

e-SEPA

Worldline, a European leader and global player in the payments and transactions industry, is a key actor in SEPA payments. Online Banking Product Manager Sylvie Calsacy discusses e-SEPA trends and opportunities.



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Where is e-SEPA's place in the market?

The payments market is evolving in many ways. SEPA provides universal standards for credit transfers and direct debits in 34 European countries, but new technologies are reinventing the way sales are made. Mobile phones can be used to pay in stores via mobile apps or contactless payment systems, and mobile Internet has made eCommerce increasingly widespread.

At the crossroads of mobile, online and in-store purchasing, consumers are choosing their preferences based on the different channels and payment instruments available in each different payment context. This makes e-SEPA a natural evolution in the multi-channel payment ecosystem.

Furthermore, eCommerce players want to rationalise their costs and industrialise their payment processes in a world where cross-border exchanges are becoming ever more commonplace. They are also looking for alternatives to expensive, risky or less popular payment means such as cheques.

Last but not least, in the ongoing fight against fraud, banks are constantly searching for the most efficient and secure payment methods for their customers to use.

It is in this context that several e-SEPA initiatives have recently sprung up. One European initiative is MyBank, which adds to several domestic initiatives based on credit transfers or direct debits, and is already in place in countries such as Germany, Austria, Belgium, Denmark and the Netherlands.

Worldline, as a major European payment service provider, offers its technological know-how to encourage the use of new payment methods.

How do these initiatives translate into new services?

There are several different types of e-SEPA solution. For instance, a domestic initiative is under development to provide a secure interbank e-mailing system for individuals and corporations which would allow them to securely exchange messages containing bills, mandates or BIC and IBAN requests. Integrated into the online banking tool, these e-mailing services also allow banks to propose new services to their customers, including archived content, invoice payments and electronic contract signing.

Another form of e-SEPA payments arriving on the market is direct debits for Internet and mobile payments which use debtor authentication. The authentication system allows debtors to authorise each individual direct debit.

Among the range of Online Banking ePayment (OBeP) initiatives, MyBank is the pan-European solution with two variants: MyBank Payment, for authorising SEPA Credit Transfers, and MyBank eMandate, for authorising SEPA mandates.

With MyBank, a customer paying online can choose MyBank Payment instead of another means of payment, such as using a card. So the problematic step of filling in card details online is avoided. Using MyBank, the customer will select his or her bank and be redirected to the bank's login page. Once the credit transfer details are presented on the screen, all the customer needs to do is authorise the payment order. The eMerchant is informed in real time that the credit transfer has been completed in full. MyBank eMandate is based on the same process, but in this case, it is used to authorise mandates. MyBank eMandate is particularly suited to paying subscriptions or paying in instalments.

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How do these solutions benefit the market?

All of these initiatives are very interesting and create opportunities for new services with greater value for customers. Let us take the example of the secure interbank mailing service, which provides services such as bill payment, BIC/IBAN verification and mandates exchange. This solution is well adapted to the payment of a purchase in instalments and, like credit transfers used in online banking, it reduces paper and postal costs. One of its targets is B2B commerce.

In terms of B2C, the use of OBeP solutions to pay with a SEPA Credit Transfer or a SEPA Direct Debit involves the customer validating the payment using the online banking environment. At this stage, the online bank can propose value added services to its customers based on the purchase being made. For instance, "one-click" cancellation insurance could be offered to a customer buying travel tickets.

Innovations are also expected in the P2P environment (Person to Person payments), because directories and routing services can be used to allow individuals with accounts in different banks to exchange money easily, simply by using a phone number or an e-mail address as an identifier.

Additionally, we must bear in mind the fact that SEPA regulations are evolving so that they can keep up with the vast new range of market needs, from online gaming and betting to financial products payments. OBeP solutions are ready for the future.

Some domestic OBeP solutions already exist and new e-SEPA initiatives are arriving on the market - do banks really need MyBank?

MyBank is a pan-European initiative, which currently collaborates with more than 140 banks in three countries (Italy, France and Luxembourg). By the end of the year, 300 banks in four countries will be providing MyBank services. We meet more and more merchants who see MyBank as an opportunity to reach consumers in these markets. They are keen to join MyBank as soon as the service is available in their countries.

Above all, merchants are trying to combine a smaller number of payment means in order to consolidate collections and limit payment means logos on their websites. MyBank does all of this with a single, European-wide solution for online payment on an industrial scale.

Many payment solutions exist on the internet and on mobile phones, including some interbank wallet initiatives. Is there still space for a service like MyBank?

Cards are very popular in several countries and many issuers will also provide virtual wallets to their cardholders. MyBank complements this by offering Credit Transfer and Direct Debit services. As wallet functions are similar to the MyBank Validation Service (payment authorisation, identification and authentication), we see the integration of MyBank to virtual wallets as a natural next step. We must not forget that MyBank is also perfectly adapted to mobile payments like virtual wallets and is therefore complementary to them in every way.

Why the rush for banks to integrate e-SEPA?

Three driving forces should motivate banks to integrate e-SEPA quickly.

Firstly, from a commercial point of view: we meet more and more merchants looking for secure, low-cost, cross-border payment means. Online merchants with high exports need to provide their customers abroad with easy cross-border payment options. SEPA Credit Transfer and SEPA Direct Debit are suited to the majority of their requirements.

Secondly, from a regulatory point of view: new European Union regulations on interchanges are affecting business models for cards. As a result, banks are looking for alternative solutions, such as selling new services, like MyBank.

Lastly, from a processing point of view: e-SEPA is altering the complete finance supply chain. All stakeholders must assess the impact of these changes on the various aspects of their businesses, including customer relationship management, IS evolutions, billing, and more. They should be ready for the adoption of MyBank on a huge scale.

What does Worldline offer to face those new challenges?

Worldline invests in value added services around e-SEPA. We have extensive experience in solutions for bill payments using smartphones and tablets.

On the one hand, our Routing Service, which already serves iDEAL in the Netherlands, has led to Worldline being recognised as a major provider of Online Banking ePayment services.

On the other hand, our solutions offer important authorisation features which comply with MyBank regulations.

We offer a technical platform which is fully independent of the online banking environment, while still using equivalent authentication methods and balance checking. Our solutions are created using our expertise in remote banking and authentication services, such as Access Control Server and Cloud Wallets.

Our goal is to provide a seamless customer experience, all the way from merchant websites to MyBank routing and validation services. That is why Worldline is also integrating MyBank as a new payment option in our internet payment gateway, Sips. We believe in e-SEPA and we invest in it. Worldline teams are at your disposal so that we can work in this field.

About Worldline

Worldline, an Atos subsidiary, is the European leader and a global player in the payments and transactional services industry. Worldline delivers new generation services, enabling its customers to offer smooth and innovative solutions to the end consumer. Key actor for B2B2C industries, with 40 years of experience, Worldline is ideally positioned to support and contribute to the success of all businesses and administrative services in a perpetually evolving market. Worldline offers a unique and flexible business model built around a global and growing portfolio, thus enabling end-to-end support. Worldline activities are organized around three axes: Merchant Services & Terminals, Mobility & e-Transactional Services, Financial Processing & Software Licensing. In 2012, Worldline's activities within the Atos Group generated (pro forma) revenues of 1.1 billion euros. The company employs more than 7,200 people worldwide.

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Financial Processing & Software Licensing

Financial processing provides banks and other financial institutions with a comprehensive set of services to help them and their customers manage their cashless payments. Our services and innovative software solutions support the full range of card and non-card payments for acquirers and issuers. By combining our core services with a growing list of value-added services and full integration with in-house systems, we help our clients offer their customers a customised, profitable, secure, extensive and innovative product portfolio.

