

UMB BANK, N.A.

Proposal and Comment Information

Title: Check Services - Request for Information and Comment on the Future of the Federal Reserve Banks' Check Services, OP-1874

Comment ID: FR-2025-0077-01-C129

Submitter Information

Organization Name: UMB Bank, n.a.

Organization Type: Company

Submitted Date: 12/19/2025

Check services remain important today even with declining volumes. We continue to have a substantial amount of business and institutional customers that rely on checks to operate their business.

The Federal Reserve's role in the provision of check services should have a stronger focus on check fraud strategy as well as check fraud controls. Long term, the Fed needs to retain a small check processing service while also driving digital options to ensure a smooth transition. There is a subset of the banked population that prefer making payments via check due to the natural delay in processing checks. Customers prefer the control aspect of writing a check versus the funds being immediately withdrawn. Many small businesses still only accept checks or cash as a form of payment due to fees that are associated with accepting card transactions. Historically consumers have used check writing as a budget or recordkeeping tool as there's a clear paper trail when writing checks. Other payment methods could offer lower fees to businesses that will be accepting digital payments. Barriers that are present today will continue to be relevant for the next 5-10 years as generations of check writers will continue this method until they're forced to change to a digital payment method. The adoption will be impacted if the consumers comfortability isn't there and fees associates with digital payment methods.