account Status, Score, Item Level and Account Owner Details

Responses will fall into one of the following categories.

ACCOUNT STATUS

- Represent what a paying organization reports as of the prior day's close of business
- Include Open, Closed or Overdrawn status
- Informational responses indicate if an item is drawn on a credit card, brokerage or other type of account

NEED ACCOUNT STATUS ONLY?

- To remain in compliance with the Nacha WEB Debit Account Validation Rule change, Early Warning provides a solution for Account Status only. Contact us for more information: earlywarning.com/pymt

RISK SCORES

- Analysis of millions of transactions associated with the accounts of participant and non-participant financial institutions
- Predictive scores are delivered, indicating the level of risk

ITEM LEVEL

- **Stop Payments** — identify checks that have a stop placed
- **Duplicate items** — detect items that may have already been presented
- **High-focus item/counterfeit** — identify potential counterfeit suspects

ACCOUNT OWNER

- Account names/owner matching (first, last, business)
- Account address
- Date of birth
- Identification/DL number, Type of Issuance, ID Issuance Date
- SSN or Tax ID
- External account type indicator
- Signer or owner match indicator

About Early Warning

For more than three decades, our identity, risk and payment solutions have been empowering financial institutions to make confident decisions, enable payments and mitigate fraud. Today, Early Warning is best known as the owner and operator of the Zelle Network®, a financial services network focused on transforming payment experiences.

To learn more about Early Warning, visit earlywarning.com.

For more information about real-time Account Validation and to contact an Early Warning Account Manager, go to earlywarning.com/pymt.

