



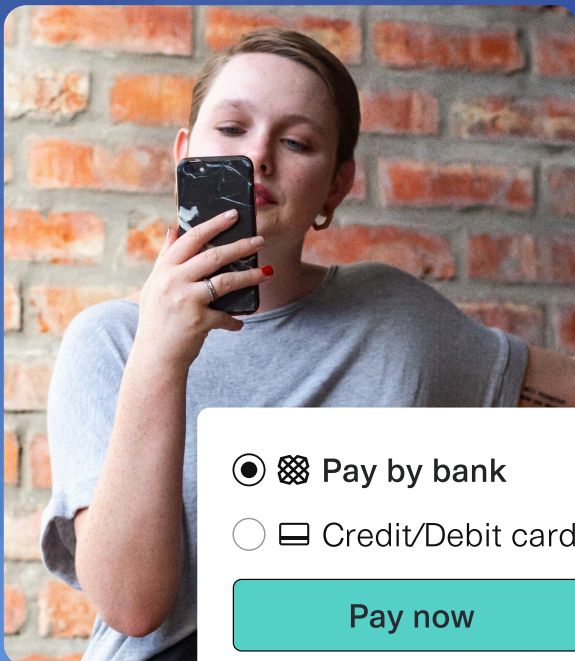
The rise of pay by bank: How merchants can reduce costs and grow revenue





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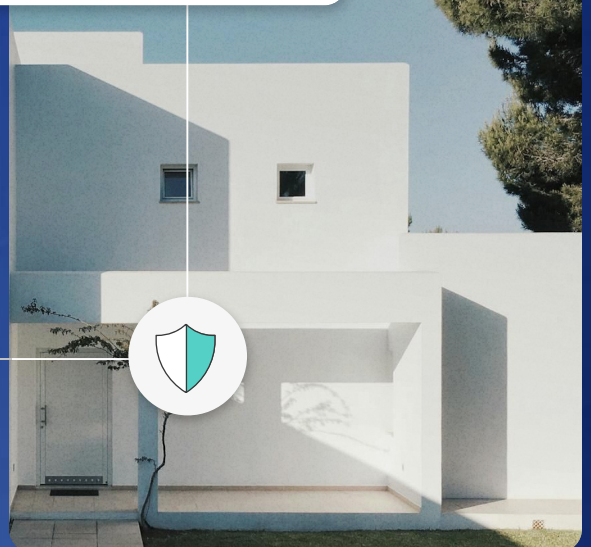
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The rise of pay by bank: How merchants can reduce costs and grow revenue

Executive summary

- Our analysis indicates that pay by bank (PBB) solutions in the US are likely to meet considerable demand driven by increasing consumer willingness to try new payment methods and merchant demand for cost-effective alternatives to card payments.
- PBB solutions are increasingly serving high-impact use cases such as e-commerce and bill pay. The ongoing shift away from revolving credit towards debit and account-to-account products, plus the potential cost savings make PBB even more attractive to consumers and merchants.
- Successful PBB implementation requires aligning functionality with consumer needs, forging partnerships with banks and payment processors, and promoting the advantages of PBB to both merchants and consumers. Ecosystem players need to assess their own capabilities and consider partnering with service providers to fill any gaps in their offerings to consumers and merchants.
- Merchants will increasingly need to embrace alternative payment methods like PBB due to changes in consumer preferences. This provides merchants with the opportunity to adapt to changing demands and capitalize on emerging trends.
- Collaboration with payment service providers enables merchants to navigate the evolving payment landscape, tailor solutions to customer preferences, and maximize benefits from modernization efforts.

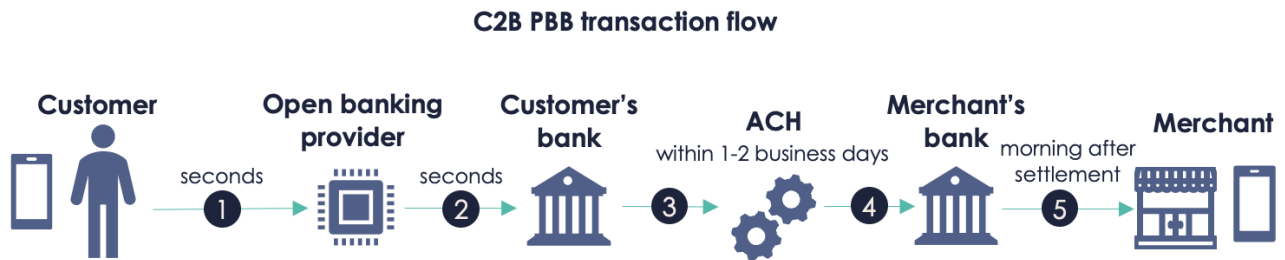
Introduction

Electronic payment methods are continuing to grow in importance. The shift from credit- to debit-based payments has accelerated the continued decline of cash and brought account-based solutions to the fore; the United Kingdom and the United States are prime examples of this phenomenon. Alternatives such as pay by bank (PBB) are gaining in popularity, fueled by the combination of instant and ACH payments and open banking.

Definition of pay by bank

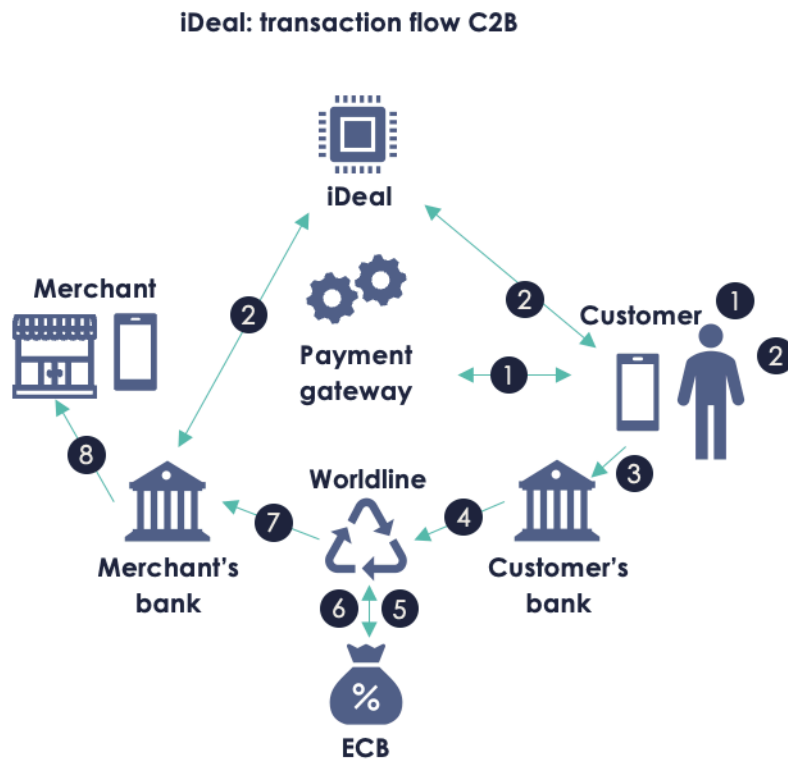
Pay by bank (PBB) is a direct payment from a customer's bank account to a business's bank account without using a payment card. One example of a typical payment flow is as follows: a customer chooses PBB as the preferred payment option at checkout (1) and then securely makes a connection to their bank account through an open banking payments network like Plaid and authorizes the payment (2). Once the payment is processed (3)(4), the merchant receives the funds (5).

Figure 1: US model PBB transaction flow



Source: Lipis Advisors summary of transaction flow using standard ACH rails. Note that Same Day ACH or instant payments are even faster for steps 3, 4, and 5.

Figure 2: iDeal simplified transaction flow



Source: Lipis Advisors summary of transaction flow

A more concrete example is that of iDeal in the Netherlands (see Figure 2 above). The customer selects iDeal as their payment method at checkout and chooses their bank within the online checkout platform (1). The customer is subsequently directed to their mobile banking app or online banking portal where iDeal retrieves the merchant's payment details via API and automatically populates the routing information (2). Once confirmed by the customer, the prefilled iDeal payment is submitted to the consumer's bank (3). Using the low-value real-time infrastructure in the Netherlands, operated by Worldline, the

customer's bank processes the payment (4). Following this, settlement instructions for the payment are forwarded by Worldline to the European Central Bank (ECB) for processing (5) where the ECB settles the amount and informs Worldline of the completed transaction (6). Upon receiving confirmation, the merchant's bank credits the merchant's account (7), and subsequently, the merchant receives payment confirmation from their bank, typically within seconds (8).

There are several advantages for both consumers and merchants with PBB solutions

PBB is a bank transfer, so merchants typically pay less to accept them than with a card transaction while still leveraging bank-led security measures (e.g., different authentication methods, encryption, and fraud detection). PBB solutions also promote customer trust as sharing sensitive consumer financial information is tokenized and limited to third parties authorized by the customer. As instant payments become more available in the global landscape, PBB benefits from instant settlement, offering immediate confirmation to both the sending and receiving parties. Additionally, merchants have immediate access to funds, which supports healthy cash flow and reconciliation.

Aim of the study

Consumers, merchants, and banks have shown increasing interest in understanding the fundamentals of PBB, what will drive its growth, and what the business case for financial service providers, merchants, marketplaces, and billers is to adopt this payment method. Lipis Advisors believes that consumers and merchants in the UK and the US are ready to embrace PBB, especially services powered by open banking, which provides high-quality UX. This study aims to educate market participants on and build confidence in the adoption, performance, and ROI of the PBB opportunity. Our methodology consisted of collating internal, second, and third-party data as well as insights from expert interviews with representatives of Plaid, Adyen, and merchants.

State of bank payments today

The global shift from in-store to online purchases, the use of electronic payments, and the adoption of digital financial apps and services were accelerated by the COVID-19 pandemic. In some markets, however, PBB solutions have been well-known for years with both great and moderate success. The US market may be the world's largest economy, but its financial services market is highly fragmented, making it unique in many ways. This makes apples-to-apples comparisons with other markets difficult, so we picked five that are the most comparable in terms of size and nature of their economies to showcase PBB's state of play.

Table 1: Market comparison overview

Markets	Canada	Germany	Netherlands	Spain	UK	US
Bank account penetration (2021)¹	99.6%	99.9%	99.7%	98.3%	99.7%	94.9%
Consumer bank transfers per capita (2023)²	132.5	75.6	211.9	44.8	90.2	75.9
Leading PBB solution	Interac e-transfer	giropay	iDeal	Bizum	Various open banking providers	Various open banking providers
Year launched	2003	2006	2005	2016	-	-
Use cases*	P2P, B2B	P2P, C2B, B2C, C2G	C2B, C2G, G2C	P2P, C2B, B2C	C2B	C2B

*List of terms can be found at the end of the paper

Out of the five markets considered, the Netherlands and Spain have clear market-leading PBB services, all resulting from industry-led cooperation enabling consumers to make A2A payments across multiple use cases. Germany's main solution, giropay, which is owned by numerous public and private German banks, has failed to gain significant traction in either peer-to-peer (P2P) or e-commerce. Several PBB solutions have been launched in the UK, but the market is still in the early stages of adoption, though open banking-powered solutions are starting to see increased use.

Payment trends

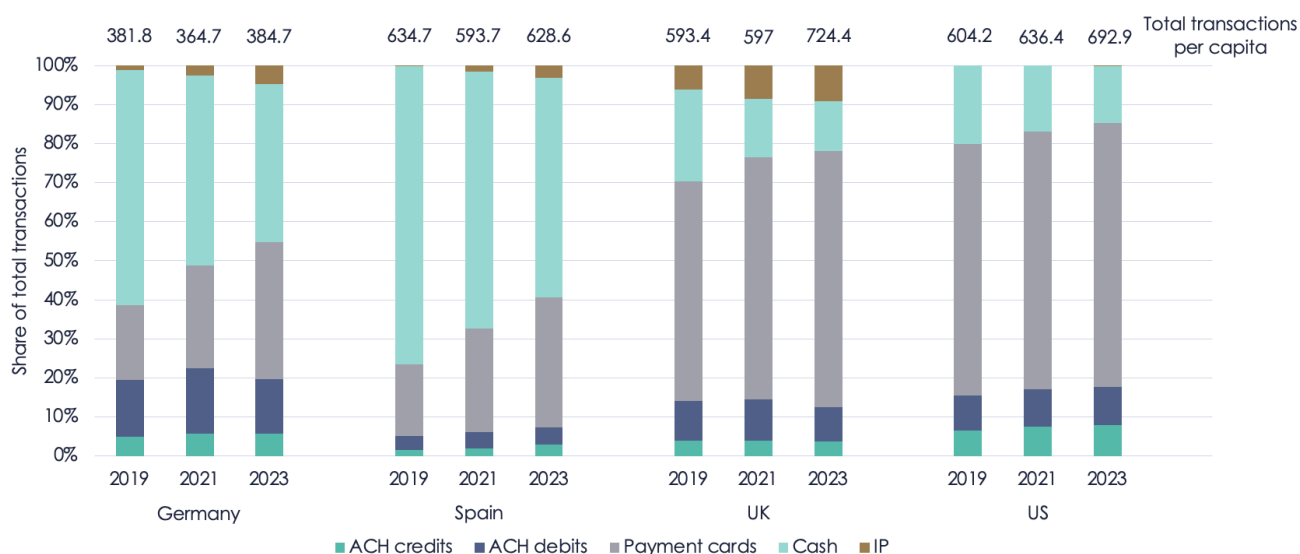
Digitalization

The overarching theme in payments has been digitalization. Cash usage has steadily declined for decades as the convenience, familiarity, and security around electronic payments have increased. This was compounded by the growth of e-commerce, with cards overwhelmingly benefiting from this development. As Figure 3 below shows, cash usage is declining in all markets analyzed, even if cash usage is still very different.

¹ World Bank

² GlobalData

Figure 3: Share of total consumer transactions across four markets over 5 years³



Shift from credit to debit

Credit cards are not as popular in continental Europe as in the US or even the UK; this is for several reasons including the lack of rewards points to incentivize credit usage and because some other countries stigmatize the use of credit for daily purchases.⁴ While credit card usage is significantly higher in the US than in any European market, growth in debit card usage began exceeding that of credit cards, a trend likely to continue. An EY study of the US found that payment habits of younger generations – specifically Generation Z – are shifting and include more willingness to save and a stronger preference towards using debit cards and alternative payment methods.⁵ These findings suggest an opening for PBB in the US by offering a digitally native alternative to cards and swaying young consumers from credit usage. The key to this, however, lies in creating a seamless UX and building loyalty because, as the study shows, Gen Z values ease of use and is sticking to their go-to payment methods.

Open banking

Open banking allows third parties to access consumer financial data (with the consumer's consent) via application programming interfaces (API). In the EU, the Revised Payment Services Directive (PSD2), announced in 2015, provides the legal requirement for open banking and mandates European banks provide access to customer data. In the US, the Consumer Financial Protection Bureau (CFPB) has proposed a rule (Dodd Frank Section

³ GlobalData. Checks were not included because their volume is not significant in most other markets examined in this study.

⁴ The average UK resident has 0.86 credit cards compared to 1.62 in the US.

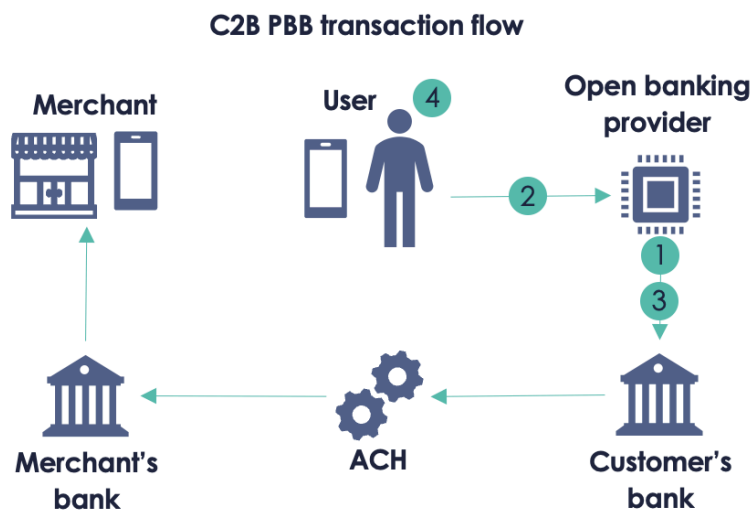
⁵ https://www.ey.com/en_us/payments/how-gen-z-is-changing-the-payments-landscape

1033) to accelerate this shift, with many banks already creating APIs in anticipation of the rule entering into force.⁶ While the most successful PBB solutions in Europe tend to be centralized services offered by bank consortiums, the sheer size and fragmented nature of the US market prevent the creation of similar solutions. This means that PBB services in the US will likely leverage APIs created by third parties on the back of Section 1033. These regulations will reinforce and expand the work third-party market players have done to develop open banking APIs that payment service providers (PSPs) use to meet latent merchant and biller demand.

Fraud

Unfortunately, fraud will always be part of the equation, regardless of the payment method. When it comes to PBB, the main type of fraud is account takeover. Security measures and fraud prevention tools are needed to shield consumers and merchants from account takeover:

Figure 4: Fraud prevention tools positioned in the payment flow



1. Scheme rules requiring end-user authentication have led to a boom in the prevalence of fraud prevention and mitigation. Strong Customer Authentication, a European regulation requiring at least two of three identification elements (password/PIN, device binding, and biometrics) to authorize transactions, is one such example.
2. PBB solutions using open banking can be supported by real-time transaction monitoring, which detects deviations from a customer's usual payment habits and enables merchants to accept or decline transactions.
3. Direct APIs connect consumers' online/mobile banking interfaces without having to share sensitive financial details with third-party apps or websites. This prevents fraudsters from stealing account data.

⁶<https://www.consumerfinance.gov/about-us/newsroom/cfpb-proposes-rule-to-jumpstart-competition-and-accelerate-shift-to-open-banking/>

4. Financial institutions and payment service providers should educate their customers on securely handling their data, including preparing them to dodge phishing attempts and securely consent to sharing their data with legitimate entities.

Key drivers of PBB adoption

Growth in account-based payments

The introduction of account-based payments allows PBB solutions to facilitate funds transfers directly to merchant accounts, offering an advantage in terms of cost and liquidity management. This is true for merchants that sell slow-moving goods or fast-moving goods: real-time confirmation and funds availability are real advantages for all types of merchants.

Access to account-based payments is rapidly growing in the UK and the US. In the UK, the BACS and Faster Payments systems have more than 61,330 and 435 total participants as of 2022, respectively.⁷ In the US, the ACH network is ubiquitous whereas instant payment methods, such as The Clearing House's RTP and Federal Reserve's FedNow systems, continue to expand. While the ACH network covers all depository accounts in the US, RTP reaches 65% of all demand deposit accounts and FedNow has 700+ financial institutions participating.^{8,9} Volume is also picking up, with RTP growing to over 74 million transactions in Q4 2023, a 15% increase from Q3.¹⁰ While access to instant payments is growing, its use for PBB is still limited. However, multiple interviewees confirmed that its potential is significant once it is widely available.

Customer willingness and merchant desire

The most important drivers of PBB adoption are the willingness of merchants and consumers to use the product. For merchants, PBB offers numerous advantages compared to other payment methods:

- Accepting a PBB payment is cheaper than card payments in the US, despite recent changes to card-based interchange. Current savings range between 20% and 70%.¹¹
- PBB supports automated account reconciliation, reducing costs for merchants.
- As discussed before, using instant payments offers great liquidity management improvements, depending upon the merchant's needs.
- Many cards expire every 4 to 5 years (if they are not canceled due to theft or loss), so the churn on stored card information is much higher than with account numbers, which is around 17 years according to a Bankrate study.¹²

⁷ Lipis Advisors internal research

⁸ <https://www.theclearinghouse.org/payment-systems/rtp/institution>

⁹ <https://www.frb services.org/news/press-releases/031424-fednow-600-participating>

¹⁰ <https://www.theclearinghouse.org/payment-systems/rtp>

¹¹ Plaid internal research

¹² <https://www.bankrate.com/banking/how-long-people-keep-their-checking-savings-accounts/>

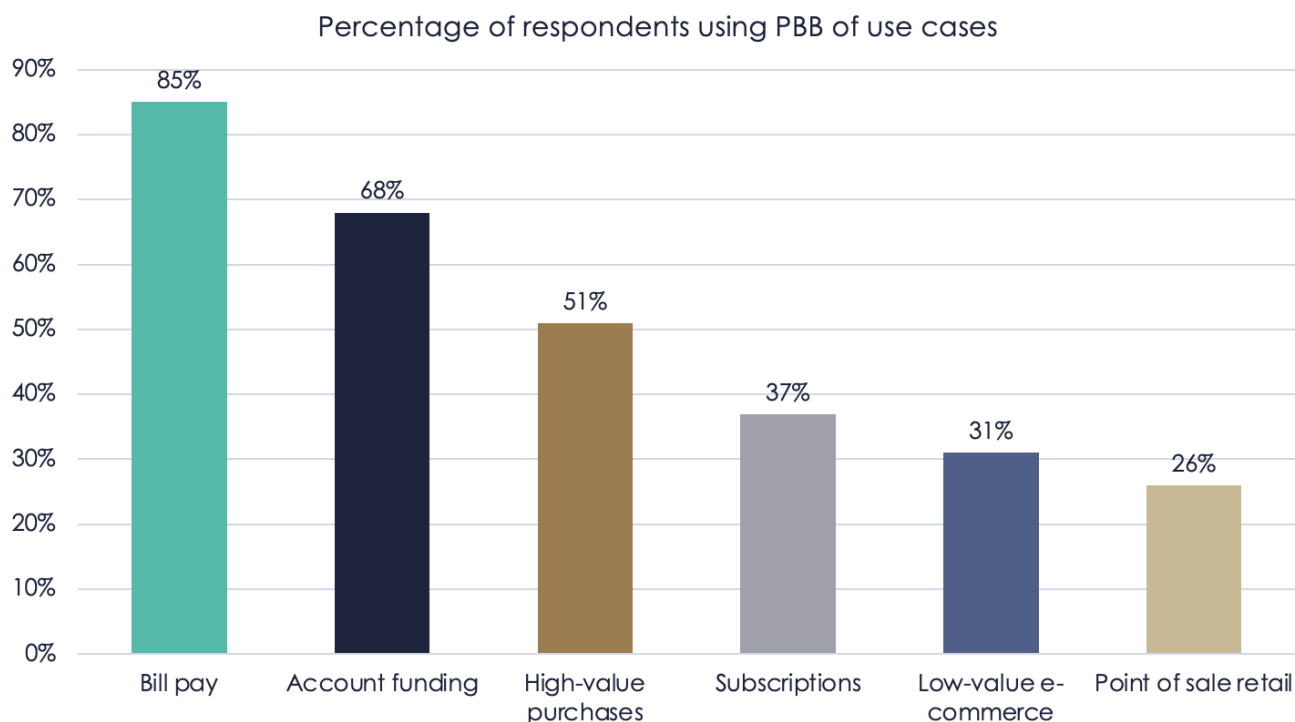
Consumer willingness to use a new payment service depends on various factors. Pricing is crucial, which is why all successful PBB solutions are free for consumers to use. Merchants can also incentivize consumers to use PBB, nudging them to use the cheapest payment method for merchants. These incentives can take a number of forms, such as UX optimization or a small discount if the consumer is willing to pay via a PBB solution rather than card. Plaid's internal research revealed that an improved user interface design could lift pay-by-bank selection during a bill pay check-out flow from 39% to 72%. Plaid also studied the impact of a 1% incentive at checkout for high-value e-commerce purchases, finding that this increased pay-by-bank adoption from 20% to 67%. The use of incentives is expected to increase after a recent settlement with a group of merchants related to antitrust issues with interchange fees and other card scheme regulations in the US.¹³ The settlement, if enacted, would remove all restrictions related to "tender steering," i.e., the nudging of customers by merchants to use one payment type over another. Multiple expert interviewees stated similar expectations.

Bank payments are already heavily used for recurring payments (e.g., bill payments), large transactions such as a car or furniture, and for funding digital wallets. A survey by Plaid found that 85%, 51%, and 68% of respondents already use bank-linked payments related to these use cases, respectively (figure 5).¹⁴ The same survey found that security and convenience are the strongest driving factors of consumer preferences related to payment methods. They perceive PBB to be safe, though it may entail more friction than other methods. Consumers may use PBB when setting up a payment (or recurring payments) as it is worth the perceived trade-off between convenience and security. This implies that PBB service providers need to limit friction throughout the UX, making the trade-off easier to make and promoting adoption for other use cases.

¹³<https://thefinancialbrand.com/news/payments-trends/credit-card-trends/mastercard-visa-deal-with-retailers-changes-credit-card-business-177309/?smedia=lnk>

¹⁴ Plaid internal research

Figure 5: Plaid PBB usage survey responses¹⁵



Quality and functionality of PBB services

Customer willingness to use PBB is driven by creating a capable alternative to other payment methods, most importantly cards, and supporting a seamless checkout flow. In Germany, giropay offers a great example of how disregarding the difference in the overall quality, UX, and key functionalities of a PBB service compared to competing methods leads to slow adoption. Giropay's first version launched in 2006, shortly after PayPal entered the European market. However, the UX was poor and it did not support P2P payments, which in many cases has been the best way to build a consumer base for similar services (e.g., Bizum, Interac e-Transfer). This exemplifies that functionality matters and their customization to use cases is one of the main keys to success for new payment methods. Functionalities such as initiation methods (push notification, QR-code, NFC) in addition to value-added services (e.g., confirmation-of-payee, request-to-pay or R2P, account verification, fraud screening, etc.) are important to suit the needs of the target customer group. For instance, R2P facilitates seamless e-commerce payments as the merchants request a payment using existing consumer data, and customers can simply authorize and confirm the payment knowing how much and to whom they are sending the payment. Studies show that friction is a major factor in cart abandonment, demonstrating the power of integrated, seamless checkout experiences.¹⁶

¹⁵ Examples of high-value consumer payments would be car, furniture and bike purchases. Examples of wallets that are funded by PBB include Venmo, PayPal and Starbucks card.

¹⁶ <https://www.paymentsjournal.com/stripe-study-frictional-e-commerce-checkouts-cause-cart-abandonment/>

Regulator and industry-led incentives

Regulatory and/or industry-led efforts have typically led to strong PBB solutions. In Canada, Spain, Germany, and the Netherlands, financial service providers came together to offer a joint service, ensuring wide reach, interoperability, and common standards with the latter two proving to be two of the top countries in terms of PBB usage according to Adyen. In the Netherlands, both public and private entities pushed to educate consumers on the benefits of digital transactions, leading to the banking community moving all one-off consumer transactions to the instant payments rail in 2019.¹⁷ Efforts from public and industry stakeholders are highly unlikely to take place in the US due to its hands-off regulatory environment, which will likely lead to a large number of competing service offerings. Incentives will most likely need to come from the merchants' side, which could be enabled if the settlement between Mastercard/Visa and merchants is finalized.

In the UK, third-party providers such as Adyen have enabled PBB solutions by facilitating payment initiation to Faster Payments, the instant payment system in the UK. This demonstrates that a "one size fits all" approach is not needed, as multiple pathways are possible. Similarly to the UK, approaches in the US have been more industry-led, with more than 1 in 3 banked US consumers having connected to Plaid's network. Both the US and the UK lack "national champions" such as the Netherlands' iDeal or Bizum in Spain, which explains why technology providers have stepped up in these markets. It is also worth noting that the two markets have very different regulatory regimes: while UK regulators led the way with open banking mandates, US regulators take a much more hands-off approach and let the market work on its own.

One other key lesson learned from these markets is the need for consumer protection. In some markets, such as in Europe, this has been done by regulators requiring new tools to be implemented to prevent account takeover (such as MFA/SCA¹⁸, verification-of-payee). Merchants need to ensure that any PBB solution provider they use offers some type of anti-fraud control, such as behavioral analysis and/or MFA.

The time is right

Finding the right time to launch is important and new payment tools need to fill consumer and merchant demand to be successful. Germans, who historically have high cash usage, were not ready to use the giropay service when it first launched. At the time, e-commerce was not popular in Germany, there was no P2P functionality enabled in giropay to

¹⁷ <https://www.aciworldwide.com/wp-content/uploads/2021/04/get-more-from-real-time-payments.pdf>

¹⁸ MFA (Multi-Factor Authentication) and SCA (Strong Customer Authentication) are interchangeable. As mentioned earlier, the term SCA is used in Europe and requires that at least two of three potential tools be used (something you know, such as a password or PIN; something you have, such as bound device; or something you are, i.e. biometrics). In North America the term MFA is more likely to be used.

generate a user base, and the tech market was less mature than in other European markets such as the Netherlands or Scandinavia.

If service providers wait too long, however, they risk that consumer habits set in, either for another payment method or for another competitor's brand. In the UK, while the demand for electronic payment innovation has been apparent for a while, the industry has not provided appropriate service, so card payments have become entrenched as the most popular instrument for e-commerce and point-of-sale transactions.

Lipis Advisors believes the time is right to implement PBB services in the US for several reasons. First, consumers are willing to try new payment services besides cards, and merchants have been seeking an alternative to cards for a long time.¹⁹ Second, open banking APIs facilitate access to a wide audience without the need to create centralized solutions, making it easier and cheaper for both customers and merchants. Third, instant payments are increasingly being used beyond the standard P2P use case, demonstrating consumer familiarity and demand, and presenting great potential for the future. Lastly, the recent settlement will push merchants to incentivize migration away from costlier payment methods.

Inhibitors

PBB services face several inhibitors that stakeholders need to address. Firstly, the most important aspect of adoption is usability: consumers need to be able to access the service. PBB providers will need to partner with many banks and merchants so consumers can use the method regardless of which financial institution they use or where they shop. Reaching critical mass is important to persuade merchants to offer the service. Achieving ubiquity, however, can prove difficult. Two interviewers raised concerns about quality if the CFPB's Section 1033 regulation is finalized, requiring banks to provide APIs. The proposed 1033 rule does include some guarantees, such as uptime and latency limits, but the interviews referenced issues with existing banking APIs. Certain infrastructures are already in place for payment service providers: for instance, Plaid is connected to more than 12,000+ banks, credit unions, and digital wallets as well as thousands of apps and services, serving tens of millions of customers globally.²⁰

Second, differences in business processes related to PBB and other payment methods can lead to difficulties for merchants when accepting PBB solutions if they try to build solutions in-house. For instance, accepting instant bank transfers through PBB requires merchants to upgrade numerous processes, such as real-time reconciliation, and put in place additional security measures related to fraud, customer relations management, and liquidity management. For merchants, picking the right payment processor (such as established

¹⁹<https://www.reuters.com/business/finance/mastercard-visa-reach-30-bln-settlement-over-credit-card-fees-2024-03-26/>

²⁰<https://plaid.com/why-plaid/>

players like Adyen, Stripe, and Worldpay) that supports them not only in accepting instant payments but also in managing changes in their back-office processes will be essential. This demonstrates why choosing the right partner is important.

Third, as discussed earlier, fraud can affect PBB users. Although the theft of physical instruments is not an issue for bank transfers, as with stealing cash and payment cards, different types of scams can harm consumers. If customers perceive PBB as having an issue around fraud, their willingness to try and use the service will fade, hindering adoption. Plaid's internal research found fear of fraud to be the paramount blocker for consumer adoption. PBB service providers should work together with other industry stakeholders such as banks, payment processors, and merchants to ensure that adequate fraud prevention measures are in place to limit fraud. In the UK, authorized push payment fraud accounted for £240 million in the first half of 2023 year alone.²¹ Educating consumers on how to avoid scams is an important fraud prevention mechanism as well as transaction monitoring tools that allow merchants to identify unusual transactions. Existing fraud and risk assessment tools, driven by machine learning and network insights, are proving to be effective and are improving every day.

Lastly, account-based payments are generally less likely to be recalled than card payments. While account-based payments can be challenged, card-based chargeback is much simpler for consumers but a problem for merchants. This is because cardholders receive provisional funds and merchants are required to provide evidence that the transaction was valid, making card dispute resolution fairly costly for merchants. PBB stakeholders need to find a way to build appropriate dispute resolution mechanisms that create an easier experience for customers but avoid costly chargebacks for merchants as well as limit chargeback fraud.

Conclusion and lessons learned

This study focused on the potential pay by bank solutions in the US and UK by examining adoption drivers and inhibitors drawing on examples from other markets. The international examples demonstrate the importance of timing around the introduction and promotion of PBB services in the US and UK. We believe the US and UK markets are ready for PBB.

Firstly, customer willingness to try new payment methods, to utilize debit products, and the importance of security are all increasing. Most customers rely on digital apps and services already, digital payments are the new norm, and PBB aligns with growing consumer preferences for debit instead of credit products. The UX of PBB services is improving rapidly and the key to widespread adoption will be to match them with debit cards' ease of use. Merchants are searching for alternatives to card payments that are cheaper, faster, and provide enhanced automation. In addition, the reach and popularity of instant payments

²¹ <https://www.forbes.com/uk/advisor/personal-finance/what-is-app-fraud/>

are growing in the market, which provides greater value to PBB than traditional bank transfers.

Merchants, billers, and corporates considering implementing a PBB solution need to evaluate which use cases their customers are likely to use PBB for and provide the right functionality and value-added services (VAS) that support those use cases. Potential use cases include bill pay, large consumer transactions (e.g., motor vehicle purchases), and wallet funding. Interviewees mentioned that the adoption of these use cases will likely fuel consumer interest in using PBB for other types of transactions.

Third, ubiquity is extremely important to increase the utility of a PBB service as much as possible. We can see that the most successful PBB solutions arise from industry-led initiatives. While this is unlikely in the US due to its fragmented financial market, pursuing ubiquity with banks and payment processors is essential to offer merchants, billers, and corporates the highest quality products without issues, such as deficient APIs.

Fourth, taking action to prevent fraud is important. Scams have proven to be a big issue, so service providers should put mechanisms in place to help consumers and merchants avoid fraud. One example is open banking-powered transaction monitoring tools.

Lastly, PBB stakeholders need to educate merchants and customers on the advantages of the service. Cost-cutting will likely be the biggest driver to support PBB for merchants but showing them how it can improve liquidity management and automation can incentivize them to promote PBB solutions to their customers through “tender steering.” They must work with their PSP/gateway providers to understand their payment needs, pick the best solutions, and capitalize on the new possibilities. For consumers, bank transfers are very secure. Educating consumers about how PBB can match the UX of cards without sacrificing privacy and security when powered by open banking will be key.

As consumer preferences become more and more focused on customization, online payments will likely shift from legacy payment methods to alternatives. Growth in Buy Now, Pay Later solutions, embedded finance, open banking-powered solutions, and instant payments enable new businesses to enter the payments scene. Merchants must understand how they can benefit from this movement by working with their PSP/gateway providers to figure out their customers' payment preferences, and thus their own payment needs, pick the best solutions that suit them, and capitalize on the new opportunities modernization can offer.

List of terms

B2B: Business-to-business-payment
B2C: Business-to-consumer payment
C2B: Consumer-to-business payment
C2G: Consumer-to-government payment
CoP: Confirmation-of-payee
G2C: Government-to-consumer payment
P2P: Peer-to-peer payment
R2P: Request-to-pay
VAS: Value-added services

About Lipis Advisors

[Lipis Advisors](#) is a leading strategy consultancy specializing in the payment sector. Our staff are experts on payment systems, services, and strategy, as well as the underlying technologies that support payment infrastructures. We advise clients - including merchants, banks, fintechs, payment service providers, technology providers and regulators - on all forms of payments, including ACH payments, real-time payments, card payments, checks, mobile payments, online payments, and RTGS/wire payments.

About Adyen

[Adyen](#) (AMS: ADYEN) is the financial technology platform of choice for leading companies. By providing end-to-end payments capabilities, data-driven insights, and financial products in a single global solution, Adyen helps businesses achieve their ambitions faster. With offices around the world, Adyen works with the likes of Meta, Uber, H&M, eBay, and Microsoft. The cooperation with Plaid as described in this report underlines Adyen's continuous expansion of its local payment method offering.

About Plaid

[Plaid](#) is a global data network that powers the tools millions of people rely on to live a healthier financial life. Our ambition is to facilitate a more inclusive, competitive, and mutually beneficial financial system by simplifying payments, powering cash flow lending, and leading the fight against fraud. Plaid works with thousands of companies including fintechs like Venmo and SoFi, several of the Fortune 500, and many of the largest banks to empower people with more choice and control over how they manage their money. Headquartered in San Francisco, Plaid's network spans over 12,000 institutions across the US, Canada, UK, and Europe.