

SEPA CASE STUDY:

The National Transport Authority and Ardbrook

Enabling the NTA's established integrated system to operate under the SEPA Scheme without the need for modification or expensive upgrade.

The Organisation.

The National Transport Authority is Ireland's statutory land transport provision and regulatory body.

In 2011, the Authority launched the Leap Card – an integrated public transport smart-card which offers 20% discounts on fares and other smart-card benefits promoting integrated travel across modes.

The Leap Card scheme is similar to the Oyster Card scheme operating in London.

The NTA introduced an “auto top up” scheme to allow customers have the available balance on their Leap Card increased by an agreed amount whenever the remaining balance fell below a pre-set level. The “auto top up” scheme required customers to authorise collection of monies due by means of Direct Debit.

From a systems point of view the NTA developed a solution which:

- ▶ Retained customer bank details in Sort Code and Account Number format
- ▶ Retained Leap Card numbers assigned to each customer
- ▶ Maintained usage and available balance details for each Leap Card
- ▶ Retained details of the agreed amount by which to increase the available balance
- ▶ Generated a Direct Debit EFT file in Standard 18 format (similar to BACS format) for all monies to be collected from customers availing of the “auto top up” service.
- ▶ Processed electronic “unpaid” files whenever Direct Debit transactions were unsuccessful / rejected.
- ▶ In cases where customers reported their Leap Card as lost the NTA systems would generate a Credit Payment EFT file to refund any remaining available balance amount.

The SEPA Scheme's impact on the installed NTA Systems.

In addition to the obvious problems of not being capable of producing Painoo8 and Painoo1 SEPA XML files, the NTA systems were not designed to hold, maintain or process many of the data items required for the SEPA scheme:

- ▶ The NTA system did not support BIC and IBAN formats for Bank Account details
- ▶ The system could not control for differing cycle times for First (6 days) and Recurrent (3 days) transactions.
- ▶ Amendments to existing Mandates were not easily catered for. The old mandate needed to be cancelled and a new mandate created.
- ▶ The NTA system was not developed to handle Painoo2 format “R” files. Updating its primary system with details of any rejected (“R”) transactions required a specific proprietary electronic format.
- ▶ Processing of Direct Debits by the NTA was driven by the travelling habits of the Leap Card users. It was possible that second DD submissions (RCUR) could be requested before the original (FRST) DD had been fully set up and cleared.
- ▶ The NTA did not have a system to provide the necessary communications to Debtors required under the SEPA Scheme.

The impending SEPA Scheme forced the NTA to reconsider how it could continue to process Direct Debits and support the “auto top up” facility of its Leap Card scheme.

The NTA sought a single solution to handle all SEPA related banking transactions associated with its Leap Card scheme – from handling participant sign-up via a web based feed to Direct Debits for automated Top-ups and Credit Transfers for Refunds.

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DEFT from Ardbrook was seen as the best solution.

After completing a selection process, Ardbrook's DEFT product was selected as the preferred solution to integrate the NTA's various systems while ensuring compliance with the requirements of the SEPA Scheme.

The NTA selected DEFT as their SEPA solution as it provided the best cost effective alternative to upgrading their own systems and DEFT also supported the NTA's aggressive implementation schedules.

Key factors in selecting DEFT

The ability to integrate the DEFT application as middleware between the NTA's own systems and the requirements of the Bank.

By using DEFT, the NTA avoided the need to make any changes to its own systems when switching to SEPA. This enabled the NTA meet the SEPA cutover date while avoiding significant effort and cost in making the switch.

Ardbrook were very knowledgeable in the requirements of the SEPA Scheme. They were also very flexible and pragmatic in providing working solutions to meet the NTA's complex requirements.

DEFT provided a comprehensive solution allowing the NTA operate the SEPA scheme:

- ▶ The NTA's legacy systems could function as before without change
- ▶ Simple migration of all existing Mandate details for use under the SEPA Scheme
- ▶ Conversion of all Bank Account details to BIC and IBAN with Modulus Checking
- ▶ Mandate Management and required Debtor Communications were provided by DEFT

- ▶ DEFT can retain an archive of all Mandate Authorisations and related communications – paper & electronic – for future reference in the event of Refund claims or other queries
- ▶ Ability to read and process SEPA Painoo2 files and export their details as Excel or csv files for analysis and reporting
- ▶ Ability to convert SEPA Painoo2 files to the proprietary format previously provided by the Bank so legacy systems continue to be updated
- ▶ This conversion of Painoo2 files enabled electronic reconciliation of “unpaid” transactions and their on-going analysis using historical reason codes / classifications
- ▶ Ability to process changes to Mandates and other SEPA data and generate the appropriate Amendment Tags within the SEPA XML files.
- ▶ A single application to handle all Direct Debit and Credit Payment transactions under SEPA

SEPA with DEFT

- ▶ DEFT allows you switch to SEPA without the need for upgrades to your existing systems
- ▶ DEFT has built in tools to convert your existing data for use under SEPA. Simply continue to generate your BACS format files and DEFT converts it for use with SEPA.
- ▶ Reconciliation of Unpaid / Rejected payments within your primary ERP system can be a major headache under SEPA. DEFT converts Painoo2 files to the format required by your ERP system to enable electronic reconciliation of Unpays.
- ▶ DEFT is a proven solution with hundreds of installations across all industry sectors
- ▶ Switching to SEPA with DEFT is simple, quick and cost effective. You'll be converted in weeks.

“DEFT has proven itself an extremely reliable and cost effective solution for our needs. We couldn't have made the switch to SEPA without it.”

SEPA Project Manager at NTA