pay.uk

Request to Pay
ACT Presentation

12/02/2019

Payment Strategy Forum Detriments

Category	Detriment
Customer Control	• More **flexible** mechanisms for collecting and making recurrent and ad hoc payments • More mechanisms that give **greater control** to the payer and more **certain outcomes** for the payee
Customer Financial Capability	• Some financial products are **overly complex and lack transparency** • **Cash remains important** for many users while non-cash products do not meet their needs for **control and transparency** • Competition is not currently meeting user needs **for simplicity, transparency or control**
Corporate Customers	• There is lack of **realistic alternative payment** options other than cards • Online payments **have a lack of access** for business users for alternative rails • **Reconciliation** costs

The RtP Service

Relationship to direct debit

There is a common misconception that RtP is directly competing with DD

The vast majority of consumers that pay by Direct Debit are happy to do so and like the fact that their bill is paid without them having to do anything

However:

- **45%** of people don't use Direct Debit to pay their electric/gas bill
- **36%** of people don't use Direct Debit to pay their water bill
- **33%** of people don't use Direct Debit to pay their mobile bill
- **27%** of people don't use Direct Debit to pay their TV bill

- This is a large segment of consumers that are not using Direct Debit and so **are not benefiting from the Direct Debit Indemnity**

- We have found **that there is a significant enough demand from consumers for a push payment method** that gives them:
  - **Visibility** of what they are paying and to who
  - **Flexibility** to change the payment date and amount
  - **Control** to decide if they pay or don't pay

The RtP Service

COMPETITIVE

User Frontends

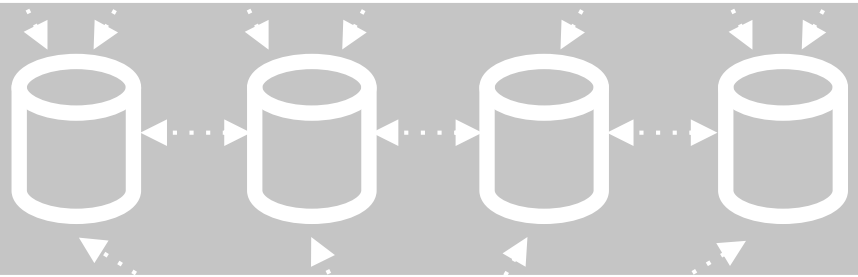
view and send requests through any supported channel

Apps / web / offline

OPERATED BY
FinTech, PSPs, Banks, Technology vendors, etc

Repositories

Route and store messages



OPERATED BY
Banks, PSPs,
Utilities, SI's, Technology vendors

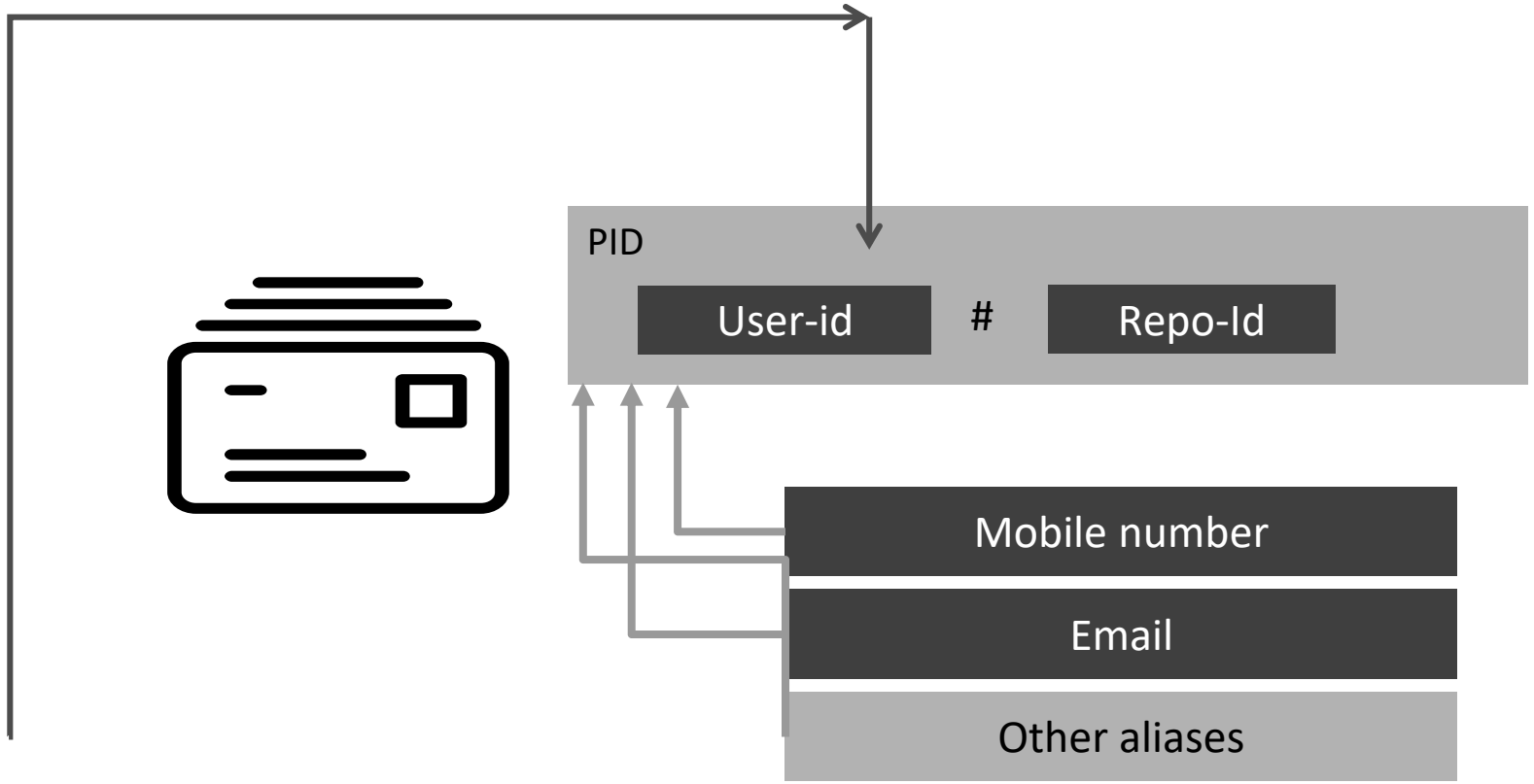
CENTRAL

Index

Standards, Accreditation, Service Discovery etc.

OPERATED BY
PAY.UK or Other

Addressing scheme



BROOKSY321#BANKA.CO.UK

THE CONCEPT ISN’T NEW BUT OUR APPROACH IS

TEZ

MOBILEPAY

VENMO

MONZO

PAYLAH!

PAYPAL

SWISH

REVOLUT

EXISTING PRODUCTS

- “CLOSED” PLATFORMS
- LIMITED PAYMENT OPTIONS
- PRIMARILY PEER-TO-PEER

REQUEST TO PAY

- OPEN TO ANY PARTICIPANT
- OPEN TO ALL PAYMENT OPTIONS
- BROAD RANGE OF SCENARIOS

SECURE MESSAGING USE CASES ARE STILL EMERGING

VOUCHERS, E-TICKETS, LICENSE KEYS, ACCOUNT INFORMATION

- After a request has been paid, a piece of information or file could be sent back, after a full payment for example, using the **secure messaging** inherent in RtP
- For example:
  - Event tickets
  - E-boarding passes and train tickets
  - Software license keys
  - Download codes for music/games/e-books
  - Account credentials
  - Tracking numbers

Thanks for your purchase! Here is your new software key code:

ABC928-89832JI-ADIU

RTP @ POINT OF SALE

No setup costs, no extra hardware, no overheads

- Multiple request initiation methods – QR code, custom URL, NFC tags
- Avoid third parties and their transaction fees
- No special hardware necessary (iZettle etc)
- Easily request or send electronic payments – ideal for sole traders and SMEs

FLEXIBLE CHARITY PAYMENTS

- With RtP, you can skip a monthly payment whilst still keeping the relationship with a charity
- You could also easily do a partial payment for a smaller amount depending on circumstances
- This flexibility could greatly aid charity subscriber retention

NOVEMBER

You have received a request for £5 from Age UK

> Decline

DECEMBER

You have received a request for £5 from Age UK

> Pay All

DIRECT DEBIT ENHANCEMENT

RtP *could* enhance capabilities with greater consumer control and awareness

RtP can complement direct debits

Give the consumer greater visibility and flexibility of their DDs

Approve/decline/ contact

Notify consumers before direct debits are taken out

- Which account to be debited
- Amount
- Other secure info

Display DDs alongside your requests

QUESTIONS