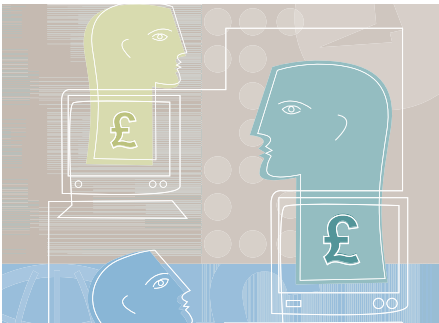


A reliable, efficient and secure way to make payments using BACS

# Direct Crediting

Direct Crediting is the most efficient, secure and cost-effective way for you to make all kinds of regular payments – from salaries to dividends to expenses. Rather than relying on traditional paper-based methods of cheques or cash, you can make payments direct to accounts held at UK banks and building societies via the fast, efficient and secure BACS electronic funds transfer system. It saves you time, trouble and money. And your beneficiaries will appreciate the ease and certainty of being paid straight into their accounts.



## Increased control of cash flow

You can make payments whenever you wish – on a day specified by you, up to 70 days in advance. As a result, both you and your beneficiaries know exactly when payments will be made. Cash flow forecasting is therefore precise and available funds can be deployed appropriately between accounts to maximise interest earnings or minimise liabilities.

## Improved efficiency

Cutting out paperwork means you can make better use of your time. There are no cheques to prepare and sign, no paper credit transfers to print and distribute.

## Enhanced security

Automated payments cut out the uncertainties of sending cheques in the post and the risks of handling cash on your premises. State-of-the-art security is built into BACSTEL-IP, including the latest Public Key Infrastructure (PKI) technologies and processes. PKI is a digital certification process and PKI credentials will be provided to you by means of smartcard and reader technology. Identification, authentication and tracking are carried out on an

individual user level, rather than company level. Organisations submitting large payment volumes can use an Hardware Security Module (HSM) for the submission of payment files and the collection of reports from the BACS system. An HSM is a hardware-based security device that generates, stores and protects cryptographic keys. This fulfils the same function of a smartcard but offers the advantage of providing a scalable solution operating within a physically unattended environment. HSMs offer a greater level of security over a smartcard and are more robust and better suited where complex integration with existing IT infrastructure is required. All software will include bank sort code and account number validation checks to increase data quality and integrity. In addition, all software meets industry standards.

## Improved management information

You will be able to view a wide range of BACS payment reports quickly and easily online. What's more, authorised individuals can access reports when and where they want via the web, assuming card reader and signing software has been installed.

## Reduced costs

The charges for Direct Credits are significantly lower than for cheque or cash payments. In addition you can save money indirectly by reducing the administration involved in making payments.

## Benefits to beneficiaries

Direct Crediting is also good for your employees and suppliers as they have the advantage of cleared funds paid directly into their accounts on specified dates or according to a negotiated schedule. As a result, they will also be able to manage their cash flow more effectively.

## BACSTEL-IP explained

### Fast, efficient and secure online access to BACS

An Internet Protocol (IP) based way of accessing the BACS services. With BACSTEL-IP, you will be able to input Direct Credit files, monitor the status of payments, and receive a wide range of reports quickly, efficiently and securely online. As a result, you'll be able to spend less time and effort on your BACS business, more on your core business.

## How the service works

We will help you set up and run Direct Crediting for your business, giving you ongoing support via our Helpdesk.

## Accessing the system

To make Direct Credit payments, you have a choice of methods to suit the particular needs or resources of your business.

### Direct access

Direct submission of your payment file can be faster and cheaper than indirect input. Payments can be submitted direct from your computer to BACS using BACSTEL-IP. All you need is a PC, the appropriate modem and the required software, which is available from a proprietary software supplier.

### Connection Method

BACSTEL-IP offers the ability to submit payments and collect reports across three connection types; the Internet, the BACS dial-up Extranet, or the BACS fixed Extranet.

## Internet

Payment submission and report collection across the Internet is ideal for those customers wanting to use their existing Internet infrastructure.

Potentially high access speeds are achievable, however connection speeds into the BACS System are dependent on the number of other users submitting via the Internet at the same time. This and the usage of the worldwide web mean that BACS cannot provide any connectivity, or throughout guarantees or SLAs.

## BACS Dial-up Extranet

The BACS dial-up Extranet is a private network connecting submitters to the BACS System. It can be accessed using a directly dialled PSTN or ISDN number. It provides a direct, reliable and secure private connection as part of a managed BACS environment with control over the stability and performance of the connection, allowing Voca, the BACS Service Provider, to offer a 99.9 per cent availability SLA, and guaranteed throughput speeds of up to 100kbps.



## BACS Fixed Extranet

The BACS Fixed Extranet is a fixed link connection to a closed user group Virtual Private Network (VPN). This service, which is completely separate from the Internet, is designed for large payment volume customers who require dedicated, always on, managed connection, with speeds from 256kbps. The BACS fixed Extranet comes with BACS delivery and processing guarantees that provides the customer with both a managed service from their site(s) plus a 99.9 per cent service availability guarantee.

There is an additional cost applicable for this connection method. Should you require further information please contact Voca Ltd at [www.bacstel-ip.com](http://www.bacstel-ip.com)

## Indirect access

Alternatively, payments can be submitted via a bureau that will process the payments on your behalf.

## Three-day payment cycle

Payments are processed over a three-day period. Provided BACS receives the data by 22:30 on day one, payments will be credited to the appropriate accounts by 9:30 on day three. A corresponding amount for the total of the credits will be debited from your account on the same day. Please note that this three-day cycle excludes Saturdays, Sundays and English Bank Holidays.

## Checking the status of your payments

With BACSTEL-IP, all information is exchanged efficiently online. Your BACS input reports will be available within four hours of inputting data. Files received by BACS will be automatically acknowledged straightaway.

## Making updates

Via the simple, easy to use BACSTEL-IP interface, you will be able to exercise better control over your BACS payments processing. You can quickly update user details in real time, ensure all your customer details are correct, and check the progress of files submitted to BACS.

## Complementary payment services

### Royline

You can also make electronic payments through Royline; our range of Windows-based cash management services. Using Royline, you can monitor your bank accounts, control the movement of funds and make sterling and same-day value payments directly from your PC.

### Payroll Solutions

The Bank offers customers a range of services for payroll processing, HR, payment distribution and reporting functions. These services are provided by Moorepay, part of Northgate Information Solutions, whose services are used to pay almost a quarter of the UK's working population.

### Same day value payments

For time-critical payments you can make and settle sterling payments with same day value using CHAPS.

## Next steps

If you would like more information on Direct Crediting or to take up the service, please contact your relationship manager.



