



## Navigating account validation at the speed of now

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How next generation consumers are redefining transactions — and what you can do about it

ACCELITAS®

# Overview

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## **Unprecedented demand and changing behaviors are reshaping how the world transacts business**

It's no secret that businesses must move fast to stay ahead of developing trends. But today's digital world has both increased the speed and raised the stakes. From unprecedented transactional volume to behavioral shifts of digital-first customers, companies must rethink the way they do business — and rethink quick.

Reaching this next generation of digital-first customers will require a new approach to bank account validation that increases coverage while maintaining a seamless user experience.

## **This eBook highlights the real-time shifts companies must make in order to:**

- » Meet the higher demand of the next generation of digital-first consumers
- » Navigate the compliance rules now in place to address increasing digital fraud
- » Know the commercially viable account validation options
- » Understand the three keys to fast, fair, and frictionless BAV success



# TREND #1

## The increasing demand for online transactions has created a massive increase in digital fraud

The pandemic has accelerated the transformation to digital purchasing, but it has also attracted the attention of fraudsters. To protect both consumers and businesses,

new compliance rules are addressing fraud and providing secure transactions. Businesses must learn to navigate

these new compliance and privacy rules, or risk increased fraud or financial punishment.

**Result:** A new rule from Nacha, which governs the ACH Network, requires that account verification now be part of antifraud efforts and initiatives. Nacha requires that ACH originators of web debit entries use a “commercially reasonable fraudulent transaction detection system” to screen web debits for fraud. As of March 2022, the Nacha Web Debit Rule is mandatory and enforceable.

ACH



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## TREND #2

### Today's customers are harder to reach, expect immediate gratification, and defy tradition

The next generation of digital-first consumers (Millennials, Gen Z) don't play by the previous rules. They are harder to reach by traditional methods, and expect a fast and seamless customer experience,

or they will abandon the process and switch to another company. Reaching this next generation of customers and successfully balancing both security and customer experience will require a new set of tools.

### **Result:** Changing consumer habits have created an invisible marketplace

Digital natives represent the future of commerce. Although Millennials and Gen Z comprise 70 million Americans and come loaded with purchasing power, many businesses don't even recognize

them. The fact is, reaching this next generation of digital-first customers will require a new approach to bank account validation that increases coverage while maintaining a seamless user experience.

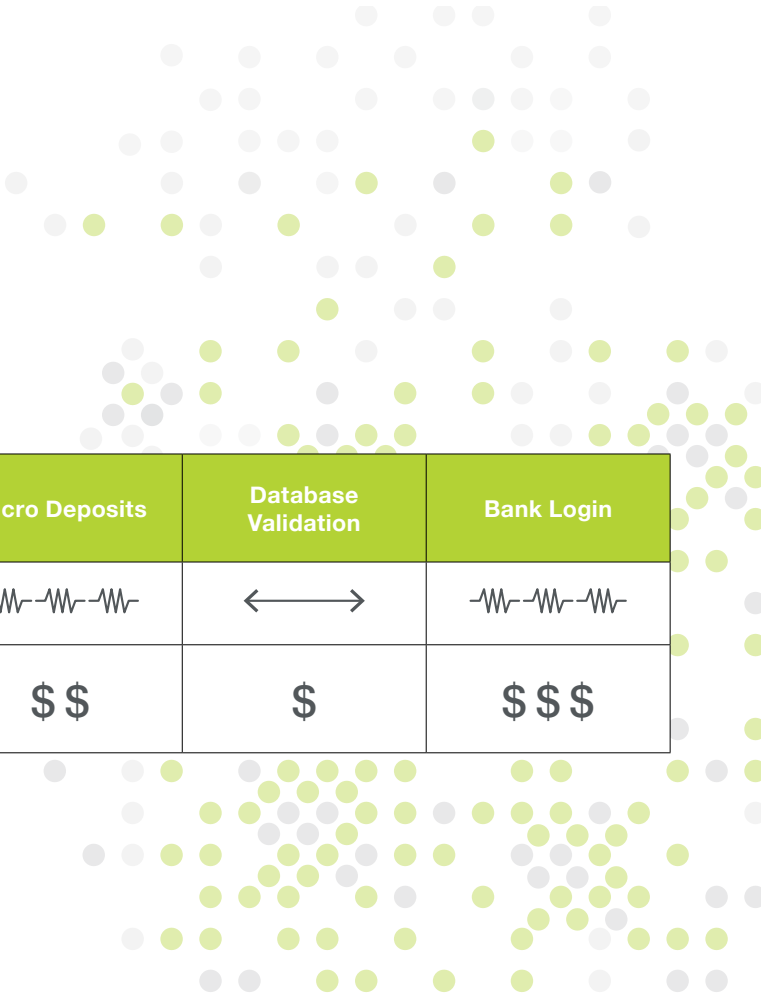


# Challenge: traditional account validation methods don't match the times

Bank account validation services such as micro-deposits and ACH pre-note transactions have existed for years, but these approaches take days to complete and create a great deal of friction for consumers, putting the service at odds with today's

digital-first consumer demands. Bank Login or Online Banking (OLB) has been in the news recently, it's a credentialed log-in process that requires consumers to provide their personal online banking credentials (username and password). Consumers have been trained —

rightfully so — not to share their usernames and passwords with anyone, so not surprisingly, the OLB-credential powered options suffer from a very high abandonment rate when offered as the only option.



	Manual Verification	ACH "Pre-Note"	Micro Deposits	Database Validation	Bank Login
<b>Friction</b>	~W~W~W~	~W~W~W~	~W~W~W~	↔	~W~W~W~
<b>Cost (including time spent)</b>	\$\$	\$\$	\$\$	\$	\$\$\$

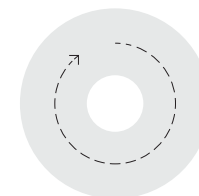
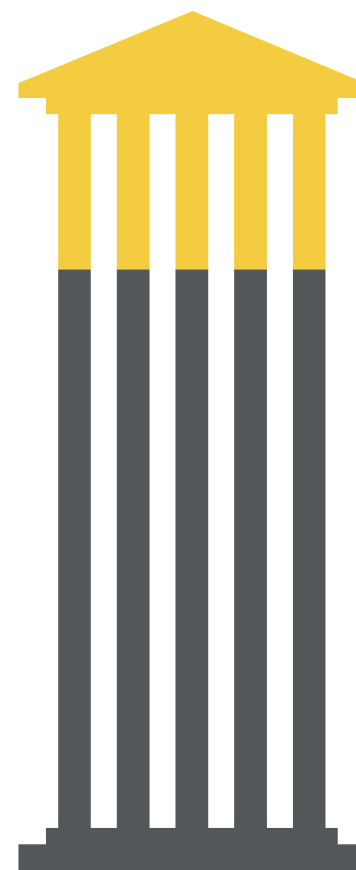
## Problem: database solutions are frictionless, but don't provide the same coverage

A popular way to obtain bank account validation is through a non-credentialed, database validation method. For this method, consumers do not need to provide their sensitive, online banking credentials, simply provide a bank routing number and account number and the real-time service provides a

validity response. The benefit of not requiring a consumer to provide their sensitive, online banking credentials is that there is zero friction added to your application process — the database validation happens in the background in real-time.

**Problem:** Traditional consortium bank data often comes up short — it's estimated that bank consortium data and conventional scoring methods miss a large segment of the U.S. population — as much as 30% short.

30%



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# Introducing fast, fair, and frictionless bank account validation from Accelitas

Bank account validation will play a critical role in helping businesses increase financial access to this new generation of consumers and navigate our transaction-driven world. So Accelitas created the next generation of BAV solutions, providing unsurpassed coverage and a fast, fair, and frictionless way to safely grow business.

We've identified three key factors that define the next generation BAV solution, delivering both Nacha compliance and improved customer experience:

**1. Real-time transactional data sources to provide greater coverage**

**2. Predictive analytics to make smarter real-time decisions**

**3. Instant bank account validation tailored to customer specific needs**



Accelitas is proud to be a **Nacha Preferred Partner** for account validation.

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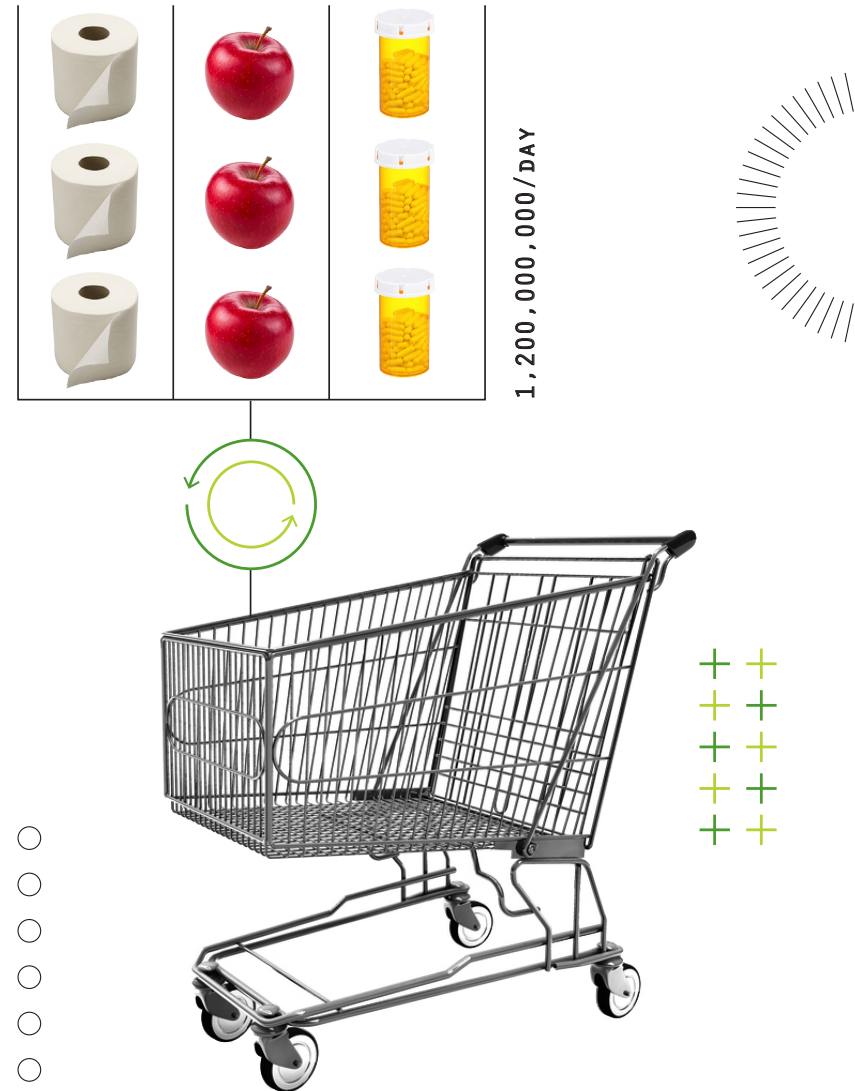


# 1. Real-time transactional data sources to provide greater coverage

Traditional bank data and credit tools have limited insight and a historical perspective only. Accelitas provides up-to-the-minute account information with unmatched coverage, routinely testing at 98% knowledge of all U.S. bank accounts. Confirming transactional data “in the wild” with daily updates from 400K+ merchants, billers, utilities, and

government entities provides deep behavioral insights that can even become a proxy for employment based on continued spending and velocity. Businesses that validate with Accelitas typically see a 30% lift in coverage compared to businesses that use traditional bank data consortiums.

**Accelitas data covers 98% of all U.S. bank accounts**



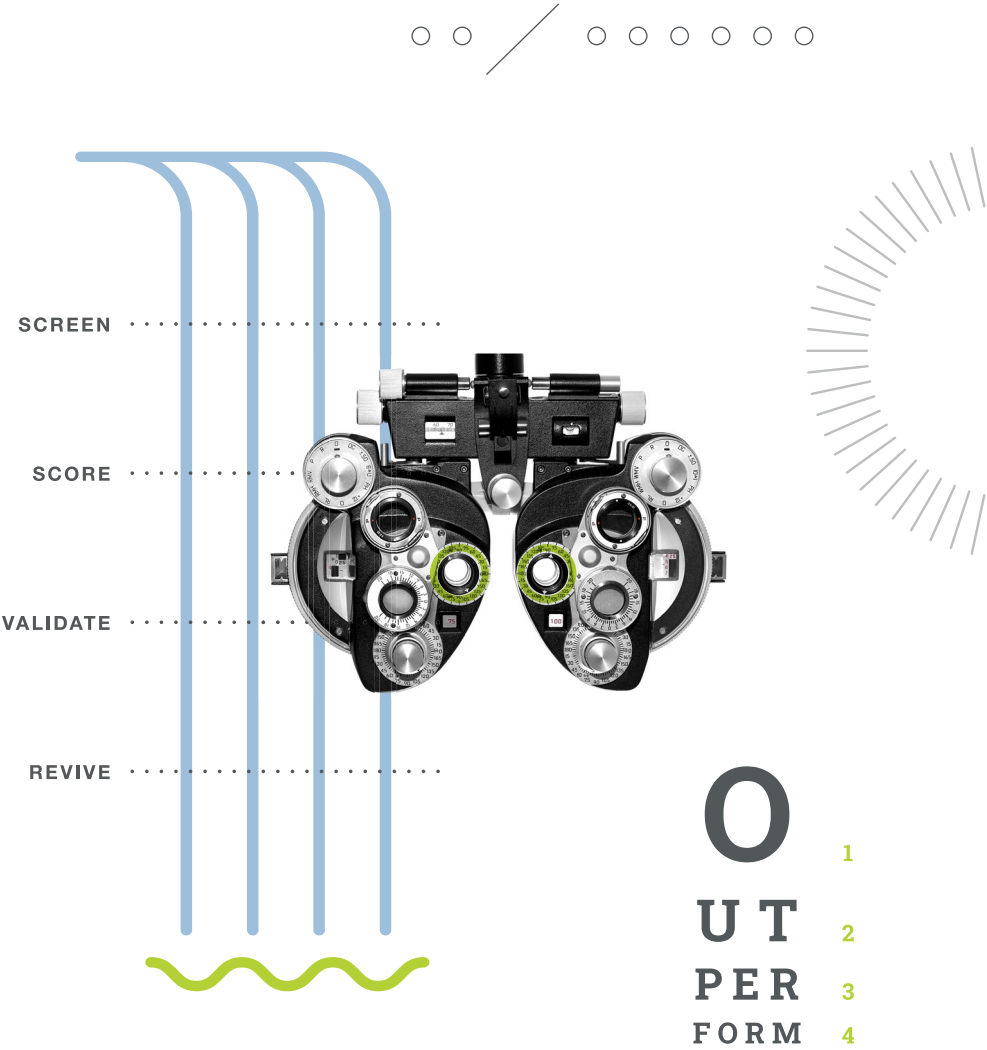


## 2. Predictive analytics to make smarter real-time decisions

Predictive analytics help deliver frictionless ACH validation, while dynamic scoring can be tailored to each business's needs, complementing, or replacing existing scores. Accelitas BAV solutions can be optimized for First Payment Default (FPD) or profitability and fine-tuned for strategic spots in the decision waterfall. They provide ACH-ability and

Nacha compliance and utilize non-FCRA or FCRA data for explainable lending decisions to ensure fair credit compliance.

All models can be set up for closed-loop monitoring to provide continuous optimization and ensure improvement over time.



### 3. Instant bank account validation tailored to customer specific business needs

Accelitas provides instant account validation with unmatched consumer coverage – delivering a frictionless customer experience without the use of Online Banking (OLB) credentials. Proprietary analytics and risk modeling produce indicators on the validity, association, and risk of the bank account

information submitted to improve ACH success rates, reduce returns, mitigate fraud risk, and lower abandonment while staying compliant with Nacha verification rules.

Introducing Ai Validate, designed for three levels of service:

**Ai Validate Bank Data**  
typically used for lower value/lower risk ACH transactions (e.g., utility payment at account opening)

**Ai Validate BAV**  
a non-FCRA option that adds unique data sources tuned for higher value/higher risk ACH transactions (e.g., auto loan payment at account opening)

**Ai Validate BAV | FCRA**  
a FCRA option for higher value/higher risk ACH transactions. (e.g., funding a consumer loan)

PRODUCT	AUDIENCE	USE CASE	BENEFITS
<b>Ai Validate BD</b>	Billers: Utilities, Cable, Internet, Subscription Services	<b>Lower Risk</b> Transactions	Real-Time Confirmation Streamline Operations Nacha Compliance Non FCRA
<b>Ai Validate BAV</b>	Billers: Auto Insurance, Phone, Insurance, Rent	<b>Medium Risk</b> Transactions	Real-Time Confirmation Behavioral Insights Nacha Compliance Non FCRA
<b>Ai Validate BAV   FCRA</b>	FIs, Unsecured Personal Loans, Mortgage, Auto, Credit Card, Health Care, Mobile Wallets	<b>Higher Risk</b> Transactions	Real-Time Confirmation Higher Conversions Broad Behavioral Insights Nacha Compliance Explainable FCRA

# The Accelitas Advantage



## UNMATCHED DATA COVERAGE

98% of U.S.  
Bank Accounts



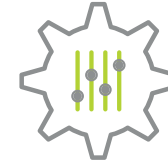
## REAL-TIME VALIDATION

Daily Updates from  
> 400k Merchants



## PREDICTIVE ANALYTICS

Frictionless ACH  
Validation



## CUSTOMIZED SCORING

Dynamic Scoring  
Customized to Your  
Business



## SEAMLESS INTEGRATION

SOC Compliant  
SaaS API Platform

# ACCELITAS

**Reimagining financial access**  
through the transformative power of data

**To learn more, download our Executive Briefing:**  
*Decisions at the Speed of Now*

[DOWNLOAD NOW](#)

Request a custom consultation  
email [sales@accelitas.com](mailto:sales@accelitas.com)  
or call 415-842-7715  
[www.accelitas.com](http://www.accelitas.com)

## About Accelitas

Accelitas® is reimagining financial access through the transformative power of data. Our AI-powered data analytics deliver fast, fair, and frictionless ways to help businesses grow. Powered by the real-time services of its Accelerated Insight® Platform, the company provides innovative ways to seamlessly validate accounts and accept more creditworthy borrowers.

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