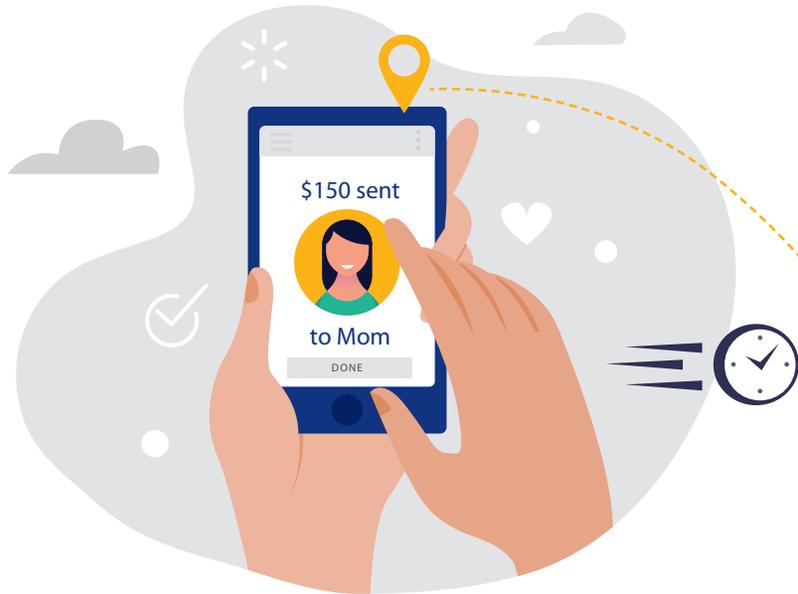


# Visa Direct can help increase debit card usage and spending



When cardholders receive Visa Direct transactions, their debit card usage and spending tend to increase<sup>2</sup>



The growing adoption of real-time payments has shifted the way businesses, consumers and institutions send and receive money. Consumers increasingly want fast, convenient payments that allow them to access funds quickly. Every year, over **\$5 trillion dollars**<sup>1</sup> are still sent in Latin America using cash, check, or ACH transfers that may take days to complete.

Visa conducted a study to **2.5 million debit cardholders** to examine the impact on debit card usage of cardholders after they receive their first Visa Direct transaction.

## SOURCES

1. Accenture research for Visa Inc. 2017

2. This study was conducted using a test group of approx. 2.5 million debit cardholders that received their 1st OCT in Sep-2018, from different issuers, spend and tenure levels, and Visa Direct P2P and Funds Disbursement programs. The incremental POS lift was calculated using the differential of the test group vs. a synthetic control group.

3. Represents Visa Direct active users with an OCT or AFT between Jul-1, 2018 through Jun-30, 2019, across all tenure and debit levels

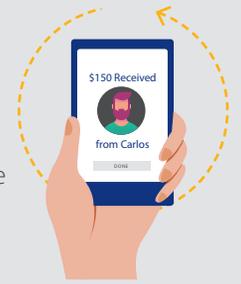
4. Actual fund availability depends on receiving financial institution and region. Visa requires fast-funds enabled issuers to make funds available to their recipient cardholders within a maximum of 30 minutes of approving the transaction. Please refer to your Visa representative and the Visa Direct Original Credit Transaction Global Implementation Guide for more information.

5. Low debit spenders refers to cards with an average monthly spend <= US\$200.

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## Rapid, sustained adoption

>**60 million**<sup>3</sup> active users in the last 12 months. Most continue to receive real-time<sup>3</sup> card payments after their first one



## Increased card engagement and usage

- Debit card spending lift is sustained **over 6 months** after receiving a Visa Direct transaction
- Cardholders increased their card usage and +14% monthly spend among all debit users<sup>2</sup> and **86% among low debit users**<sup>5</sup>
- The card spending lift is seen across both **consumer and business cards** and different programs like: transfers between people (P2P) or businesses **transferring money to people or other businesses**
- When cardholders receive money from multiple programs via Visa Direct, their usage and spending increases even more, helping move the **debit card to the front of their wallet**

## Incremental revenues for issuers and acquirers

**90% of funds received**<sup>2</sup> are directed towards card purchases driving incremental revenues



**VISA** everywhere you want to be

# Applications of Visa Direct

Visa Direct is a capability that enables money movement in real-time, for many use cases



## Person-to-Person Payments

Sending money to friends, family and micro-businesses (e.g. babysitter, piano teacher); both domestic and cross-border, bank-initiated or via social networks (i.e. Facebook, or third party Apps like: "Cash")



## Consumer-to-Business Payments

**Scan and Pay:** consumer / person to merchant payments.

- Pay on TV
- Pay at a Restaurant Table
- Out of Home Remote Commerce
- Bill Pay
- Chat Commerce
- Scan Photo from Phone Library
- Home Delivery
- Taxi Payment
- Ecommerce



## Business-to-Business Payments

- Invoice payments and accounts payables
- Merchant settlements
- Enterprise Resource Planning (ERP) systems integrations



## Business-to-Consumer Payments or Disbursements

**Healthcare:** Claims reimbursements to consumers or physicians

**Property & Casualty Insurance:** Claims payments for auto, home or worker compensation

**Sharing On-Demand Economy:** Ride sharing, Vacation rentals, Service provider payouts

**Online Marketplaces:** Seller payouts

**Financial Institutions:** Customer disbursements (Banks, FI's, Payment Processors, ISO's, Treasury Management Services)

**Merchant Settlement:** ecommerce merchants, individual sellers who need faster withdrawals (Stripe, Square, Braintree)

**Government:** Entitlements, emergency services, tax refunds

**College Refunds:** Loans, grants, allowances (Universities and Colleges)

**Alternative Lending:** Small business lenders, person-to-person lending

**Contract Staffing:** Payroll disbursements

**Life Insurance:** Annuity payments

**Multi-level Marketing:** Seller payments

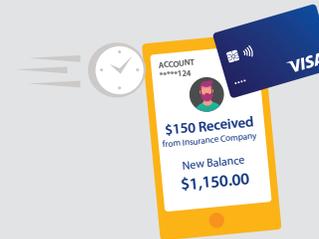
Visa Direct is helping people, businesses and governments transform how they pay each other, with the reliability and global scale of the Visa network, delivering real-time<sup>4</sup> payments' solutions for financial institutions, businesses, and Visa card holders around the world.



Issuers can increase the value and utility of their card portfolios while deepening relationships with their customers with near real-time deposits<sup>4</sup>



Acquirers can offer differentiated services and create additional revenue streams from new payment flows



Businesses and governments can provide new services that attend the cardholder's expectations in the "I want it now economy"



To learn more about how Visa Direct can help drive incremental revenue streams, contact your Visa representative or visit [visa.com/visadirect](https://visa.com/visadirect)

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