

How SCT Inst Can Make a Difference For Corporates

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Ever since the launch of the SEPA Instant Credit Transfer (SCT Inst) scheme by the European Central Bank in 2017, most European countries have enabled Instant Payments domestically. With domestic interbank reachability now well-established, payment volumes are steadily increasing, amounting on average to 3% of total SCT volumes. An increasing number of banks, including BNP Paribas can send and receive SCT Inst to and from another country within the SEPA zone. This is an important milestone in terms of product harmonisation, offering new possibilities for corporates.

Corporates of various sectors are globally starting to make use of SCT Inst, especially since the transaction limit was raised to 100,000 EUR. They usually use this for urgent payments, payments to employees or suppliers, the optimisation of working capital and liquidity management, and intracompany transactions. However, corporates are also increasingly eager to integrate it into their business and respond to a growing customer demand for instant digital interaction and 24/7/365 service. While the use of this new instrument is priced by most banks, consumer adoption is clearly on the rise too, which demonstrates that users are willing to pay when it brings them real added-value. This is a crucial factor which cannot be overlooked. Instant Payments should not simply be regarded as just another payment means but as a differentiator and an opportunity to transform business models.

There are many possible use cases, and all bear the potential of transforming the customer journey, giving corporates a competitive edge. An example is the insurance sector where SCT Inst can help attract new customers by offering immediate pay-out of reimbursement claims through SCT Inst, or the immediate and 24/7 insurance activation through online subscription and receipt of an instant payment as payment means, offering a superior customer experience. Embedding instant payments in the business process also has other benefits such as the simplification of the process through increased automation, which in turn can enable the company to reduce its processing costs and free up valuable time for employees to do more customer service-oriented tasks.

As a frontrunner in real-time payment solutions, BNP Paribas has put connectivity at the centre of its value proposition. We have recently launched an API for SCT Instant, allowing our clients to make use of this API to integrate the instant payment process directly into their digital business model, be it their website or mobile phone application. The API connectivity, being real-time, is the perfect match for instant payments, and this combination can prove to be a game-changer for early adopters, especially for industries where a pay-out is part of the overall sold product. This can apply to use cases such as the withdrawal of online winnings for lottery, the funding and de-funding of e-wallets for online services, the pay-out of consumer loan applications, or customer refunds for online retailers. For consumers, not having to wait for the funds to arrive is reason enough to choose a company over another. And with SCT Inst

now being available cross-border in the SEPA area, businesses can make sure they attract a larger audience, from all over Europe.

As for businesses that offer instant payment for pay-in method, giving consumers the possibility of choosing their preferred method of payment, guarantees a seamless experience for them and a higher conversion rate for corporates. Adoption of SCT Inst as a payment method is growing amongst consumers because it is a secure and fast way of paying. You know immediately if the payment was successfully credited, and you do not need to worry about entering your card details online. Use cases are of course not limited to online sales. It also opens up possibilities for in-store payments, such as paying for high-value items that go over traditional card limits, obtaining a refund for returned goods, or for paying for goods at delivery. Corporate treasurers have an active role to play in defining their company's payment and collection strategy, to create valuable business opportunities. There is no time to waste if they want to reap the benefits of being pioneers in this field.

BNP Paribas is committed to the development of instant payment schemes across Europe. We aim to offer our customers best-in-class and harmonised payment services. SCT Inst is available through online initiation, with real-time reporting in our e-banking channels, through an API to add instant connectivity to the instant payment scheme. In the near-future, our offering will be complete with file-based initiation. Reach out to your BNP Paribas relationship manager for more information.

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BNP Paribas is co-creating with its corporate clients to leverage the latest treasury technologies to deliver concrete solutions that solve today's treasury headaches, while preparing treasurers for the future operating environment.

BNP Paribas goes live with SWIFT gpi for Corporates Pay

And Trace

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After the successful integration of the SWIFT gpi-related information in its global e-banking channel Connexis Cash earlier this year, allowing clients to track their cross-border payments online in real-time, BNP Paribas is now extending its gpi capabilities with the launch of the g4C Pay and Trace service.

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