

# Neach Payment Group's (NPG's) Positive Pay Market Survey



## Executive Summary

While check writing continues to decrease—Federal Reserve check collection has declined 82% over the past 30 years – check fraud continues to rise. In fact, experts believe check fraud will amass \$24 billion in 2024, and the Association for Financial Professionals (AFP) reports that checks continue to be the payment method most vulnerable to fraud.



However, Positive Pay, a tool that financial institutions (FIs) can offer to help their business clients/members mitigate check fraud, offers a possible solution. Designed to catch fraud before it occurs, Positive Pay leverages an approach that involves the FI matching the date, check number, dollar amount, and account number of each check presented against a list provided by their business client/member. This “double check” helps to protect against forged, altered, and counterfeit checks. Today, core providers offer Positive Pay as a payments service, and other third parties feature it as part of a fraud detection system.

While effective, not all businesses have chosen to use Positive Pay and not all FIs offer it. To gain a better understanding of how and why Positive Pay is used/not used by FIs and businesses, NEACH Payments Group (NPG) launched a survey of these audiences. Fielded in Q3 and Q4 2024, questions sought information on the current use of and opportunities for Positive Pay.

The survey findings revealed the following:

<p><b>1</b></p>  <p><b>FIs use Positive Pay.</b></p> <p>The majority of FIs (80%) offer Positive Pay. Those that haven't introduced the product - point to cost/resource constraints and lack of client demand as reasons for not offering.</p>	<p><b>2</b></p> <p><b>Those FIs who utilize Positive Pay have seen significant positive impacts.</b></p> <p>Of those who provide it, more than half (53%) have seen a measurable impact on fraud, particularly as it relates to mitigating against altered checks, counterfeit checks, and unauthorized check issuance.</p>	<p><b>3</b></p> <p><b>Businesses who have employed Positive Pay have seen major declines in check fraud.</b></p> <p>A whopping 40% of businesses report being victims of check fraud. Of those that are aware their FI provides Positive Pay, 90% have signed up for the service, and since introducing it, 77% report a measurable reduction in check fraud attempts or losses.</p>	<p><b>4</b></p> <p><b>Businesses who aren't using Positive Pay cite a lack of knowledge as the chief reason.</b></p> <p>Ten percent of businesses have yet to engage with Positive Pay services. When asked why they haven't implemented the solution, 50% say they were unaware of the product, and another 50% of those not using Positive Pay believe they are not at risk of fraud.</p>
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Detailed findings from NPG's Positive Pay Market Survey will be released in January 2025. They will delve into how Positive Pay has made an impact in fraud prevention, and recommendations for FIs and businesses in utilizing the product.

For more information on how your organization can leverage tools like Positive Pay and further mitigate check fraud and other risks, reach out to NPG at [info@neachgroup.com](mailto:info@neachgroup.com) or visit [NEACHGroup.com](https://www.NEACHGroup.com).

## About NEACH Payments Group

NEACH Payments Group (NPG) is a wholly owned subsidiary of NEACH, the New England Automated Clearing House Association. NPG works hard to create a payments landscape that is safe, compliant and sustainable, helping organizations manage risk, drive improvements, maintain compliance and strengthen the bottom line. For more information, visit [NEACHGroup.com](https://www.NEACHGroup.com).

## A Special Thank You

NPG extends a special thank you to the organizations who helped in fielding the Positive Pay Survey:

- **Androscoggin Bank**
- **Ohio Bankers League**
- **United Bankers' Bank**
- **Wipfli**

