

BACS' BULK PAYMENT REDIRECTION SERVICE AND LONDON MUTUAL CREDIT UNION

CASE STUDY



BPRS IS COMMONLY USED WHEN LARGE ORGANISATIONS NEED TO MOVE A SUBSTANTIAL NUMBER OF ACCOUNTS BETWEEN BANKING PROVIDERS.

SIMPLIFIED BANK ACCOUNT MIGRATION FROM BACS HELPS TO DELIVER EFFICIENCY SAVINGS FOR LONDON MUTUAL CREDIT UNION

The innovative Bulk Payment Redirection Service (BPRS), brought to market by Bacs Payment Schemes Limited (Bacs), which is part of leading retail payments authority, Pay.UK, makes use of the proven payment redirection facility, developed for the hugely successful Current Account Switch Service. BPRS is commonly used when large organisations, such as financial institutions, local authorities and corporate Direct Debit service users need to move a substantial number (hundreds, or even thousands) of accounts between banking providers.

The service represents a step-change in increasing the ease with which organisations too large to use the Current Account Switch Service can move banking providers, reducing the stress and cost traditionally associated with the large-scale migration of accounts.

So, when London Mutual Credit Union Limited (LMCU) wanted to migrate its members' current accounts from its incumbent banking provider to RBS, it required a mechanism to redirect Bacs and Faster Payments between the old and new account. BPRS's cost-efficient and proven model made the process of switching almost 9,000 accounts to another banking platform simpler than ever before.

UTILISING BPRS
CONSIDERABLY
SIMPLIFIES THE
ACCOUNT SWITCHING
PROCESS FOR
EVERYONE INVOLVED



THE CHALLENGE

Background

LMCU is a not-for-profit, member-owned, financial co-operative, operating in the City of Westminster and the London boroughs of Southwark, Lambeth and Camden. As a full-service financial institution, LMCU is the largest credit union in London.

Up until the end of 2016 all credit unions in the UK stored their banking functionality on a single platform - the Credit Union Current Account (CUCA) - hosted by its incumbent banking provider. When it was announced that the platform was being decommissioned, credit unions, including LMCU, were tasked with finding an alternative provider.

After undertaking the appropriate due diligence, LMCU chose to partner with RBS. As part of the migration, **9,000** accounts needed to be safely transferred across and a mechanism was required to redirect payments between the old and new accounts.

THE SOLUTION

Based on a recommendation from RBS, LMCU's CEO, Lakshman Chandrasekera, contacted Bacs requesting more information on BPRS and how it could be used to assist the migration. Continuity of payments is critical when any organisation changes its banking provider and BPRS was known to offer one of the most comprehensive, yet easy and cost-effective ways, to ensure payments continue to be made and received at the correct account.

Following information provided by the team at Bacs, LMCU agreed that taking advantage of the BPRS offering was the best solution and should be incorporated into the overarching migration programme.

The only alternative was to write to the 9,000 account holders and ask them all to contact each individual company making or collecting payments from their accounts and give their new account number and hope they would take action.

Utilising BPRS would negate the need for this and considerably simplify the process for everyone involved, avoiding the cost, worry and time associated with a manual migration and resulting in huge resource savings for the credit union.

THANKS TO THE REDIRECTION FUNCTIONALITY, CUSTOMER PAYMENTS WERE SUCCESSFULLY ROUTED TO THE CORRECT ACCOUNTS



THE BULK PAYMENT REDIRECTION SERVICE PROCESS

According to LMCU, detailed planning and preparation were vital to the programme's success. Several meetings took place between the project partners, including members from the Bacs team, to formulate an approach which was incorporated into a step-by-step project plan.

'Dress rehearsals' were undertaken which enabled the project teams to explore and analyse any issues so that on the day of going live, it was a practiced and familiar process. Importantly, the live implementation was completed within a single day, while regular reports were produced to allow the team to track that everything was working smoothly.

Thanks to the redirection functionality, customer payments were successfully routed to the correct accounts, offering the peace-of-mind that funds would not get lost or mistakenly processed. This not only saved time and money, through reducing miss-directed payments and liability risks, but also alleviated concerns about any disruption the over-arching transfer might cause to critical transactions.

The credit union members themselves were not impacted – from their perspective, the funds were debiting/crediting the correct accounts as usual - and all members received a new LMCU-branded debit card the following week as a final step in the programme.



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THE BULK PAYMENT REDIRECTION SERVICE PROCESS

LMCU's chief executive, Lakshman Chandrasekera, was delighted with the support and guidance from Bacs and hails the project a complete success:



As a community-based and member-owned institution, our members are the credit union and it was imperative that we make their lives as easy as possible - and that's why we used the Bulk Payment Redirection Service. From our members' point of view, the switch was a seamless process with no effect on them or their transactions and payments.

"This was a major project for us because transforming or changing your core banking system is a huge challenge for any organisation with the potential for chaos.

"With 9,000 current accounts to migrate and the associated risks to members' salaries, pensions or benefits, without having some kind of automation in place there would be panic.

"But, due to the ease of BPRS, the experience and diligence of the Bacs team, and the professionalism of the team at LMCU, it was a significantly positive experience. The success of this programme has only helped to cement our reputation as a quality and committed organisation.

"The Bacs team are experts with years of experience and we were really guided by them. That was important to us - having the right people to drive the project in the most efficient way. We wouldn't hesitate to use BPRS again should we need to and I'd like to thank everyone involved.



CONTACT US

For more information on the Bulk Payment Redirection Service, please contact John Dentry, Service Line Manager (Managed Services) at :
John.dentry@wearepay.uk
or visit **www.bacs.co.uk**