



Press Release

Primer: What Is a Real-time Payments System, and Who Should Operate It?

PAULINA ENCK | JULY 20, 2023

This morning, the Federal Reserve launched its real time payment rail network, FedNow, after a decade of effort and hundreds of millions of dollars in development costs – merely to duplicate the network already existing in private markets. Director of Financial Services Policy Thomas Kingsley wrote a primer in 2019 on real-time payments networks and FedNow discussing the significant drawbacks and little upside of a federal competitor.

Kingsley concluded:

Were the Fed to develop its own real-time payments platform, it would be costly, time consuming, duplicative, discourage competition, slow down the progress of development of real-time services, and likely be unsupported by the Fed's own mandate. Unless the Fed can demonstrate that there has been a market failure, a decision to proceed would be entirely without basis.

[Watch Kingsley's new video on the issue](#)

[Read the analysis](#)