

Strategic Approach



Fiserv and the New Payments Platform

Helping Pave the Way to the New Payments Platform in Australia







A Fast, Versatile, Data-Rich Payments System for Australian Businesses and Consumers

The launch of Australia's New Payments Platform (NPP) will provide Australian businesses and consumers with a fast, versatile, data-rich payments system for making their everyday payments. Fiserv is partnering with SWIFT to deliver part of the centralised infrastructure that will support the NPP, and will be a valuable partner to prepare institutions for the NPP. Are you NPP ready?

The NPP will allow payments to be made quickly between financial institutions and their customers' accounts. The system will enable funds to be accessible almost as soon as payment is received – even when the payer and payee have accounts at different financial institutions.

The Market Need

The customer need is simple – they want access to this real-time service across all available channels. In order to support the NPP, you will need to assess your operations and make changes to support the service. This includes:

- Customer Channels – Delivering a consistent and integrated user experience and processing of real-time transactions across mobile, Internet and branch channels.
- Customer Data – Banks will now need to retain and maintain addressing information for their clients (and clients of their agency banks).
- Back-End Support – Reconciliations, fraud and treasury operations will need to be modified to deal with real-time money movement between customers and institutions.
- Integration – Integration between all impacted systems will need to be reviewed and upgraded to support the NPP.

The platform is expected to go live in 2017 with banks testing their own systems from mid 2016. Are you ready to meet customer need for this market-changing service? Not only will access to the NPP need to meet customer expectations and give you opportunities

to attract new customers, it will also offer you the ability to develop new innovative products through overlay services.

Real-Time Payments Considerations

The drive for real-time payments options is ever-growing, but there are some aspects to consider moving into this arena.

- Evolution of risk mitigation and controls to support real-time money movement. The centralised infrastructure only provides the industry-level addressing data and real-time payments service. Fraud and operational risk is therefore still held by the bank, meaning appropriate controls must be implemented.
- Integration to data collection and management services in order to provide a seamless customer experience will be reliant on the banks including:
 - Building a user experience that delivers notifications such as alerts of payments sent or received.
 - Allowing customers to use the service across all available channels: mobile, Internet, branch.
- Addressing data will need to be sourced and maintained either by modifying existing systems or building a dedicated system. This data will need to be managed and synchronised with the industry Addressing Service in order to make payments, whether it be via mobile numbers or customer accounts, opening accounts and managing data.
- Integration of interactive processing flows with the NPP via your SWIFT Alliance Gateway.

- Fraud detection and interdiction as well as reconciliation of settlements are significant considerations due to the real-time nature of transactions.

Fiserv Capabilities

Fiserv is engaged to build part of the centralised basic infrastructure and is in the unique position of having in-depth knowledge of the NPP and best positioned to offer solutions for you to optimise the service.

Integration to the NPP

The solution you acquire to integrate to The NPP should offer you the capability to process transactions quickly and efficiently between your back-end systems and the SWIFT Alliance Gateway. With The NPP, payments processing is no longer a single direction payment transaction but a series of financial and non-financial interactions all processed within a matter of seconds.

Fiserv offers a highly scalable solution with real-time SWIFT connectivity that automates the generation of the ISO 20022 settlement instructions. It provides a comprehensive, fully automated and seamless payments and transaction processing environment. The transaction processing and exception-management solution enables you to manage your entire payments processing workflow from capture to settlement confirmation.

Our solution is designed to enable you to efficiently manage, monitor and measure the flow of transactions across the enterprise, while minimising operational risk and increasing efficiencies. It is a complete transaction processing solution that helps you manage the entire NPP payments process within a single integrated environment. The solution facilitates business transaction growth by enabling our clients to achieve high rates of straight through processing. Operations can deploy additional back-office applications or services by integrating to the Fiserv platform.

Fiserv enables you to achieve:

- Efficiencies in payments processing by offering a single platform to enable you to efficiently manage your operations and benefit from reduced operating costs.
- A scalable business model that provides your organisation with the ability to scale with projected industry increases in transaction volumes while minimising operational overheads. This enables you to rapidly deploy new back-office applications and support new products or services.
- Minimised operational risk and losses as it helps manage exceptions effectively by identifying them early in the process. The solution delivers timely and accurate exchanges of business-critical information by automating the communication between clients.

Customer Channels

Consumers are turning to digital channels – mobile, online and tablet – as the preferred methods for their banking interactions. As a growth-oriented financial institution, you need a proven and tested solution partner to help you meet consumer demand for access to the NPP across these channels.

When you partner with Fiserv, you can choose to stay “in the box”, customise extensively or do something in-between. Our solutions and delivery processes have been designed to cater to distinct levels of uniqueness desired by our clients as well as ease of integration with new payment flows such as required for the NPP. Capabilities include:

- A complete enterprise alerts engine to manage the triggering, composition and delivery of vital notifications across SMS, email and push notifications including when they send and receive transactions
- Customer care tools for your banking representatives, enabling them to effectively support and service your digital customers as they adopt the NPP



- Campaign management tools to deliver clickable, segment-centric offers to your customers to promote the education of customers on this new service and increase usage
- Back-office tools to support reporting and analytics, as well as appropriate audit and compliance capabilities

Customer Data

An addressing database with capabilities to manage the integrity of this data is critical to delivering a seamless NPP service. Fiserv has the capability to leverage its experience and capabilities in building the industry Addressing Services to provide a solution for individual banks.

Account Reconciliation

Matching and account reconciliation serves as a vital control function as part of the wider financial close process. With the importance of data integrity being paramount to the success of your NPP offering, you need to gain certainty in your accounts and settlement positions to provide accurate financial reporting in real time.

Fiserv offers a matching and account reconciliation solution that provides a powerful state-based processing engine that employs configurable rules to comprehensively check large quantities of financial data for accuracy against anticipated results. The account reconciliation solution supports all account and transaction types, is fully multi-currency enabled and provides financial control through automation of the account and balance sheet reconciliation process. Benefits include:

- Significant reduction in costs – by automating this process, you can work on other high value items such as exception item resolution
- Reduced risk and increased efficiency through automated processes, eliminating any manual efforts that can result in costly errors and providing staff with a clear path to resolution

- Increased compliance by providing a clear audit trail of actions taken throughout the reconciliation and exception management process

Electronic Payment Fraud Prevention

Electronic payments fraud is a significant threat to banks and the banking systems around the globe. As consumers and businesses expect increasingly rapid settlements, this threat only grows. With appropriate controls, however, many of the losses as a result of this exposure are preventable in real time. Fiserv offers a powerful, real-time cross channel monitoring and interdiction solution for electronic payments like NPP transactions. Our fraud detection solution detects and prevents fraudulent transactions by monitoring both batch file and individual electronic funds transfer transactions. It also monitors for all crime use cases, including: batch file manipulation, cybercrime, account takeover and internal fraud.

Fiserv applies advanced analytics and risk scoring models that provide real-time interdiction of transactions. The solution enables fraud investigators to focus on the highest risk transactions, presenting all of the data the investigator needs at their fingertips in order to determine the final disposition of the suspicious payment. Key benefits include:

- The instant blocking of suspicious payments before loss is incurred
- The most accurate detection possible through advanced inference techniques including predictive individual or consortium models
- Control for every aspect of risk according to each organisation's risk tolerance
- Quick response at the speed of fraud with powerful, easy configuration



Why Fiserv

Fiserv has global reach with more than 30 years of experience as a leading financial services technology partner.

Fiserv in Asia Pacific

- We have over 200+ clients in Asia Pacific
- Long term provider of services to 27 Australian financial institution clients including three of the major banks
- Full service offices in Singapore, Sydney and Melbourne

We Understand Banking

Fiserv has been delivering digital banking solutions to leading financial institutions around the world for decades. Our unique knowledge of the NPP and the Australian banking environment puts us in the best position to help you to develop a world class offering and build on the opportunities that the NPP offers. Working with leading financial institutions across the globe, we plan to shape digital banking for years to come. Join us on the road to the NPP.

Connect With Us

For more information about how Fiserv can help you become NPP ready, email getsolutions@fiserv.com or visit www.fiserv.com.



About Fiserv

Fiserv is driving innovation in Payments, Processing Services, Risk & Compliance, Customer & Channel Management and Insights & Optimisation, and leading the transformation of financial services technology to help our clients change the way financial services are delivered. Visit www.fiserv.com for a look at what's next now.



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