



velera

CASE STUDY

Zelle<sup>®</sup>

Peer-To-Peer (P2P) Payments  
Network For Easy, Quick  
and Secure Money Transfers  
That Drive Member Engagement  
While Reducing Fraud



## THE CREDIT UNION

# Avadian Credit Union

In 1934, Alabama Telco credit union opened with seven charter members and a capital base of \$70. Originally serving telephone company employees and their families, over the years membership expanded, and the credit union's name was changed to Avadian in 2015.

Today, Avadian serves more than 90,000 members at branches throughout Alabama, offering nationwide access through Co-op Shared Branch and ATMs, as well as online, mobile, and telephone banking services. As one of the largest credit unions in Alabama, Avadian manages more than \$1.3 billion in assets.

## Results at a Glance - Avadian Members with Zelle®



**Average  
Savings Balance**  
**Up 7%**



**Average  
Checking Balance**  
**Up 18%**



**Transactions  
Secured with a Host  
of Fraud Protection  
Solutions**



## THE OPPORTUNITY

For several years, Avadian Credit Union offered a P2P payments solution to its membership. However, as the platform aged, Avadian's vendor partner decided to sunset the solution, which presented Avadian leadership with an opportunity to investigate other options. They decided to look at Zelle®, which has grown to one of the most trusted and utilized P2P solutions available today.

Leadership certainly recognized the value of a resident P2P solution. In today's digital world, members demand convenient digital payments solutions that meet them where they are. From paying the babysitter or splitting a restaurant check with friends, P2P payments have become an integral part of members' lives – and Avadian knew if they didn't offer a solution as part of their services, members would find it elsewhere.

The credit union was also concerned with security, as P2P payments fraud is on the rise. But because Zelle® is accessed from within the credit union's online banking platform or mobile app – and with Velera, would be further secured with a host of fraud protection solutions – it offers a solid layer of security, too.

Avadian had been working with Velera for several years, participating in the surcharge-free Co-op ATM network, Co-op Shared Branch and ATM Terminal driving, while supplementing their own member services with Velera's Contact Center. They knew Velera offered the opportunity to embed Zelle® into their online banking and mobile solutions, so Avadian contacted Velera for details.

### Secure P2P Payments

Zelle® is embedded within the credit union's online banking and/or mobile app and further secured with Velera's fraud solutions.

### Fee-Free

Zelle® doesn't charge any fees to send or receive money.

### Quick and Easy

Zelle® transfers typically arrive within minutes, so money can change hands quickly.

### Compatible with Credit Unions and Banks, too

Zelle® has an extensive list of partner credit unions and banks that can send money to one another seamlessly.

### Increased Member Engagement

Zelle® operates within the trusted credit union digital environment, adding yet another engagement point with the member.





## THE SOLUTION

Avadian selected Zelle® as their platform of choice and partnered with Velera to integrate the solution into their online banking and mobile app and connect to the Zelle Network®.

“I think as the payment ecosystem continues to evolve and payments move at a faster pace, in order to stay relevant, you've got to be able to move at that same pace,” says Brandon Watkins, Avadian’s VP of Cards and Payments. “You've got to be able to provide those services to your membership; it’s what they expect and without it, you risk losing an opportunity to meet the members’ financial needs. I think it's important to be at the forefront of the payment evolution.”

But it’s not just the ability to provide P2P payments. Watkins also manages the profit and loss for the organization’s cards and payments verticals, “so it’s extremely important to me that we are managing fraud risk effectively and providing our members with a safe and secure payment solution they can trust.”

Velera’s project team walked Avadian’s solutions group through the integration process and worked with their marketing team to highlight the solution and place it prominently on the website landing page.

“I’ve really been pleased on two fronts,” says Watkins. “First, with the adoption of Zelle® and second, with the fraud mitigation. I’ve been really pleased with the AI built into the fraud solution, which has helped us identify and mitigate a significant amount of risk around Zelle® payments. We have experienced very little fraud associated with Zelle® – but I also attribute that to the robust fraud tools that Velera brought to the table as part of this solution.”

## Most popular scenarios among all consumers to use P2P service

**27%** Services

**23%** Birthday Gift

**22%** Lend Money

**21%** Items Purchase

**21%** Repay Individual

### Next Steps: Setting Up Tiered P2P Limits

At launch, Avadian chose a conservative approach to their daily limit structure. Working with their Velera team, Avadian developed some tiered limits within the platform. “Our limit structure is still somewhat conservative,” Watkins says, “but the risk profile has been manageable, and we will continue to monitor this and adjust with the needs of our members.”

## THE RESULTS

With the adoption of Zelle®, Watkins suspected that more members were engaging with their new P2P app for quick and easy payments. To back it up, he ran a report that graphed the total Zelle® transfers by member age. Zelle® was widely used by members from their early 20s to mid-50s, peaking at age 43. “I think this demonstrates that Zelle® has been a good strategy for attracting and retaining a younger member demographic,” says Watkins.

Another statistic he discovered showed that members with heavy use of Zelle® also maintained higher savings and checking balances.

“Members like the ease and convenience” says Watkins. “The other value-add is the fact that there is no 3% up-charge for members if they want that transaction to move quickly, in near-real time, same day. And because it sits behind our online banking platform, there's more security for each transaction.”

“I think when you look at this holistically, it's certainly a benefit to the member base. The proof is in the numbers. It's been a good product for us. I've been very pleased with the performance, and I've been very pleased with the partnership with Velera.”

### Credit Union Members Who Use a P2P Account as Primary Payment Method

**25%**

**2024**

**23%**

**2023**

Overall use of accounts  
like Zelle has increased by  
**21%** among CU members  
since 2021

“The key reason for offering a P2P solution is to deepen the relationship with the member. It’s a way for us to give members the ability to move money efficiently, quickly and securely – each time engaging with the credit union. I'm pleased to see that my expectations about Zelle – to deepen the relationship with members – has been realized.”

– **Brandon Watkins, VP of Cards and Payments, Avadian Credit Union**



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