



INTELLIMATCH OPERATIONAL CONTROL FOR FASTER PAYMENTS

Go Beyond Connectivity to Gain a Competitive Edge

Business overview

The immediate benefits of faster payments

In the fast moving world of digital commerce, the ability to make instant payments from one bank account to another benefits consumers and businesses alike. Thanks to the unstoppable rise of mobile computing, we expect speed, convenience, immediacy and security in almost all aspects of our lives – banking included. But faster payment schemes bring further advantages on a broader scale, promoting financial inclusion and stability, transparent processing, risk mitigation and more liquid, fluid economies.

In line with both consumer expectations and macro-level demands, countries across the globe have been busy reengineering their payment processing infrastructure, typically for “low-value”, non-institutional transactions. Driven by governments, central banks and regulators, a growing number of national electronic real-time payment platforms are already in place or about to be introduced – reducing payment times between accounts in different banks from days to hours, minutes or seconds.

The long-term value for banks

For account holders and wider economies, the value of the faster payment platform is clear. So what’s in it for the account providers: the banks?

As one of many organizations participating in a national faster payment scheme, the ability to support real-time payments won’t increase a bank’s competitive advantage. But by moving to a faster payment processing infrastructure, banks will be able to create new value in the following ways.

Supplementary services

Through their processing infrastructure, faster payment schemes give banks a ready-made framework for providing additional services. These services augment the traditional settlement function provided by the bank, and capitalize on the ability for scheme members to pass additional non-settlement related information within their transaction message flows. For example, by the simple inclusion of invoice numbers with payment details, banks could offer their customers a receivables validation service, or other additional capabilities. Thanks to the multi-layered nature of real-time payment platforms, any kind of complementary data can be sent along with payment settlement information – creating endless potential for new services and revenue. In fact, as new platforms continue to be rolled out around the world, there is increased emphasis on their versatility and ability to drive payment innovation.

Internal improvements

Participation in a faster payment scheme also gives banks the opportunity to enhance their internal operations, by capitalizing on the scheme's constant supply of accurate, real-time data. The data's high levels of precision will help you improve reporting and liquidity management, for not only compliance but also more confident use of funds. And the fluid, consistent distribution of wholly validated data into your subsystems will promote greater operational efficiency and integrity within your organization.

Beyond connectivity and routing

Build a strong foundation for operational control

For banks joining a faster payment scheme, the immediate priority is how to access and link up to the supporting infrastructure. But with a little forethought, you can build an architecture that goes beyond connectivity – and help you reap as much value from participation as possible.

FIS provides industry-leading services and solutions that support connectivity, payment settlement and the routing of supplementary information message across all schemes. Our services can also supply the next layer of operational control that you need to ensure accuracy, and drive value and efficiency, from the use of real-time and intraday messaging.

FIS' IntelliMatch Operational Control will give you the robust platform you need to support more accurate funding decisions, improved reporting, increased efficiency and better customer service along with faster payments themselves. Together, our integrated **solutions for position and limit monitoring, intraday data integrity checks and payment investigation and exception management** provide a solid foundation for operational control, laying the groundwork for your future competitive advantage.

COUNTRIES WITH OR PLANNING FASTER PAYMENT SCHEMES

Australia	Poland
Brazil	Republic of Korea
Chile	Singapore
Denmark	South Africa
Finland	Sweden
India	Switzerland
Japan	Turkey
Mexico	United Kingdom
Nigeria	United States

DID YOU KNOW?

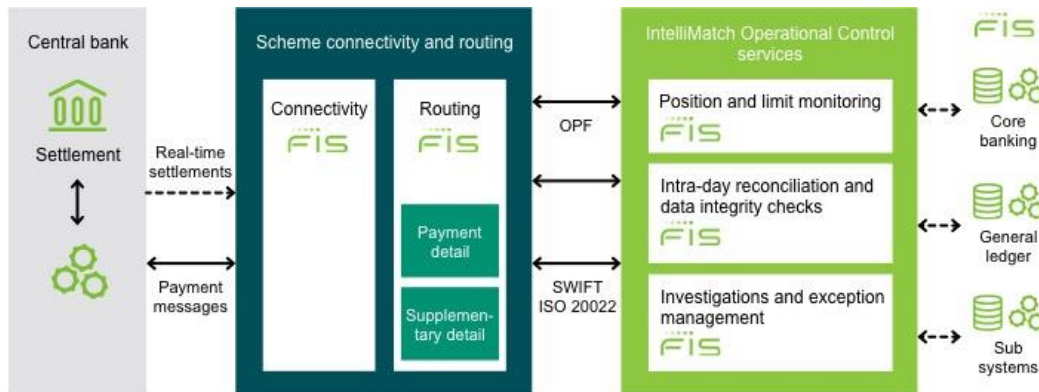
In Australia, “the New Payments Platform (NPP) infrastructure will support multiple ‘overlay’ services that can be independently developed to offer innovative payment services to end-users.”

Reserve Bank of Australia.

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IntelliMatch Operational Control for accurate funding decisions, improved reporting, increased efficiency and better customer service



Position and limit monitoring

Get an up-to-date view of all your accounts

Liquidity regulation is making it critical for banks to gain constant access to accurate cash positions across their accounts. With their ready flow of up-to-the-minute data, faster payment schemes clearly meet this requirement head-on, for accounts that receive and send instant payments. Now, your challenge is to ensure that every account associated with a scheme is also being monitored in real time, that its positions can be tracked and that no limits are breached.

But a systematic approach to liquidity monitoring can only deliver full value when it is applied to all of your accounts. That includes those that don't operate strictly in real time, or fall across multiple payment schemes and payment systems.

Correspondent banks, for example, may not currently make use of intraday statements, making it challenging for you to maintain up-to-the-minute positions for their accounts. And with activity spread across multiple schemes and systems, the message types responsible for generating that data must be consolidated and collated before being used to calculate true positions.

So, for informed cash management and funding decisions, you need a solution that automates the capture and presentation of cash flow data across all account types – plus the tools to respond proactively to intraday breaches, deviations from expectations and their impact on funding levels.

FIS can help

FIS' IntelliMatch Cash and Liquidity Monitor provides cash managers with powerful tools for intraday liquidity monitoring, reporting and forecasting, plus the ability to interact with payments on both a manual and automated basis. For cost-effective regulatory reporting, the solution streamlines the collection of liquidity data and delivers a timely, accurate, consolidated view of liquidity positions and risks across currencies, entities and counterparties. It also provides an understanding of cash flow status, from projected and actual to unexpected, while performing continuous matching of projections against settlements. Cash flows, statements, advices, confirmations and collateral information can be easily processed to calculate intraday positions and total exposure to counterparties, allowing users to drill down into the underlying details.

Additionally, cash managers can validate and adjust projected positions, track them against defined limits and initiate payment holding, releasing and sweeping in response to surplus balances, deficits or potential limit breaches. Sweep funds at any time from secondary to main accounts, understand funding balances at set cut-off times and receive alerts when projected transactions fail to take place before cut-off.

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Intraday data integrity checks

Ensure accuracy between schemes and systems

With a wealth of faster payment settlement data flowing into the bank, it's critical to check its accuracy before, during and after onward distribution into your systems.

The first line of defense will be to determine the integrity of the scheme reports themselves. Individual payment messages, received in real-time throughout the day, will need to be compared against the cumulative statements that every faster payment scheme provides throughout the day. While you'd expect 99.99 percent accuracy at this level, intraday checks will provide a fundamental foundation for onward data validation.

Regulatory and internal compliance reporting will demand evidence that all systems reflect scheme activity correctly, and that suitable controls are implemented to ensure continued evaluation. Integrity reports provided by the scheme can be used with confidence to evaluate the accuracy of downstream systems that have been updated by these data flows. But a diverse range of complex data types, often processed at different rates, can strain the intersystem validation process.

With some systems updating in real time, and others in batches or at the end of the day, any automated solution will need the intelligence to tell an item that has not yet been validated from a true break that needs investigation or exception management. A robust, sophisticated and automated reconciliation process between scheme reports and ledger and sub-ledger output can provide this intelligence while satisfying compliance requirements and reducing associated operational costs.

FIS can help

FIS' IntelliMatch Enterprise Reconciliation

solution enables timely and automated message and statement integrity checking, general ledger and core banking validation, and inter-system reconciliations to deliver significant operational cost reduction and process transparency. Support for complex comparative logic including aggregated data matching, date and numeric tolerances, permutation matching, and duplicate and enrichment processing ensures the highest levels of automated processing.

Further efficiency savings and process transparency are provided through intuitive user navigation and simple graphical summaries of key metrics that are both interactive and flexible. So, risks can be addressed quickly and specific business and user nuances easily accommodated.

By satisfying all reconciliation and validation requirements through a single service and a single solution, FIS enables you to achieve significant economies of scale as well as best practice standards and reporting.



Investigation and exception management

Improve service and reduce risk

Faster payments are settled and accepted in real time, with sanctions and fraud checks happening in seconds not hours and days. However, mistakes can happen. In some instances, initial sanctions checks may allow for receipt of payment. But once hitting the bank the payment will be held until secondary or tertiary checks are completed before crediting a customer account. In other instances, customers initiating faster payments can make perfectly legitimate mistakes, such as entering the wrong amount or bank account number. Even when a payment is valid and settled correctly, exceptions can occur – often because of downstream system updates or operational errors.

The challenge for banks will be to minimize the operational impact of these simple but inevitable events – and improve customer service as a result. What's more, as schemes become more established, the volumes of payment activity being managed across them will increase; placing an even greater burden on already strained operational systems and processes.

With accuracy so paramount for regulatory reporting and operational control, breaks must be identified, prioritized, tracked and escalated using clearly defined practices that both proactively monitor and reduce risk.

FIS can help

FIS' IntelliMatch Payment Investigation solution automates costly investigation processes and enables the establishment of, and strict adherence to, best practices to ensure the standards of the bank are upheld. Rapid resolution of payment issues improves customer service, lowers operational costs, while enabling revenue generation through efficient compensation claim and fee processing.

Investigative cases are automatically created and populated based upon SWIFT, email, reconciliation or electronic inquiries, with additional support for templates to accelerate the booking of manually captured cases. IntelliMatch Payment Investigation can import and interpret any electronic message, use keyword searching to parse messages and extract useful information, enabling greater automation and reduced manual interaction. Outbound correspondence can be issued in SWIFT and email formats. The receipt of responses can be tracked and chased automatically to ensure the fastest resolution times. Research, resolution and compensation processes can be automated and tracked, reducing overall operational costs and enhancing transparency and best practice for the bank.

DID YOU KNOW?

“Bank and building societies in the UK that offer Faster Payments follow procedures known as the credit payment recovery process, that set out the help they must offer customers that have accidentally made a mistake when sending a payment.”

fasterpayments.org.uk

About FIS' IntelliMatch Operational Control

FIS' IntelliMatch Operational Control solution suite helps financial institutions deploy enterprise matching and reconciliation solutions to achieve operational maturity. IntelliMatch Operational Control helps businesses grow through rapid on-boarding of new reconciliations, consolidation of infrastructure and processes to help achieve lower total cost of ownership, and optimization of processes to help create greater efficiency. IntelliMatch Operational Control can help organizations reduce operational risk and minimize costs.

About FIS

FIS is a global leader in financial services technology, with a focus on retail and institutional banking, payments, asset and wealth management, risk and compliance, consulting and outsourcing solutions. Through the depth and breadth of our solutions portfolio, global capabilities and domain expertise, FIS serves more than 20,000 clients in over 130 countries. Headquartered in Jacksonville, Florida, FIS employs more than 55,000 people worldwide and holds leadership positions in payment processing, financial software and banking solutions. Providing software, services and outsourcing of the technology that empowers the financial world, FIS is a Fortune 500 company and is a member of Standard & Poor's 500® Index. For more information about FIS, visit www.fisglobal.com