



The AccessPay Unified Interface connects corporates directly to their banks using a proprietary link for all available payment types and cash management messages.

What is it?

Host-to-host connections allow a corporate to connect directly to their bank(s) using a proprietary link, directly into their bank rather than going through a clearing network (such as Bacs, Faster Payments) or via a Third Party/Network (SWIFT or a SWIFT Bureau).

Each connection is for a specific customer to a specific bank, and the Banks usually have their own rules and processes around:

1. Method of transferring files (such as sFTP or Connect:Direct)
2. Method of digital signature (PGP / X509)
3. Permitted message types (such as Pain.001, MT101, Standard18)
4. Bank specific formats of message types
5. How files are encrypted – (PGP)
6. How/if files are compressed
7. Where the file should be deposited on the network
8. Where Inbound files are retrieved from (such as PSRs/Pain.002
9. and Cash Management messages MT940/MT942)
10. Integrating Inbound files into different back-office systems



Can corporates set up their own H2H connections?

Corporates are not experts in setting up payments systems and integrating with different banks. Because of the complexity around the points above, corporates will usually approach an expert payments company to provide the 'glue' between the company's back-office systems and the bank(s).

AccessPay integrates with the client's back-office to read files into the AccessPay portal and go through an approval process. AccessPay would then handle the conversion of the file to the correct format, before signing, encrypting and compressing the file. The file would then be deposited into the relevant folder on the bank's network (a link established by exchanging public and private keys) for onward processing. Pre-approved files can also be sent 'straight through' to the bank for ultimate efficiency and faster pay-out.

For Inbound files, coming back from the bank, AccessPay can retrieve the Payment Status Reports (PSRs – in Pain.002 format) and any other submission messages received for MT101, Bacs and Faster Payments. These messages can update file and transaction level status messages to read 'Accepted' or 'Rejected'.

Some customers also wish to retrieve bank balance and statement messages from their bank. MT940 is an end of day message, whereas MT942 is an intra-day message. Some banks such as Barclays can send these intra-day messages up to every 15 minutes. These messages confirm payments made from the account and credits which have been received.

What happens? How is it different from a clearing house?

Because a H2H connection is a secure, encrypted link between a business and their bank, it allows corporates to send and receive a wide variety of financial messages, without being constrained to the limitation of a particular clearing house. The Bacs network, for example, can only handle Direct Credit and Direct Debit. The Faster Payments network can only handle Faster Payments.

A Host-to-Host connection allows Bacs, Faster Payments, SEPA, International Payments and Cash Management messages. It also allows the transmission of specific messages such as FX confirmations, Trade Finance and Securities.

If a clearing house has periods of downtime, such as at evenings and weekend, then circumnavigating them allows a corporate to continue sending payments during these periods.



Where does AccessPay come in?

Assembling a project team, employing IT and systems consultants, making changes to back-office systems and file outputs all costs time and money, especially when it takes staff away from their usual jobs. Though the cost paid to the bank for a H2H connection is usually relatively low (5-15k p/a) the total cost of setting up the integration and maintaining the infrastructure can run into tens or hundreds of thousands, especially when you include making any changes when new systems are implemented, or messages and processes change. AccessPay takes the project and integration pain away from having to establish such a connection using internal resource.

As Payments and Cash Management experts, AccessPay UI is a 'file agnostic' solution which means it can integrate quickly and simply, with no changes needed to a client's back-office systems. When systems and file outputs change, and when new payment requirements emerge, these can be added on to the existing AccessPay solution

What are the different stages and options?

1. File upload (Client > AccessPay)

Manual upload via the user interface or Secure FTP.

3. Validation

Account details can be validated against Bank accounts held in the system for the Debtor to make sure the bank details are correct. Validation of Sort Code and Bank Account via a modulus check (ISCD). Validation that an IBAN is in the correct format. Validation that an IBAN is a valid IBAN. BIC validation using the SWIFT BIC Checker.

2. File Approval

AccessPay has a configurable Approvals module meaning Users can set role-based approvals (such as Uploaders/ Approvers/ Submitters) and value-based approvals, where a file value would require a particular approval workflow. Files can also be sent 'Straight Through' with no requirement to visit the AccessPay web application.

4. File Transformation

The standard approach is for AccessPay to read input data into the central data store, then depending on the submission config, the output file will be produced before signature, encryption and compression. In some cases, customers are able to produce 'bank ready' files in the correct format, therefore customers can use the Piping function where files are sent straight through without being read by the AccessPay system.



5. Encryption

The files can be sent encrypted using PGP (exchange of public and private keys) to be decrypted by the bank.

6. File Signature

Standard approach is to use the PGP signature of the file. X509 signature can also be used, using HSM certificates hosted on AccessPay devices. N.B this does not include Trust Assured PKI used for Bacs (and the WPF launcher)

8. File Transfer

Is achieved using sFTP transfer.

7. Compression

Some banks mandate the files are compressed before sending, some don't.

sFTP and Connect:Direct



Is it similar to SWIFT?

Host-to-Host is similar to SWIFT in that it allows corporate customers access to the full range of financial messages that their bank offers. However, the SWIFT network is connected to over 10,000 financial institutions around the world and is essentially a central conduit to all these banks, a message interchange. H2H connections only connect to one bank (per connection) and do not reach the Bank via the SWIFT network.

If a Corporate customer requires multiple H2H interfaces it will often be cheaper and simpler to integrate to join the SWIFT network directly using AccessPay's SWIFT certified Alliance Lite2 interface. This affords the corporate a single access point to all their banking relationships and greater agility when adding, removing or changing bank connections. The project time and cost (for the customer and AccessPay) is greatly reduced as it doesn't involve multiple proprietary connections.



Domestic (UK) Use cases

Finance/Payments companies

Short Term Lenders, PSPs and finance firms can benefit from H2H connections as it can often be a quicker way to send payments, all day every day. Straight Through Processing can be achieved and these firms are able to send payments, receive response messages and reconcile bank statements (to confirm inbound credits and outbound debits) to enable a smooth and efficient back-office process, all from one channel.

A big challenge for a business wishing to process automated Faster Payments has been that only Barclays and HSBC offer access to the Direct Corporate Access service. Using a Host-to-Host connection, corporates of most UK banks are able to access these automated Faster Payments services. Users of the Barclays/HSBC DCA service can avoid costly file fees and pay only a transaction fee. The File fee is usually £8 per file, and some of our customers send files every 5 minutes during business hours!

Global Treasury

Many larger firms, while having a global trading footprint, may use a small number (1-3) of banks around the world. Top tier banks such as HSBC and Citi can offer accounts either through themselves or through correspondent/counterparty banking arrangements in most countries. This means that one, or a few, Host-to-Host connections could satisfy even the largest companies global banking and treasury requirements.

Some banks will also offer concentrator or aggregator services where a corporate principal bank could send and receive payments/receivable on behalf of a corporate, by connecting to multiple banks. This means that feasibly a corporate could connect to most of the countries and banking infrastructures in the world through only one H2H connection.





PSP/FX

Some PSPs and Payment/FX companies have dozens of accounts, all domiciled in the same country but in lots of different global currencies. These Payments and FX companies can transact global payments and currency exchange services through a single connection to a single bank in only one country. rs!

Pros & cons vs SWIFT

Benefits of H2H vs SWIFT

- No SWIFT fees (£5k joining fee and €300-400 monthly fee) or SWIFT transaction/file fee
- SWIFT application process can often take 3+ months, route to Go Live with H2H can only be 5-7 weeks.

Benefits of SWIFT vs H2H

- Single channel to 10,000 financial institutions
- A 'bank agnostic' connection
- No 'End of Life' from a bank on their services
- Allows Corporate to add/remove and change banks 'with the lights on'



Corporates using AccessPay for H2H, What is the outcome?

- Minimal project overhead, only confirming requirements and User Acceptance testing – Save time and money
- No changes needed to back-office systems or file outputs – save time and money
- No need to hire external consultants
- AccessPay liaise with your banks for you and take the pain away
- Quickest route to Go Live
- AccessPay supports all message types, not confined to those of a payment network such as Bacs, FPS, or scheme (such as SEPA).
- Best in class support from the business payment experts – our first H2H connection was set up 4 years ago
- Service Delivery consultants advise and consult on the best and most appropriate message types – reducing bank fees

One powerful, secure Unified Interface



- Multi-factor Authentication
- Configurable Workflow and Approvals engine
- Bank Grade Security and Industry encryption
- Straight Through Processing
- Fixed Annual fee – for life
- Free Software upgrades
- No transaction or usage charges
- No End of Life
- 1 Year Rolling contract



What next?

Get in touch to learn more about AccessPay's simple and secure **business payments** and **cash management** automation solutions.

Speak to a specialist

We know your time is valuable. Our specialists are ready to help at your convenience. Speak to a payments and cash management specialist at a time that works for you — without waiting in line. Tell us in advance what you'd like to talk about so that we can prepare.

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