



Paze vs. Other Digital Wallets: What's the Real Difference?

Why the new bank and
credit union offered wallet,
Paze, is the next big thing in
e-commerce

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Digital wallets have gained popularity with online shoppers. For good reason.

They allow consumers to skip the tedious and error-prone task of typing in their credit card information before every purchase.

Through tokenization, digital wallets also make it harder for fraudsters to use compromised card data for online purchases. The wallet providers send a token and a one-time-use cryptogram to the merchant or payment service provider instead of their customers' full 16-digit credit or debit card number. This ensures that the actual card numbers aren't shared with the merchant.



71%

percent of U.S. consumers are still choosing to manually enter their card data at guest checkout.¹

What's preventing more widespread wallet adoption? Although digital wallets have made it easier to pay online, the improvements don't go far enough.

Enter Paze, the next evolution in digital wallets

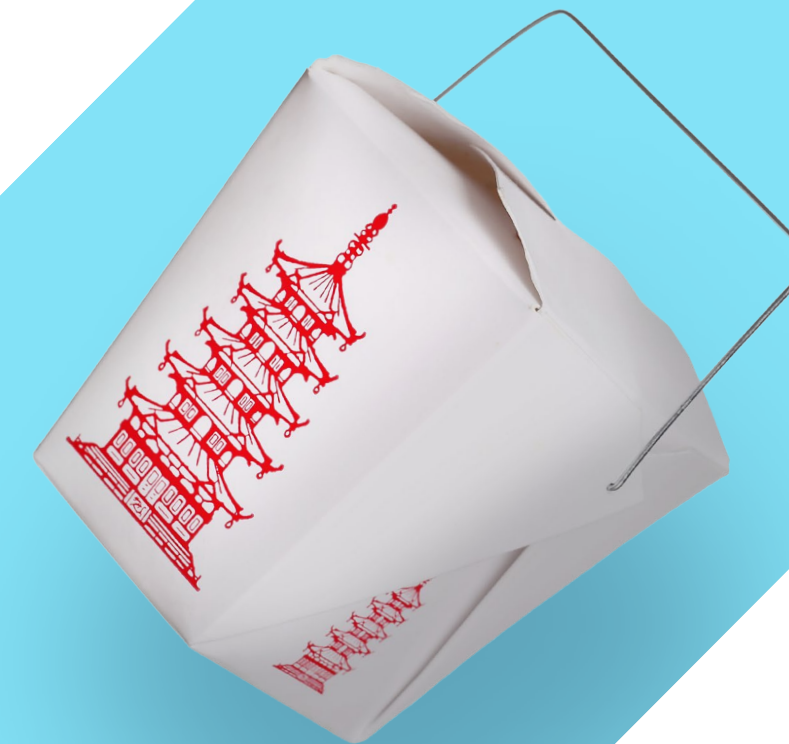
Offered initially by seven of the nation's largest banks, Paze solves the longstanding problems associated with manual card entry and third-party digital payment solutions.

Read this guide to understand:

- ✓ Consumers' top concerns with digital wallets
- ✓ What Paze is and how it works
- ✓ The difference between a bank and credit union offered digital wallet and other digital wallets
- ✓ How Paze benefits consumers, merchants and financial institutions



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Frequent consumer concerns with digital wallets



Desire for a bank-provided digital wallet

A McKinsey report found that consumers prefer banks more than any other providers to provide digital payment solutions, including wallets.² Consumers want a digital wallet that is offered by the financial institutions they already use and trust with their money. A digital wallet offered by banks and credit unions gives consumers peace of mind.



Too many hurdles

Set-up for some digital wallets requires consumers to first download an app, register with a username and password and add the details for the credit cards they want to use in the wallet. The responsibility to load payment cards may fall on the consumer to manually enter or scan their full credit or debit card information.

To use some digital wallets for e-commerce purchases, consumers may be asked to create or sign into their wallet account in addition to creating or signing into their merchant account.

While it's important for digital wallet providers to meet the industry standard for tokenization to secure transactions, asking consumers to keep track of an additional username and password adds unwanted friction to the checkout process. This added friction can cause consumers to revert to manual payment entry—or abandon their cart altogether.³

Introducing Paze

Paze is a new digital wallet that financial institutions offer to consumers and merchants for online purchases. Solving long-standing problems in e-commerce, Paze removes the need for manual entry of full card numbers and gives consumers a choice among cards they use for online purchases.

Paze is provided by banks and other financial institutions and allows participating merchants to design their own Paze checkout experience based on their business needs with one hosted JavaScript SDK enabling any integration. Because customers can use Paze to help establish an account at merchants' websites, they build relationships with merchants directly.

Benefits of Paze



Initially offered by seven of the largest banks in the U.S. and operated by Early Warning®, Paze offers the peace of mind consumers expect from their participating financial institutions—while delivering a convenient checkout experience:

- ✓ Consolidation of consumer cards into a single wallet—with no manual entry of full card details required
- ✓ No new passwords or usernames to remember
- ✓ No registration or app to download
- ✓ No need to set up new cards or update expired ones

Consumers trust their banks more than other providers to provide digital payment solutions.⁴

The Paze experience

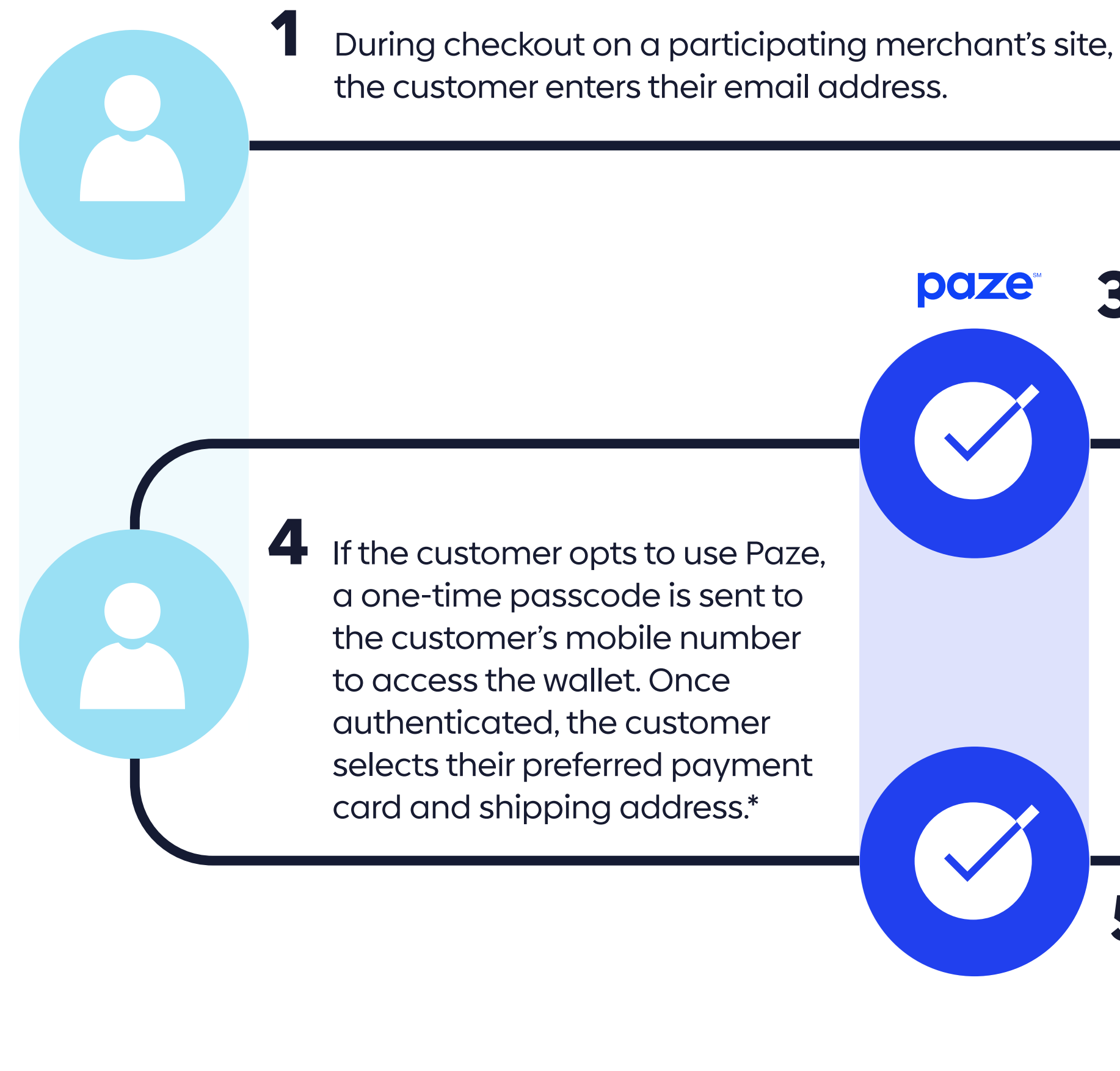
Paze creates a unified wallet for eligible consumers—which includes eligible cards from all participating financial institutions.

Merchants can choose to implement a Paze button in their checkout experience or prompt consumers to enter their email address. If available, the consumer can choose to use Paze at checkout.

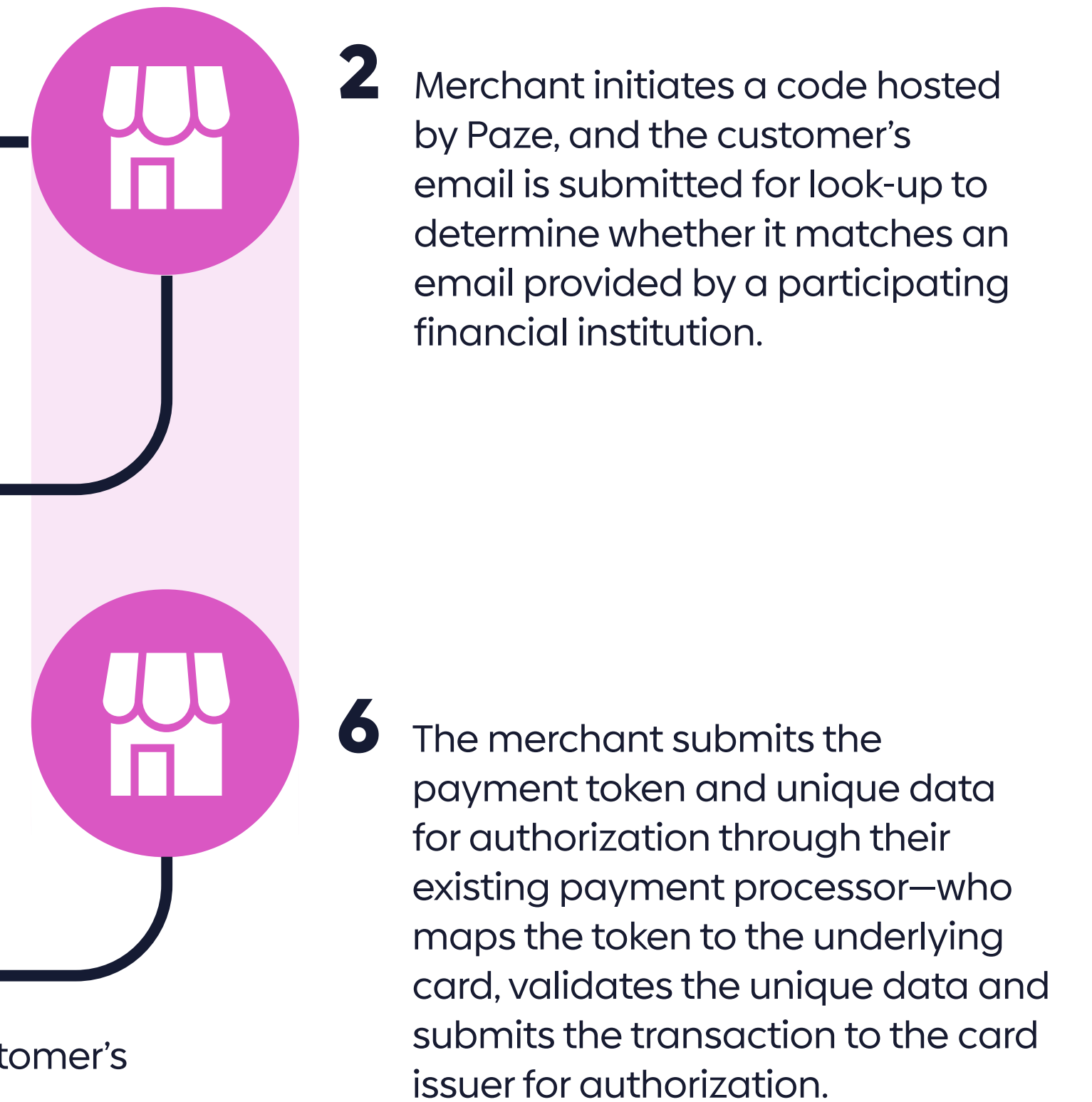


How it works

Standard consumer experience



Behind the scenes



Paze improves e-commerce outcomes for customers, merchants and banks



Consumers benefit from a simpler, more secure e-commerce experience with tokenized transactions in comparison to manual entry.⁵

- Over 150 million Visa® and Mastercard® credit and debit cards will be connected at rollout



Merchants that offer the Paze may see improvements in their business outcomes:

- More convenient checkout can improve sales conversions⁶
- Tokenized card information leads to higher approval rates vs. non-tokenized guest checkout options⁷
- No rejected transactions caused by mistyped payment credentials



Financial institutions that participate in Paze can reduce fraud in comparison to manual entry with tokenized transactions.⁸

- Over time, the Paze network will expand to include additional banks and credit unions of all sizes

Want to offer your customers a simpler, smoother e-commerce experience?

The Paze pilot began in the summer of 2023 in preparation for general availability in 2024. To learn how to participate as a merchant or bank, visit paze.com/for-business.

About Paze

Paze is a new wallet that financial institutions offer to consumers and merchants for online purchases. Solving long-standing challenges in e-commerce, Paze provides an easy experience consumers and merchants can trust. Upon general availability in 2024, participating banks will make more than 150 million credit and debit cards available for consumers to activate in Paze and use at checkout. Paze is operated by Early Warning Services, LLC, an innovator in payment and risk management solutions.

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