

Beyond Compliance

One year after Nacha implemented the WEB Debit account validation rule, the payments ecosystem adjusts to new account validation realities and opportunities.



Executive Summary

Nacha and Preferred Partner Accelitas share lessons learned from the first year of the WEB Debit account validation rule, and how companies need to optimize and measure their account validation solutions to succeed in a continuously evolving marketplace.

In recent years, the Bank Account Validation (BAV) conversation has revolved around compliance as companies aligned to meet new Nacha standards for secure ACH transactions. Now with a year of the Web Debit account validation rule in full effect, the conversation has expanded beyond compliance to help to companies optimize solutions for their business while adapting to economic uncertainty, rising inflation, and new forms of fraud.

What if compliance was just the beginning?

Nacha and Accelitas recently conducted a webinar sharing lessons learned from year one of the Web Debit account validation rule, and insight into the next phase of account validation. Feedback from Nacha financial institution partners revealed that large companies often chose validation solutions that were too simple and didn't provide the necessary insights. Smaller companies struggled with costly and sometimes overly complex BAV implementations.

This document will highlight some of the challenges and ways to identify the right-size BAV solution for your business needs.

Challenges

Coverage is key

Despite advances in technology, many businesses continue to operate with significant gaps in bank account coverage, relying on manual and time-consuming layers of validation including Micro-Entries or data sources that don't provide up-to-the-minute results.

Bank data is constantly evolving

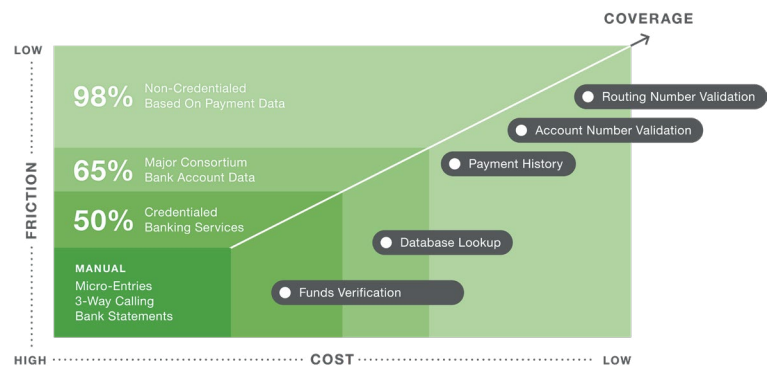
Accelitas data analytics has shown that bank routing numbers are constantly changing, and Nacha return codes evolve over time. Adapting to these uncertainties requires access to real-time data, automation, and continuous optimization. Companies that don't adapt will risk losing customers to more sophisticated businesses.

BAV performance isn't measuring up

The fact is, most companies don't measure BAV performance at all, leaving themselves unaware of risk management outcomes, return on investment, and opportunities for business growth. Having achieved Nacha compliance, many are unaware of the available options for optimizing their BAV solutions.

Understanding the economics of BAV coverage

There are many "commercially viable" options available for Bank Account Validation, but many come with significant costs and/or friction. The chart below maps friction and cost from high to low, while highlighting the level of coverage for each solution.

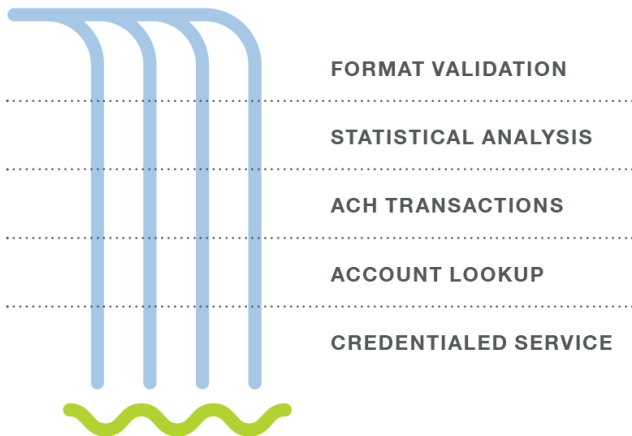


Manual methods like Micro-Entries have the highest friction for users, resulting in high abandonment and time-consuming manual processes. Credentialed banking services can provide reliable account verification, but privacy issues often cause great friction with some consumers. Access to major consortium data provides strong coverage but can still miss up to 35%–40% of the market. Non-credentialed transaction data based on payment history has been found to provide coverage up to 98% with very low friction for the consumer experience.

Solution

An innovative approach that goes beyond compliance

There is no one “silver bullet” product for Bank Account Validation, so the most economic and effective solution requires a waterfall approach that utilizes the lowest cost and friction at the top of the waterfall and adds additional layers of insight and scrutiny throughout the workflow. Companies can leverage the appropriate product at any or all stages of their workflow according to their business model, risk tolerance, and budgets.



As a Nacha Preferred Partner for Bank Account Validation, Accelitas goes beyond compliance, leveraging unique sources of real-time transactional data, advanced behavioral analytics, and unsurpassed U.S. bank coverage to create seamless and customizable BAV solutions.

Custom-tailored BAV to fit each business

Accelitas has developed BAV models that can be tailored to each company’s business risk levels and tuned to the market conditions.

Unmatched coverage means less friction

Able to offer an industry-leading 98% non-credentialed account coverage, Accelitas BAV services provide an economical way to reduce the incidence of successful fraud attempts without impacting the customer experience.

Closed-loop testing and measurement

If you’re not measuring something, it will be very hard to improve it. Implementing a continuous feedback loop ensures optimized modeling, scoring, and decision making.

The Nacha and Accelitas partnership continues to pursue a safer and more robust ACH Network, not only mitigating the incidence and impact of fraud, but creating opportunity for business growth through fast, fair, and more frictionless ACH transactions.

Today’s businesses need to evaluate their current account validation solutions. If they aren’t adding up, Accelitas can help, offering a robust sandbox environment as well as no-cost data testing to demonstrate its BAV performance.

For more information

Email: sales@accelitas.com

Call: 415-842-7715

www.accelitas.com

Watch the Nacha + Accelitas Webinar “**Beyond Compliance: How real-time, real-world insights deliver BAV solutions for uncertain times**”

The Accelitas Difference



UNMATCHED DATA COVERAGE

98% of U.S.
Bank Accounts



REAL-TIME VALIDATION

Daily Updates from
> 400k Merchants



PREDICTIVE ANALYTICS

Frictionless ACH
Validation



CUSTOMIZED SCORING

Dynamic Scoring
Customized to Your
Business



SEAMLESS INTEGRATION

SOC 2 Compliant
SaaS API Platform

About Accelitas

Accelitas® is reimagining financial access through the transformative power of data. Our AI-powered predictive analytics and alternative data sources deliver fast, fair, and frictionless ways to help companies achieve business growth and financial inclusion. Powered by the real-time web services of its Accelerated Insight® Platform, the company provides innovative ways to seamlessly validate accounts and accept more creditworthy borrowers. Implementing a continuous feedback loop ensures optimized modeling, scoring, and decision making.

Visit accelitas.com for more information

About Nacha

Nacha governs the thriving ACH Network, the payment system that drives safe, smart, and fast Direct Deposits and Direct Payments with the capability to reach all U.S. bank and credit union accounts. There were 30 billion ACH Network payments made in 2022, valued at close to \$77 trillion. Through problem-solving and consensus-building among diverse payment industry stakeholders, Nacha advances innovation and interoperability in the payments system. Nacha develops rules and standards, provides industry solutions, and delivers education, accreditation, and advisory services.

Visit nacha.org for more information