From Self-Build to Streamlined:

How Form3's Customised Payment Solutions Helped a Leading European PSP Achieve Rapid Expansion

A leading European PSP faced challenges while attempting to bring payment processing in-house and comply with SEPA Instant regulations. They turned to Form3 for a streamlined solution, leveraging a single API integration to access a full range of SEPA services. This partnership enabled the PSP to reduce complexities, enhance operational efficiency, and better manage liquidity, paving the way for rapid expansion.

The Challenge:

The client aimed to use their banking license to internalise payment processing, simplify payment flows, and reduce costs—a key priority in today's competitive landscape. They initially attempted to build these gateways in-house, dedicating considerable resources and costs to the effort.
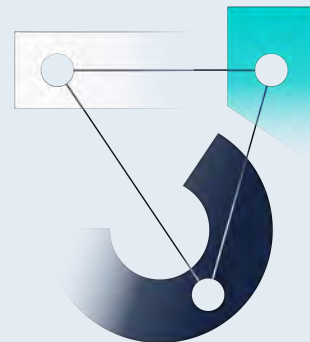
Though they successfully implemented two outbound payment types, the inbound legs of their payment flow remained unfinished due to the technical complexity and multifaceted nature of the project, which necessitated coordination across multiple business areas and a challenging migration process.

One critical issue they faced was managing the relationship with their two existing banks, each with their own bespoke integration, support systems, and report formats. This required significant resources and expertise, leading to higher costs and potential risks.

In addition to this the volume of manual intervention needed for processing R messages (Refunds, Refusals, Rejections). Manual intervention led to delays, errors, and high additional costs from their banking partners.

The Form3 Approach – What Did We Do?

Form3 conducted an in-depth evaluation of the client's existing technical infrastructure, including their gateways and network provision, as well as all associated payment flows. After mapping these out, we ensured a clear understanding of how this infrastructure interacted with their back-office environment, including bespoke configurations and reports. This thorough assessment allowed us to identify pain points and develop a customised solution tailored to their unique needs and objectives.

How Did We Assess the Need?

To assess the client's payment needs, Form3 held comprehensive workshop sessions to discuss their payment goals and desired scalability as transaction volumes increased. Additionally, the client sought to expand their total potential market with new payment functionality, including a challenger banking-style functionality, necessitating a full suite of SEPA products to satisfy all use cases. This approach allowed us to pinpoint key requirements and develop a tailored solution that met their distinct needs and goals.

Steps we took

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We began by integrating new products instead of migrating existing ones. This approach enabled our client to explore our API and test environment while launching in a controlled manner through a structured EBA window, providing them with the experience of a complete end-to-end Form3 project. It also ensured a quick win and compliance with upcoming EPC mandates for Instant payments.

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Following a successful launch, advancing other services was straightforward, as the Form3 API is consistent across all other SEPA schemes (with some exceptions for unique flows for SDD and SCT). We then focused on ensuring a seamless, risk-free go-live for higher volume products, working closely to deliver a detailed 14-week implementation and migration plan. The project's success can be attributed to several key factors: our commitment to delivering on time, leveraging a service already live with numerous financial institutions, and our extensive experience in working with large, complex payment systems.

Conclusion

In summary, by partnering with Form3, the European PSP overcame the challenges of integrating onto a new payment scheme, reduced the complexity of managing multiple bank relationships, and brought their payment systems in-house. This not only enhanced their overall operational efficiency but also helped them better manage their liquidity and reduce future costs.

Don't let outdated payment infrastructure hold your organisation back.

Embrace the future of payment processing with Form3 and join the ranks of successful banks and fintechs leveraging our innovative platform. Get in touch with our team of experts today.

Contact us →