

CASE STUDY

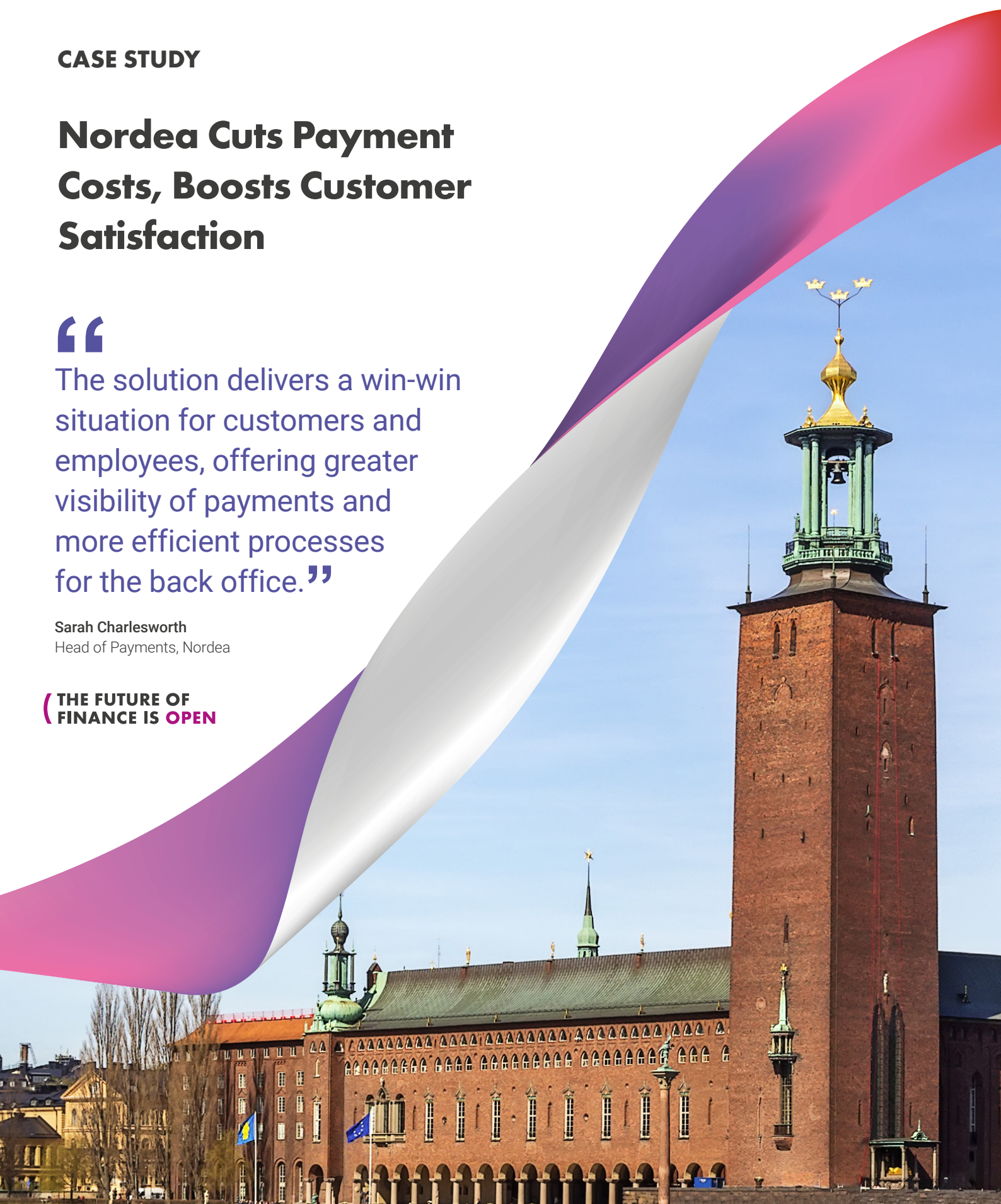
Nordea Cuts Payment Costs, Boosts Customer Satisfaction



The solution delivers a win-win situation for customers and employees, offering greater visibility of payments and more efficient processes for the back office.”

Sarah Charlesworth
Head of Payments, Nordea

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At a Glance

Products

- Fusion Payment Manager



Working with two Finastra consultants meant changes to the solution could be done quickly. Fusion Payment Manager seems to be very flexible in the way it can be set up to resolve issues.”

Peter Roberts

Operations Manager, Nordea's London Branch

About Nordea

As the largest financial services group in Northern Europe, Nordea has total assets of EUR 636.3 billion and operates 800 branches in eight countries. It is a leader in corporate, institutional, retail and private banking, serving 10 million private consumers and 0.5 million corporate customers. Nordea was formed in 2001 via the merger of four major banking groups: Merita, Nordbanken, Unibank and Christiania Bank.

The Challenge

With customers relying on Nordea to process huge numbers of payments every day—often in numerous currencies—the London Branch needed to automate and standardize its approach or risk leaving customers waiting and with little visibility into transactions.

The Solution

Nordea dramatically enhanced the efficiency and transparency of payments processing by deploying Fusion Payment Manager as a hub between its systems. The solution offers a single point of control for the company and a unified view for customers.

The Result

Straight-through processing increased to 97%, accelerating transactions and boosting customer satisfaction. By eliminating manual work, employees save time that can be re-directed to higher-value tasks; the London Branch cut staff costs by 20%.

[nordea.com](https://www.nordea.com)



From a back-office viewpoint, Fusion Payment Manager delivers benefits all around. It has drastically cut down the manual work needed and our STP rate is now extremely high—around 97%.”

Sarah Charlesworth
Head of Payments, Nordea

Fusion Payment Manager incorporates leading-edge technology and industry best practices to automate and streamline payment activities.

The Challenge

With a highly varied business that incorporates a number of specialized services, Nordea must handle a complex web of payments in multiple currencies every day, often in huge volumes.

Because Nordea was formed as a merger of four different banks, it found itself with multiple payment processing systems, preventing its payments operation from running as efficiently as it could be.

Specifically, high levels of manual intervention were needed; there was little scope for straight-through processing (STP); and the bank was unable to present a coherent picture to customers as different parts of the payments process were handled by various systems.

“We recognized that we needed to move on to the latest technology,” says Peter Roberts, operations manager for Nordea’s London Branch.

“We could not continue to run multiple systems. Unfortunately for our customers, the way payments were handled was not consistent across these systems. Customers would see different narratives on their internet banking solution to those used for their other transactions.

“Charges were a big issue too: we had more than one charging system, resulting in customers being charged at random times in the month.”

The Solution

Nordea’s London Branch looked to its long-standing partner Finastra for a payment platform that would enable it to eliminate as many of the local systems as possible. It also wanted to manage all payments from a single point, and sought to centralize support with one vendor.

Fusion Payment Manager was the answer, used as a hub to orchestrate payment activities, with the Funds Transfer module to automate the processing of associated fees and charges. A small team, including two Finastra consultants, completed the implementation in just six months, going live in June 2012. Nordea London retained only the minority of existing systems that it made sense to keep, such as bespoke charging modules.

“Working with two Finastra consultants meant changes could be done quickly, especially as it was generally down to adjusting the configuration rather than development work,” says Peter Roberts. “Fusion Payment Manager seems to be very flexible in the way it can be set up to resolve issues. Customization and testing the new configuration went very smoothly and worked well. The implementation was a success story within the group, and the solution is now being rolled out to the other International Units in Frankfurt, Singapore and New York.”

Efficiency in Action

Previously, Nordea London authorized all banking payments manually, and so had very low levels of STP. This has changed with Fusion Payment Manager.

Sarah Charlesworth explains: “With our old system, a lot more manual work was needed, and my department was much busier. Now, with Fusion Payment Manager handling the routing of the payments automatically, we’re basically just doing message repairs. It has drastically cut down the number of repairs needed; all of the routing and mapping is done automatically and our STP rate is now extremely high—around 97%.”

As a result of the project, Nordea London has seen a 20% saving in staff costs, with more efficient processes freeing employees to shift their focus to higher-value tasks.

Within the Nordea Group, the success of the project has also made changes to the way IT and business work together. Peter Roberts says: “It has helped us to reverse a trend where it appeared that IT was ‘calling the shots’ rather than the business. We turned that around with this project. From now on, the business will be the final arbiter.”

The Fusion Midas Funds Transfer module can automatically handle all fees around payments, charging customers periodically and transparently so that they know exactly what to expect.



As a result of the project, all of our customers are charged just once a month now—and we are presenting a consistent face across the business.”

Peter Roberts

Operations Manager, Nordea's London Branch

Happier Customers

Consolidating payment activities on to one solution enables more streamlined operations for the London Branch—especially for charging.

“All customers are charged just once a month now—and we are presenting a consistent face across the business,” elaborates Peter Roberts. “Customers will notice improvements to their service and will be able to drill further down into their payment messages to see more detail.”

And the new solution has given the London Branch the opportunity to offer new products to its customers, such as SEPA and UK Faster Payment services.

Sarah Charlesworth comments: “The solution delivers a win-win situation for customers and employees, offering greater visibility of payments and more efficient back-office processes.”

Peter Roberts concludes, “With Fusion Payment Manager as a basis, we can look at new services such as SEPA on the direct debit side. We may also be interested in upcoming support for ‘single debit, multiple credits’. We have an interim solution for manual payments, with no connection to the accounting side, but that also features on the Finastra road map. We’ve got most of what we want already, but we’re certainly keeping an eye on Finastra developments for the future.”

About Finastra

Finastra unlocks the potential of people and businesses in finance, creating a platform for open innovation. Formed in 2017 by the combination of Misys and D+H, we provide the broadest portfolio of financial services software in the world today – spanning retail banking, transaction banking, lending, and treasury and capital markets. Our solutions enable customers to deploy mission critical technology on premises or in the cloud. Our scale and geographical reach means that we can serve customers effectively, regardless of their size or geographic location – from global financial institutions, to community banks and credit unions. Through our open, secure and reliable solutions, customers are empowered to accelerate growth, optimize cost, mitigate risk and continually evolve to meet the changing needs of their customers. 48 of the world's top 50 banks use Finastra technology. Please visit finastra.com

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