

Achieving Balance Between Speed and Accuracy of Payments

Help protect your payments and reduce errors with Account Validation Service

Government entities need to make more immediate, seamless and secure payments just like any business. Now, more than ever, innovative collaborations with the commercial sector offer critical solutions to pay faster, create stronger customer experiences and reduce fraud. We bring the same proven success to the public sector as we've brought to the private sector, in a secure and compliant manner.



Waste, fraud and abuse levels continue to advance year over year faster than the government tools and data sets available to address them.

\$175B

in total improper payments¹


\$74.2B


in monetary losses across all federal agencies from improper payments²


8.5%

average increase annually in total improper payments between 2015-2020³

You need a solution to help mitigate the financial and reputational risk, while improving the user experience from end to end.

 Use emerging technology that features the ability to learn and correct discrepancies via return intelligence

 Have confidence in your validation and authentication with identity proofing processes

 Interrogates multiple data sources for optimized results

 Employ frictionless, straight-through processing

Because we are the top payments provider in the U.S. in terms of both annual transactions and dollar volume,⁴ we understand how to manage payments while mitigating fraud and reducing risk.

\$7T

Value of ACH transactions received in 2020⁵

5.5B

ACH transactions originated in 2020⁵


2.6B


ACH transactions received in 2020⁵


75%


of U.S. households have a banking relationship with J.P. Morgan⁵

Drawing on decades of experience, we developed the Account Validation Service (AVS) platform.


 Utilizes scalable, cloud-based technology


 Configurable


 Positioned to grow and expand as new data sources emerge


 Connected to the J.P. Morgan Liink Confirm blockchain


How AVS can help you


 Verify status and authenticate ownership in real time

 May improve the likelihood of transaction success

 Identify and remediate potentially high-risk payments

 Reduce operational costs from improper payments

 Help catch errors before they become improper payments

 Proactively correct data to facilitate reconciliation

Take action to help protect against fraud and improper payments with AVS



Validate your accounts

- Mitigate risk of payments fraud as technology advances
- Reduce identity takeover and re-direction of funds to unauthorized recipients
- Manage operational, collection and recovery costs from payments fraud more efficiently
- Minimize reputational risk, which can be just as damaging as financial losses

Help boost your defense

- Authenticate account ownership identity prior to payment initiation
- Validate accuracy of payee information
- Reduce returned transactions due to bad payee information
- Limit financial losses associated with payment fraud
- Support customer satisfaction with rapid risk decisioning



AVS use cases



Recurring ACH enrollment

Helps ensure payment accuracy:

Validate new payee details and identify potential errors before funds are released
Validate account/status and authenticate ownership before first payment



Tax payments and earned income credits

Helps prevent identify theft:

Validate a deposit account/status existence and assess the risk associated with processing a refund
Confirm the taxpayer is registered on the account



Changing bank details

Helps prevent business email compromises:

Review vendor financial information before updating details—verifying account existence, status and ownership first

Validate existence of account and its status, as well as authentication of account ownership



One-time and recurring payments

Benefits and emergency payments:

Customer provides account information for payment of monthly benefit

Validate existence of account, status, account ownership and associated risk

J.P. Morgan operates a global platform that leverages state-of-the-art technology and drives industry innovation. With our Account Validation Service, we continue to build a holistic solution that evolves to meet our clients' changing needs.

Connect with J.P. Morgan to learn how your goals intersect with the high standards we set for executing fast, secure and compliant payments.

jpmorgan.com/public-sector

Sources:

1. U.S. Government and Accountability Office, March 4, 2020.
2. Paymentaccuracy.gov. Accessed June 6, 2021.
3. "Federal Improper Payments Increased to Over \$206 Billion in FY 2020," GovWin.com, January 5, 2021.
4. Nilson Report, March, 2021.
5. J.P. Morgan proprietary data.

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