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## Proposal and Comment Information

**Title:** Proposed Revisions to the Federal Reserve Policy on Payment System Risk and the Guidelines for Account and Services Requests, OP-1878

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## Submitter Information

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Filed via Electronic Submission

**Wise Comment Letter re: Proposed Revisions to the Federal Reserve Policy on Payment System Risk and Updates to the Account Access Guidelines (Docket No. OP-1878)**

## I. Introduction

Wise appreciates the opportunity to submit this comment to the Board of Governors of the Federal Reserve System ("Board") on the proposed revisions to the Federal Reserve Policy on Payment System Risk and updates to the Account Access Guidelines. Wise strongly supports the Board's continued efforts to expand direct access to Federal Reserve payment services through the proposed Payment Account. As the United States serves as Chair of the G20 in 2026, this proposal arrives at a pivotal moment. The U.S. remains the only G7 economy that has not moved to expand direct payment system access to non-bank payment service providers, a key pillar of payments modernization under Building Block 10 of the G20 Roadmap for Enhancing Cross-Border Payments.[1]

This letter is organized around one main request: that the Board include FedACH access, subject to a layered risk-mitigation framework. Wise firmly believes that excluding FedACH from the Payment Account, the rail most used by American businesses and consumers today, not only makes the U.S. an outlier compared to peer jurisdictions, but also limits the effectiveness of the Payment Account.

## II. About Wise

Launched in 2011, Wise is a global technology company building the best way to move and manage the world's money. Approximately 19 million people and businesses use Wise, which processed over $243 billion in cross-border transactions in FY26, saving customers around $3.3 billion.[2] Today, Wise's average payment cost is 0.50% and 77% of all Wise payments are instant, delivered in less than 20 seconds, with 96% delivered in 24 hours.[3] Wise has been able to provide these benefits to customers by directly participating in payments infrastructure around the world, including the UK, Australia, Brazil, Hungary, Singapore, the Philippines and Japan. In May 2026, Wise moved its primary listing to the NASDAQ Stock Exchange under the ticker WSE.

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[1] G20 Roadmap Building Block 10 — Financial Stability Board, *Enhancing Cross-Border Payments: Stage 3 Roadmap* (Oct. 2020), https://www.fsb.org/2020/10/enhancing-cross-border-payments-stage-3-roadmap/
[2] Wise plc, *Wise Debuts U.S. Listing on Nasdaq* (May 2026), https://newsroom.wise.com/en-NAM/265506-wise-debuts-us-listing-on-nasdaq/.
[3] ibid

## III. Support for the Board's Design

Wise commends the Board's shift from an asset-based "overnight balance limit" to a "Closing Balance Limit" calibrated to an institution's expected payment activity. In particular, Wise welcomes the Board's direction that Reserve Banks analyze an institution's payment flows, including at the beginning of the Federal Reserve's business day, and account for periods when external sources of liquidity may be limited, such as weekends and multi-day holiday windows. This change closely aligns with the recommendation in Wise's February letter and reflects a flexible, activity-based approach appropriate for payments companies.[4] As Payment Accounts become widespread and transaction volumes grow, Wise recommends that the Board adopt a defined periodic review cadence for the Closing Balance Limit methodology, such as an annual review informed by aggregate Payment Account activity data, to ensure the calibration continues to reflect actual usage patterns over time.

Wise reaffirms its support for the proposed 90-day review timeline for Payment Account applications. Wise also recommends that the Board clarify that additional information requests should, whenever possible, be consolidated into a single round and should not restart or indefinitely delay the review period.

## IV. FedACH

In 2025, the ACH network processed 35.2 billion payments valued at over $93 trillion, and remains the primary vehicle for payroll, bill payments, and business-to-business transactions in the United States.[5] While the Federal Reserve charges approximately $0.0035 per ACH transaction from institutions with direct access to FedACH, banks typically charge $0.30 to $0.50 per ACH transaction from their non-bank partners, a markup of roughly 100x that is ultimately borne by consumers and small businesses.[6]

Against this backdrop, Wise commends the Board's proposal to provide Payment Account holders with direct access to the Fedwire Funds Service, the FedNow Service, the National Settlement Service, and the Fedwire Securities Service for free transfers. However, without FedACH, Payment Account holders remain dependent on partner banks for the substantial majority of payment activity by transaction volume, undermining the Board's goal of supporting private-sector payments innovation.[7]

Wise does not contest the Board's characterization of FedACH's deferred, batch-processed design, or that credit origination and debit receipt have different characteristics. Wise proposes instead that the Board considers granting full FedACH access based on the layered risk-mitigation framework set out below.

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[4] Wise, Comment Letter re: Request for Information and Comment on Reserve Bank Payment Account Prototype (Docket No. OP-1877), Feb. 5, 2026, https://www.federalreserve.gov/apps/proposals/comments/FR-2025-0083-01-C37.

[5] Nacha, ACH Network Volume and Value Statistics, 2025, https://www.nacha.org/content/ach-network-volume-and-value-statistics](https://www.nacha.org/content/ach-network-volume-and-value-statistics.

[6] Nacha, ACH Costs Are a Fraction of Check Costs For Businesses, AFP Survey Shows (February 14, 2022), https://www.nacha.org/news/ach-costs-are-fraction-check-costs-businesses-afp-survey-shows.

[7] Board of Governors of the Federal Reserve System, Proposed Revisions to the Federal Reserve Policy on Payment System Risk and the Guidelines for Account and Services Requests, Docket No. OP-1878, 91 Fed. Reg. 30,627, May 26, 2026, https://www.federalregister.gov/documents/2026/05/26/2026-10375/proposed-revisions-to-the-federal-reserve-policy-on-payment-system-risk-and-the-guidelines-for.

### a. Existing Reserve Bank Tools

Several existing Reserve Bank tools, combined with controls the Board can require of Payment Account holders, are sufficient to support FedACH broader access in a safe and sound manner. For example, the Board has already identified prefunding of credit originations as a workable control. Wise concurs with the Board's suggestion to impose mandatory prefunding on Payment Account holders as a condition of FedACH access.

Secondly, the Reserve Banks' existing FedACH Risk Origination Monitoring Service provides Originating Depository Financial Institutions (ODFIs) with automated batch-level debit and credit cap controls, allowing the Reserve Bank to monitor accumulated origination totals within the batch settlement window before finality.[8] Wise recommends mandatory enrollment in this service as a further condition of access.

Furthermore, the Reserve Banks also offer the FedACH Risk Receiving Depository Institutions (RDFI) Alert Service, which provides same-day, pre-settlement notice of incoming debit batch activity, based on thresholds the receiving institution establishes.[9] The Federal Reserve's own materials describe the service as helping institutions "manage funding liquidity."[10] The Board's concern is that debit receipt cannot be anticipated with sufficient accuracy to support a balance-based control. Since the Federal Reserve already operates a service designed to provide precisely that advanced visibility, Wise recommends the Board condition FedACH access on (i) mandatory enrollment in this service, (ii) Reserve Bank-established alert thresholds, and (iii) a contractual obligation requiring the Payment Account holder to fund any shortfall identified by an alert prior to settlement, as long as the return and reversal rights under the Nacha Operating Rules are preserved. The contractual funding obligation would convert that notice from the FedACH Risk RDFI Alert Service into an enforceable duty.

Additionally, Wise recommends that the Board require Reserve Banks to establish a standing balance floor or reserve balance for each Payment Account holder's FedACH activity, calibrated using the same individualized methodology the Board has proposed for the Closing Balance Limit, namely, an analysis of the institution's payment flows, including at the start of the business day, with specific consideration of weekend and holiday periods.

In calibrating this floor or reserve balance, the Reserve Banks could tailor it to an institution's net settlement profile rather than applying a single multiplier across all FedACH activity. For institutions whose ACH activity is predominantly net-inflow, Wise recommends the floor be set at the 95th percentile of that institution's own historical distribution of adverse, net-outflow daily swings, measured over a rolling 90-day window. This sizes the floor to the institution's worst-case days rather than its typical position using a Value-at-Risk methodology without requiring Reserve Banks to predict any individual transaction. For institutions whose ACH activity regularly produces a net-outflow position, Reserve Banks could require full collateralization (100%) of the institution's maximum net settlement obligation prior to batch release.

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[8] FedACH Risk Origination Monitoring Service — Federal Reserve Financial Services, https://www.frbservices.org/financial-services/ach/risk
[9] FedACH Risk RDFI Alert Service, including the quoted language — Federal Reserve Financial Services, https://www.frbservices.org/financial-services/ach/risk/rdfi-file-alert.html
[10] Federal Reserve Financial Services, *FedACH Risk RDFI Alert Service*, https://www.frbservices.org/financial-services/ach/risk/rdfi-file-alert.html

Wise proposes that these mechanisms operate as a single, coordinated escalation sequence. Should the Payment Account holder fail to fund its account, or should breaches recur, the Reserve Bank would escalate by suspending or revoking FedACH access for noncompliance. To ensure this, Wise recommends that Reserve Banks retain audit and reporting rights over this framework in its entirety, including prefunding compliance, RDFI Alert Service thresholds, the standing balance floor, and the enforcement sequence described above, consistent with the periodic reporting conditions the Board has already proposed.

**b. Additional Controls**

Wise recognizes that the Board may nevertheless conclude that additional operational safeguards are appropriate before permitting broader FedACH participation. While FedACH lacks the automated rejection controls built into the Fedwire Funds Service and the FedNow Service, the Board can specify technical and operational controls that applicants must implement and demonstrate to achieve an equivalent outcome, as detailed below.

FedACH access already operates within a well-established risk-management framework. Payment Account holders would be required to comply with the Nacha Operating Rules, Federal Reserve Operating Circular 4 and applicable FedACH participation agreements, which collectively establish comprehensive requirements governing ACH origination, receipt, risk management, annual compliance audits and enforcement. Rather than creating a new supervisory framework, the Board can build upon these existing protections by making compliance with these requirements a continuing condition of FedACH access.

The Board can further strengthen this framework and address concerns around the ability of Payment Account holders to process returns and reversals for ACH debit transactions, including fraudulent and unauthorized payments. For example, Payment Account holders can be required to implement automated controls capable of dealing with return processing as well as identifying and rejecting incoming debit entries that would cause the institution to exceed its approved liquidity or settlement limits. Combined with mandatory prefunding, Reserve Bank monitoring services, calibrated balance requirements and contractual funding obligations, these controls would help protect the participant, the broader ACH network and, most importantly, consumers and businesses that rely on the timely and reliable settlement of ACH payments. Repeated failure by a Payment Account holder to properly operationalize such controls could result in suspension or revocation of FedACH access, consistent with the enforcement sequence recommended in the previous section.

Finally, Wise recommends the Board direct the Reserve Banks to develop automated overdraft-rejection controls for FedACH over time, including by extending the RDFI Alert Service to support an automated margin-call function. If an unexpected debit surge pushes an account's balance below its calibrated floor, the system would trigger a mandatory pre-settlement margin call, contractually requiring the Payment Account holder to sweep in supplementary liquidity prior to the FedACH settlement cutoff.

Wise emphasizes, however, that the framework suggested above is sufficient on its own terms to manage the risks associated with broader FedACH access, and the development of automated controls could strengthen an already adequate initial framework, not serve as a precondition for access.

### c. Comparative Precedent: Bank of England

The Board's concern is legitimate: absent intraday credit, a Payment Account holder facing a settlement shortfall could expose the Reserve Bank to credit risk. However, the Bank of England has addressed this risk for a structurally comparable system. Since 2017, non-bank payment service providers have been eligible to hold direct settlement accounts in the Bank of England's payment systems, including Bacs, the UK's core deferred net settlement system, which encompasses both Direct Credit and Direct Debit and settles once or more per day.[11] Bacs participants settle under a prefunding model. The Bank of England caps each participant's maximum net obligation and requires funds held in a segregated account up to that cap, eliminating settlement risk between participants and ensuring fulfillment of net obligations even in the event of a participant default. Wise recommends the Board explore a comparable model calibrated to FedACH's design.

## V. Conclusion

Wise reaffirms its strong support for the Payment Account and emphasizes that without access to FedACH, Payment Account holders will remain dependent on intermediary banks for the vast majority of payment account activity by volume and unable to deliver the cost, speed, and competitive benefits this proposal is designed to enable. The layered, risk-mitigation framework set out in this letter, including not only existing Reserve Bank tools but also additional controls the Board can mandate and build, demonstrates that the risks posed by granting FedACH access to Payment Account holders are manageable today. Wise urges the Board to include FedACH in the final Payment Account framework and welcomes the opportunity to meet with Board and Reserve Bank staff to support that effort.

Sincerely,

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Aneeb Sheikh, Public Policy and Government Relations Manager, North America

[11] Bank of England non-bank direct access since 2017 — Bank of England, *Bank of England Extends Direct Access to RTGS Accounts to Non-Bank Payment Service Providers* (July 2017), https://www.bankofengland.co.uk/news/2017/july/boe-extends-direct-access-to-rtgs-accounts-to-non-bank-payment-service-providers