

HIGHLIGHTS

THE CHALLENGE

Three U.S.-based financial institutions managing between \$5 billion and \$50 billion in assets were using the same provider's hosted global payments engine. They experienced similar issues that caused them to reconsider their relationship and look elsewhere.

THE SOLUTION

All three financial institutions migrated to ACI Money Transfer System™ global payments and processing engine.

THE RESULTS

Downtime is now a thing of the past for all three financial institutions. Additionally, they have access to the key features they were seeking, which enable them to better service their customers while minimizing risk. Finally, all three realized savings right away.

REDUCING RISK, FRAUD AND DOWNTIME: THREE FINANCIAL INSTITUTIONS MAKE THE SWITCH TO ACI MONEY TRANSFER SYSTEM™

With their switch from the same provider to ACI Money Transfer System, three different financial institutions reap the benefits from their cloud-based payments solution — offloading IT to focus on delivering mission-critical services.



THE CHALLENGE

Three midsize U.S. financial institutions, each managing between \$5 billion and \$50 billion in assets, were using the same provider's hosted global payments engine and experiencing similar issues that caused them to reconsider their relationship. What they expected from a provider was:

- Reliable system uptime
- Protection from any regulatory, operational and fraud risks
- Core solution functionality that matched business and market needs



They were not getting this and were unable to invest in the infrastructure, software and staffing necessary to stand up their own payments engine. All three financial institutions realized they needed a more feature-rich, reliable, high-performance, cloud-based solution that helped, not hindered, their businesses.

THE SOLUTION

All three financial institutions decided to migrate to ACI's cloud-based Money Transfer System™ global payments and processing engine. ACI's solution offered the industry-leading uptime, reliability and support they required, along with the rich features/functions they needed in one cost-effective package.

THE RESULTS

Downtime for all three financial institutions is now a thing of the past. In addition, they have access to key features, such as advanced sanction filtering and up-to-the-minute compliance upgrades, which enable them to better service their customers while minimizing risk. Finally, all three realized savings right away, since staff members no longer waste time and resources chasing down support issues or contracting with third parties for core functionality.

Banking is all about trust. Customers put their trust in their financial institutions to efficiently and cost-effectively deliver the safe, secure, feature-rich services they require, and financial institutions themselves work every day to earn and retain that trust. Financial institutions, therefore, also expect their business partners to have the same commitment to ensuring the services they provide offer the features, performance and reliability necessary to help them retain old customers and win new ones, in short, proving their customers' trust in them is well placed.

It is especially disconcerting, then, when a business partner betrays that trust, as three midsize U.S. financial institutions recently discovered. While the three differ in focus and business model, they all had contracted with the same provider for what they thought was a full-featured, cost-effective, hosted, global payments solution.

The first financial institution, an integrated wealth management and private banking concern headquartered on the East Coast, but with many offices across the country, considered a cloud solution because it wanted to free up its internal staff to focus less on managing and maintaining a payments engine and more on providing mission-critical services, including those that support its core focus on small businesses and financing affordable housing and community revitalization projects. A cloud-based payments engine solution that offloaded mundane management and maintenance tasks seemed like the right way to go.

The second, a publicly owned West Coast financial institution with over 100 locations worldwide (including a strong presence overseas), also wanted to offload its IT staff to focus on more core business projects. Its strategy was to take the dollars it would have invested in standing up infrastructure and staffing/managing/maintaining the payments engine and pour them into creating and maintaining the full-featured international and small business banking services its customers expect.

The third financial institution, with a large number of offices throughout the Midwest, focuses on providing a full range of financial products and services to businesses of all sizes, especially agribusinesses. Although it may have been able to stand up its own payments engine, it realized it did not have the expertise and resources in house to ensure it could support the range of features and compliance initiatives its customers required. A cloud-based solution that provided full-featured functionality at a cost-effective price fit the bill.

All three contracted with the same provider and for the first year or so of their contracts, all was fine. At that point, however, their provider entered a long, drawn out merger process that drew its attention away from its core business. Soon all three financial institutions found their payments engine was no longer a reliable, strategic asset, but instead was fast becoming a key source of unnecessary risk.



ALL RISK, NO RETURN

The first and foremost issue the three experienced was intermittent, and eventually daily, downtime. Each time, the provider eventually brought the system back up, “but it was never the same problem,” the West Coast financial institution’s IT manager said. “The reasons were all over the board. X would be fixed and then Y would go down, and they really didn’t seem to know why.” That situation created unnecessary operational and customer risk, especially since the West Coast financial institution’s international customers required a payments solution that was available at all times, be it 10 am on the East Coast or in Beijing.

The downtime also presented unnecessary fraud and regulatory risks. When the payments engine went down, so did the financial institution’s visibility into its fraud management/monitoring system, a situation the East Coast financial institution simply could not afford. The hosting provider also was not reliable when it came to the regulatory front, having received two cease and desist orders in just the last two years. “That made it hard to put our trust in them,” a systems manager from the Midwest financial institution said.

To top it off, the provider began to whittle away at its core hosted offerings as it sought to create an easier-to-support and -manage service, eliminating key features the financial institutions had come to rely on.

For example, it no longer provided advanced sanctions filtering, forcing customers to contract with a third-party service provider at added cost.

Eventually, all three realized they were no longer getting the key benefits they sought from a cloud-based payments engine — top-level features, performance and reliability. They all decided to look elsewhere.

RISK REDUCTION IN ONE COST-EFFECTIVE PACKAGE

Unable to invest in their own payments engine, the three separately researched and evaluated several providers, yet all three ended up choosing the same one: Money Transfer System. It's no surprise. ACI has been providing critical banking cloud-based solutions for more than 40 years, and has a stellar reputation for performance and reliability, boasting uptime performance of 99.95%, which far exceeds that of their previous provider. The West Coast financial institution, for its part, was already using ACI's cash management cloud-based solution and could attest to its ease of use, performance and uptime. "We knew we could cut our operational risk immediately," the IT manager said.

Instead of force fitting a one-size-fits-all solution, ACI tailors its cloud-based payments engine to the needs of financial institutions of all sizes, starting with a base offer that, while cost-effective, includes every feature even the largest multinational financial institution may need, and then adding on capabilities as necessary. Advanced sanctions filtering, for example, is included in the base package at no extra cost, something the West Coast financial institution highly appreciated. "Now we can continually scan for and identify transactions on the U.S. or any government's sanctions list and stop them," the IT manager said. "That's really important because the fines and ramifications for non-compliance are large."

The business value and return on investment was so impressive that it won them over. When each financial institution factored in the improved feature set, performance and reliability — as well as the fact that ACI's offering is available via monthly subscription versus a flat contract rate — all three found their average monthly service cost to be about the same as with the old provider. Yet, after the move, all three were able to make key gains in functionality while realizing significant costs savings, since their IT staffers no longer waste time and money chasing down support issues or contracting with third parties for core functionality.

Today, all three financial institutions are finally able to reap the benefits they sought originally from their cloud-based payments solution — offloading IT to focus on delivering mission-critical services. They also know that with ACI, they have a trusted partner committed to helping them credibly and reliably evolve their businesses over time, all while continually earning and retaining the trust of their customers.

ACI Worldwide, the Universal Payments (UP) company, powers electronic payments for more than 5,100 organizations around the world. More than 1,000 of the largest financial institutions and intermediaries, as well as thousands of global merchants, rely on ACI to execute \$14 trillion each day in payments and securities. In addition, myriad organizations utilize our electronic bill presentment and payment services. Through our comprehensive suite of software solutions delivered on customers' premises or through ACI's private cloud, we provide real-time, immediate payments capabilities and enable the industry's most complete omni-channel payments experience.

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