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Federal Reserve Engages in Effort to Assess Faster Payments Solutions

The Federal Reserve on Tuesday announced the selection of McKinsey & Company to support Faster Payments Task Force efforts this year to assess faster payments solution proposals from various providers across the United States payments industry.

The Federal Reserve established the 331-member Faster Payments Task Force in 2015 to support a broader effort to improve the speed, safety and efficiency of payments. The task force is specifically charged with identifying effective approaches for implementing faster payment capabilities in the United States. Next month, interested task force members will submit comprehensive faster payment solution proposals to be analyzed using 36 effectiveness criteria identified by the task force.

“The task force members wanted a firm with broad payments expertise to assess proposals against the comprehensive effectiveness criteria they published in February,” said Gordon Werkema, the Federal Reserve’s payments strategy director. “McKinsey was chosen through a competitive bid process that considered expertise, ability to conduct an independent assessment, proposed assessment approach, and cost.” The Federal Reserve will fund the engagement on behalf of the task force, and an advisory group comprised of task force steering committee members will oversee the assessment process.

Both the proposals and assessments will be provided to the full task force later this year for review and comment, prior to their publication in early 2017. In addition, the task force will identify strategic issues deemed important to the successful development of faster payments in the United States and consider potential industry actions required to advance implementation and adoption. These conclusions will also be published in the task force’s final report.

“The process established by the task force ensures a fair, consistent and quality assessment of solution proposals, while bringing forward task force members’ comments and diverse perspectives,” said Sean Rodriguez, the Federal Reserve’s faster payments strategy leader and chair of the task force. “Importantly, the proposal assessments and the broader task force input are designed to enhance solution designs and help ensure that effective faster payments capabilities are implemented in the United States in a reasonable time frame.”

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