



Instant Pay - Use Cases

By utilizing Instant Pay, your consumer and business customers can make sensitive payments whenever needed, improve their cash flow and have immediate access to their money.

Use Case Examples

Peer-to-peer payments (P2P): FedNow allows individuals to transfer funds instantly to friends, family, or acquaintances, eliminating the need for cash or delayed bank transfers. It can be used for splitting bills, paying rent, reimbursing friends, or sending money as a gift.

Business-to-consumer payments (B2C): The FedNow service can be used by businesses to facilitate instant payments to their customers. For example, an e-commerce company can use FedNow to offer instant refunds for returned products, improving customer satisfaction, and reducing processing time.

Person-to-business (C2B): Individuals can use FedNow to make instant payments to businesses for goods and services. This could include paying for meals at restaurants, groceries at supermarkets, or services such as ridesharing, home services, and online subscriptions.

Payroll and gig economy payments: FedNow Service can be utilized by employers to offer instant salary payments to employees, ensuring faster access to funds. Additionally, it can benefit gig economy workers who rely on quick and frequent payments for their services.

Government payments (G2C): Federal, state, and local government agencies can leverage FedNow to provide instant benefit disbursements, tax refunds, and other government payments to citizens, reducing processing time and improving financial inclusivity.

E-commerce and online marketplaces: FedNow can be integrated into e-commerce platforms and online marketplaces to enable instant payment settlements between buyers and sellers. This reduces the risk of fraud and provides the sellers with faster access to funds.

Emergency funds and disaster relief: During times of crisis or natural disasters, immediate access to funds becomes crucial. The FedNow Services can be utilized by relief organizations and government agencies to disburse emergency funds quickly to affected individuals and communities.

Request for Pay (RFP): Request for Pay can be used to ask another party to send payment for any of the above use cases. This is an excellent opportunity for FIs who are enabled for FedNow Send to encourage business customers to use FedNow instead of issuing corporate checks. This generates FedNow Send volume and remediates the issue of corporate checks being used for fraud.

Other uses include:

- Rent and lease payments
- Insurance claim settlements
- Healthcare payments
- Travel and tourism payments
- Education and tuition payments
- Event ticketing and registration
- Subscription services
- Supplier and vendor payments