

Connectivity + Data + Experience = **Growth**

**MX**<sup>®</sup>

A hand holding a gold credit card over a laptop keyboard. The background is blurred, showing a person's face and hands typing on a laptop. A large black circle with a blue dot pattern is overlaid on the right side of the image.

**Connect Data:**  
Give Customers a Quick and  
Easy Way to Make Payments

**Without the Risks, Fees,  
and Hassle**



*The pandemic brought about unforeseen changes in the financial industry. Specifically, in the payments space, it has accelerated the move to e-commerce and digital payments — and it doesn't look like things will be slowing down any time soon. According to a report by Business Insider,<sup>1</sup> “surging e-commerce will continue to eat away at in-store payments’ share of overall retail. Online retail sales surged to \$794.50 billion, a record-breaking 14.4% of total US retail in 2020, thanks to increased spending on smartphones in particular.” While “payments made via credit card will grow from \$1.75 trillion in 2019 to \$1.82 trillion in 2024, marking a 0.79% CAGR.”<sup>1</sup>*

As consumers increasingly shift to digital solutions when it comes to their payment needs, players in the payments space will have to reassess their offering and invest in innovative technologies to compete effectively in 2021 and beyond. Simply put, financial companies must create a quick and easy way for consumers to make payments without risk, fees, or hassle. And it all starts with higher, faster, and safer connection coverage. As you look to improve the process for online and mobile payments, it's important to keep in mind the latest NACHA guidelines for WEB debits, which permits API and microdeposit-based verification methods.

At MX, we're advancing how modern connectivity — access to tokenized, credential-free API connections, built with the highest security standards — can improve the customer journey. We help merchants make it easier for their customers to quickly connect accounts, set up payments, decrease risk, and reduce NSF fees for a better user experience. As the payments space continues to grow, we've outlined three ways to help you stay ahead and outpace the competition.

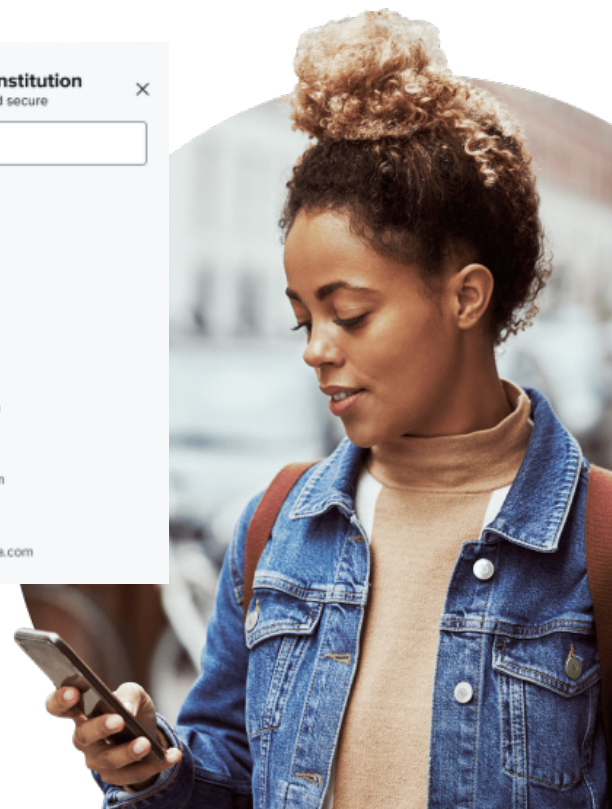
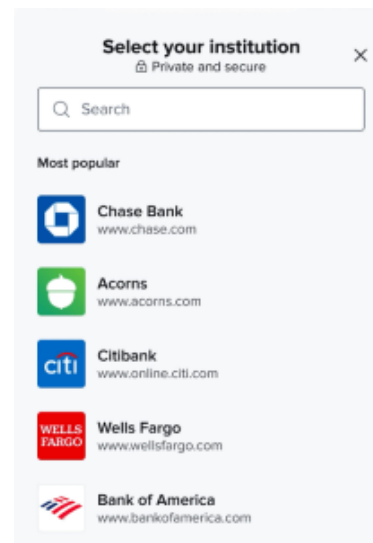
# 1. Create a frictionless experience: Help customers connect accounts easily

*According to recent findings from Mckinsey, <sup>2</sup> in the first six months of 2020 “consumers spent \$347 billion online with US retailers, up 30 percent from the same period in 2019.” Moreover, “Amazon’s second quarter 2020 numbers recorded 40 percent year-over-year growth.” In other words, consumers are embracing mobile and digital forms of payments as online shopping, credit card transitions, and P2P apps continue to gain popularity.*

The shift in consumer behavior towards digital first experiences on the rise, you need to reassess how your payments solutions better fit with this new mindset. A report by Cardknox <sup>3</sup> cites that “over half of Gen Z consumers use digital wallets at least once a month for purchasing and about 75% use a digital payment app.” To compete effectively you need to create a frictionless experience that allows customers to connect their accounts quickly and easily, in a safe and reliable way, which heavily relies on complete and dependable connection coverage availability.

At MX, we’re the leaders in modern, high-performance OAuth connections, making it faster and easier for your customers to connect a wide variety of accounts from almost any financial institution. Our modern connection solution intelligently routes to the best connection available so your customers remain connected without

interruption. Our Instant Account Verification solution lets your customers quickly authenticate the account information needed to initiate an ACH payment in a matter of seconds. This means your customers can facilitate more types of payments and transactions with your products without interruption or delays.





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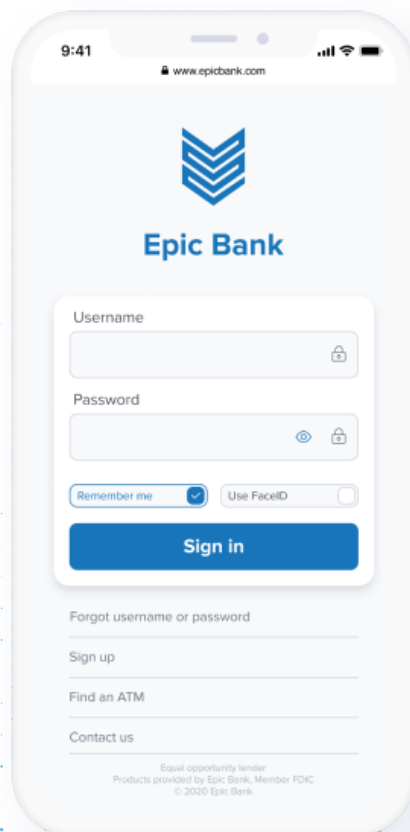
## 2. Make it safe and secure: Decrease risk and increase security

*According to a recent study by Payments Journal, <sup>4</sup> “during the first quarter of 2020, Venmo’s payment volume reached \$31 billion, representing a 48% year-over-year growth.”*


Furthermore, Zelle <sup>5</sup> saw a record year in 2020 with “1.2 billion transactions, totaling \$307 billion sent — an increase of 58% and 62% year-over-year, respectively.” However, the Payments Journal <sup>4</sup> reported that the increase in P2P transactions has also caused an increase in fraud, which has gone up by 733% between 2016 and 2019. What this means is that as digital-first payment solutions continue to gain traction, so will fraudulent activity, making secure connections an indispensable part of your success.

With our Instant Account Verification solution, we can help you confirm your customers’ account and routing number information instantly using their credentials, avoiding human error which can result in failed or fraudulent payments. With token-based modern connections you can mitigate risk by ensuring your customers financial data is accurate, reliable, and never shared.

Our partnership with many of the top financial institutions in the US, means that we can provide you with fast, reliable, and secure direct banking API connections so you can help your customers connect to a variety of payment applications and solutions without ever needing to share their information, lowering your risk and increasing security.



9:41  
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**Epic Bank**

Username

Password

Remember me  Use FaceID

**Sign in**



Forgot username or password

Sign up

Find an ATM

Contact us

Equal opportunity lender  
Products provided by Epic Bank, Member FDIC  
© 2020 Epic Bank

First name: John  
Last name: Smith  
Account: 12345678  
Routing: 123456789  
Balance: \$629.43

### 3. Improve cost savings:

#### Reduce NSF fees

*Pulling money from an ACH account comes with a lot of risk because if a customer doesn't have enough funds to cover the transaction, the financial institution has to incur a fee.* Not only is this a hassle for merchants, it also leads to lost revenue, and creates a poor customer experience. With our OAuth connections, we ensure that you can connect to customers' financial accounts and pre-validate their account balances in seconds for seamless payments, which allows you to avoid failed payments, overdrafts, and credit card fees. Our solution instantly connects to 90% of domestic bank accounts, auto-routing to micro-deposits for the 10% of the industry where instant verification isn't yet available. With the ability to verify balances before initiating a transfer and receive payments with direct bank transfers, you'll be able to reduce NSF fees, leading to higher cost savings.



**Jill Johnson**

Routing Number

555000455

Account Number

#### Scenario #1

Payment Failed /  
Bounced





## Payments are **redefining** **financial services**

The pandemic has brought massive and swift disruption to the payments landscape as ongoing shifts in e-commerce and digital payments have become the new norm amongst consumers. With new consumer expectations pushing significant acceleration towards innovative payments solutions, the financial organizations likely to come out on top will be those that are able to provide a seamless customer experience for setting up payments and quickly connecting accounts through higher, safer, and faster connections.



### Sources

1. <https://www.businessinsider.com/payments-ecosystem-report>
2. <https://www.mckinsey.com/~/media/mckinsey/industries/financial%20services/our%20insights/accelerating%20winds%20of%20change%20in%20global%20payments/2020-mckinsey-global-payments-report-vf.pdf>
3. <https://www.cardknox.com/white-papers/payments-industry-landscape/>
4. <https://www.paymentsjournal.com/unpacking-the-key-fraud-trends-in-the-payments-industry/>
5. <https://www.zellepay.com/press-releases#:~:text=Scottsdale%2C%20AZ%2C%20February%202%2C,%2Dover%2Dyear%2C%20respectively.>