

## CASE STUDY

# Tesco Mobile dials up digital growth with ACI Worldwide

20-year partnership helps UK's leading MVNO in the UK optimize online payments

## BUILT TO Scale

### CHALLENGES

- Support exponential traffic growth with zero downtime and seamless performance
- Manage increased customer expectations and exposure to sophisticated online fraud due to rapid growth
- Protect a variety of payment methods and channels—from one-off purchases to recurring payments—without adding friction
- Quickly adopt new payment methods while staying compliant with regulations and handling sensitive customer data

### APPROACH

- Leveraged ACI's **future-ready payments orchestration platform** to power Tesco Mobile's largescale operations
- Implemented **AI-powered fraud prevention** with real-time contextual decisioning to reduce false positives and maximize approvals

Tesco Mobile, a unique joint venture between telecoms giant Virgin Media O2 and retail powerhouse Tesco, is the leading mobile virtual network operator (MVNO) in the UK, serving more than 5.5 million customers.

The only telecommunications provider in the Top 20 UK Customer Satisfaction Index (UKCSI), Tesco Mobile has long been recognized for its award-winning service and customer-first approach, winning Uswitch's "Best Mobile Network for Customer Service" four years in a row.

Having partnered with Tesco Mobile to deliver a reliable and scalable payments and fraud prevention solution for more than two decades, ACI is a strategic ally in Tesco Mobile's mission to provide top-tier, secure, and frictionless payment journeys.

## Navigating risk in a digital world

Across the telecommunications sector, the rapid expansion of digital sales channels has transformed how providers structure, process, and protect customer payments. From the rise of app-based purchases to the growing popularity of contactless and alternative payment methods, the shift has created new opportunities for convenience, as well as new challenges in safeguarding transactions against increasingly sophisticated threats.

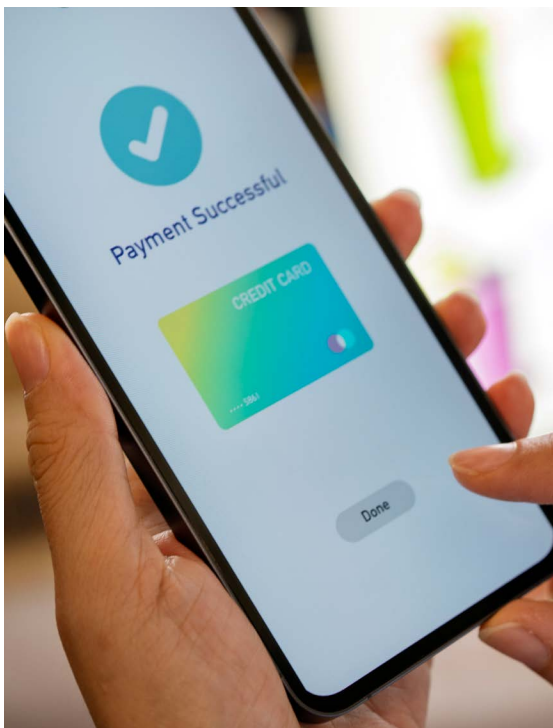
Tesco Mobile's payments model supports a range of transactions—from one-off payments to monthly automated payments for SIM-only plans and handset contracts, including those with credit agreements. These flexible options appeal to a broad customer base but are also vulnerable to sophisticated online fraud.

"The shift to digital channels, accelerated by COVID-19, has significantly reshaped both our risk exposure and customer expectations," says Richard Allum, Senior Fraud and Risk Manager at Tesco Mobile.

- Enabled rapid launch of new payment methods (Apple Pay, Google Pay, digital wallets) without API changes
- Relied on ACI's PCI DSS-compliant infrastructure to manage all regulatory updates and securely handle sensitive customer data

## RESULTS

- **Frictionless customer checkout experience** with high approval rates and low fraud
- **Zero downtime** during peak trading periods, ensuring uninterrupted sales
- **Faster time-to-market** for new payment methods, enhancing customer choice and convenience
- A 20-year strategic partnership reinforced as a foundation for future growth, innovation, and loyalty initiatives



“While it’s crucial to safeguard our business and customers, we are not creating friction. With most customers now purchasing through our website and mobile app, we’ve had to scale our digital operations and enhance our online fraud prevention strategies. ACI has been a key partner in helping us achieve this.”

## A trusted partnership that spans the test of time

Tesco Mobile’s business model also means they hold an ongoing relationship with their consumers for the duration of their handset cycle, whether they’re signing up for the first time on a 36-month contract or are a long-standing customer upgrading their device and package.

“A customer might have been with us for 10 years and bought several phones,” continues Allum. “We want to offer great value and excellent service, and ACI helps by being easy to set up and flexible, as well as offering many payment options and creating a smooth experience for our shoppers.”

Tesco Mobile has relied on ACI’s payments orchestration platform right from the beginning, and the partnership is built on ACI’s ability to deliver:

- **A future-ready payments platform:** Powering Tesco Mobile’s digital-first transformation and billion-pound MVNO scale
- **New payment methods:** Launching Apple Pay and Google Pay in days, to deliver seamless, secure journeys across the app and web
- **Enterprise-grade resilience and uptime:** During peak and seasonal periods
- **Proactive, consultative support:** Turning account management into business acceleration

“Switching to ACI’s payments orchestration platform has made managing change much easier,” confirms Allum. “Many tasks are handled automatically, without having to update APIs, while systems are simple to implement and help reduce risk.”

“For instance, ACI is fully compliant with the Payment Card Industry Data Security Standard (PCI DSS) and takes care of all regulatory updates behind the scenes, eliminating the need for manual input from our team. The platform also securely manages sensitive customer data and gives us the flexibility to introduce new payment options—such as digital wallets—whenever required.”



## Empowering secure and frictionless sales journeys

As Tesco Mobile's digital sales continue to grow, delivering seamless and secure transactions is mission-critical. ACI's best-in-class payments orchestration platform combines **enterprise-grade performance** with **intelligent fraud defense**, ensuring every Tesco Mobile customer journey is fast, safe, and optimized for conversion.

“

We should never have to interrupt a customer journey due to payment processor issues, and that's exactly the type of performance metric we expect from a payment provider. We handle a high volume of payments, ranging from bill payments, top-ups, and recurring payments across multiple channels. It's extremely rare for ACI to experience any downtime or issues that prevent these transactions from going through.”

**Richard Allum**  
Senior Fraud and Risk Manager, Tesco Mobile

With ACI, Tesco Mobile benefits from:

- **A high-capacity, always-on gateway:** Built to handle peak volumes like Black Friday and device launches, ensuring zero downtime and zero disruption
- **Precision-tuned fraud controls:** Reduce false positives without compromising security, powered by 10,000+ fraud signals and 7,500+ AI features
- **Real-time contextual decisioning:** Uses device intelligence, IP, geolocation, behavioral biometrics, and more, minimizing unnecessary declines and maximizing approvals
- **AI-powered fraud orchestration:** Improves acceptance rates and increases revenue

“ACI helps us boost revenue and counter new threats as they emerge,” highlights Allum. “We're regularly trialing new anti-fraud methods. ACI gives us the smart tools and richness of data that make the difference. We see AI and greater automation as the next frontier in fraud management.”

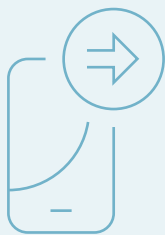
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Given the challenges facing our industry today, and the rapidly evolving needs of our customers, what we expect from payments goes beyond a basic tech solution. We now require personalized, tailored services with consultancy and a strong understanding of business needs.”

**Richard Allum**  
Senior Fraud and Risk Manager, Tesco Mobile

## BUILT TO Scale

Our software solutions handle billions of transactions that move trillions of dollars every day—with rock-solid reliability so you can sleep at night.



## Scalability through peak seasons

For Tesco Mobile, Q4 is a critical trading period. During this “Golden Quarter” from Black Friday through Christmas, payment volumes surge, fueled by device launches, promotions, and contract renewals. ACI works closely with Tesco Mobile to maintain full system reliability and optimization throughout the year. This includes:

- Sufficient terminal IDs and processing capacity
- No downtime during high-volume periods
- Real-time visibility and responsiveness to traffic spikes

Allum says, “We’re growing every year, and so is the pressure on transaction capacity. ACI gives us the payments stability we need, especially during our busiest times, and ensures we’re never caught off guard.”

## A strategic foundation for future success

As Tesco Mobile continues to prioritize digital-first engagement, primarily through its app, ACI’s role is becoming more strategic. The company is relying on ACI’s payments orchestration platform and consultancy to:

- **Drive higher conversion and lower declines** across digital journeys through real-time optimization and smart routing
- **Scale AI-powered fraud prevention** to combat sophisticated threats like account takeover without compromising customer experience
- **Explore next-gen payment options** like open banking and embedded finance to meet evolving customer preferences

## Collaboration that powers growth

Tesco Mobile’s 20-year partnership with ACI is a testament to reliability, innovation, and mutual growth. From powering complex, high-value subscriptions to helping combat new fraud threats, ACI’s platform and people are central to Tesco Mobile’s mission to deliver best-in-class service and secure, seamless payments for convenience and value-focused mobile-first customers.

ACI Worldwide, an original innovator in global payments technology, delivers transformative software solutions that power intelligent payments orchestration in real time so banks, billers, and merchants can drive growth, while continuously modernizing their payment infrastructures, simply and securely. With 50 years of trusted payments expertise, we combine our global footprint with a local presence to offer enhanced payment experiences to stay ahead of constantly changing payment challenges and opportunities.

### LEARN MORE

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