



# Paze<sup>SM</sup> vs. Other Digital Wallets: What's the Real Difference?

Why Paze<sup>SM</sup>, the new digital wallet offered by banks and credit unions, is the next big thing in e-commerce.

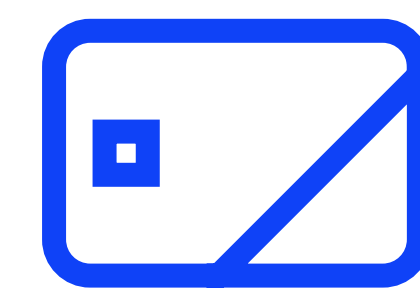
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# Digital wallets have gained popularity with online shoppers—for good reason

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 more difficult for fraudsters to use compromised card data for online purchases. The wallet providers send a “token” that replaces customers’ full 16-digit credit or debit card number and a one-time-use cryptogram to the merchant or payment service provider.

- This ensures that the actual card numbers aren’t shared with merchants, which can reduce the chance of fraud or security breaches.
- In addition, tokenization allows customers to maintain their card numbers, even when the underlying data changes. So, if a card is lost or expired, the token can be updated directly, resulting in continuously working online transactions without having to update card details or accounts.



**71%** of U.S.

**consumers are still choosing to manually enter their card data at guest checkout.<sup>1</sup>**

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

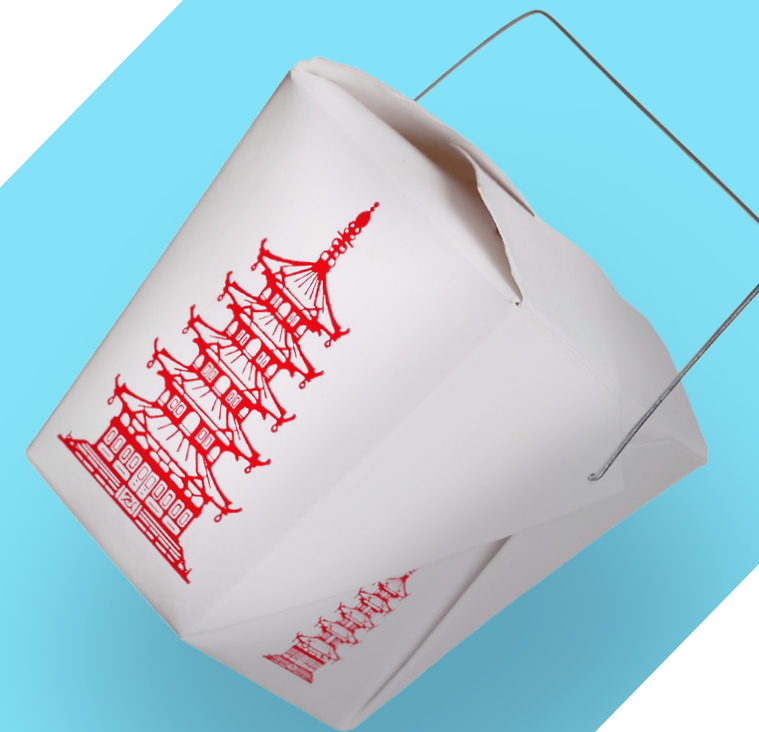


# Enter Paze<sup>SM</sup>, the next evolution in digital wallets

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

## Read this guide to understand:

- ✓ Consumers' top concerns with digital wallets
- ✓ What Paze is and how the experience goes beyond the digital wallet
- ✓ The difference between a digital wallet offered by banks and credit unions and other digital wallets
- ✓ How consumers, merchants, and financial institutions benefit from connecting with Paze



# Frequent consumer concerns with digital wallets



## Desire for a bank-provided digital wallet

The February 2024 [Paze Pulse<sup>SM</sup> Report: Consumer Online Shopping Preferences](#) found that consumers trust their banks' safety and security more than third-party payment options.

Consumers want convenient, protected shopping experiences online—and they want it from the financial institutions they already use and trust with their money. A digital wallet offered by banks and credit unions conveys trust to consumers.



## 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.<sup>2</sup>



# Introducing Paze<sup>SM</sup>

Paze is a new checkout solution that banks and credit unions can 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 their choice among cards they use for online purchases, as eligible cards from participating financial institutions can be consolidated into a single wallet.

Paze allows participating merchants to customize their own checkout experience based on their business needs and customer journey with a highly configurable, yet simple, integration. Merchants can also use the Paze checkout experience to help customers establish accounts on their website, creating opportunities to establish direct and personal relationships with them.

# Benefits of Paze<sup>SM</sup>



Initially offered by seven of the largest banks in the U.S. and operated by Early Warning Services, LLC, the Paze<sup>SM</sup> solution offers the experience 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
- ✓ Additional layer of security through network tokenization
- ✓ Easy checkout experience

**Consumers trust their banks more than other providers to provide digital payment solutions.<sup>3</sup>**



# The Paze<sup>SM</sup> experience

The Paze experience creates an online checkout solution for eligible consumers—which includes eligible cards from all participating financial institutions. Eligible cards typically include cards that consumers have recently used to transact online.

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

**1** During checkout on a participating merchant's site, the customer enters their email address.



**4** If the customer opts to use Paze, a one-time passcode is sent to the customer's mobile number to access the wallet. Once authenticated, the customer selects their preferred payment card and shipping address.\*



paze™



**3** If there's a match, Paze is offered to the customer as a streamlined checkout option.

**5** The Paze service sends the customer's contact information and billing information, as well as payment token and a unique one-time-use cryptogram.

## Behind the scenes

**2** Merchant initiates a code hosted by Paze™, and the customer's email is submitted for look-up to determine whether it matches an email provided by a participating financial institution.

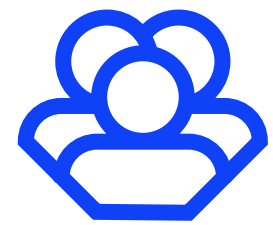


**6** The merchant submits the payment token and unique data for authorization through their existing payment processor—who maps the token to the underlying card, validates the unique data and submits the transaction to the card issuer for authorization.



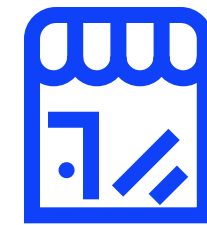


# The Paze<sup>SM</sup> experience improves e-commerce outcomes for customers, merchants and banks



**Consumers** benefit from a simple and secure e-commerce experience with tokenized transactions in comparison to manual entry.

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



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

- More convenient checkout can improve sales conversions
- Tokenized card information leads to higher approval rates vs. non-tokenized guest checkout options<sup>4</sup>
- 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.<sup>4</sup>

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



# Offer your customers a simple, convenient e-commerce experience.

To learn how to participate as a merchant or bank, visit [paze.com](https://paze.com).

## About Paze<sup>SM</sup>

Paze is a reimagined online checkout solution that banks and credit unions offer to consumers and merchants, combining all eligible debit and credit cards into a single wallet and eliminating manual card entry. Solving long-standing challenges in e-commerce, Paze provides an easy experience consumers and merchants can trust. At general availability, more than 150 million debit and credit cards will be available to consumers for making online purchases. To learn more about Paze, visit [www.paze.com](https://www.paze.com). Paze is operated by Early Warning Services, LLC, an innovator in financial and risk management solutions.

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