

VolPay Channel: Beneficiary Portal

Introduction

With its long history of innovative developments in the corporate-to-bank financial message integration and processing space, Volante Technologies has launched an innovative self-service portal as part of its VolPay Channel product. This facility will reduce the burden for corporates when making payments to their customers. It is a new proposition that will change the way corporates make payments within the B2C space.

The ability to issue mass payment files without the banking details of the beneficiary.

Challenge

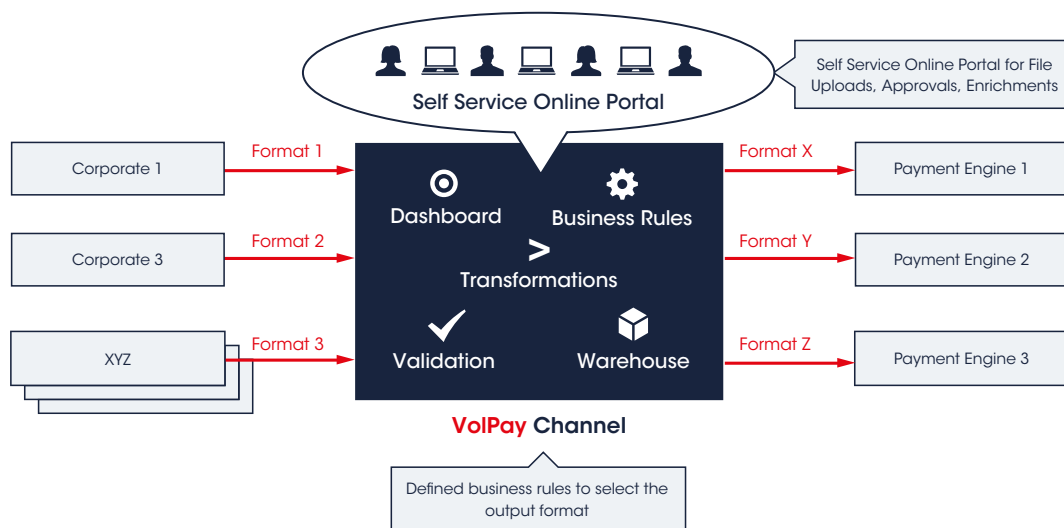
In the B2C space, businesses have multiple end-customers to whom they make regular or one-off payments,—typical examples being a refund resulting from an overcharge, credit for a delayed or cancelled flight, shipping/postal mail rebates, or a dividend/pension/insurance payment. The current process often requires the beneficiary to contact the corporate, explain the situation, provide their full account details, and ultimately wait for, in most instances, a cheque to be despatched. This procedure is fraught with variables and involves exchanging account information over the phone or by some other unsecure channel, introducing privacy concerns and security risks. In addition, there are the costs and inherent risks of the manual aspects of the process.

From the bank’s point of view, the process can also cause operational issues, as it is reliant on the corporate to provide the information required in order to support STP (Straight Through Processing) and make the payment in the exact format required. For example, IBAN as an identifier for a Euro payment vs. Sort Code and account number for Sterling payments.

Collectively, the process, both on the corporate and the bank side, carries risk, privacy issues, and involves man-hours to gather and populate the beneficiaries’ sensitive financial data to ensure it is correct for the required payment type. Is there a way to source the data needed for payment execution directly from the beneficiary?

Solution – Self Service Portal in VolPay Channel

Using Volante’s VolPay Channel, the corporate simply has to provide an email ID / mobile phone number together with the amount to be paid directly to the beneficiary. The channel’s workflow is configured to communicate with the beneficiary and gather the relevant data via the self-service portal, while handling key aspects such as security, legal implications, and two-factor authentications to bind the processing, legal and risk aspects of the specific use case.



Advantages for the Corporate

- Liquidity and cash management – the system acts like a virtual cheque i.e. funds stay with the corporate until the beneficiary cashes it (logs in online to claim it).
- The self-service process is outsourced to the bank, freeing up elements of the corporate treasury's payments process and saving man-hours from a previously manually-intensive process to get and maintain the data.
- The corporate does not have to retain a beneficiary's sensitive financial (banking) details which reduces their exposure and liability due to security risks.
- The corporate can automate this part of its payments process flow simply by adding an application plug-in. For example, by providing a form on their website in which beneficiaries can populate their email/phone details with a reference or reason for the required payment. The corporate can approve this request which would then trigger the payment into VolPay Channel and subsequently automatically retrieve the beneficiary's details.

Advantages for the Bank

- The bank can now offer additional products to the beneficiary. For example, FX products, by offering a choice of countries and currencies where the beneficiary could receive the funds. Without this functionality, any FX transaction would have been previously performed by the beneficiary bank.
- The bank can ensure that it received the right data that its systems needed for payment processing, thereby ensuring that STP rates are improved. Since the process is managed by the beneficiary, this would be achieved without adding operational overheads.
- The bank has a new channel into its customer's customers, giving it greater intelligence on customer segmentation and behavior, which in turn allows the bank to tailor their future self-service offerings appropriately and/or, cross/upsell products.
- Through Volante's long history and proven experience in the business of financial message integration and processing, **the entire solution can be deployed in weeks with minimal or no changes to the bank's existing workflows as proven with a Volante client – a Tier 1 global bank.**
- Creation of a new revenue stream - the solution opens a host of new use cases by providing a core framework to connect the necessary sources (systems or parties) together to gather any data needed for payment processing. For example, the accessing of a central government tax system to retrieve or validate tax codes and handle tax payments appropriately.
- The implementation of the VolPay Channel solution takes a giant step towards achieving what the trade association Payments UK propose as a solution in their recent report 'Confirmation of Payee – A Vision for world class payments in the UK'.

Advantages for the Beneficiary (the corporate's customer)

- Personal banking data only needs to be provided to the bank directly.
- The beneficiary benefits from a choice of being able to claim the funds in different countries and alternative currencies.
- Full pre-transaction transparency for fees associated with cross-border transactions.
- The beneficiary can use this functionality across multiple devices and form factors (tablets, mobile apps, desktop computers, etc.) and also set preferences for STP processing if required.
- The beneficiary has the flexibility to choose the channel, SMS text or e-mail, in which it receives the payment notification.

Areas of Application Within the Business

There are several areas in business operations in which the VolPay Channel: Beneficiary Portal may be applicable and provide an innovative and highly cost efficient solution. These include: Cheque replacement, Proof of Life, VAT refunds, Pension and Insurance payments, One-off payments, Biometric verification of beneficiary, Purpose of payments and more.

In Summary

Investing in self-service technology, without operational overheads, allows the bank to transform its payment process and offer an improved end-user experience while benefiting from a new revenue stream. In turn, the technology has allowed the corporate to hand-over a traditionally time-consuming and resource-hungry process and deliver more control to the end-beneficiary.

Self-service banking for anticipated payments is the next generation of banking in the digital payment age.