

Enhancing banking operations with preprocessing services

With the rapidly modernizing financial landscape, institutions are confronted with new challenges in simplifying payments processing and customers demanding an instantaneous banking experience.

The complexity of managing diverse file formats, reconciling inconsistent data, optimizing routing decisions, and ensuring reliable cross-border transactions have become formidable hurdles for financial institutions with legacy payment ecosystems. For example, in supporting disparate corporate ERP systems, financial institutions struggle to provide customizations, leading to escalated customer acquisition and retention costs, which puts them at a significant disadvantage in offering a consistent customer experience.

These challenges, coupled with the growing demand for operational efficiency and agility, underscore the critical need for institutions to invest in a holistic payment solution comprising both core payment execution and preprocessing capabilities.

Finastra Global PAYplus delivers these dual capabilities helping banks to unlock a new era of frictionless payment journeys, reduced operational overheads, and an improved onboarding experience.

Our best-in-class payment hub supports the full range of payment workflows from high-value/RTGS, mass payments/ACH, instant payments, and cross-border payments, all of which utilize our preprocessing services to ensure early identification, correction, enrichment, and optimization, resulting in the success of downstream payment execution.



Finastra Global PAYplus named Best in Class Payment Hub by Datos Insights¹ in Payment Hub Vendors report.

[Check out the report here.](#)

Unveiling Finastra's preprocessing services suite

File Switch

File Switch allows financial institutions to manage diverse file formats, standardize data exchange, and integrate multiple payment channels. The service handles both incoming and outgoing payment files from multiple channels, de-bulking where required into individual transactions, and enabling banks to manage complex corporate payment file requirements without customization. Additionally, this service facilitates the transformation, mapping, and translation of payment data required to execute the workflow and exchange data with other back-office applications.

Validations and Enrichments

Validations and Enrichments automatically repairs and enriches payment data leading to improved STP rates. It employs sophisticated algorithms and rule-based logic to check for errors, inconsistencies, or missing data elements and enriches the payment data by appending relevant details such as beneficiary information, payment purpose codes, or compliance-related information.

Currency Conversion

Currency Conversion allows conversion between two currencies and facilitates cross-border transactions. Exchange rates can be obtained internally or via an external rate feed that enables the use of both pre-loaded and real-time rate data. The service supports a wide range of currencies, calculates conversion rates, and provides customers with transparent foreign exchange services.

Warehouse

Warehouse allows financial institutions to move payments whose processing date is different than the current business working day to a separate queue. The service ensures payments get processed only on the valid value date for the chosen clearing system. It handles, for example, forward-dated payments or those that are dependent on specific business conditions.

Advising

Advising enables financial institutions to generate and transmit advice messages during the transaction processing workflow. The service allows banks to set rules or conditions to generate advices per message status (e.g., complete), by party (debit or credit customers), by amount thresholds (e.g., to send an advice for a transaction amount above a threshold), and based on payment type (route, direction, message type, and subtype). The service provides a secure advisory and communication channel between the involved parties, providing transparency throughout the payment process.

Smart Routing

Smart Routing allows banks to determine the optimal payment route based on preconfigured rules and criteria, ensuring efficient and/or fastest transaction delivery. It leverages algorithms to analyze factors like cost, speed, payment network capabilities, and regulatory requirements to make data-driven routing decisions. The service optimizes payment delivery in line with clearing scheme requirements and customer expectations and covers payment routing across high-value/RTGS, mass payments/ACH, instant and cross-border payments (including alternate cross-border payment methods such as Visa Direct).

Orchestration

Orchestration coordinates the execution of the stages of payment workflow for multiple payment types. It automates processing based on payment properties, business rules, and clearing scheme requirements, whether the functionality is internal to Finastra Global PAYplus or delivered via other applications (e.g., postings to the Core Banking system); where communication with external applications is required, there are standard connection points, including APIs, to consume and expose granular services providing flexible integration capabilities and avoiding vendor lock-in. The service reduces fail rates as payments that don't successfully pass the workflow stages are re-directed for manual intervention before release or cancellation.

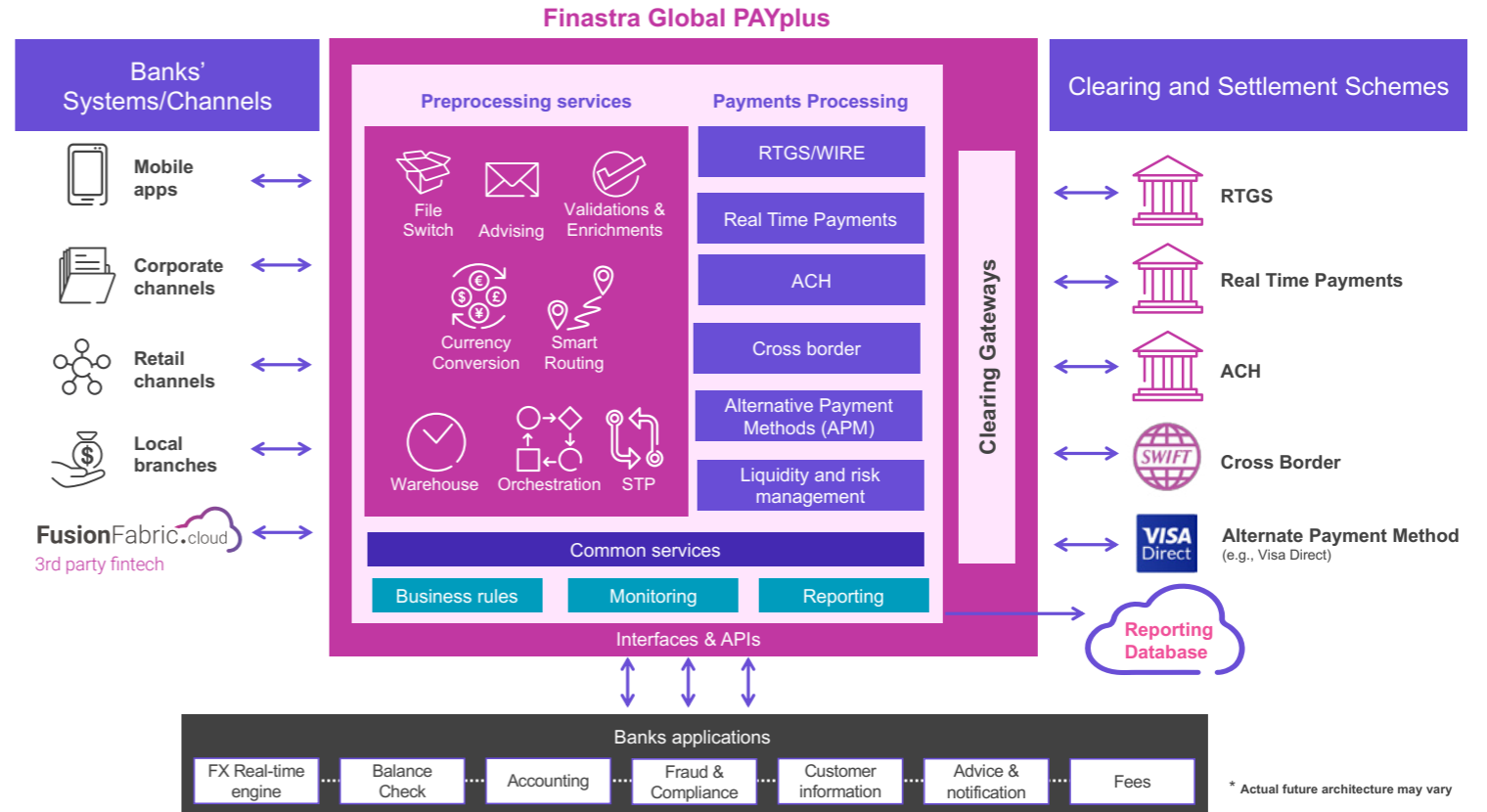
Straight Through Processing (STP)

Straight-through-processing employs automation techniques to expedite transaction processing and reduce the need for manual intervention. By automating payment execution, financial institutions can reduce the operational overheads, costs, and risks associated with manual processing for domestic and cross-border payments.

Preprocessing benefits

-  Simplified handling of mixed files and diverse corporate file formats
-  Upfront validation and enrichment of payments to maximize transaction execution success
-  Increased automation and improved STP rates to support growing business volumes
-  Data-driven routing decisions to provide transparent payment experiences
-  Consolidated view of customer messages in ISO 20022 format to improve visibility and deliver actionable insights
-  Improved operational efficiency to help businesses become more agile
-  Elevated customer experience through generation of advices

Preprocessing services suite



Why choose Finastra?

Modern payment hub

Finastra Global PAYplus – a best-in-class payment hub, offers secured, field-proven, pre-certified, and highly-configurable payment workflows including the pre-integrated preprocessing services to help financial institutions implement domestic and cross-border payments in a cost-effective and reliable way.

Innovation

Finastra Global PAYplus supports Open Banking and the API economy, enabling financial institutions of all sizes to innovate and quickly launch new services. Our payment hub solution is pre-integrated with FusionFabric.cloud, enabling financial institutions to co-innovate and co-create value-added services with our specialist fintech partners, delivering end-to-end payments experience.

Experience

Our decades of experience in initiating and leading complex digital transformation projects uniquely positions us to meet current and future market demands and customer needs. Our solutions combine the benefits of continuous compliance with clearing scheme and regulatory changes with agility and operational simplification, helping financial institutions strengthen their value proposition and deliver modern payment services.

About Finastra

Finastra is a global provider of financial services software applications across Lending, Payments, Treasury and Capital Markets, and Universal (retail and digital) Banking. Committed to unlocking the potential of people, businesses and communities everywhere, its vision is to accelerate the future of Open Finance through technology and collaboration, and its pioneering approach is why it is trusted by ~8,100 financial institutions, including 45 of the world's top 50 banks. For more information visit finastra.com

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