

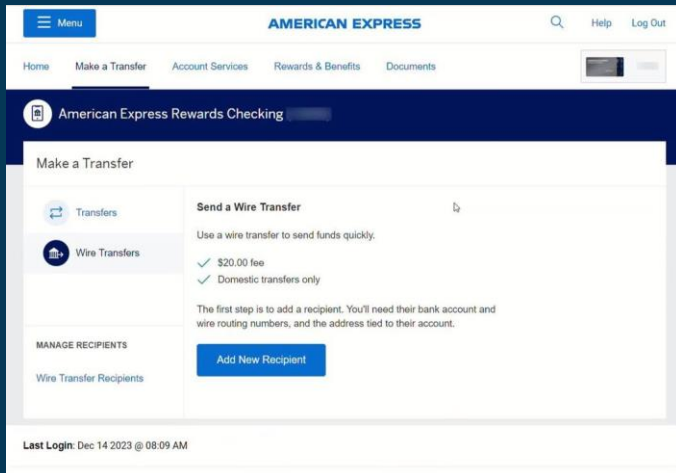
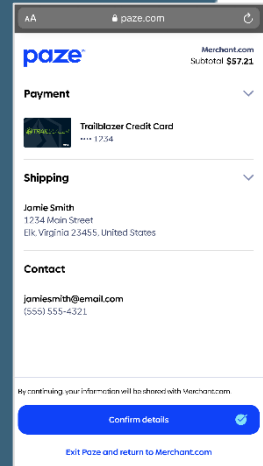
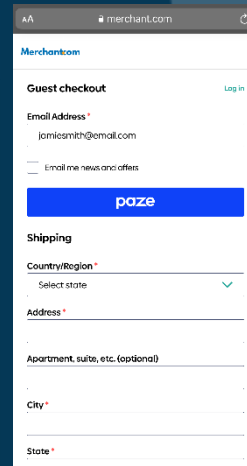
Paze: SMS OTPs and optionality

It's been a few months now since Early Warning announced Paze, a digital wallet service that highlights convenience and security.

Paze's core value proposition is in the data that account holders have already shared with their financial institutions. Instead of typing in card numbers or creating new usernames and password credentials at online checkouts, financial institution-registered email addresses and phone numbers are used to identify and authenticate customers via prompts and SMS one-time passwords (OTPs). Delivery addresses and contact numbers are also pulled into the purchase journey, and users can toggle between frequently used cards.

OTPs may feel dated given that biometrics have become so widely engrained, although Early Warning argues that consumers want some friction in payment journeys.

There is an opportunity here for more financial institutions to partner with Paze to build out the checkout journey, draw users into their banking app and evolve single transactions into useful digital banking experiences. That may well come.



AmEx pushes domestic wires

American Express now allows users to initiate domestic wire transfers through its desktop banking platform. The feature is accessible on the retail checking home screen via the Make a Transfer tab or button, both of which are readily accessible.

On the wire transfer page, users have the option to choose from standard electronic bank transfers or wire transfers. The provider informs users that only domestic wire transfers are available and is also transparent about the \$20 outgoing wire transfer fee.

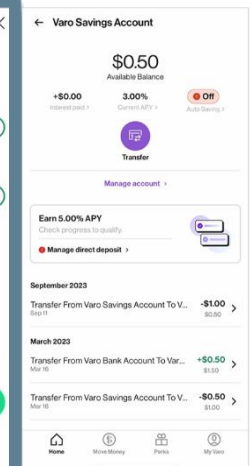
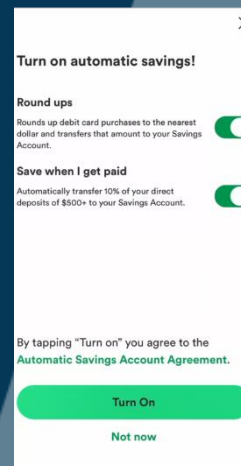
While digital wire origination functionality is quite common among the national banks – 69% of them offer this feature – it is less common among credit unions, with only 30% of those institutions tracked by the Digital Banking Analyzer allowing users to send wires online.

Fintechs lead round-up capabilities

Of the fintechs tracked by the Digital Banking Analyzer, 62% allow users to set up round-up savings, where the fintech rounds up each purchase to the next dollar and then automatically transfers that money from a spending account into a savings account. By comparison, only 7% of credit unions and 2% of national banks offer the feature. Overall, 13% of all fintechs offer a round-up option, offering users a hands-off approach to saving money regularly.

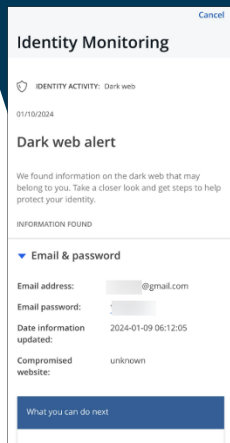
Fintechs such as Chime and Varo offer savings accounts but require users to open a checking account along with it. Others, such as Revolut, Current and SoFi offer savings vaults, which are extensions of a main spending account that allow users to separate funds from their balance in the main account.

Chime and Varo make it easy for users to activate the round-up savings feature. Chime's savings home screen features a prominently located toggle on-off switch. Varo incorporates its savings features into its onboarding journey, using this early connection to establish an engaged relationship with its users.



Advisors Plus on... Round-ups

For consumers living paycheck to paycheck, it may not be apparent how to begin saving. Round-up programs enable consumers to start saving small amounts that build over time.



Chase joins Capital One, Discover in dark web warning

Chase, Capital One and Discover have identified the dark web as an area of vulnerability for consumers and so have set about monitoring for instances of fraudulent activity.

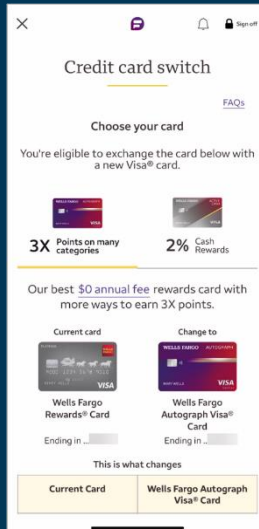
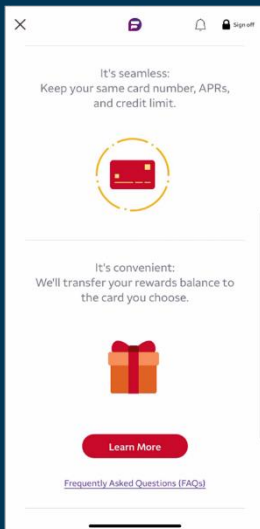
Chase recently added a dark web alert, which is sent to accountholders when their information is found on a suspicious part of the internet. Users are alerted via email and can follow an embedded link that takes them to the Chase app login page. Once logged in, they are redirected to Chase Credit Journey where they can view specific identity and credit alerts. The alert identifies the type of personal information discovered on the dark web and the date it was found.

A dark web alert does not automatically mean the user is a victim of fraud, but it can play a vital role in making sure that sensitive information is not used to conduct fraudulent activity at the user's expense.

Hackers use techniques that are ever-evolving to gain access to personally identifiable information (PII) that is then sold on the dark web.

Financial institutions that offer enhanced security through dark web monitoring for accountholders are taking the correct steps to build user trust and to secure their own interests, as well.

IN FOCUS: WELLS FARGO CARD SWITCH FEATURE



Announced toward the end of last year, Wells Fargo's "Card Switch" feature allows customers to gain the benefits of a new credit card that better matches their spending habits.

The card switch capability has a multitude of benefits that appeal to a broad range of customers, like no credit checks, no change in APR or credit limit, and allowing users to keep their current credit card number and reward points earned on the previous card. The activation process is straightforward – the physical credit card arrives with a QR code that directs the user to the card activation screen. Once activated via CVV input, users can immediately link their card to a digital wallet.

By integrating the card switch feature directly into their mobile app, Wells Fargo has an edge over other providers that typically require calling a customer service line to complete the same service. This capability encourages the uptake of new offers, keeps the brand front of mind and ultimately maximizes card utilization.

STAT OF THE MONTH

5%

of financial institutions* prompt users to set up their card after submitting an account application

*tracked in the Digital Banking Analyzer

ABOUT THIS MONTH IN DIGITAL

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