

# Baker, Gysi and Associates



## Integration::Cardless Money Transfers in Nigeria

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### Case Study

*In which a Nigerian bank wishes to allow its customers to perform person-to-person money transfers via cardless ATM withdrawal. Unbanked recipients are catered for.*

#### THE CASE FOR CARDLESS TRANSFERS

The Nigerian banking industry has a long, vibrant and innovative history. However, the country has a large population (it is Africa's most populous at approximately 150 million people) which, coupled with inadequate infrastructure (power supply, communications networks), high levels of poverty and relatively low literacy rates, has left a large section of the population without access to banking.

Bank customers who wish to send money to friends and family are faced with several problems, ranging from complete loss or theft of transferred funds, to exorbitant fees.

There is thus need to provide safe, cheap and easy access to transferred funds whilst minimising the risk to payer, payee and the facilitating institution.

#### ABOUT THE CLIENT

The client is a highly respected Nigerian bank, wholly owned by Nigerian individuals and institutions, but with an international reach and flavour (subsidiaries operate in Gambia, Ghana, Liberia, United Kingdom and Sierra Leone). With over 240 ATM locations and more than 150 branches throughout Nigeria, they are well placed to service the entire country.

The bank has excellent international risk ratings, with a "National Long-Term Rating" of AA from Fitch and BB- from Standard and Poor's. They have received many accolades, having been voted "Most Respected Company in Nigeria" (PricewaterhouseCoopers) and "The Best Bank in Nigeria" (Euromoney Awards for Excellence).

#### THE REQUIREMENT

The client wanted to enhance its existing ATM network (primarily NCR and Wincor Nixdorf devices), connected to a Postilion switch, to allow their cardholders to initiate a transfer of funds to other parties. Redemption of funds was to be initiated at one of their many ATM's without the need to use a card. In other words, anybody, whether they were a customer of the bank or not, or even if they have no bank account at all, would be able to receive funds.

The solution needed to be secure and reliable, and fit in with their existing environment with minimum disruption. The solution further needed to integrate with their existing financial authorisation system, and provide SMS notifications to the customer throughout the lifecycle of the transaction.

## CHALLENGES

### “IT CAN’T BE DONE”

The client faced their first challenge when they were told that their requirement had no solution – it was impossible, they were told, to achieve cardless redemption with their existing infrastructure.

A further problem was finding an integrator who could integrate all aspects of the system (spanning device, channel, switch and back-end) in order to provide a cohesive, packaged solution.

## BGA’S SOLUTION

BGA analysed the customer’s requirement and provided constructive feedback that highlighted and addressed the risks inherent in the initial requirement. After a period of deep analysis and consultation, the enhanced solution was agreed upon. BGA then provided an end-to-end, turn-key solution that addressed all of the customer’s requirements, and more.

BGA also performed an audit of the client’s system. Our specialised Postilion knowledge allowed us to identify several potential risks that would not otherwise have come to light.

## SOLUTION ELEMENTS

BGA made significant enhancements to many areas of the client’s system to provide the solution. These include:

- Modifying the ATM image download to enable new screens and transactions.

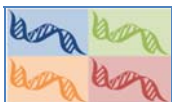
- Enabling cardless transaction activation at the ATM
- Securing sensitive data elements whilst in-flight on the Postilion.
- Providing custom transaction and open account relationship processing classes to the AtmApp ATM driving application.
- Providing split interchange software to orchestrate the multi-legged transactions.
- Enhancement of the PostBridge interface to the customer’s financial authorisation system.
- Integrating the Postilion system with the web-services based text messaging and cardless host systems.
- Integrating the client’s existing two-factor authentication system into the Postilion system.

## ABOUT BAKER, GYSI AND ASSOCIATES

BGA are trusted EFT integration specialists. Our forte is Postilion, but we have extensive experience on many other payment platforms.

We offer a fully featured integration service that spans the entire life cycle of your project – from requirements gathering, through specification (both functional and technical) through to building and testing the solution. We have developed formal methodologies for such niche and hard-to-find skills as securitisation and stress and performance testing and are able to provide constructive solutions to your problems.

Whether your problem is stabilisation of an existing system, or the establishment of a new one, BGA are there for you.



Visit us on the web at [www.bakergysi.com](http://www.bakergysi.com)

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