VocaLink

VocaLink, the specialist provider of transaction services, adopts FileAct to offer its Sterling clients a SWIFT channel into VocaLink. At the same time the VocaLink Euro CSM helps any bank and its customers to be SEPA compliant.

"VocaLink's international expansion required a partner with global reach and SWIFT provided access to a global market"

John Doyle, Director of Channels at VocaLink

VocaLink was formed on 2 July 2007 from a merger between two UK market leaders in electronic payments and transactions Voca and LINK Interchange Network.

The VocaLink payment platform is capable of processing the equivalent of the entire European daily automated payment volume in just four hours. Launched in 2006, it processes payments for the UK's Bacs clearing system and processed 90 million payments on a peak day.

Business challenges

- Reaching into new markets
- Improving processing capacity
- Improving settlement risk

Benefits for VocaLink

- Reliable network infrastructure
- Interoperability
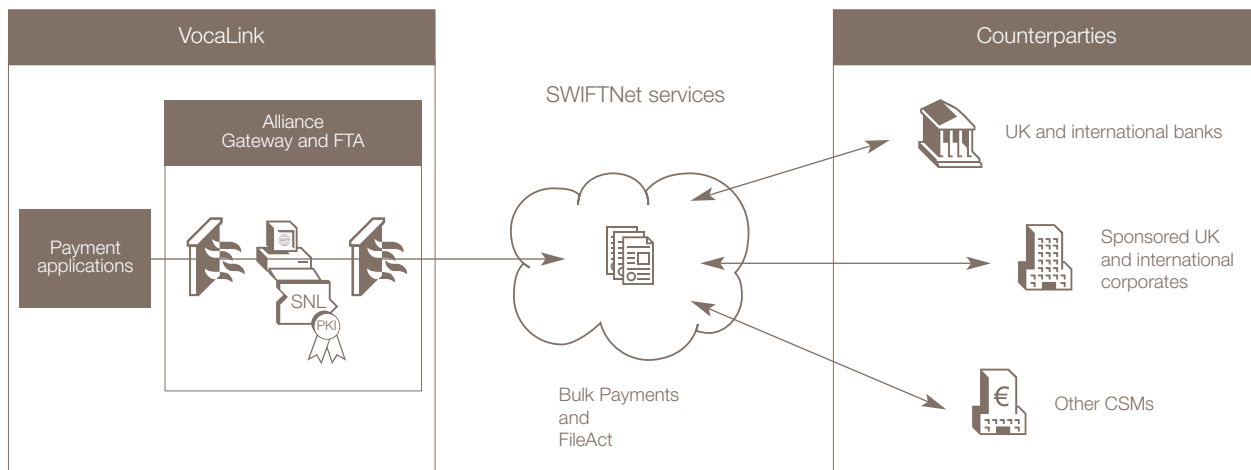- Ease of implementation

Business Challenge

VocaLink worked with SWIFT to create a multidimensional infrastructure to offer a new transmission channel for its UK banking clients. At the same time this extended the VocaLink reach to offer SEPA payment processing to other clients through its Euro clearing and settlement mechanism (CSM).

At the heart of the service is a platform which delivers a new channel for VocaLink Sterling denominated transactions but also SEPA Credit Transfer and SEPA Direct Debit processing. Using the reach of SWIFTNet, VocaLink has been working with a network of commercial banks and other leading CSMs to deliver reach quickly and within a single blended price.

"VocaLink's international expansion required a partner with global reach and SWIFT provided access to a global market," says John Doyle, Director of Channels at VocaLink. "SWIFTNet's renowned reliability and availability of the communication channel were key decision factors for VocaLink."

This factor, coupled with VocaLink's European strategy, meant that, using the same infrastructure, VocaLink could easily communicate with a number of different

VocaLink

Alliance
Gateway and FTA

Payment
applications

SNL
PKI

SWIFTNet services

Bulk Payments
and
FileAct

Counterparties

UK and international banks

Sponsored UK
and international
corporates

€

Other CSMs

institutions such as commercial banks, other CSMs, and market infrastructures like the European Banking Association (EBA) and TARGET2.

Benefits for VocaLink
Following a successful proof of concept, VocaLink put in place a SWIFTNet infrastructure for its Sterling business. The implementation was quickly extended to provide connectivity options for VocaLink's international customers submitting SEPA transactions to the VocaLink Euro CSM. As FileAct allows file transfer in various proprietary and domestic formats, use of FileAct was key to VocaLink, as the Sterling service used UK domestic standards whilst the SEPA service required the use of SEPA related standards.

These key factors translate into major benefits for VocaLink. First, FileAct is perfectly suited for the transmission of large volumes of critical data within a restricted timeframe. Second, by using FileAct, VocaLink is able to transmit, process and exchange files in any message format. Finally, FileAct supports the key end-to-end security requirements needed by VocaLink for its Sterling service.

Solution Overview
VocaLink wanted to offer its customers a single universal infrastructure rather than implementing a different system for each client.

For its Sterling solution, VocaLink selected the FileAct service within a Closed User Group (CUG).

For its Euro solution, VocaLink built on the same SWIFT technical infrastructure using the Bulk Payments solution, using separate Bank Identifier Codes (BICs) to differentiate the services.

Future Opportunities
Following the successful implementation, VocaLink plans to expand both the Sterling and Euro offerings to agency banks and bank-sponsored corporate customers who submit files directly to VocaLink.

SWIFT Solution Overview
— FileAct
— Bulk Payments
— Alliance Gateway with the File Transfer Agent

About SWIFT
SWIFT is the industry-owned cooperative supplying secure, standardised messaging services and interface software to over 8,100 financial institutions in 208 countries and territories. SWIFT members include banks, broker-dealers and investment managers. The broader SWIFT community also encompasses corporates as well as market infrastructures in payments, securities, treasury and trade. Over the past ten years, SWIFT message prices have been reduced over 80%, and system availability approaches 5x9 reliability — 99.999% of uptime.

For more information please contact your SWIFT account manager or visit www.swift.com