

Digital payments automation: What now?

As digital payments push out cash amidst the pandemic, providers look to SmartStream Technologies, for an automation advantage. Santosh Tripathy talks about the backbone needed for would-be players.

Digital payments is gaining even more momentum in Asia Pacific amidst a growing aversion to cash-based transactions due to the fear of catching the new coronavirus when using physical currency, noted **Santosh Tripathy**, Practice Lead, Digital Payments at SmartStream, citing news reports of a 50% cash usage decline in the UK, for example.

Central banks have been showing more regulatory support for digital payments, whilst a slew of financial institutions across the region have either jumpstarted or doubled down on their digital payments initiatives.

“Contactless payment is getting a lot of push. The banks had to up the infrastructure in a very quick time. Digital payment was already very, very active in Asia Pacific—in fact, we are leading the pace across the globe,” said Santosh.

“The innovations that we can see in the digital payment space in Asia Pacific is phenomenal. You might have heard of a plan to launch a new digital bank and the whole licensing model of giving license to new fintech players. Infrastructure is already there, but they have to up the ecosystem so that they support the transaction well,” he noted.

“All these new payment methods are new delicacies, and as a bank, you have to prepare your infrastructure to support all of that in almost no time.”



Santosh Tripathy, Practice Lead, Digital Payments at SmartStream

Coping with the 3Vs of digital payments

However, Santosh warned that diving into the lucrative digital payments space can result in costly missteps for players that lack a solid operational backbone, which is where SmartStream comes into the picture.

“We support back-office teams with our solutions where we have institutionalized industry best practices so that the innovations in payments transcend smoothly to operations. And we’re talking about the three Vs—velocity, volume and variability—that are increasing at the same time.”

“Velocity means transactions and the settlement are happening much faster. Volumes have also increased multifold and COVID-19 has been a catalyst for that. And as payment transaction volume has risen, so has the variations,” he noted.

“It used to just revolve around ATMs and cards backed by domestic and international card networks. Statistics suggest inclination of consumers towards contactless payments and use of digital wallets, e-wallets like Apple Pay, Samsung Pay, Android Pay, Alipay, WeChat Pay and what-not. All these new payment methods are new delicacies, and as a bank, you have to prepare your infrastructure to

support all of that in almost no time. This is where SmartStream plays, by setting a digital payments operations control centre, to bring the same frictionless and seamless experience amidst these changes.”

Keeping up via automation

Higher customer expectations and increased competition has made it more pressing for digital payments providers to prevent any inconvenient or inefficient transacting experience, which is where automation and cloud technologies can shine, said Santosh.

“Any hiccups, any bad experience, the customer can switch immediately because there are a lot of options available. It takes no time for you to switch your wallet from one to another because it usually just entails installing a new app—that’s it. With this faster world of digital payments, the customer is very, very critical,” he noted.

SmartStream helps customers handle the transaction volume spike resulting from their digital payments initiatives and provide controls to ensure that this does not translate to more failure situations. SmartStream has adopted innovative technologies, especially AI and machine learning, in its solutions, to adapt to the challenges that customers face in the digital payments space.

“SmartStream can leverage on the power of these technologies to help clients handle new variations of data formats,” said Santosh, adding that with the rapidly changing array of exceptions in digital payments, it is smarter to automate the whole exception handling process.

As an example, consumers report instances where their card was misused, debited twice, incorrectly charged, charged but service not rendered. Organisations need a system to have a singular unified view of the entire lifecycle of transaction including auto-created exceptions.

“Rather than waiting for the customer to complain and wait for a week, this whole process is automated with the support of SmartStream,” he added.

SmartStream has also launched a reconciliation platform, SmartStream Air, which is based on AI and completely on cloud, which enables digital payments providers to identify inconsistencies in transactions in a much faster and convenient way. “Plus, you do not have to do any configuration. It’s a day zero reconciliation solution,” Santosh noted.