## Harnessing the of SaaS-based solu to seize real-time

payments opportunities

preferences evolve rapidly, these lightning-fast transactions define how we exchange value. Real-time payments are quickly becoming a strategic imperative for banking and financial institutions enabling businesses to seize opportunities, fueling e-commerce, promoting open banking and collaboration, and enhancing customer experience.

The demand for real-time payments is skyrocketing as digital customers expect everything to be available round the clock at a competitive cost. In a world where time is currency and customer

end payment systems to support real-time payment business requirements is putting significant pressure on banks and they are struggling to keep pace. A new report by Datos Insights (formerly Aite Novarica) shows that financial

The complexity and cost of updating and upgrading existing back-

institutions are struggling on several fronts

of banks report technical challenges of integrating with legacy systems to be an obstacle in introducing new products and services



are inadequate to support increasing payments volume and new services

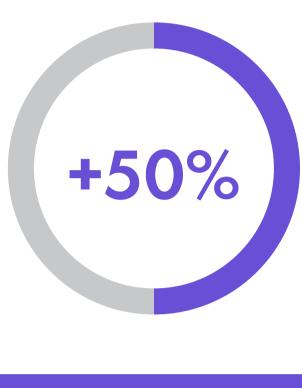


continue to increase

More than half of the banks have

Indecisiveness and failure to modernize payment infrastructure can prove detrimental for the banks to grow their business with

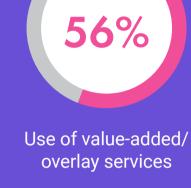
reported that 10% or more of their payment volume has already moved to a fintech provider.

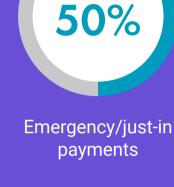


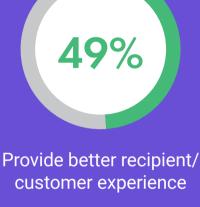
and have indicated the following important reasons for using instant payments

Business customers are becoming more educated









## payment solutions Compliance and regulatory demands are putting increased pressure on traditional banking systems. These challenges are exacerbated by varying

rails and adhering to new standards like ISO 20022.

Challenges with the traditional on-prem



Value-added services are essential for personalized payment experiences. The surge in demand for services like dynamic currency conversion, warehousing, fraud prevention, and STP is evident. However, the existing siloed payments architecture struggles to accommodate these demands, placing it at a competitive disadvantage against agile fintech disruptors that operate outside legacy ecosystems.

Time-to-market significantly influences banking success. A swift timeto-market fosters revenue diversification and agility in adapting to market

global compliance rules and the complexities of integrating new payment



shifts. However, conventional on-prem solutions are ill-equipped to harness contemporary paradigms like BaaS, Open APIs, microservices, CBDCs, and open innovation platforms. This gap hinders legacy banks from forming lucrative partnerships with fintech entities, depriving them of co-innovation and co-creation prospects.

## implementations, and Payments-as-a-Service (PaaS) solutions in particular, as it levels the playing field of accessibility to new payment technologies.

recognize the urgency to invest in payments technology. Increasing transaction volumes and the need for scalable and highly available services have shifted FIs in favor of cloud

Navigating the digital-first economy v

With the demand for better payment capabilities continuing to increase, many Fls

Payments as a Service solutions

23% of banks have reported 23% already moving their payments processing to the cloud

Banks indicated the following very important benefits of transitioning to Payments-as-a-Service solutions

Lower total cost of

ownership

Simplify your FedNow<sup>SM</sup> and TCH RTP®

Launch new services

faster

Reduce complexity of

operations

## implementation with Payments To Go

Finastra Payments To Go provides out-of-the-box end-to-end payment processing for all payment types as a pre-configured and secured SaaS solution. It easily integrates with real-time payment networks like the Federal Reserve Bank's FedNow and The Clearing House's RTP. The solution's cloud-native architecture and modular design translate into shorter implementation times and reduced maintenance expenses compared to traditional on-premises setups, allowing banks to reduce the total cost of ownership. Additionally, our close working relationship with the Federal Reserve Bank and other independent stakeholders enables us to rapidly implement

real-time payment schemes to support growing business volumes and demands for time-sensitive transactions.

To ensure smooth real-time payment operations, flexibility and scalability are paramount. Payments To Go, fueled by Microsoft Azure cloud technology, equips financial institutions with systems capable of swift scaling

and boosting interoperability with existing payments infrastructure. This adaptability significantly accelerates time-to-market, enabling banks to deliver innovative services crucial for staying competitive in the dynamic payments landscape. Also, adopting the cloud-based approach to real-time payments can help banks meet evolving regulatory and compliance standards like ISO 20022 for global unified messaging. By combining real-time payments with our API-driven open innovation platform, FusionFabric.cloud, Payments To Go offers access to a marketplace brimming with rich fintech solutions, from fraud management to AML,

corporate to ERP integration, and vital alternate payment methods like Visa Direct, essential for rapid progress

Improve your payments experience **Datos Insights Payments** 

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in an interconnected economy.

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