



PazeSM: don't get left behind

How to implement the new bank wallet to improve e-commerce experiences—and boost your business outcomes.

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E-commerce payments are outdated

For 30 years, e-commerce has been tied to repeated manual entry of payment card information—a solution plagued by inefficiencies.



Manual card entry is:

- Time-consuming
- Cumbersome
- Prone to errors
- Vulnerable to fraud



Online shoppers want:

- Quick and simple checkouts
- Ease of use
- Reliability
- Security

The result? Frustrated consumers, higher cart abandonments—and lost sales.

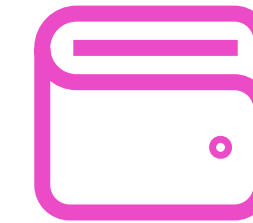
Third-party digital wallets offer limited improvements

Digital wallets, which eliminate the need for repeated manual card entry, make online payments easier.

But many online shoppers still choose to manually enter their card information at checkout.

Persistent problems with third-party wallets:

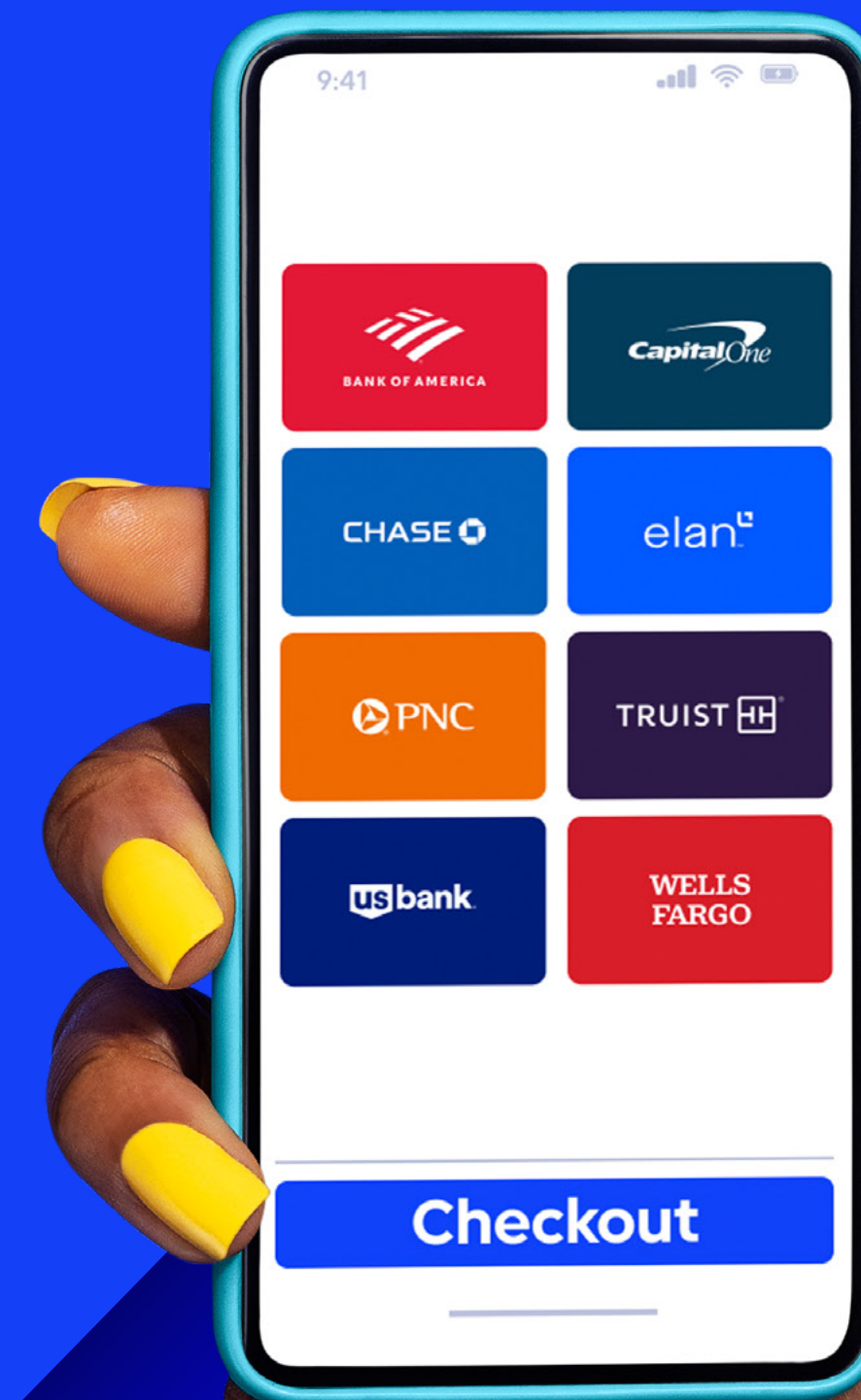
- **Convenience:** Entering passwords and usernames before each purchase is time-consuming and cumbersome.
- **Peace of mind:** A McKinsey report found that consumers prefer banks more than any other providers to provide digital payment solutions, including wallets.¹ Consumers want experience they count on from their financial institutions.



71%

of U.S. consumers still regularly use a manual card entry solution at guest checkout when shopping online.²

Introducing PazeSM, the digital wallet offered by financial institutions



What it is

PazeSM is a new wallet that's offered by participating financial institutions—initially including seven of the nation's largest banks.

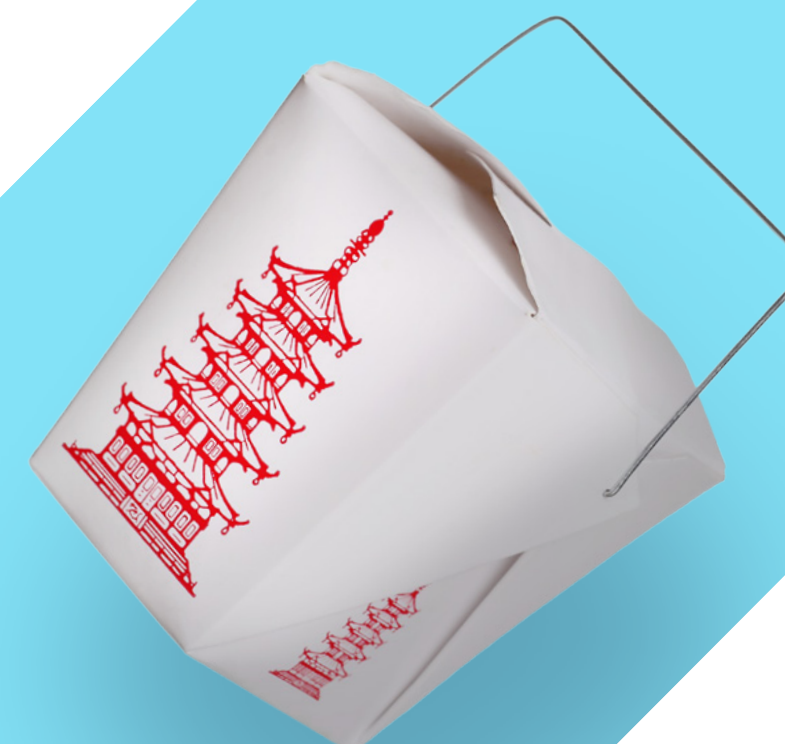
Merchants can offer consumers convenience by integrating Paze into their consumer checkout experience, removing the need for manual entry of 15-or 16-digit card numbers and giving them a choice among cards they use for online purchases.

The Paze checkout method solves the key obstacles in e-commerce.

No third-party wallet app required.

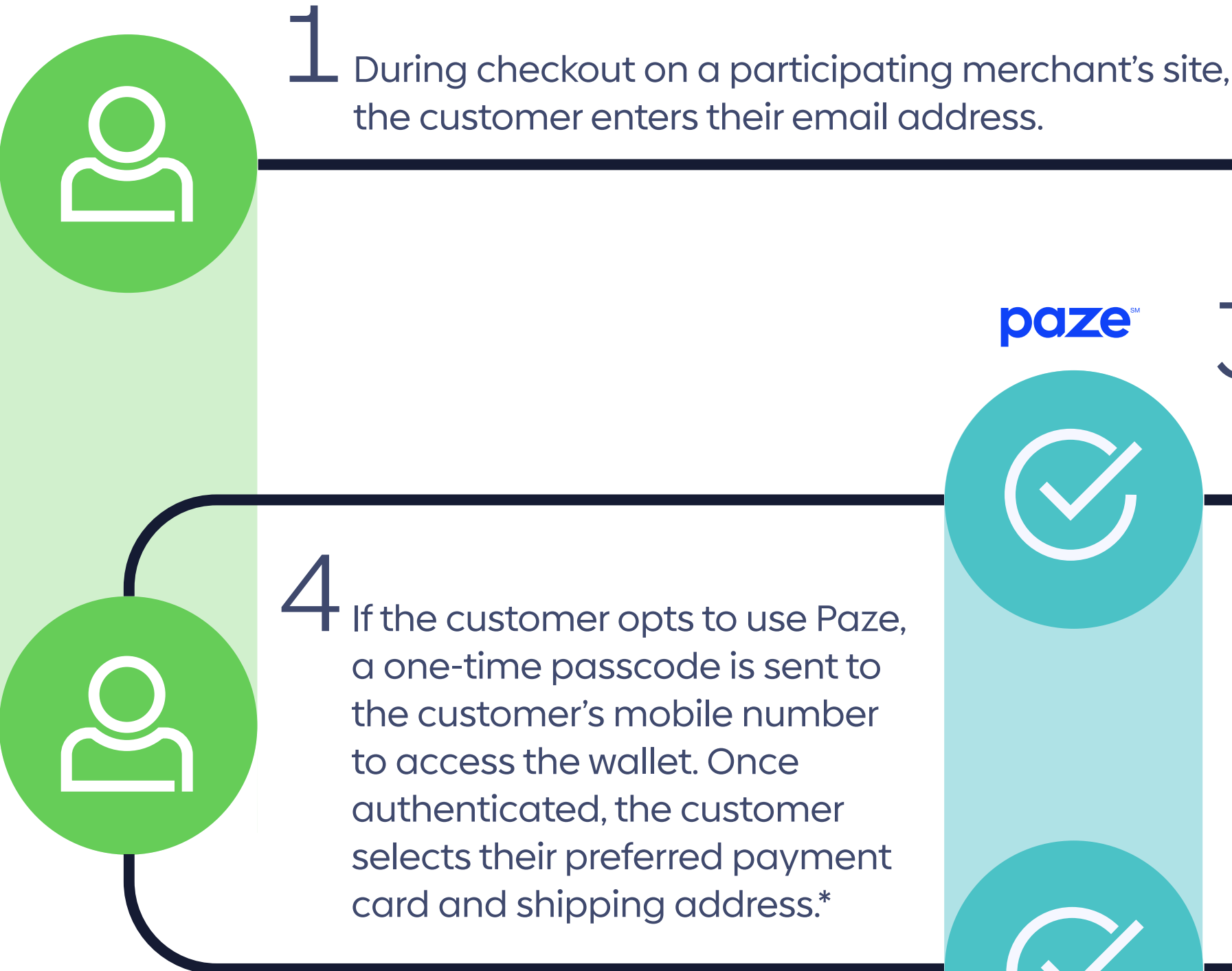
pazeSM

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How it works

Standard consumer experience



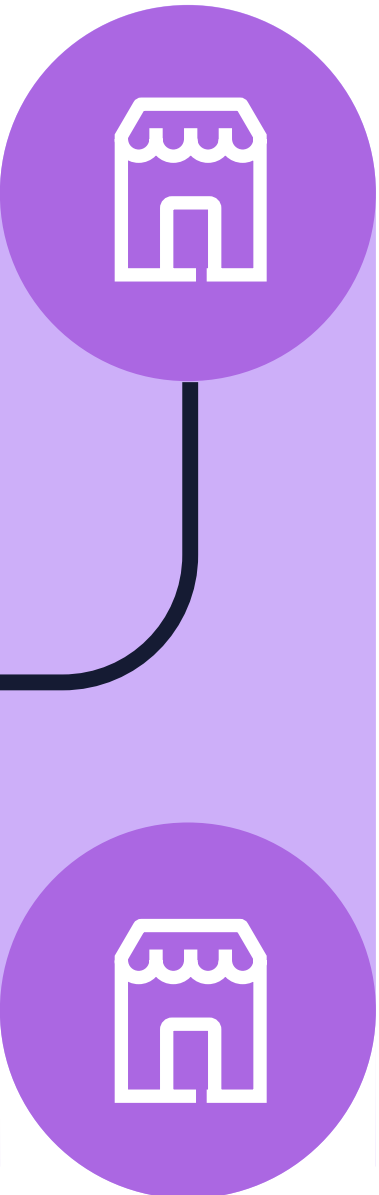
1 During checkout on a participating merchant's site, the customer enters their email address.

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.*

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 PazeSM, 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.



* In some circumstances, customers may be prompted to enter their phone number and CVV while accessing Paze.

Benefits for consumers



paze™

CONSUMER BENEFITS

Effortless enrollment



With PazeSM, consumers with accounts at participating financial institutions will have access to all their eligible cards within a consolidated wallet.



Initial participation includes seven of the biggest banks in the nation, with a commitment to include financial institutions of all sizes.



Card credentials will automatically be kept up to date.

Convenient experience

Nothing new to set up – No manual card entry. No apps to download.

Nothing new to remember – No Paze usernames. No Paze passwords.

Peace of mind – Paze is offered by the consumer's financial institution, giving them choice among cards they use for online purchases.

Tokenization – Paze provides added security to check out that replaces consumers' actual card numbers with a unique number, which means Paze doesn't share customer's card numbers with merchants.

Cardholders have the option to accept use of Paze at guest checkout.



Opportunities and benefits for merchants



Bottom-line improvements

Merchants that implement PazeSM may be able to increase sales and reduce costs. Here's how:



Potential to increase sales

Better conversions

- Digital wallets are associated with 10-20% lift in conversion⁴
- Fast, simple payment experience reduces cart abandonment⁵

Higher approval rates

- ~3% lift[†] based on tokenized usage⁶



Potential to reduce costs

Mitigate fraud risk

- No manual entry of card numbers will mitigate possibility of compromise.
- Domain-limited tokens drive a 28% reduction in fraud when compared with non-tokenized transactions⁷

Low card transactional costs

- No incremental transactional costs to merchants



⁴ Source: Retail Dive, Big Commerce, Smart Solutions

⁵ Source: BigCommerce, The Keys to Abandoned Cart Recovery and Reducing Lost Sales

⁶ Source: When compared to non-tokenized transactions. Tokens have led to a 28% reduction in fraud rates and 3% increase in approval rates. Visa Tokens Surpass Physical Visa Cards in Circulation

⁷ Source: Visa Inc., August 2022, Visa Tokens Surpass Physical Visa Cards in Circulation

Simple yet powerful integration

How to implement PazeSM on your e-commerce site or application for exceptional outcomes:



Easy setup: Simple merchant integration with one hosted JavaScript SDK for all experiences, including a button or embedded option to *begin* checkout.



Flexible integration: Create an experience that suits your customer and aligns with your business to *proceed* with checkout.



Build trust: Customers build relationships with you, not with Paze. You can even turn on the functionality to allow your customers to use Paze to *establish* an account with you.

Opportunities and benefits for financial institutions

pazeSM

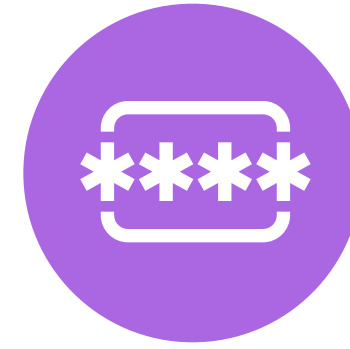


Solve key obstacles in e-commerce

Financial institutions of all sizes can participate in PazeSM. Paze will consolidate consumers' eligible credit and debit cards from all participating financial institutions into a single wallet.



Position your financial institution as forward-thinking and innovative



Reduce fraud in comparison to manual entry with tokenized transactions⁸



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

Want to learn how to implement PazeSM for your organization? Get in touch!

paze.com/for-business

About Paze

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 for consumers and merchants alike. 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. Paze is operated by Early Warning Services, LLC, an innovator in financial and risk management solutions.

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