

21 March 2022

New Payments Platform Update

Presentation to Cuscal Identified Institutions

New
Payments
Platform

New Payments Platform
Australia Limited

**Commercial in
confidence**

Confidential:

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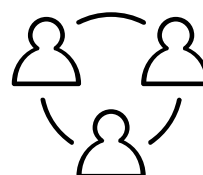
Participating Financial
Institutions (including
subsidiaries/sub-brands)

85.5 million

NPP reachable accounts (can make
and/or receive NPP payments)

~100 million

Monthly NPP
transactions



10.2 million

Number of registered
PayIDs



New
Payments
Platform



~\$3.2 billion

Average daily value of NPP
payments

\$19.8 billion

Largest single transaction
across the NPP

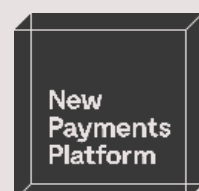


32% share

Of all account-to-account credit
payments

\$3.3 trillion+

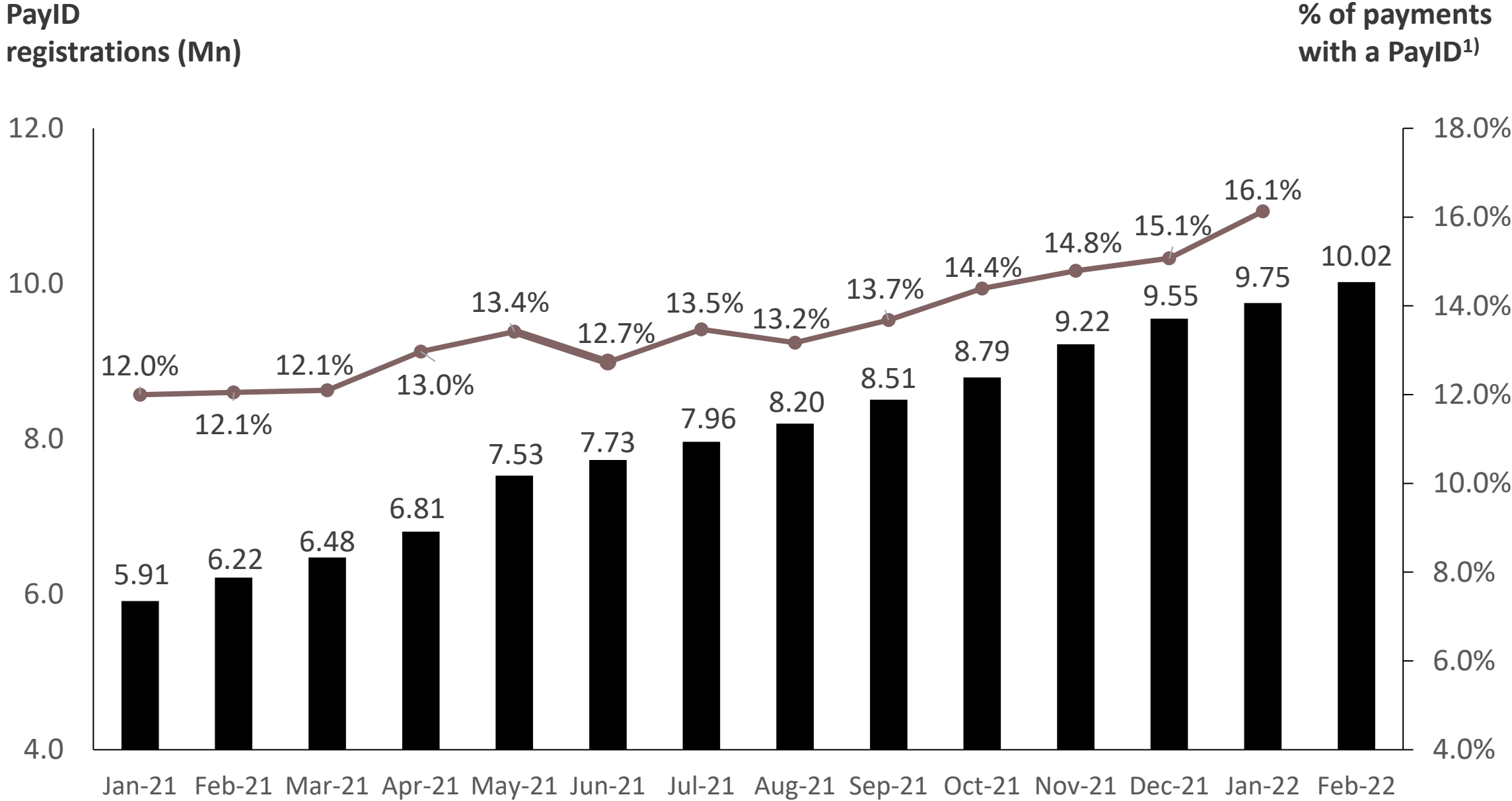
Total cumulative value of NPP payments
since launch



Notes: volumes include both SCT and Osko payments, including 'on-us' transactions

As of 14 March 2022

PayID take up is increasing



Pay

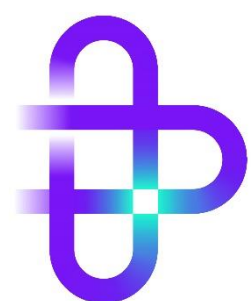
10.2m

(as of 14 Mar 2022)

- 61% increase in registrations YOY
- PayID registrations growing by ~ 270K a month
- Number of payments initiated by the payer using the payee's PayID was ~ 16% in Jan 2022 – equating to ~13 million payments
- NPPA is working with industry to further leverage PayID's confirmation of payee capabilities
- Looking to conduct some quantitative research on PayID awareness and usage

1) Osko payments; source: BPAY

Update on AP+



Australian Payments Plus

- Transaction completed in early February 2022
- Initial focus for AP+ will be on the delivery of the prescribed services as committed to the ACCC
 - For the NPP, this primarily relates to the delivery of PayTo
 - Other commitments include ensuring industry interoperability to pay with a QR code by end June 2022
 - Commitments were also given to explore the feasibility of developing certain services, including payment with a url for B2B or B2C payments
- Work also underway to establish the two AP+ advisory forums – one for end users and the other for payment service providers
- Extensive programme of work ongoing to integrate the three payment organisations

AP+ Prescribed services



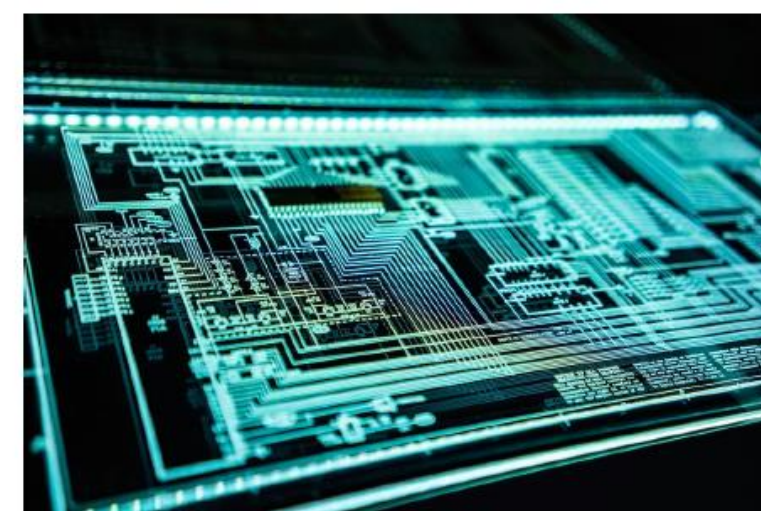
Remote payments

Pay for a purchase remotely using an eftpos card:

- + Switch to issuer for payment authorisation and processing
- + Merchant option for liability shift to issuer with eftpos Secure (3DS)
- + Use of a network token for greater data security
- + In-app payment with a network token

Expanding payment capability

- + Deposits to or withdrawals from a customer's account via a debit card CNP transaction
- + Payments into a customer's account via a debit card for card present transactions
- + Customer authorised payments initiated by third parties (NPP's PayTo service)

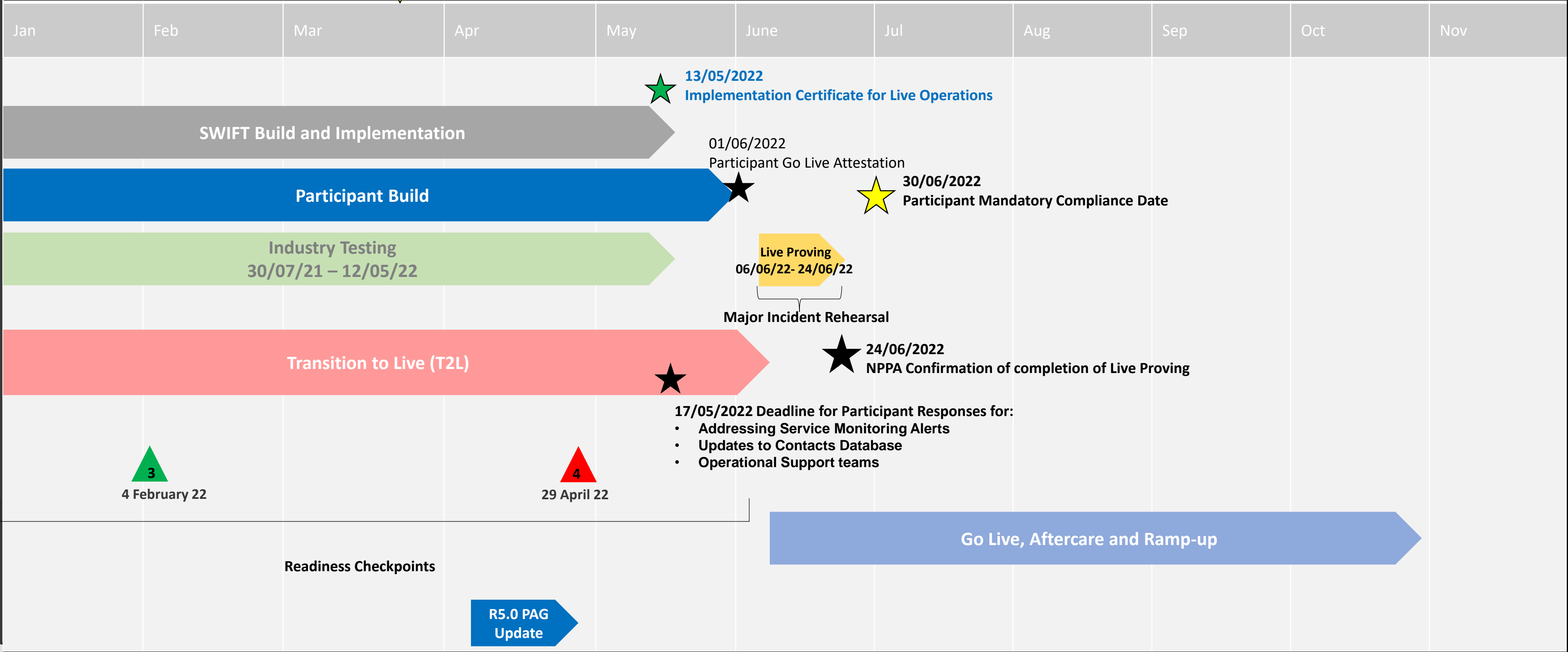


Delivering network wide capabilities

- + Enhance the settlement service for debit cards with multilateral netting
- + Monitor and risk score debit card transactions for fraud for more accurate issuer authorisation decisions


PayTo Timeline

2022



PayTo market activity

There is significant market interest and activity around PayTo




Insights ▾Product Updates ▾Case Studies ▾Company News ▾

Zai Blog > Introducing PayTo - Australian payments made better

BUSINESSPAYMENTSINSIGHTS

Introducing PayTo - Australian payments made better

Written by Zai | November 29, 2021




SPLIT

Chris Jewell Discusses PayTo

12/08/2021 | IN COMPANY NEWS

Australia's payments landscape is undergoing foundational change right now with the ongoing rollout of the New Payments Platform [NPP] and its real-time payments capabilities. The next major piece of NPP functionality is PayTo [previously known as the Mandated Payment Service, or MPS] which launches in mid-2022.



Basiq

2,455 followers

3w ·

+ Follow


The [#BasiqInsights](#) series is back! In Instalment 5, we unpack what's meant by 'Open Banking Payments', with a focus on action initiation - and how you could use it to pay for your Netflix subscription 📺

[#OpenBanking](#) Payments are gaining massive traction overseas - but what does it mean for [#AustralianFin](#) capture consent for data sharing as well as instruction (such as NPP's MPS)?

We also explain and analyse nearly every... under the sun, from NPP, MPS, PayTo, CD DDA... because who doesn't love payment

Dig in and let us know what you think 📌

<https://lnkd.in/ge7SyU3N>



Daniel Feodoroff · 31

Technical Officer @ DPN, E and ZALIAH

1mo · Edited ·

Rent App (PayTo App Concept)

With PayTo rolling out from mid next year, I thought it would be interesting to see how PayTo interfaces with a rent payment contract.

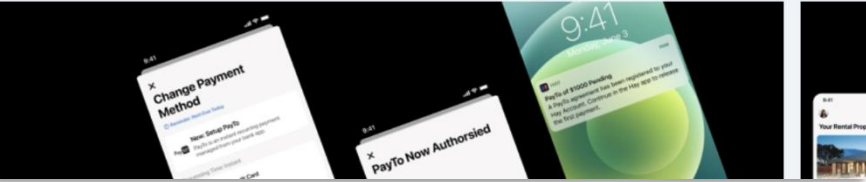
One area I can really see innovation with PayTo is the rental industry. Currently, tenants have to remember to pay their rent days early through slow methods like BPAY and managers pay high fees processing those transactions. Due to PayTo's low cost instant architecture tenants don't need to pay early and property managers can save money and time.

What are you most excited for with PayTo?

For those who don't know, PayTo is set to disrupt the Direct Debit and BPAY industry by allowing instant payment agreements inside an Aussie banking app. Simply link your PayID to a payment contract for an instant payment on the agreed upon date/ schedule. If you need to change bank accounts, simply open your banking app and transfer there is no need to contact the vendor.

[#npp](#) [#PayID](#) [#uxdesign](#) [#banking](#) [#payto](#)

Rent App (PayTo) Concept · 2 pages




PAYMENTS SUMMIT 2021

Australian Payments Network

Some near-term priorities

- Timely completion of the PayTo service
- Development of 'payment with document' functionality for the NPP
- Further progress is needed to deliver the benefits from open banking
- Roll-out and adoption of widely usable digital ID services
- Improvements in cross-border payments



"PayTo will be cheaper, faster and safer for both businesses and consumers for almost all use cases"

Christian Westerlind Wigstrom
CEO of Monoova

monoova

New Payments Platform

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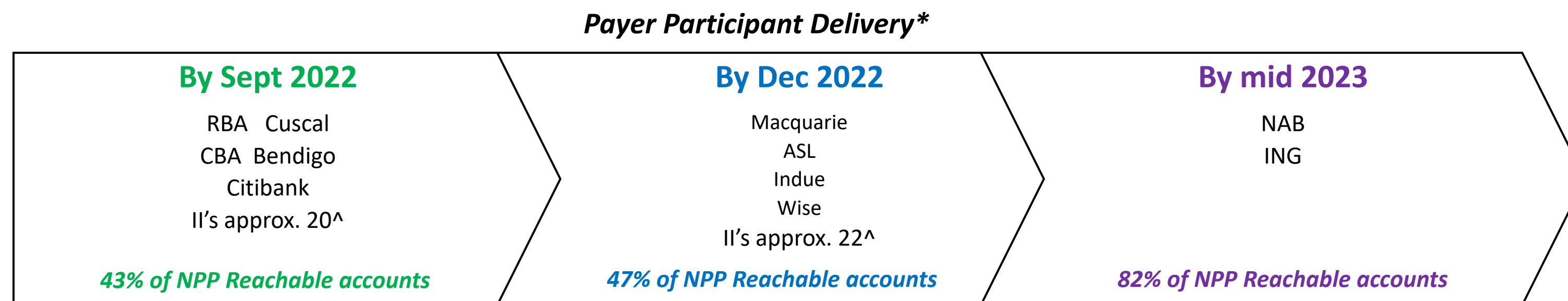
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Participant Go Live and Readiness

NPPA have been working with Participants to review and assess readiness and planned dates to enable access to PayTo for their customer base. As anticipated and communicated to the market, an element of service variability has always been anticipated during the initial stages of PayTo.

PayTo is scheduled to commence progressively rolling out from **June 30, 2022**, with significant momentum across the industry, involving more than 100 organisations, to make this happen. Additionally, organisations intending to send are planning to go live progressively from July 2022.

As confirmed at the March PayTo Steering Committee and the AP+ Board, NPPA remains committed to the delivery of PayTo and the MMS by **June 30, 2022**.



** ANZ is currently re-planning and we are awaiting confirmation of their dates;*

WBC and HSBC are yet to confirm timing of implementation of PayTo

^Identified Institutions continue to confirm readiness for Go Live and a number remain TBC.

Organisations not compliant with the 30 June 2022 date will be referred to the AP+ Governance Committee and non-compliance charges are likely to apply.

Commercial in confidence: Information on organisational readiness at an individual organisation level is confidential information and should not be disclosed to any other party.

PayTo delivery – external market messaging

During the lead-up to go-live, our external market-facing messages regarding PayTo implementation and delivery are focused on communicating the progressive rollout of PayTo:

- PayTo is scheduled to commence progressively rolling out from July 2022 and there is significant momentum across the industry to make this happen.
- Implementing this critical capability is a multi-year programme of work requiring significant change to existing back-office processes, technical systems and customer facing digital channels
- The capability will support a range of use-cases such as recurring payments, ecommerce and in-app payments, enabling bank accounts to be used as funding source for digital wallets and other payment solutions, by organisations to facilitate third parties sending payments on their behalf, such as payroll and accounts payable, and potentially at POS together with the use of QR codes. We continue to see strong interest in PayTo from various sectors of the market
- Under the NPP rules, it is mandatory for all NPP participating financial institutions (of which there are more than 100) to enable their payer customers to authorise new PayTo agreements and process any associated payments by 30 June 2022
- Parallel to the delivery of payer customer functionality, it is anticipated that NPP participating organisations will begin to roll out PayTo payment initiation services, including to third parties via APIs, from the second half of 2022
- Delivering PayTo is a key priority for NPP Australia and the industry. Collectively we have been working on supporting “debit-like” or third-party payment initiation for more than five years since early 2017 (prior even to the NPP going live)
- Similar to the delivery of other payment services, PayTo will gradually roll-out as participating organisations complete their respective implementations. An element of inevitable service variability has always been expected during these early stages as the number of participating organisations and reachable accounts grow.

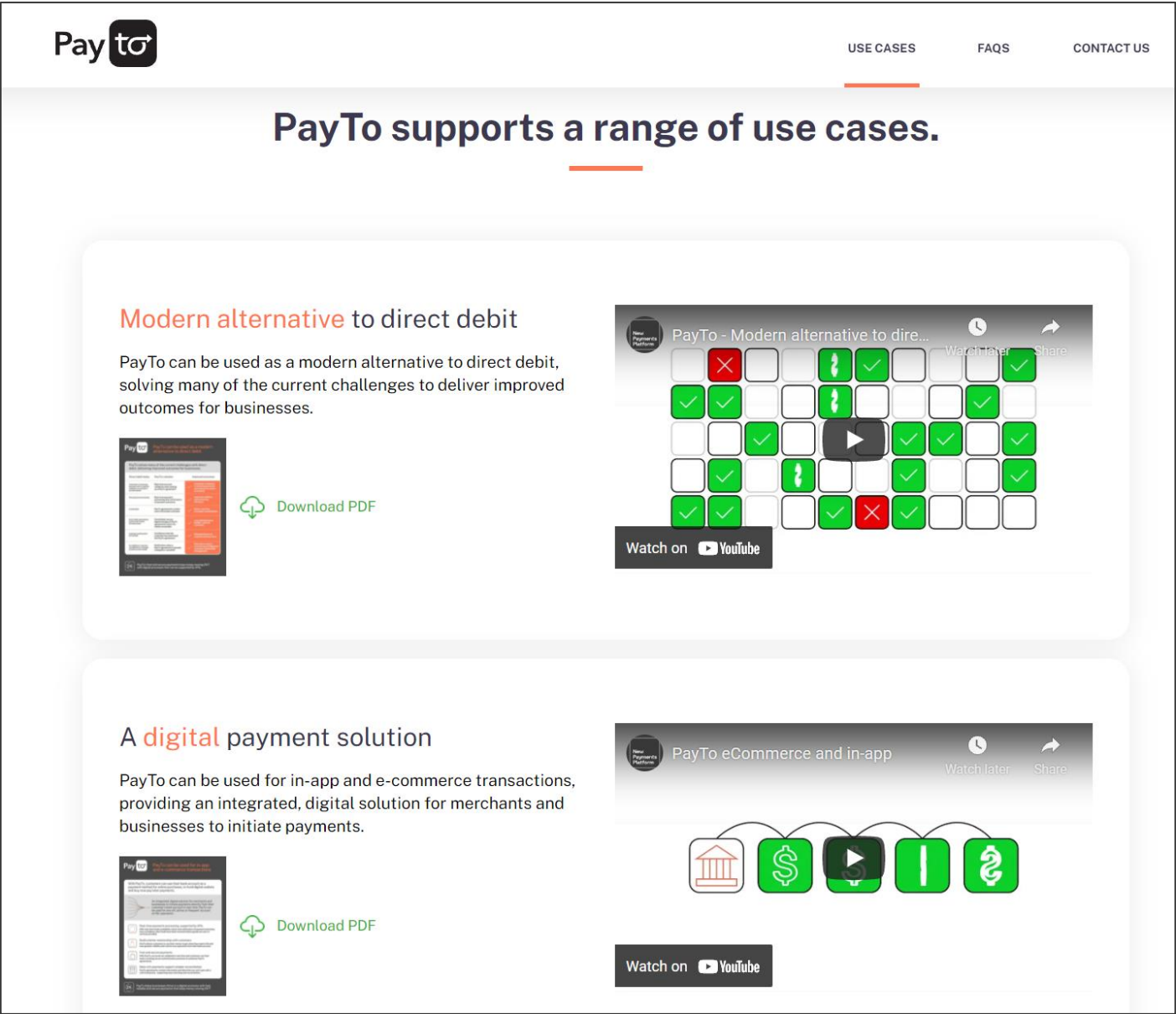
We are also working on preparing for service variability, including illustrative examples of what the customer experience might be. The outcomes of this work will be shared with Participants and Identified Institutions once finalised

PayTo marketing material – recap from 2021

Finalised PayTo material that was developed in 2021 is available on the NPPA Portal, the PayTo User Portal and payto.com.au (where relevant).

Progress on collateral development for specific use cases:

Use Case	Infographic	Video explainer	CX flow
Direct debit alternative	✓	✓	✓
In app/ecommerce	✓	✓	✓ (2 versions)
Outsourced payroll/ accounts payable	✓	✓	n/a
eInvoicing / Peppol	✓	✓	n/a
QR code payment initiation ¹⁾	✓	✓	✓
Direct debit alternative – charity use case	✓	n/a	n/a



An updated **PayTo Service Overview document** has also been published which is available [here](#)

Use case material is available on the PayTo website www.payto.com.au

1) An updated version of the NPP QR Code standard has also been published, which is available [here](#)

Plans for 2022

As we prepare for the delivery of PayTo, our focus for the first half of 2022 is predominantly on payer customers and associated educational activity.

- Payer customer material including explainer videos and infographics focusing on:
 - What is PayTo and its key benefits
 - How to authorise a PayTo agreement and management of PayTo agreements
 - Use cases from a payer customer perspective (direct debit alternative, ecommerce, etc.)
- Supporting early adopter activity, including interviews, voxpops, and where possible, highlighting expected use cases
- Enhancing the current PayTo website to include more information for PayTo Users and payer customers
- Service variability assessment and associated messaging to support service rollout
- Expanding and refining FAQs, both for PayTo Users and payer customers
- Pre-launch educational communications including editorials, PR activity, social media and media engagement
- Broader market engagement activity such as public webinars and roundtables

NPPA's activity is intended to co-exist with and support activity that will also be done by individual organisations

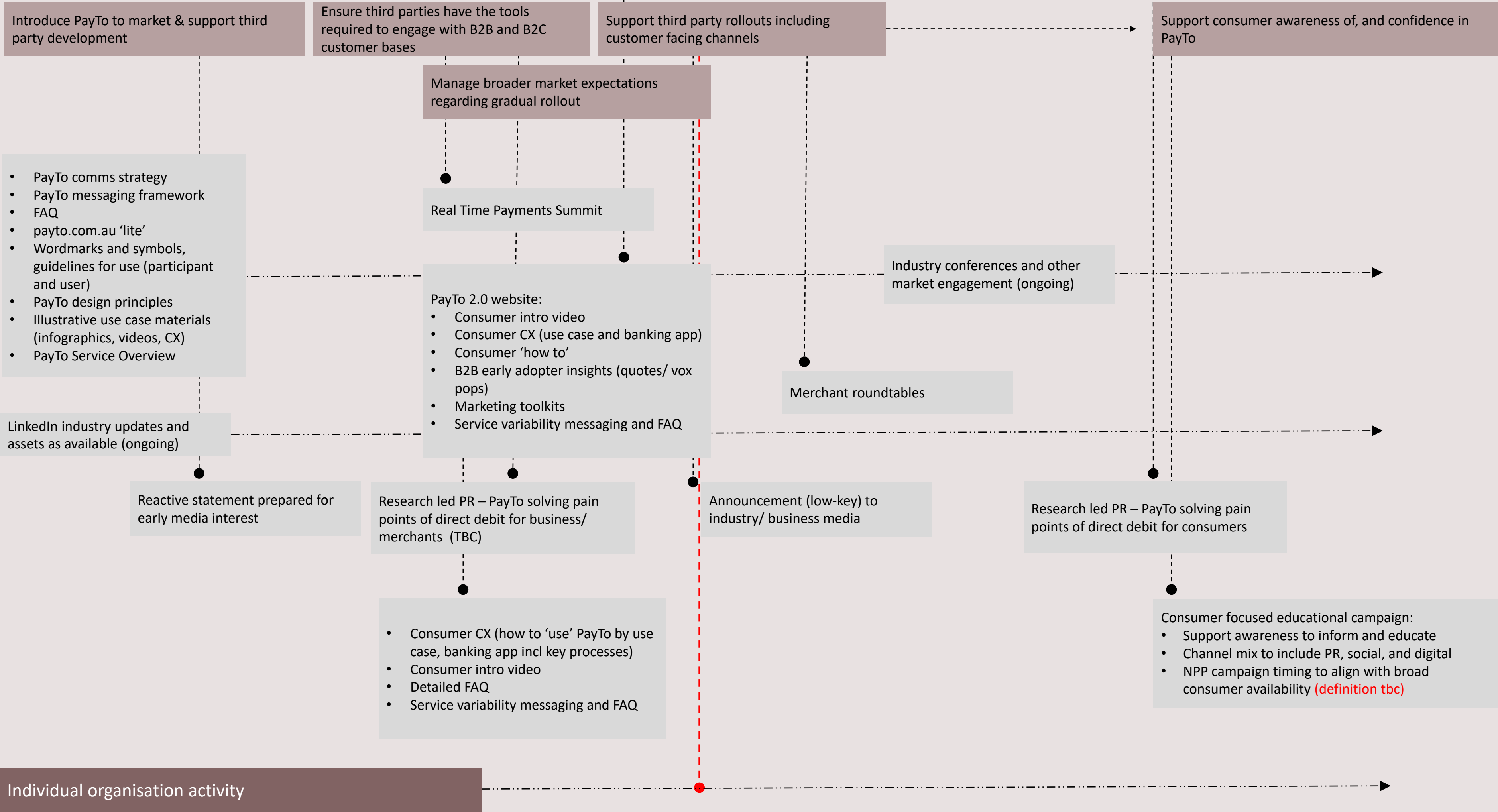
NPP objectives:

Outputs/
Audience:

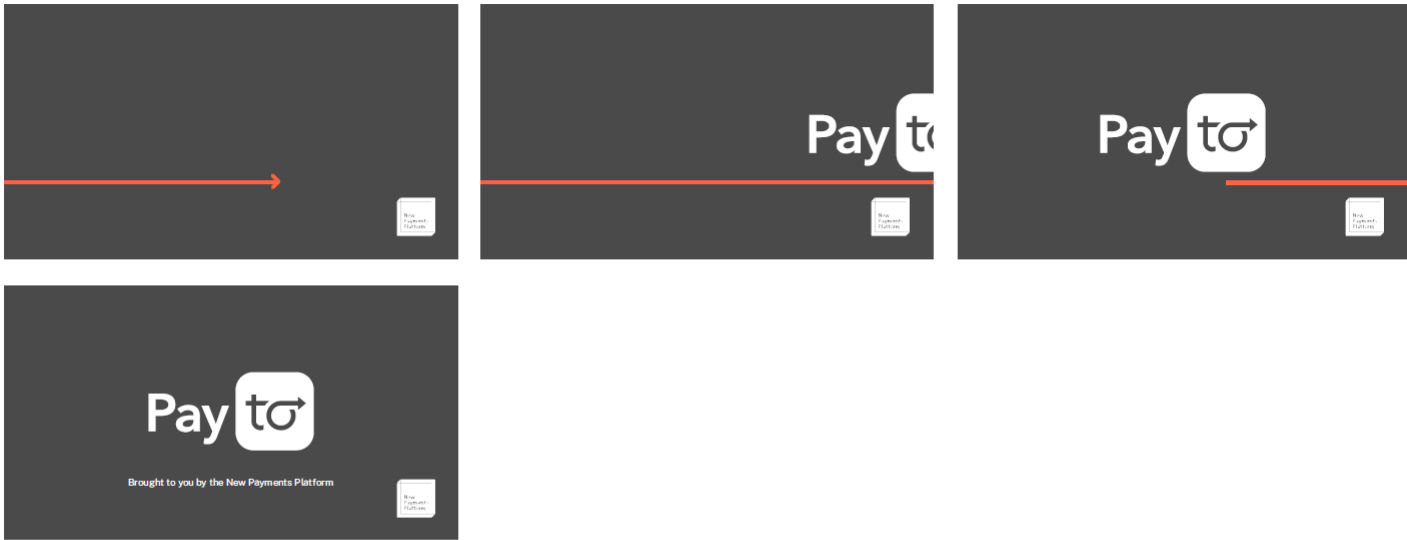
NPP PARTICIPANTS, IDENTIFIED INSTITUTIONS,
CONNECTED INSTITUTIONS, EARLY ADOPTERS/
FINTECHS, INDUSTRY

PR AND MEDIA

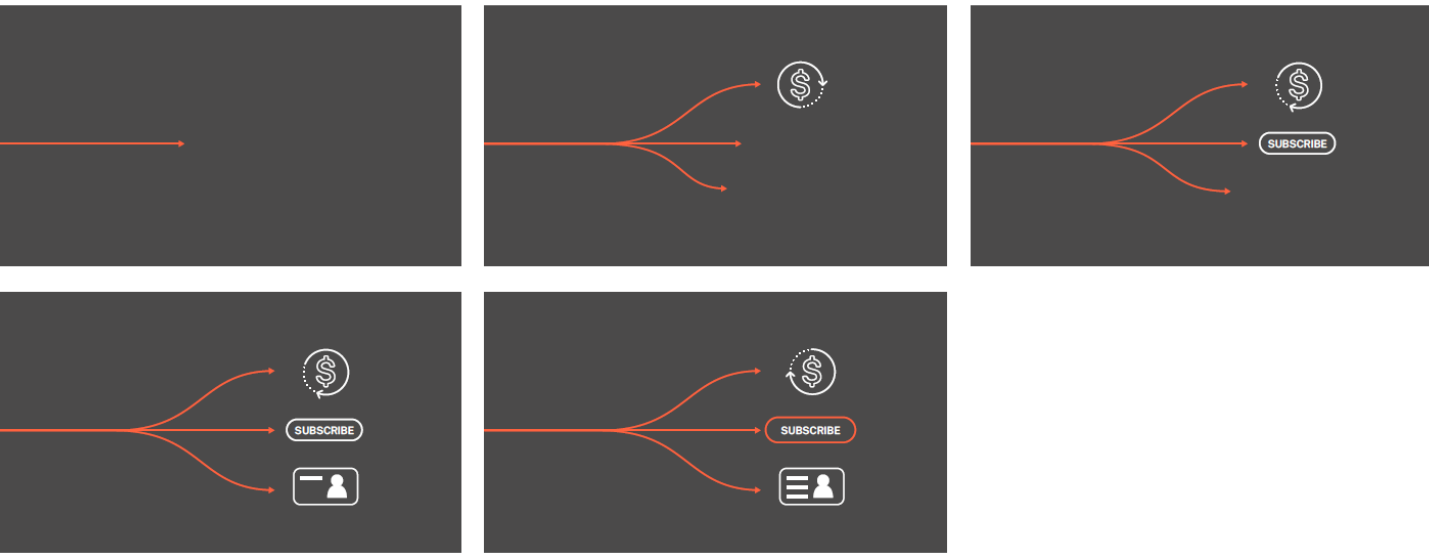
CONSUMERS



PayTo consumer facing – video storyboard

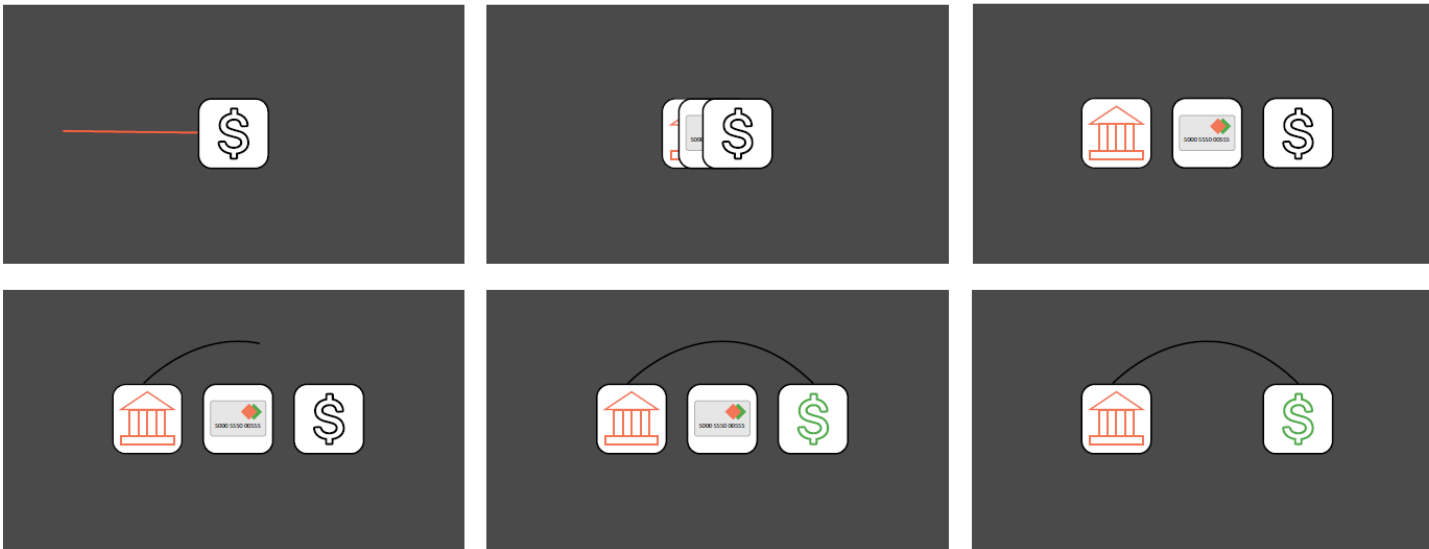


Introducing PayTo.
With PayTo, you can use your bank account to pay your way.



*Icons animate

Pay directly from your bank account for recurring bills, subscriptions and memberships.



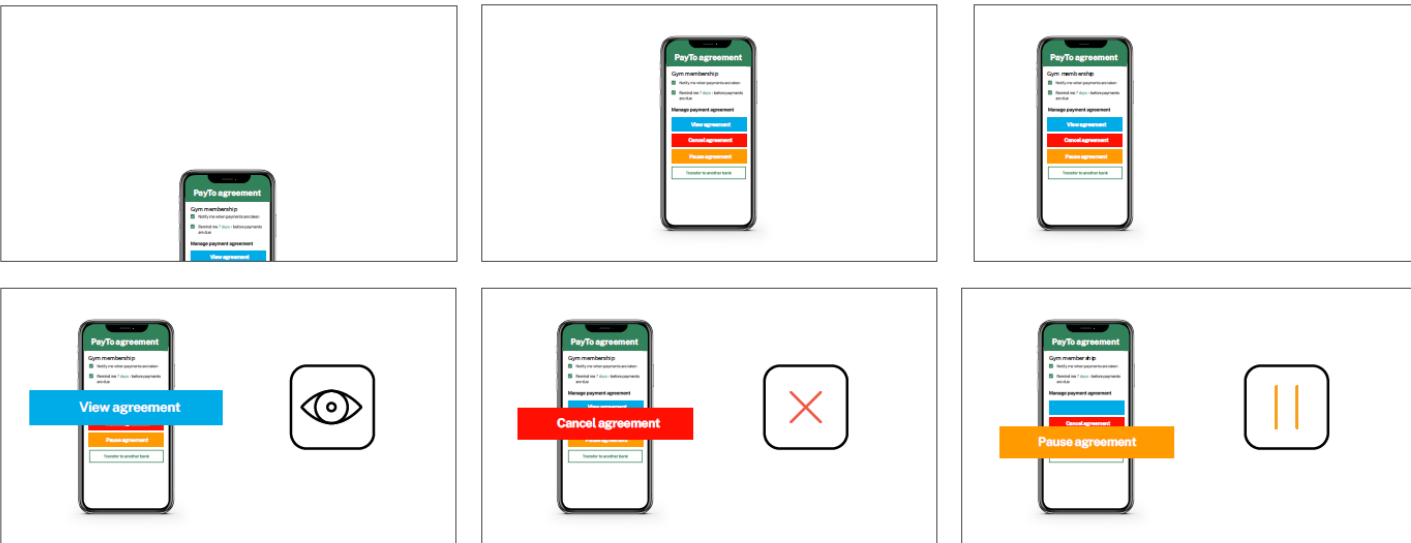
*Middle lozenge slides down

With PayTo, you can pay directly from your bank account for things that previously needed a card....



*Beep Beep

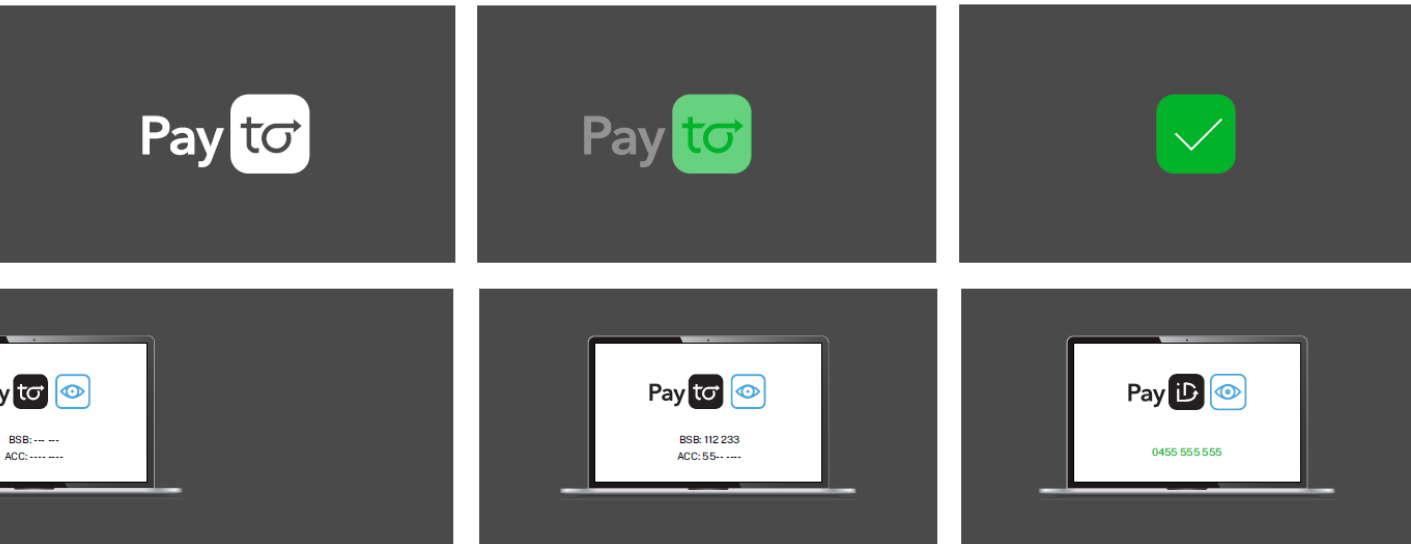
...like for online shopping
...or when using apps like food delivery or
ride share.



*Buttons expand in quick transition

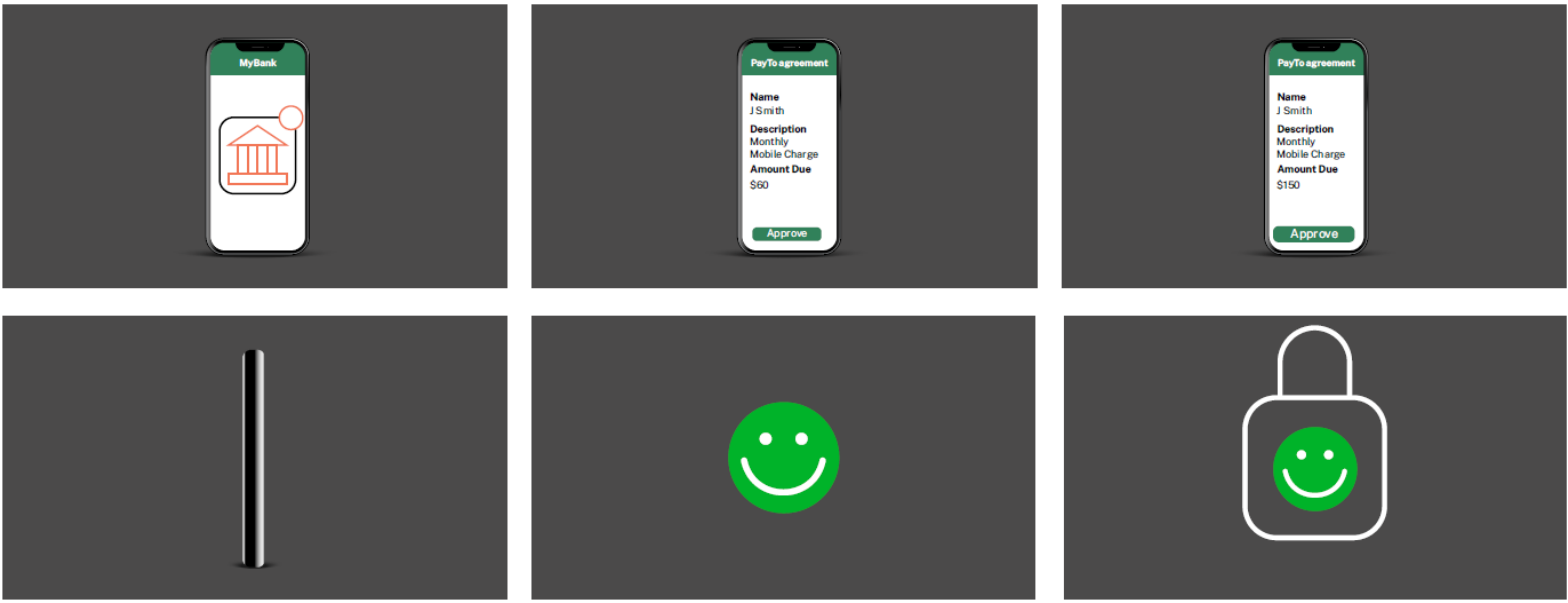
*Losenges spin when changing

You can see and manage these payments within your existing internet or mobile banking.



*Typing sound

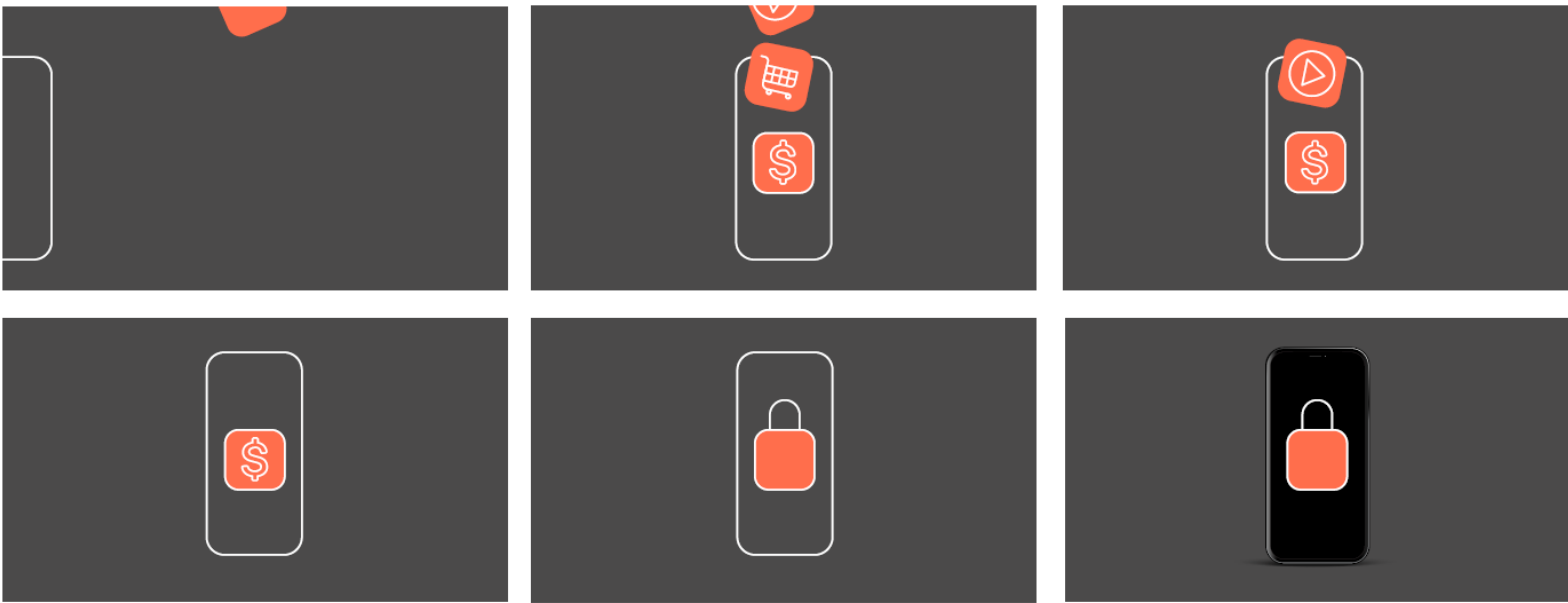
Using PayTo is easy.
Set up a PayTo agreement with your BSB and account number (or better still, your PayID).



*Phone spins and turns into smile face

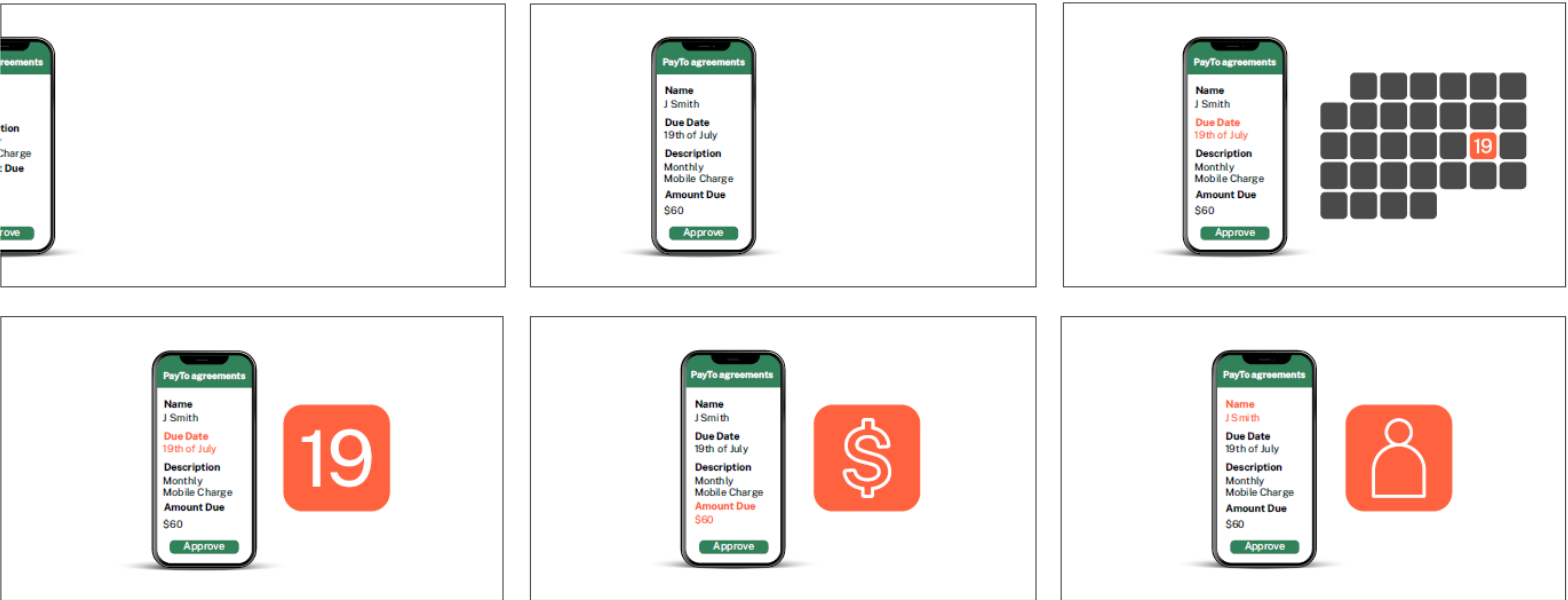
*Lock sound

Then, approve the agreement in your existing internet or mobile banking app -making it a safe way to pay.



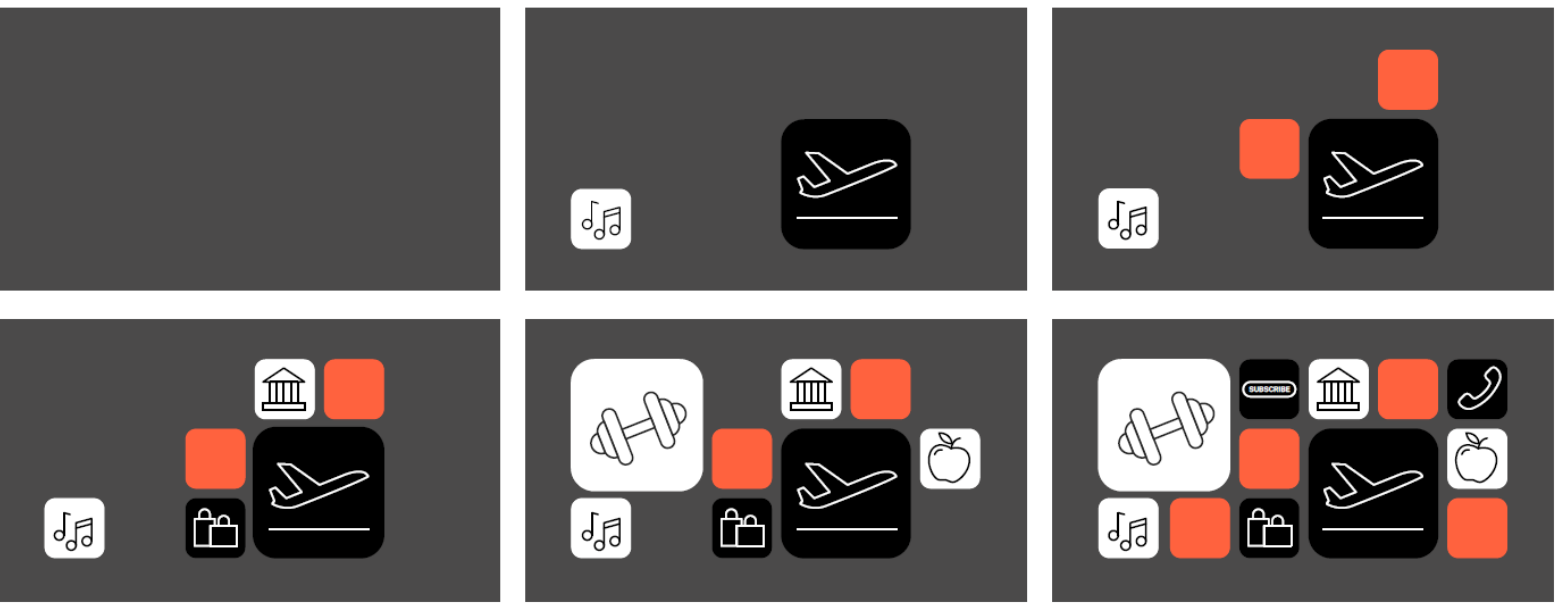
*Lock sound

You can manage all your PayTo agreements in one secure place.



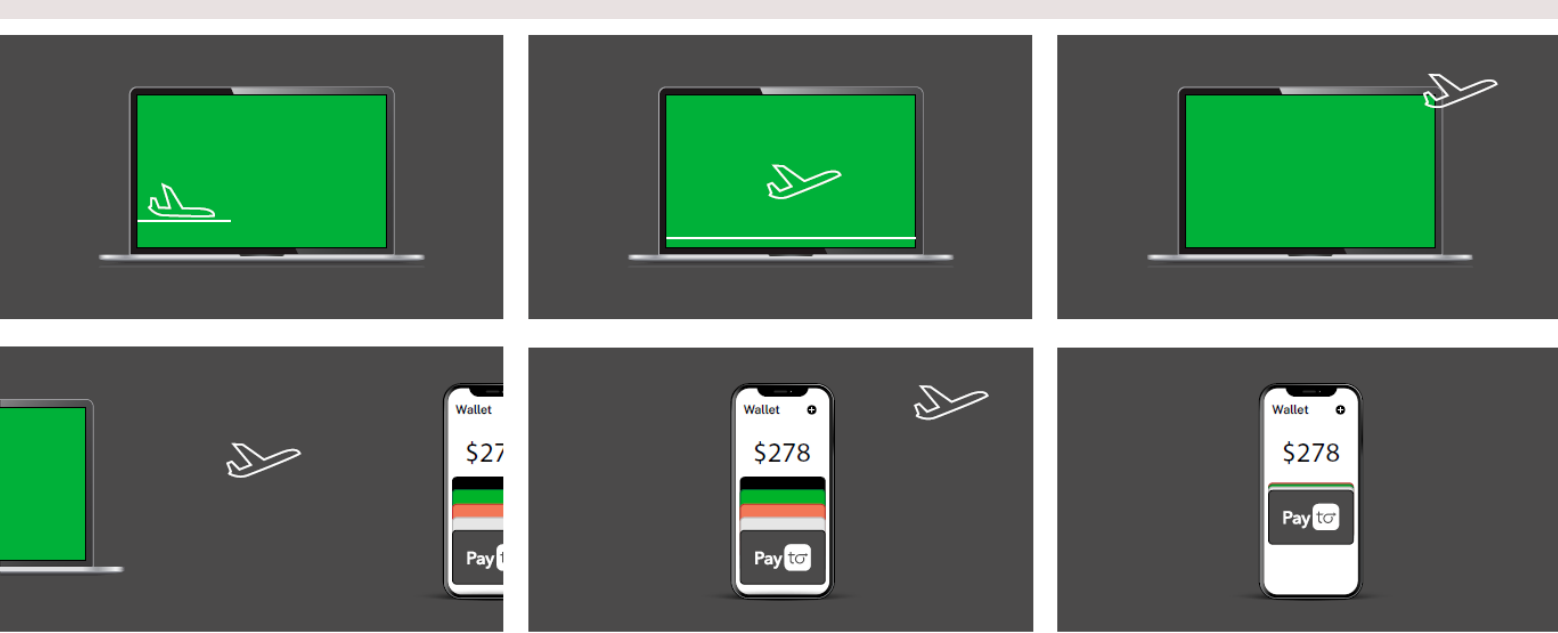
*losenge grows as calander behing shrink

You'll be able to see when a payment is due, the amount and who the payment is for.



*Popping sounds

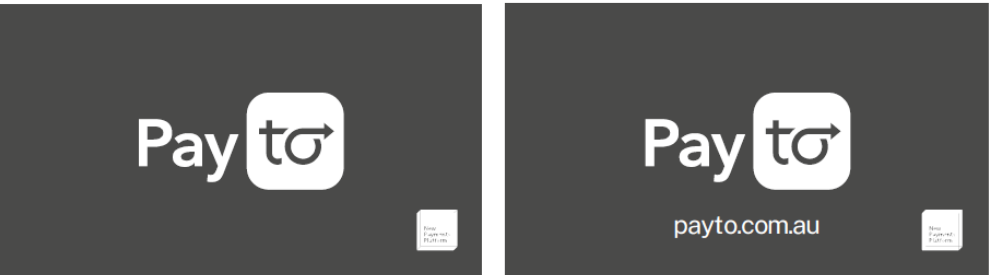
You'll soon start to see PayTo as an option for all kinds of payments.



*Camera Follows plane

*Camera Lands on phone

Whether it's for your electricity bill, flight, TV subscription, or funding your digital wallet, choose PayTo and take the hassle out of payments.



Find out more from your financial institution or visit: payto.com.au.

PayTo consumer facing – CX


PayTo can be used for all kinds of payments

Recurring Payments

- Insurance premiums
- Membership fees
- Subscriptions
- Bill payments
- ...

9:41

GYMTIME



Gymtime

\$80

Monthly Fee

Provide your details

Customer Name

Michael Doe

Phone No.

+61 463546135

Start Date

10/09/2021


☒ I have read the terms and conditions

Proceed to Payment


9:41

PAYMENT

Payment Options

☒ Pay  NEW

Set up a PayTo agreement to pay for your membership.

Pay 

T Nichole

OR

BSB

000-000

Account Number

12345678

☒ I authorise Gymtime to debit my bank account.

☐ Credit Card

☐ Debit Card

☐ Digital Wallet

Submit

In-app/card on file Payments

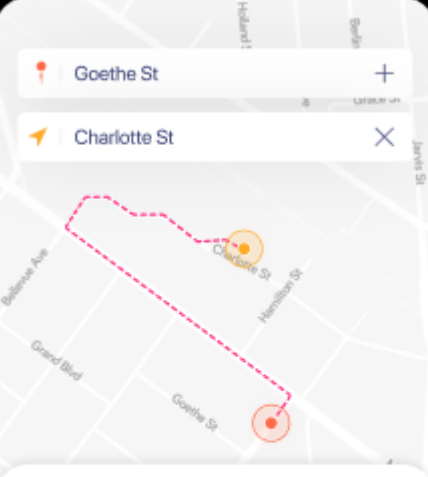
- Taxi services
- Trading
- International transfers
- ...

9:41

Taxi Service

Goethe St

Charlotte St



Economy

\$14.50


Minivan

\$104.50

Comfort

\$22.99

PAYMENT

Pay 

000-000/1234XXXX

Change

+ Add Payment Method

Confirm Ride

One-off payments

- Top up
- Wallets
- QR code payments
- ...

INVOICE

Client Name

1 Client Address

City, State, Country

ZIP CODE

Service Number

000000

Invoice Total

\$80.95

Invoice Description

Invoice Item

Unit Cost

Qty / Hk Rate

Amount

Invoice Total

\$80.95

Invoice Terms

Ex. Please pay

SCAN

9:41


ELECTRICITY

Electricity Biller

\$80.95

One-off

Payment Options

☒ Pay  NEW

Pay from bank account

☐ Credit Card

☐ Debit Card

☐ Digital Wallet

Pay Now

E-commerce payments

- Marketplaces
- Online shopping
- Fees and related payments
- ...

Ecommerce Shop

Home

About us

Shop

Blog

Contact

Search Products

\$00.00

Michael Doe

Home > Clothing > Men Clothing > Shoes > Leopard Print Sneaker

Leopard Print Sneaker

★★★★☆

\$168.00

\$120.00

There are many variations of passages of Lorem Ipsum available, but the majority have suffered alteration in some form, by injected humour, or randomised words which don't look even slightly believable.

Availability: In Stock

Size:

7

8

9

10

11

12

Quantity:

-

1

+

Add To Cart

Buy Now

DESCRIPTION


ADDITIONAL INFORMATION

REVIEWS (0)

It is a long established fact that a reader will be distracted by the readable content of a page when looking at its layout. The point of using Lorem Ipsum is that it has a more-or-less normal distribution of letters, as opposed to using 'Content here, content here', making it look like readable English. Many desktop publishing packages and web page editors now use Lorem Ipsum as their default model text, and a search for 'lorem ipsum' will uncover many web sites still in their infancy.


CHOOSE PAYMENT METHOD

☒ Credit Card

☒ Pay  NEW

☐ Debit Card

Use PayTo to pay directly from your bank account. Enter your PayID or BSB and account number, then authorise in your mobile or internet banking.

Pay 

OR

BSB

Account No.

☒ Save details for future purchases.

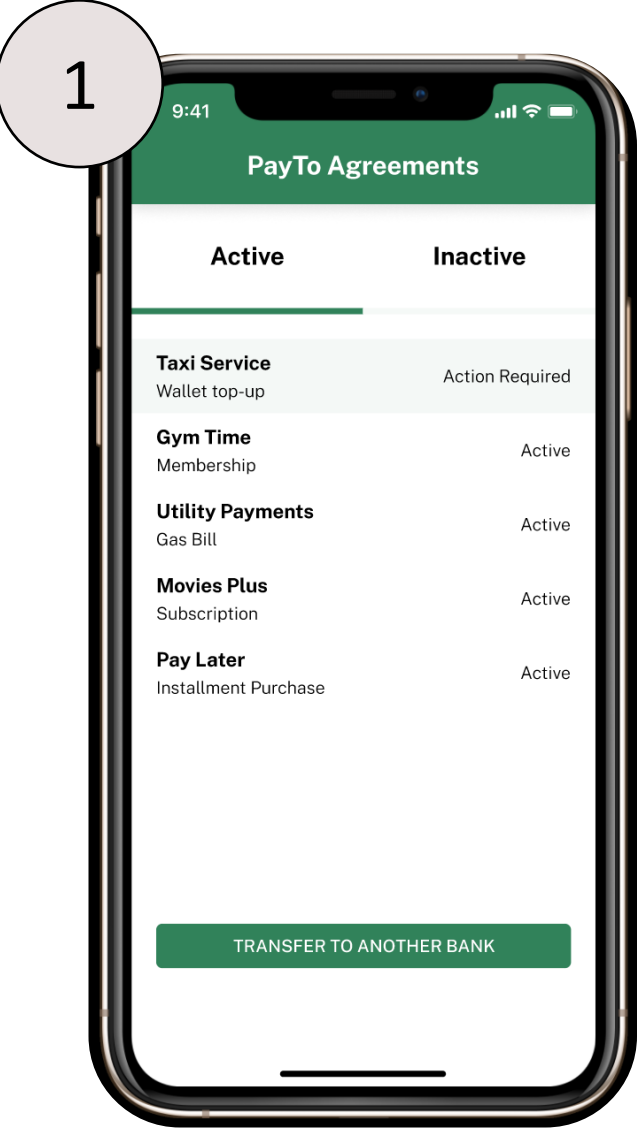
New Payments Platform

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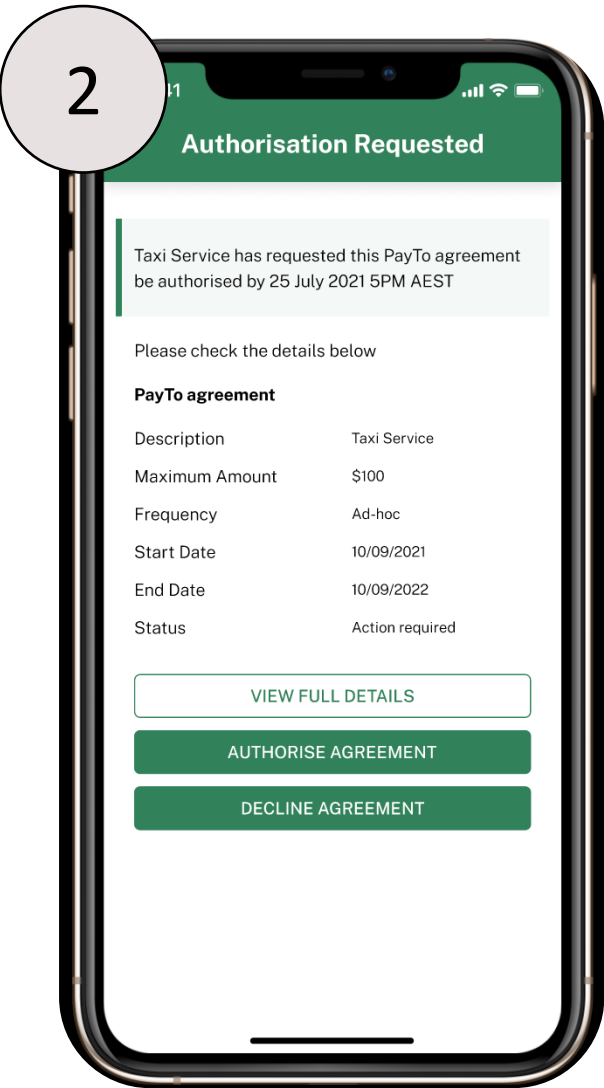
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PayTo consumer facing – CX

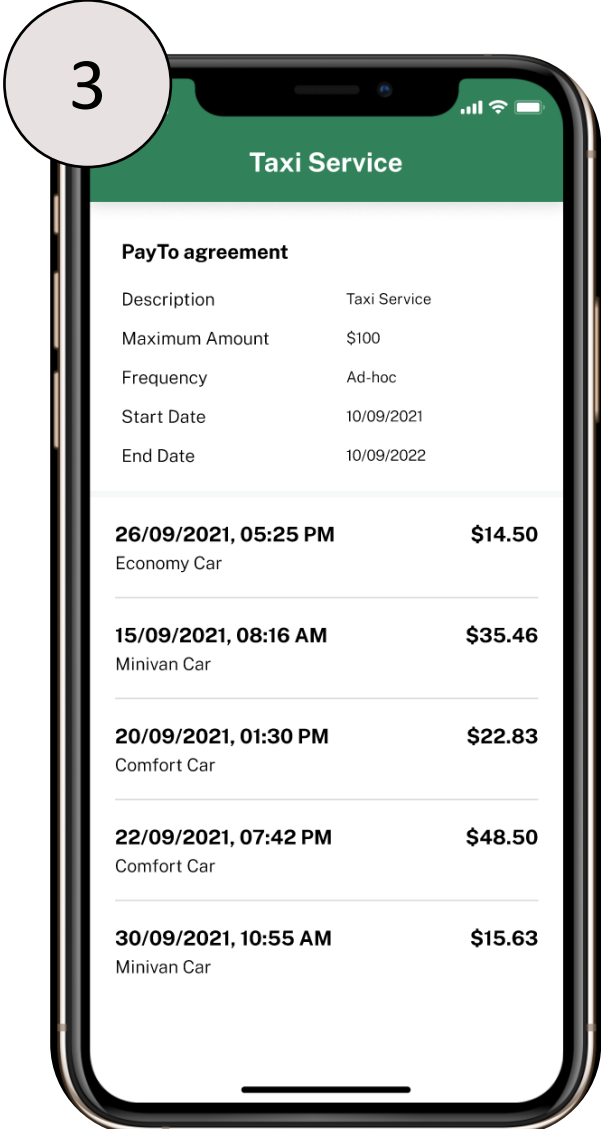
PayTo gives consumers more control, convenience and visibility over payments from their bank account



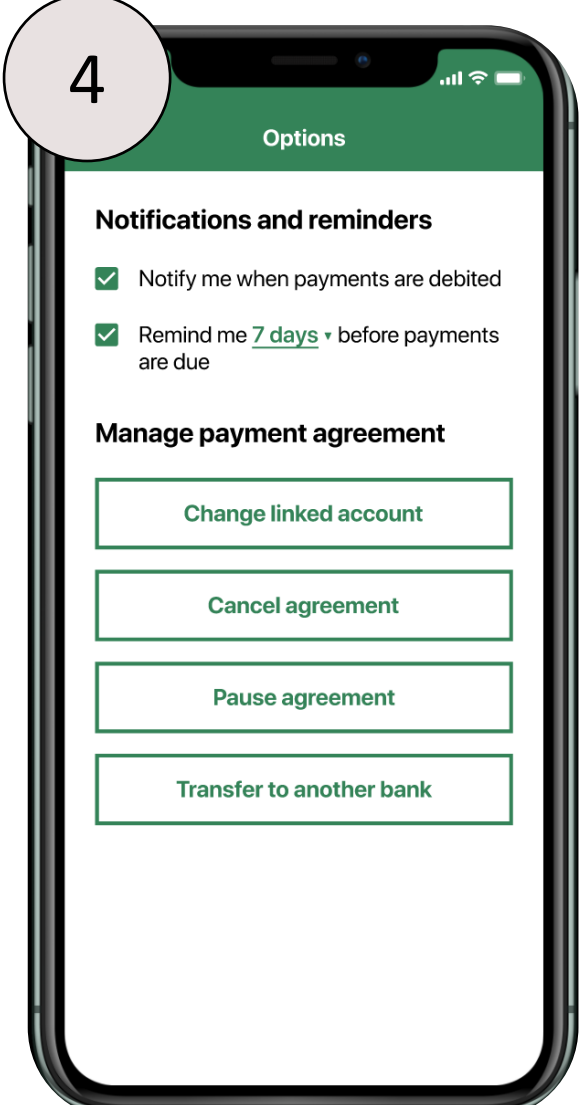
Manage PayTo agreement with mobile or internet banking channel



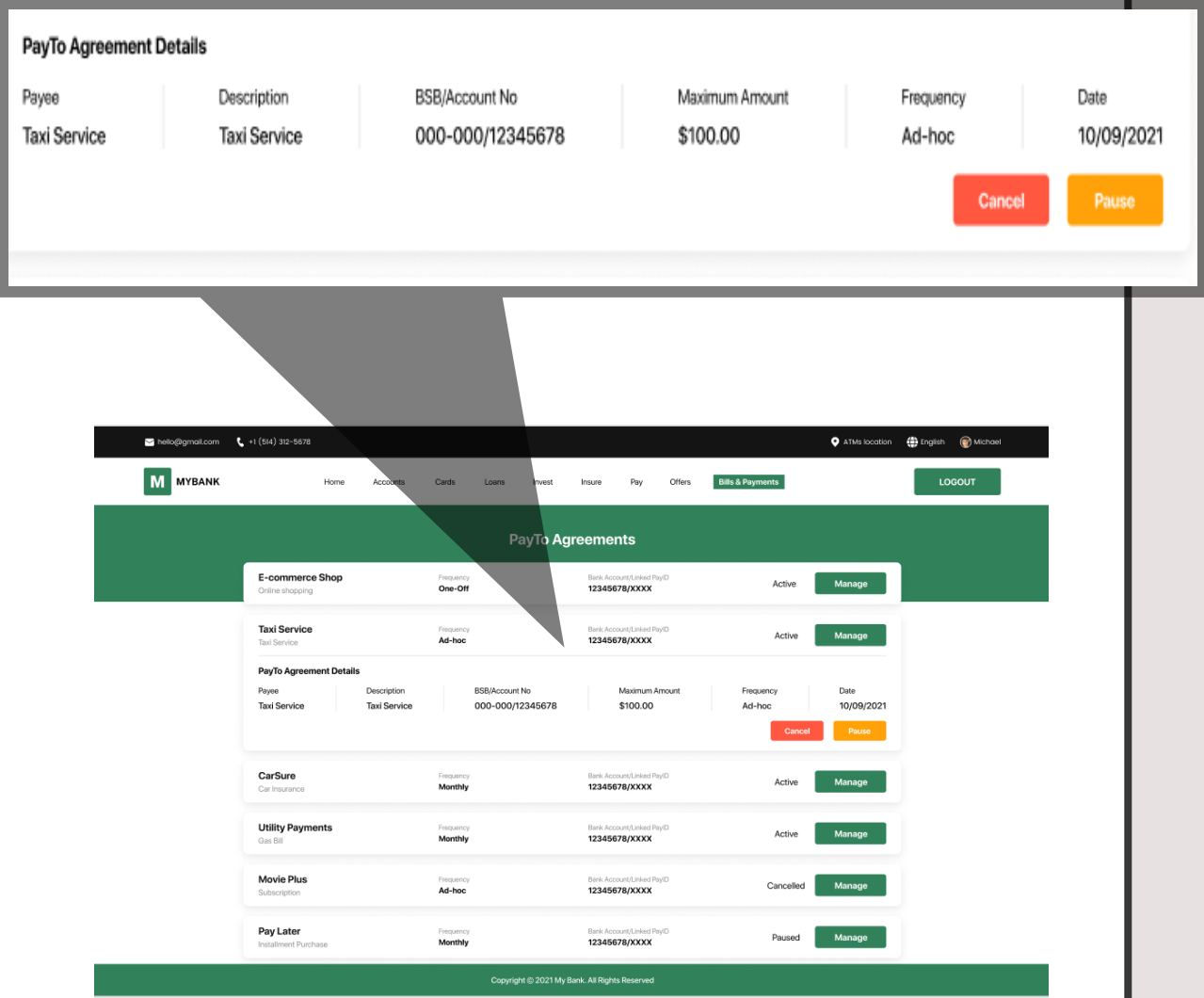
Authorise PayTo agreements easily from one place



View details and history of a PayTo agreement



Full control with options to cancel/pause and amend agreements





Questions?