

# Cost-effective payment solutions today and beyond at BNL Positivity

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During the last several years, we have turned to OmniPay a number of times with ideas for new developments and functionality. Each time, OmniPay has guided us skilfully and responsively to turn those initial ideas into reality, thus helping BNLP to continuously innovate and grow its acquiring business.

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General Manager, BNL Positivity, Italy

## Nearly a century of experience in Italian banking

With its roots going back to the early 20th century, Banca Nazionale del Lavoro SpA (BNL) today occupies a leading position among Italy's retail banks. In 2006, BNL became part of the BNP Paribas Group, and in the same year, BNL Positivity (BNLP) was born – a joint venture between the BNL group and First Data, created for the acquiring, processing and management of POS payment transactions.

## Platform for growth

From the time of its creation, BNLP set themselves the goal of growing their merchant portfolio by increasing their product range. The company recognised that to do this, they needed to move away from the legacy processing systems then in use, and to migrate to something more flexible and feature-rich; thus, they selected OmniPay as the processing partner who could enable them to retain all existing functionality with the option to easily expand their offering and their merchant base in the future.

## Scale, focus and experience

In 2007, BNLP migrated their existing processing functions to the OmniPay Platform. BNLP employed OmniPay to provide expert scheme clearing and settlement services whilst enabling them to continue to deliver transactions via an existing Italian file format. BNLP's authorisation service was performed by First Data using their UK-based switch.

BNLP also required that their activity for Pagobancomat (the leading Italian domestic debit product), American Express and Diners continue to be cleared via existing mechanisms. OmniPay met this requirement by using system functionality referred to as 'conveyance'. That is, loading of traffic for inclusion in merchant funding and reporting without clearing that traffic to the card schemes.

By loading all activity onto OmniPay's Platform, BNLP are able to view and manage all of their activity in one central location; Visa, MasterCard, International Maestro, American Express, Diners and Pagobancomat, all consolidated and accessible via OmniPay's web-based Remote Access Module (RAM). Since all traffic is processed on a single platform, they can also fund merchants for all activity via a single funding mechanism and access a full suite of reporting for all card products. Profitability reporting is available for all merchant activity and therefore comprehensive in its coverage. OmniPay's web-based RAM system also easily enabled dispute processing services, merchant maintenance and other customer-service related functions to be provided from a separate location in Milan.

## Committed to their existing customers

With 20,000 merchant contracts already in place, BNLP needed to retain existing merchant fee structures when migrating these merchants to the OmniPay platform. The OmniPay platform allowed them to do this while providing the option of employing more sophisticated billing options in the future.

OmniPay was also able to ensure that BNLP could continue funding their merchants via their existing proprietary file format, thus preventing BNLP from the effort and cost associated with changing further internal processes. OmniPay also generates several other bespoke output files for BNLP, like Archivio Unico (a merchant maintenance file), and a suite of MI reporting file feeds.

For merchant set-up, BNLP use a centralised merchant boarding tool, which prevents duplication of data entry across different systems for authorisation, credit underwriting, terminal management, merchant accounting and settlement, etc. Additionally, BNLP use a sophisticated fraud management system driven by OmniPay Platform data feeds.

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## A continually-expanding, compliant service offering

In 2008, BNLP began expanding their product offering as planned, focusing first on the e-Commerce arena with the addition of Visa and MasterCard 3D secure processing. Amex and Diners e-Commerce transactions were subsequently added to the mix of card product acceptance BNLP could now offer its merchants. Processing of Visa's VPay European debit card was added during the same period, further expanding BNLP's card acceptance. More recently, BNLP have added Dynamic Currency Conversion (DCC) to their offering via the OmniPay Platform, further cementing their attractiveness to merchants and introducing new revenue streams both for themselves and their customers.

Finally, BNLP have taken advantage of OmniPay's existing connectivity to nearly 40 Payment Service Providers in order to add new transaction streams and extend their service offering to new market segments. As part of these initiatives, OmniPay began providing authorisation services to BNLP, in addition to the clearing services previously provided. While expanding their service offering and card acceptance, BNLP have also been able to fulfill new country-specific obligations through the development of two new export files required by the Italian tax authorities. They are also working closely with OmniPay to ensure full compliance with the European Commission's Payment Services Directive.

## Maximised profits with minimised fees

In January of 2010, BNLP introduced sophistication into their billing options by enabling fees to be based on the interchange qualification of each individual transaction. OmniPay's interchange qualification engine allows BNLP to know each transaction's interchange assessment prior to submission to scheme thus enabling them to base daily merchant fee calculations on this interchange assessment. This new pricing mechanism gives BNLP the ability to price their service according to individual transaction cost, thus ensuring profitability and competitive pricing for their customers.

## A strong partnership with an exciting future

With OmniPay as their acquiring processor, BNLP are now well positioned to consider further expansion of their acquiring business, including areas such as:

- Cross-border acquiring
- On-us processing
- Airline acquiring
- Contactless card acceptance
- Tiered volume pricing
- New pricing mechanisms enabling pricing even closer to their cost base
- More sophisticated merchant funding options