



Opportunities using PSD2 Access-to-Account for Corporates

Access to Account (XS2A)

How Corporates can benefit from PSD2?

The revised Payment Service Directive 2 (PSD2) is an EU directive to drive greater transparency, security, innovation and competition in an open payment market. As a result, financial players and customers should benefit from unified and easier access to digital payments with more choices and better services.

But what exactly does PSD2 mean? In short, banks are forced to “open up” and provide registered third parties –with appropriate consent of the account holders- access to their customers’ bank account data and their payments infrastructure. The latter should enable third parties to initiate payments on behalf of the account holder. Although PSD2 aims primarily at improving end-consumer-related payments services, the new low-cost payment option and the easily accessible account data will open up new opportunities for corporates.

Capturing the benefits of PSD2

PSD2 obliges all banks to give access to their customer accounts with mainly two major services:

- Account Information Service (AIS) and
- Payment Initiation Service (PIS)

By accessing customers’ bank accounts with their consent and other related payment information, valuable insights can be gained to develop customer-centric products. Corporates can also use the open-banking application interface (API) to retrieve and visualize the payment data from their multiple bank accounts in different banks across different countries in an easy and secure way. Furthermore, automated payables and receivables can be scheduled to optimize cash flow. This aggregated view has real benefits for the treasury department as it facilitates better-informed decision making.

PSD2 introduces many benefits for corporates which will be described in more detail in the next section. With the right vision and implementation strategy, corporates can grow new revenue streams by introducing new value-added services to the customer and improve the efficiency of processes in daily business.

Use Cases for Corporates related to PSD2

There are numerous attractive PSD2 use cases for corporates either for themselves or for the relationship with their private or business customers. The following use-cases illustrate what is possible with the help of the new PSD2 functionalities.

For you as a Corporate



Aggregated financial overview

With PSD2 corporates can get a better overview of their multiple accounts (at various banks) by retrieving the aggregated account data and show it in a consolidated dashboard. Based on the retrieved data predefined rules based on transaction categorization and appropriate thresholds can be used to generate alerts and optimize the corporates liquidity, payments and cash-flow.



Liquidity and cash management

Based on the aggregated financial data and the definition of appropriate rules and threshold for the liquidity management, the treasury department of the corporate can optimize the money transfers between the corporate bank accounts or to suppliers and sub-contractors. Using the new possibilities of instant payments this money transfers can be even done in realtime. This functionality will support typical liquidity management tasks like cash and currency optimization, cash pooling, automated liquidity planning, financial forecasting, budgeting and financial auditing. The AIS will serve as an additional cost-effective data channel and the PIS offers the initiation of low-cost money transfer towards clients and suppliers.



Payments

Using account-based payments based on SEPA Credit Transfer (SCT) as an alternative to card-based payments will reduce the costs for the corporate to realize their out-going and bill payments to sub-contractors, suppliers, salaries, rent, electricity etc. In combination with the possibility of instant payments, the corporate can optimize their cash management for payables and receivables. Furthermore the corporate can initiate payments towards their consumers like allowing call center-agents to do a reimbursement by immediately initiating it while the customer is still on the phone.



For your Customer



Credit risk scoring

In the case of new customers, the corporate takes the financial risk if the goods or services are delivered before the payment is made. This applies in particular in the case where the customer buys them using credit transfer. PSD2 can give the corporate ad hoc insights in available funds and liquidity of their customers and their payment behavior to create a dedicated risk profile of new consumer and business customers. The information can also be used for the optimization of the instalment payments to reduce the costs for debt management.



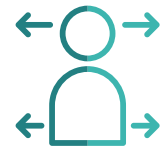
Payments and billing

The account-based payment allows the corporate to offer to their customers a new payment method with fewer costs and lower risk to pay the goods and services. This new payment method, in combination with Installment Payments and Request-to-Pay, optimizes the payment process of the corporates and increases the purchase conversion rate.



Fraud and claim management

Client data obtained through PSD2 in combination with other data sources can be used to improve the reconciliation processes and to gain better insights into possible fraud. This data can be used for pre-payment validation (solvency) and payment optimization (detect optimal timing of direct debits). The payment entry can be used as evidence to validate and process the claim and speed up the processing of a customer claim.



Customer profiling and portfolio optimization

Account information gives insight into the financial situation and the behavior of the client. This combined with the latest spending patterns allows the corporates to develop specific customer profiles with particular characteristics. This data can be used to establish Targeted Marketing and identify additional services according to detected changes in the customers' life situation (e.g. fist job, new born, retirement, etc.).

Benefits for Corporates

- **Data access** to all financial accounts in Europe
- **Simple and intuitive data visualization** to support decision making and reduce **operational, credit, liquidity and exposure risks**
- **New revenue streams** from opportunities enabled by open APIs
- **Better insights** on customer preferences leading to personalized offerings
- **Optimization of the payment processes** with the use of the new payment method

Let us help you to explore the business opportunities that the new regulation (PSD2) can offer

These use-cases highlight only a fraction of the opportunities that are possible for corporates. PSD2 can have a significant impact on all market segments, and by leveraging the transaction data, corporates can easily optimize their cash, payment and billing processes and expand and optimize its service portfolio. The challenges on the way to use PSD2 for corporates will be the identification of the right use-cases and choosing the right partnership. Speak with Worldline to discover what PSD2 has to offer and cater to your ever-evolving digital ecosystem.

With our solution **WL Access-to-Account TPP Services** your challenges will be easily met. You can rely on us to provide:

- Many value-added services from within our organization or via our partnership network
- Cost-effective reach to many banks throughout Europe
- Extensive knowledge and experience of the financial and payment industry
- The right balance between security and user experience

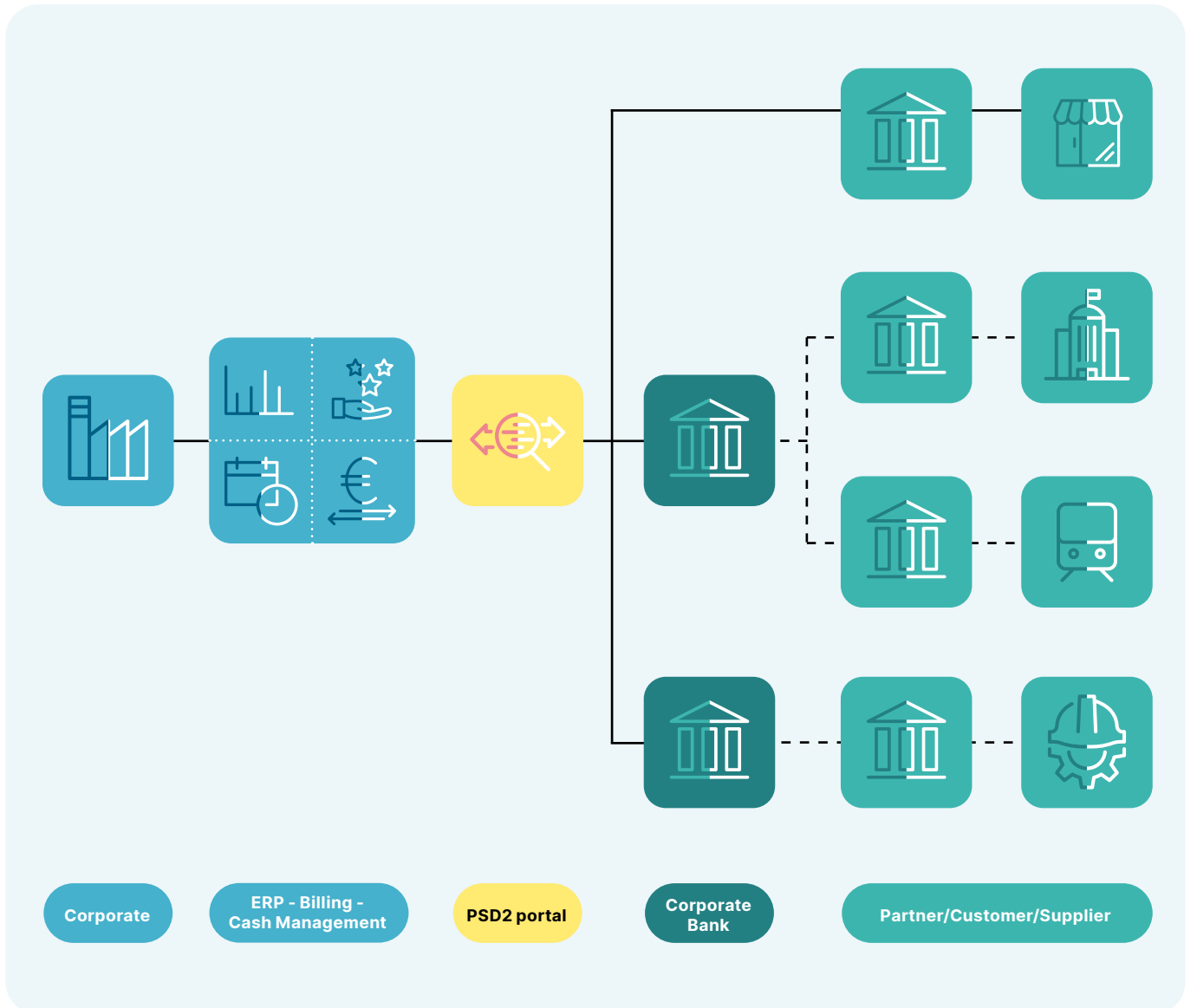
WL Access-to-Account TPP services solution for Corporates

Our solution

Worldline helps corporates to make use of the new opportunities provided with the new payment directive regarding the new payment mean (PIS) based on bank-account credit transfer (SCT) and bank account information including the payment transaction data (AIS).

We offer the comprehensive reach to the European banks, provide a single API to initiate the AIS and PIS requests and facilitate the mandatory Strong Customer Authentication (SCA). With our knowledge and experience you as a corporate can take advantage of PSD2 and propose a compelling offer to your market with a competitive time to market.

Discover with us the opportunities brought forward by PSD2 and Open Banking and get access to a unified open banking API.



About Worldline

Worldline [Euronext: WLN] is the European leader in the payments and transactional services industry and #4 player worldwide. With its global reach and its commitment to innovation, Worldline is the technology partner of choice for merchants, banks and third-party acquirers as well as public transport operators, government agencies and industrial companies in all sectors. Powered by over 20,000 employees in more than 50 countries, Worldline provides its clients with sustainable, trusted and secure solutions across the payment value chain, fostering their business growth wherever they are. Services offered by Worldline in the areas of Merchant Services; Terminals, Solutions & Services; Financial Services and Mobility & e-Transactional Services include domestic and cross-border commercial acquiring, both in-store and online, highly-secure payment transaction processing, a broad portfolio of payment terminals as well as e-ticketing and digital services in the industrial environment. In 2020 Worldline generated a proforma revenue of 4.8 billion euros.

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