

case
study

National Westminster Bank

NatWest Enhances Authorization Services
With ACI Solution



National Westminster Bank (NatWest) is part of the Royal Bank of Scotland Group, the second largest banking group in Europe. NatWest provides service to over 7.5 million personal customer accounts and 850,000 small business accounts through its 1,600 branches located across the United Kingdom.

The Challenge

NatWest was experiencing problems with its authorization services due to incomplete data as a result of segregated customer and balance information. Like many institutions, NatWest had separate systems based on delivery channels. Each had its own balance information, which allowed the same £100 to be withdrawn from an ATM or spent at a point-of-sale (POS) device. In addition to these redundancies, authorizations were being denied due to lack of funds even though the customer had additional funds in other accounts. Customer service also suffered due to the lack of information available to bank representatives.

At the same time, NatWest wanted its authorization process to better reflect the differing situations of its 7.5 million customers. NatWest wanted customers to be recognized at whatever channel they chose to use, such as an ATM, a POS device or the Internet. The bank also wanted to segment its customer base to reflect different levels of risk. A more refined assessment of the risk of approving each transaction was required to reduce fraud and the cost of a customer defaulting.

Most importantly, all of these challenges needed to be addressed without placing the bank's IT department under additional pressures while it kept pace with the rollout of new banking products and functions.

The Solution

ACI Worldwide's BASE24-pos® acquiring system, running on the HP NonStop™ platform, was one of numerous systems in use at NatWest that held account balance information. Although BASE24-pos provided extensive authorization facilities, it did not fully satisfy the institution's new requirements. A more flexible solution was required.

ACI responded by developing the BASE24-eps™ for Enhanced Authorization solution. Running alongside BASE24-pos, BASE24-eps provides a single repository for account balance information accessible from any of the bank's systems. It also provides flexible authorization services through the use of English-style scripts to implement complex authorization decision-making, as well as to adapt to changing business needs.

With BASE24-eps, BASE24-pos would continue to perform device driving and act as a link to interchanges.

Initial Deployment

BASE24-eps has been in production at NatWest since the mid-1990s. It was deployed on a dedicated hardware platform alongside the existing BASE24-pos service.

The new authorization system uses a number of scripts prepared and delivered by ACI, but NatWest also extended the sophistication of this service by writing its own scripts. The flexibility of BASE24-eps allowed NatWest to achieve its objectives of performing a high degree of customer segmentation and rapidly deploying business rules.

Balance information is regularly refreshed into the BASE24-eps database from numerous sources to provide the most up-to-date data for authorization. This led to more consistent customer service, as well as enabled more informed authorization decisions. BASE24-eps is used as the final decision-maker in the authorization process.

Current Deployment

BASE24-eps continues to play an important role at NatWest. The drive for efficiency resulted in BASE24-eps migrating from its dedicated platform to share the BASE24-pos platform. The ISO-based interface between the two applications was rewritten to take advantage of BASE24 internal messaging, which resulted in cost savings and increases in efficiency and performance. At its peak, NatWest's system achieved throughput of 40 transactions per second (TPS).