



The Future of Payments is here with Red Hat and Finastra



Solution
Paper

Introduction

With the continuously evolving digital payments landscape, there are exciting new avenues for growth open to banks. However, many financial institutions face immense challenges in addressing these opportunities due to legacy architectures, infrastructures, and functionalities. They are thus severely limited in their ability to introduce new payments services that meet consumer demands as well as digital experience expectations, and also compete with fintech competitors.

More than ever before, it is crucial that banks gain agility and scalability through payment infrastructure modernization to support ACH, real-time, high value, and cross-border transactions. At the same time, they also need to maintain the same high level of services and ensure 24X7 business continuity for consumers as well as regulatory bodies.

For banks looking to retain consumers and industry relevance, Finastra and Red Hat have the answer: a reliable, secure solution that modernizes and future-proofs payments systems while leveraging the innovation at the heart of cloud technologies.

We know what your challenges are



A boom in digital payments

With the global increase in transactions, e-commerce, digitization, and regulatory directions like open banking, payments are more vital than ever to everyday functioning for individuals and the global economy.



Rising consumer expectations

End-users expect cheaper, faster, seamless, real-time payment capabilities and will switch to financial institutions that provide these on-demand.



A rapidly evolving landscape

The payments space sees frequent changes in technology, regulations, and compliance requirements. Regulators and governments are mandating major market migrations; like adoption of real-time payments and the move to the ISO 20022 global messaging standard. This means that banks must constantly innovate and update, often at great cost.



Intense competition and decreasing margins

Fintech providers are delivering innovation and fully digital experiences by quickly leveraging cloud technology, leading to cutthroat competition and slim margins. 50% of banks believe that at least 10% or even 30% of their payments volume has already moved to competitors in the Fintech payment space.



Legacy core systems

There is a continued rise in payments transactions volumes as well as the demand for real-time services. However, legacy back-end core embedded systems underpin the ability of financial institutions to meet these needs or develop other emerging capabilities.

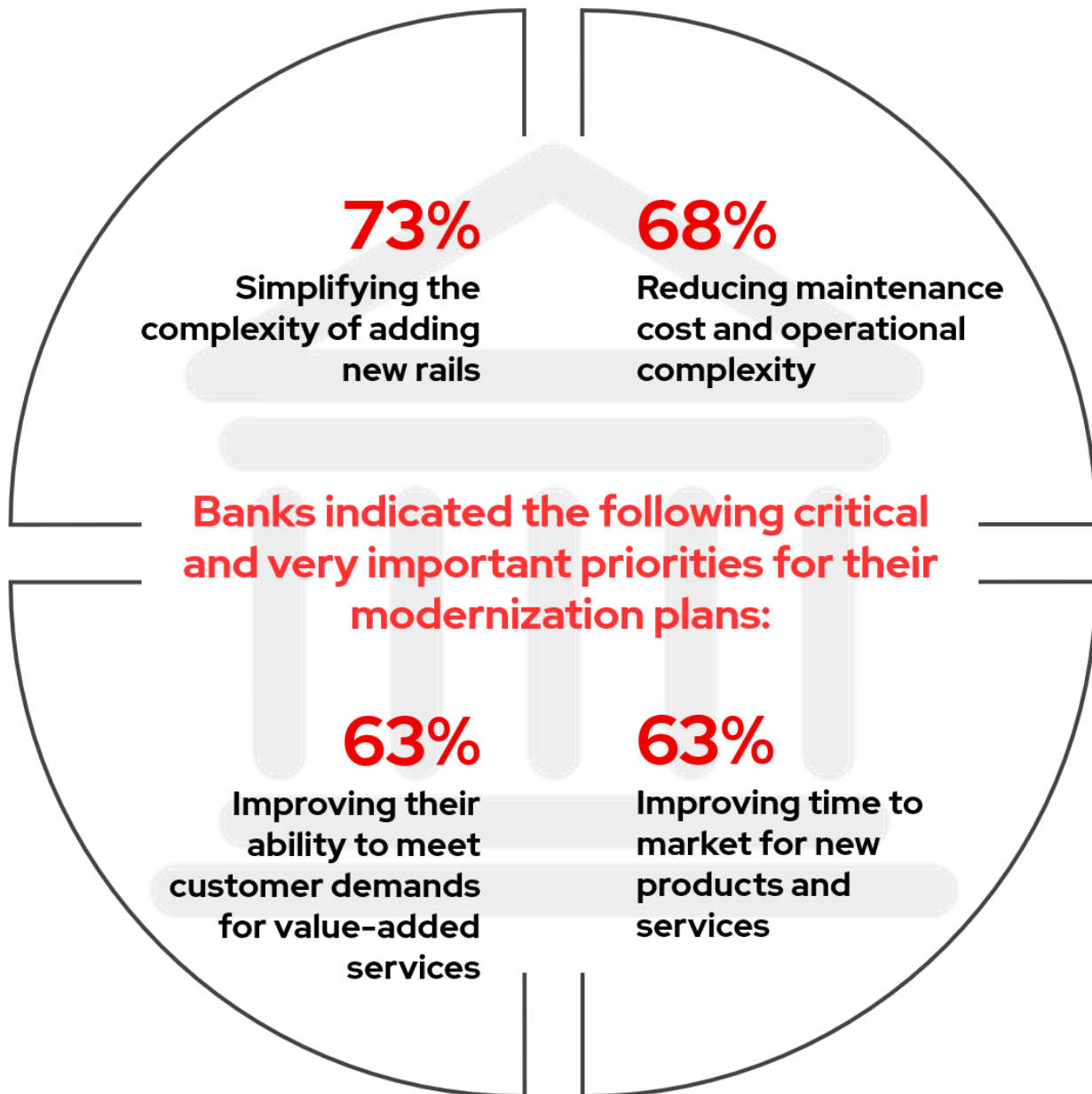


Operational complexity and cost

Banks are struggling with manual processes that span multiple environments as well as with patching and maintenance of siloed and fragmented legacy systems. This leads to soaring operational expenses and still-unhappy consumers.

To meet these challenges

70% of banks expect their investment in payments technology will grow or remain the same



Source: [Aite-Novarica Group Survey 2023](#) on Payments and Modernization Technology

Future-proof payments processing: The need for a new solution

Create a profitable payments cost center with digital enablement and overall business growth.



The benefits of modernization and investment in payment technology for financial institutions

Agility, scalability, and elasticity

Be able to react to rapidly changing regulations, clearing schemes, and alternative payment methods as well as customer demands.

Enhanced customer experience

Get increased visibility and transparency across transaction workflows and enriched value proposition with Value Added Services.

Reduced operations complexities and costs

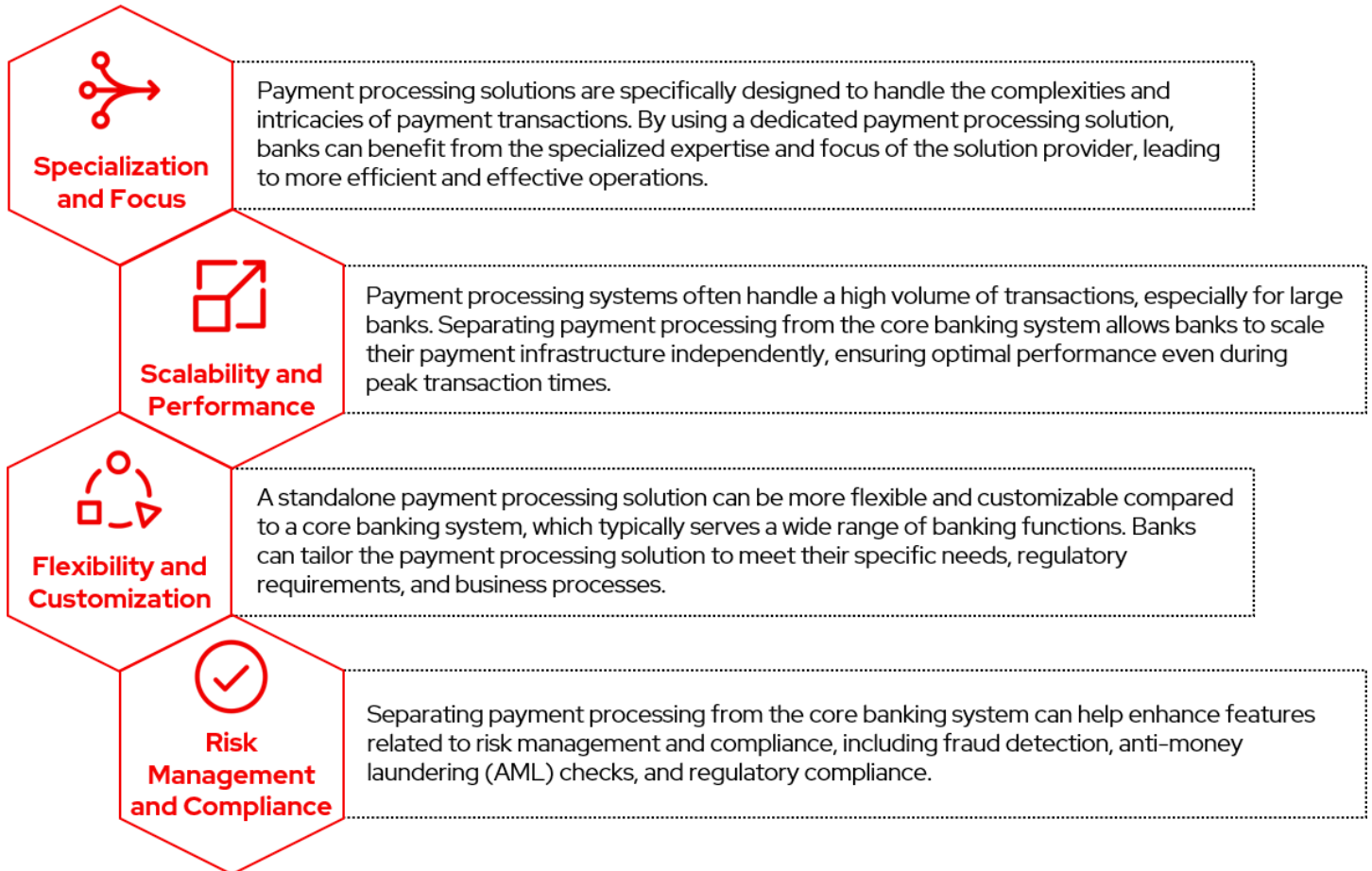
Be able to process higher volumes of payments more rapidly and efficiently through a diverse range of payment rails.

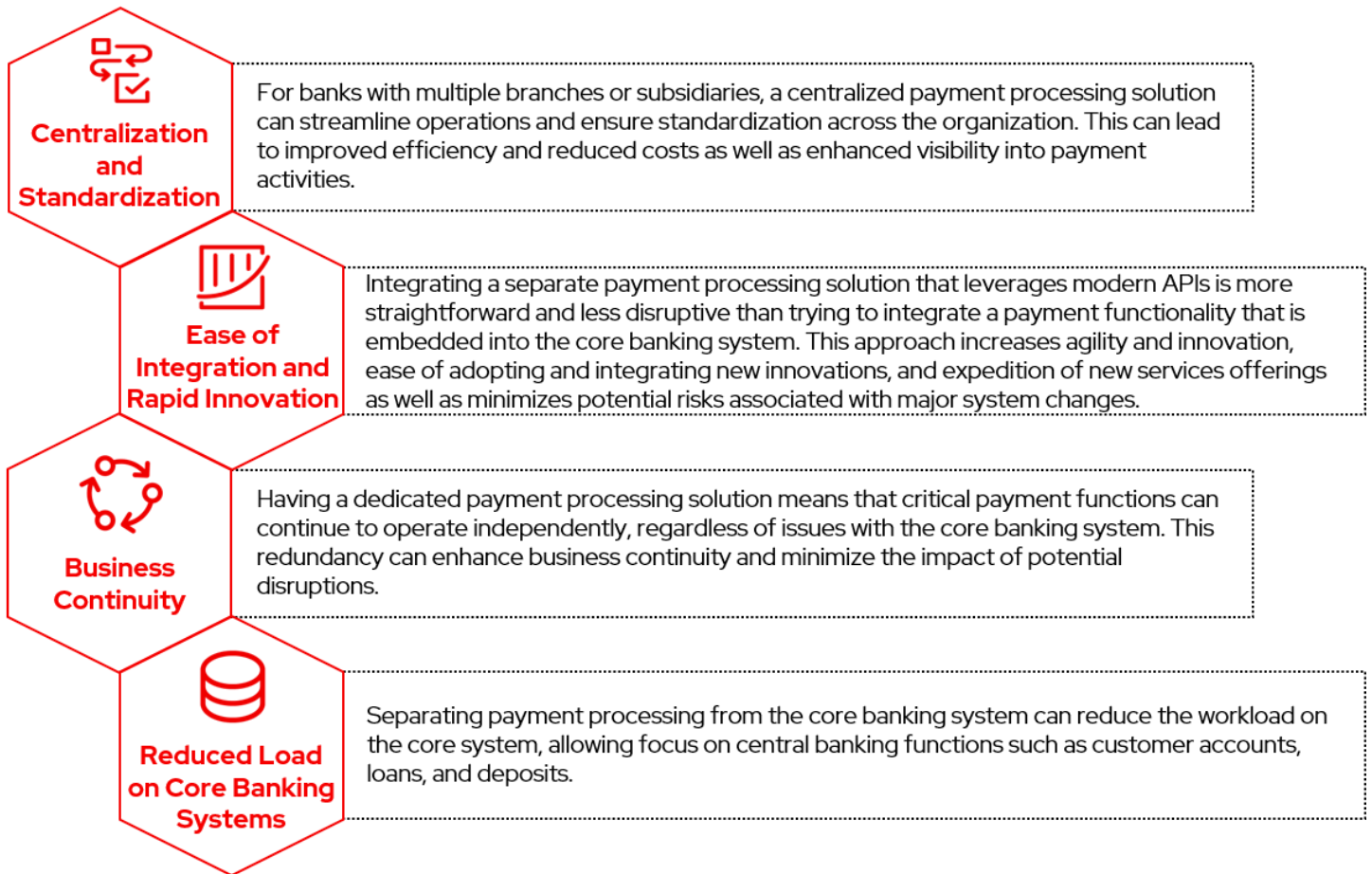
Increased competitiveness and innovation

Take advantage of open and interoperable solutions and embrace partnership opportunities with the Fintech marketplace.

The advantages of this approach

To achieve all this, as a start, banks must implement a dedicated payments processing solution that is separated from their core banking systems. Here are some key reasons as to why a centralized payment processing approach is ideal for banks:





Unlock new payments opportunities with a best-of-breed, future-proof solution

Banks need best-practice infrastructure like a centralized payment processing system powered by an open-source enterprise platform. Advancements in cloud technology and artificial intelligence also enable organizations to provide differentiated payment infrastructure features at a lower price point. This removes the risk from modernization and brings the benefits of both payment hubs and open source. Banks need Finastra Global PAYplus powered by [Red Hat OpenShift Platform Plus \(RH OPP\)](#).

Unlock new payments opportunities with Finastra Global PAYplus Payments Hub

Banks around the world are adopting payment hub solutions to gain higher operational efficiency, reduce their TCO, and a host of other benefits. These solutions offer financial institutions:

- the means to centralize and streamline the processing of multiple payment types
- a way to consolidate various payment channels and systems into a single platform
- the flexibility to support new evolving payments services and frequent changes
- help in optimizing processes, reducing duplication of efforts, and minimizing the need for manual intervention - all of which, in turn, lead to increased operational efficiency, reduced operational costs, improved risk management, and enhanced customer experiences.

Finastra Global PAYplus is agile and built on scalable, resilient technology that can support frequent, automated upgrades. It also has the ability to expand the solution capability and effortlessly integrate; leveraging modern and open APIs with other bank systems.

Today, recognized as [one of the industry leaders](#), Finastra's payments hub solution consolidates the processing of multiple payment types (like high value/RTGS, mass or ACH, instant, cross-border as well as alternative payments rails) onto a single, central, standardized solution, enabling financial institutions of all sizes to modernize and transform their payments business.

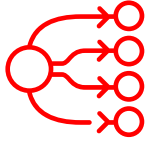
Take advantage of flexible deployment possibilities

The future-proof architecture in Finastra Global PAYplus's unified payment hub solution ensures that financial institutions can adapt to both the rapidly evolving technology space and the regulatory payments landscape while unlocking new payments opportunities. Finastra's solution takes advantage of cloud-agnostic containers and microservices technologies to:

- Enable financial institutions in deployment and operation on different cloud environments
- Adopt agile DevOps methodologies and practices
- Quickly release new services with efficiency and scalability
- Blue-green deployments for always up (high availability)

Financial institutions can therefore select their preferred deployment model and roll out Finastra Global PAYplus to virtually any environment, in the cloud or on premise, by leveraging Kubernetes clusters.

Finastra Global PAYplus Key Features



Process any payment type

Automated end-to-end processing of ACH, RTGS, SWIFT and real-time payments with high levels of STP.



Centralized control and tracking of payment operations

End-users expect seamless, real-time, faster payment capabilities and will switch to financial institutions that provide these on-demand.



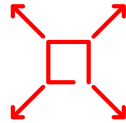
Comprehensive workflows and business rule capabilities

Mature and business feature rich workflows, with multi-currency, and multi-entity organizational structures that align with any operating model.



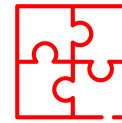
Configurable user interface

Users can control, simplify, and streamline the experience and content to identify risks and prioritize tasks.



Modern architecture

API and microservices-based, modular design enables addition of new payment rails and services as needed.



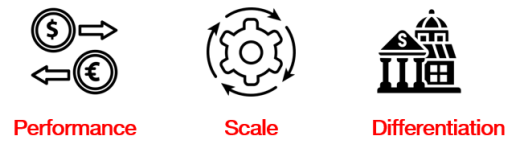
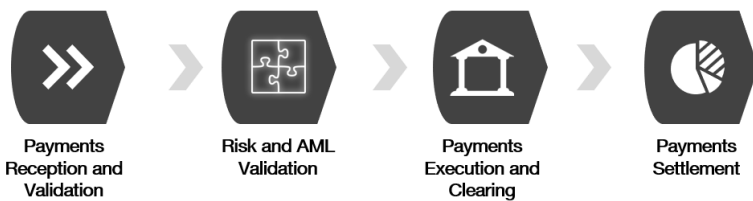
Platform and marketplace enabled

Accelerate payment services innovation, enhance customers' experience and drive business model efficiency through a growing ecosystem of specialist fintech and cross-border services partners.

Unlock new payments opportunities with Red Hat OpenShift Platform Plus

Ensure business continuity, maximize performance, and drive innovation

OpenShift Cloud Native Platform for Payments: A Flexible and Reliable Platform

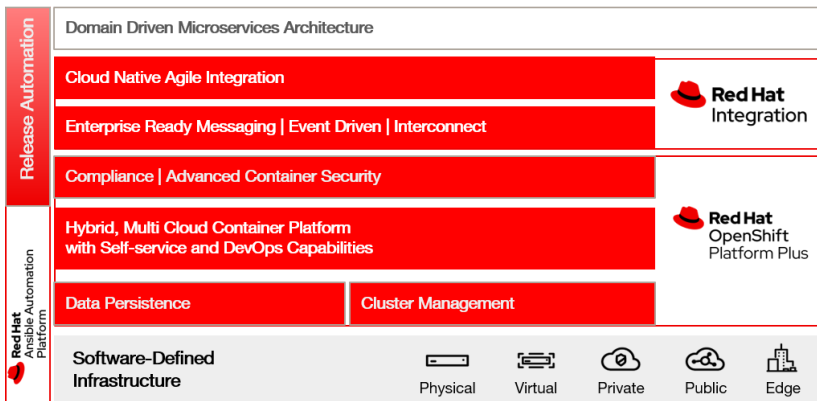


Performance

Scale

Differentiation

- Extensible platform for transactional processing of payments
- Maximizes automation and reduces time to market
- Trusted resilient environment for robust processing of sensitive data with strong privacy and security controls



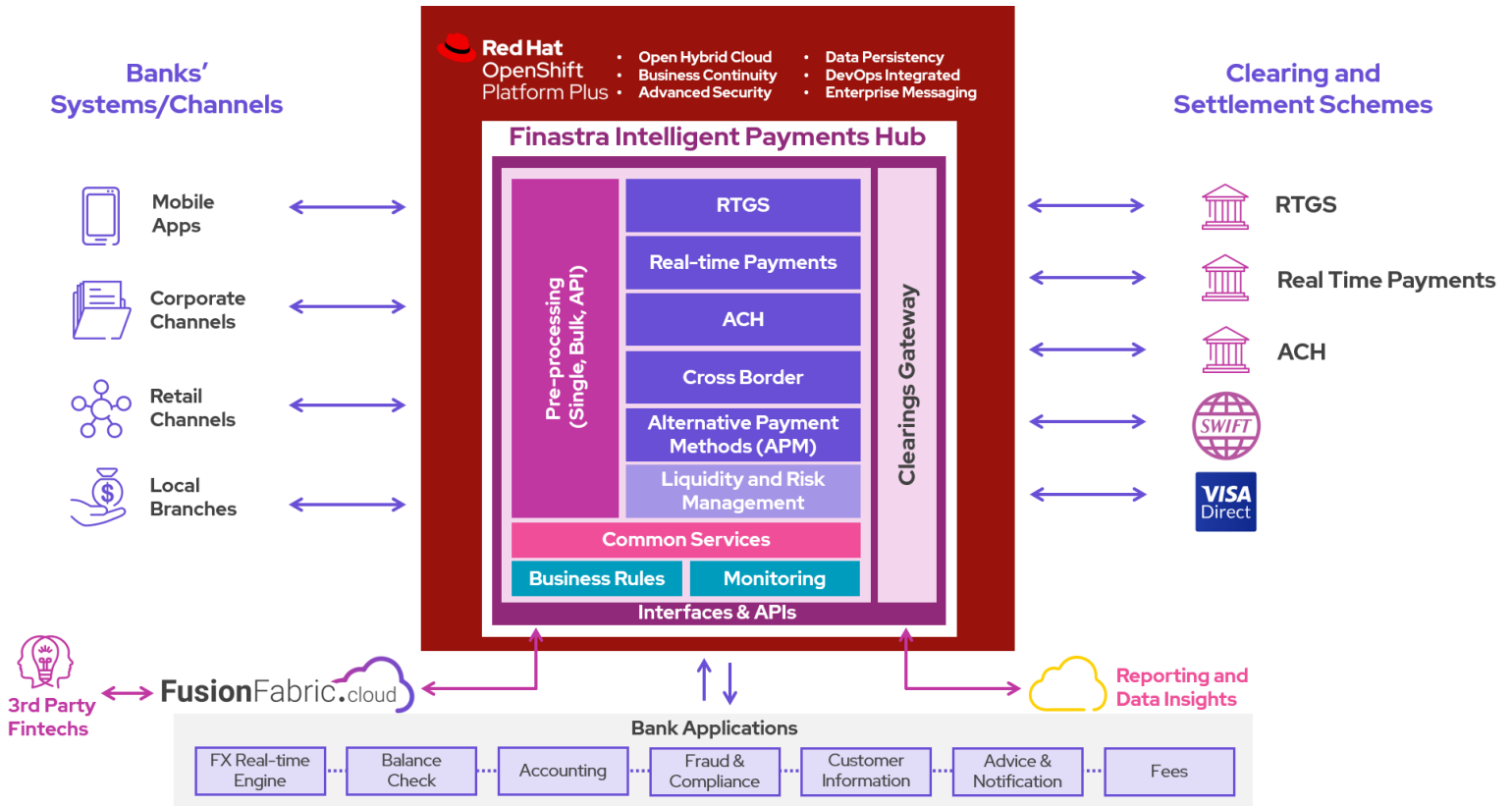
Red Hat OpenShift Platform Plus (RH OPP): Capabilities that grant agility, scalability and operational efficiencies

Red Hat partners with Finastra Global PAYplus Payments Hub to empower financial institutions on their payments modernization journey for up to 80% proven cost savings over proprietary products by leveraging open-source technologies. This partnership delivers next-generation microservices, APIs, and DevOps through provision of hybrid cloud, automation, messaging, and integration as well as dedicated and expert consulting services.

Benefits of Red Hat OpenShift:

- **Enhanced reliability and business continuity** through the ability to run and port payments systems in any environment while enabling advanced operational resilience. Additionally, banks gain the flexibility to build new applications, modernize existing applications, run third-party ISV applications, and use public cloud services under a single platform.
- **Advanced compliance and security capabilities**, allowing end-to-end management and observability across an entire Payments system with solutions designed to enable, from the infrastructure level, complex compliance requirements such as PCI-DSS, NIPS and others.
- **Integration of data analytics** as well as artificial intelligence and machine learning (AI/ML) capabilities into cloud-native applications to deliver more insight and value.
- Consistency that makes for **future-ready payments infrastructure and investments** as well as delivers speed and flexibility on-premise, across cloud environments.
- An **integrated portfolio of technologies** that lets you choose the industry-leading products, technologies, and services that work best for your organization's needs.
- With **expert consulting services**, get help modernizing, migrating, and developing applications with expert services, detailed guidance, and practical tools that incorporate culture, process, and technology.
- **Robust, advanced messaging components** with multiple options for enclosing remittance information. Options include sending a non-payment message or referencing an external remittance source.

Powered by Finastra and Red Hat: A next-gen, hybrid cloud payment modernization solution



To help financial institutions modernize their payments infrastructure and gain the advantages of containers today, Finastra has partnered with Red Hat to leverage RH OPP as one of Finastra’s main development and deployment platforms. RH OPP is being used in an automated way (full CI/CD) throughout the Finastra product development lifecycle to build, deploy, and test this payments product.

The core of this partnership lies in maintaining the delicate balance of innovation and resilience. Red Hat and Finastra do this by providing an environment that is reliable, secure, and high-performing, as well as leverages the innovative abilities of cloud technologies.

Modern payments system infrastructures require a robust cloud platform and set of technologies to reduce cost, improve delivery speed, and efficiently scale. With the ability to bring cloud capabilities into private networks, banks also tend to be reluctant to apply a public cloud approach.

Leveraging RH OPP to orchestrate Finastra Global PAYplus helps financial institutions evolve their software deployment capabilities as well as implement DevOps methodologies, tools, and practices.

Welcome to faster, simpler, and cost-effective payment systems

This partnership empowers banks to respond much faster to changing consumers and market requirements. For example, by automating testing and simplifying their operations, banks will be able to reduce the time for a system update from several months to just a few days, with a total cost reduction of 65% while upgrading the system.

Welcome to standard deployment and scaling abilities

RH OPP provides an easy-to-manage Kubernetes platform with embedded user and network management as well as the ability to run natively or over Azure (ARO). Finastra Global PAYplus's product building blocks are being deployed to RH OPP in several layers of testing; starting with simple, single, and up to a complex blue-green-based clustered deployment.

Welcome to secure, speedy regulatory compliance

By deploying Finastra's payments hub on RH OPP, banks gain a modern payments solution with underlying infrastructure that enables them to accelerate the release of new capabilities related to regulatory needs while maintaining warranted levels of reliability, performance, and security.

Why choose Finastra Global PAYplus and Red Hat

Improved risk management

The centralized controls of this solution reduce risks associated with multiple fragmented payment systems.

Improved visibility and reporting capabilities

Gain visibility through centralized and normalized ISO 20022-native payment data by leveraging Red Hat Cloud services' native reporting capabilities. Red Hat Fuse's features are also seamless, offering next-gen integration with existing systems using available connectors.

Improved fraud prevention, compliance, and security

Gain ease of regulatory compliance by implementing requirements centrally instead of multiple times across each payment stream. The RH OPP compliance team also validates and tests the solution constantly along with providing guidance and support for certifications such as PCI DSS, NIPS, etc.

Reduced operating and capital costs with no vendor lock-in

Red Hat's subscription model gives financial institutions the ability to download and install enterprise-grade, open-source products and operate them efficiently and securely, without being locked into a proprietary system. No more complex integrations between multiple payments or bank systems. Now look forward to configuration through business rules with high levels of automation and STP.

Enhanced customer experience and reduced time-to-market

Increase visibility and transparency across transaction workflows and enrich your value proposition with Value Added Services. Red Hat's open-source products also offer innovation through leveraging communities and bringing easy-to-use building software interfaces to developers. This means quick deployment to build APIs along with a warranty that the software has been tested and hardened for enterprise usage.

Enhanced operational efficiency and business continuity

This solution provides a unified system for orchestrating and automating end-to-end payment processing of all payment types, supported by a resilient, world-class cloud infrastructure built for reliability, performance, and fast time-to-market. Additionally, with capabilities from Advanced Cluster Management and Advanced Cluster Security, RH OPP delivers a cloud solution that's intelligent enough to ensure zero downtime, and scale applications up or down on demand.

Increased agility

By maximizing automation and reducing manual processes in the management and release processes of payments systems, we are able to reduce time to market and apply techniques such as blue/green testing and others.

Maximized performance

RH OPP offers tried-and-tested, enterprise-ready solutions utilized by financial institutions globally to run mission-critical systems that require highly performant platforms. The numbers speak for themselves: 80% of Fortune Global 500 commercial banks, 100% of Fortune Global 500 government and military companies, 80% of Fortune Global 500 media and technology companies, 61% of Fortune Global 500 services companies, and 80% of Fortune Global 500 telecom companies.

Access extensive support

With a subscription, you receive ongoing technical support from Red Hat, every step of the way. You can make use of the intuitive, information-rich customer portal to access the full spectrum of subscriber resources.

Learn more



Learn more about your potential of Payments Platform with Red Hat



Learn more about Finastra Global PAYplus Payments Hub

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About Us

FINASTRA

About Finastra

Finastra is a global provider of financial software applications and marketplaces, and launched the leading open platform for innovation, FusionFabric.cloud, in 2017. It serves institutions of all sizes, providing award-winning solutions and services across Lending, Payments, Treasury & Capital Markets and Universal Banking (digital, retail and commercial banking) for banks to support direct banking relationships and grow through indirect channels, such as embedded finance and Banking as a Service. Its pioneering approach and commitment to open finance and collaboration is why it is trusted by ~8,600 institutions, including 90 of the world's top 100 banks. For more information, finastra.com

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About Red Hat

Red Hat is the world's leading provider of enterprise open source software solutions, using a community-powered approach to deliver reliable and high-performing Linux, hybrid cloud, container, and Kubernetes technologies. Red Hat helps customers develop cloud-native applications, integrate existing and new IT applications, and automate and manage complex environments. A trusted adviser to the Fortune 500, Red Hat provides award-winning support, training, and consulting services that bring the benefits of open innovation to any industry. Red Hat is a connective hub in a global network of enterprises, partners, and communities, helping organizations grow, transform, and prepare for the digital future.



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