

Real Time Payments— From Conception to Market Leader: One Bank's Journey



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That didn't take long. In 2012 the global bank-to-bank (B2B) real time payments (RTPs) market—processing, clearing and settling massive volumes of high-dollar, cross-border, multi-currency payments in less than fifteen seconds—consisted of just a handful of banks trading among themselves. By 2020, thousands of financial institutions in 30 major markets were moving trillions of dollars in transactions around the world every year.

And this is just the beginning. Research from ACI Worldwide and Global Data projects a [30%](#) global compound annual growth rate through 2024, as RTPs gain traction in the United States and Europe.

One bank anticipated this paradigm shift in 2011 and became an early pioneer in this exploding market. Today, its B2B RTP platform is a key revenue generator for the bank while setting the standard for innovation across the industry—and it all runs on Verizon. Working in close partnership with Verizon, the bank's mission-critical applications depend on Verizon's private cloud-based platform to manage its global payments network and provide best-in-class security.

Dominating the RTP market, the bank now works with thousands of business partners processing millions of transactions every year, safely, securely and in real time. Here's how it happened.

The First Mover Advantage

The bank's initial goal was to build a better payments platform to service its business customers. There was growing demand for a more efficient way to manage bulk transactions, which involve multiple transactions within a single transaction, such as handling payroll for a large organization.

To capture that market, the bank needed to build a system from the ground up that could ingest all of the individual transactions, then convert them into a format that could then flow through the traditional bank infrastructure, eventually cutting checks and delivering deposits securely.

The bank pulled together an in-house team of specialists and, essentially, built its own financial technology (fintech) startup inside the bank. The group was tasked with not only developing the information technology (IT) platform needed to process the transactions, but also with creating a tech-first mindset that could then be driven through the organization.

Once the internal group developed the code stack that would run the system, though, they needed a partner to help them scope that stack. One that could help them with hosting, networking, resilience, reliability and security. That's when they reached out to Verizon.

They also removed a critical safety net on the tech side. Clearing a transaction in less than 15 seconds means that a system can never go down, even for software update.

A Flexible Partnership for a Dynamic Market

When they first began working together, the bank and Verizon understood that they were standing at the edge of a new frontier. The bulk payment marketplace was moving quickly. Technology was accelerating. The cloud was on the horizon, but no one knew yet the full potential that it held.

So before they started building toward the future, the two partners spent a significant amount of time constructing a contract that would allow them both to grow and evolve. That formed the foundation that has allowed the two organizations to work closely together to develop technology that innovates quickly, adapting to and driving innovation in the payments space.



Phase 1 of the partnership involved wrapping the initial platform developed in-house with Verizon’s security stack to create an ecosystem that that customers could trust. The next step was building and validating the connectors that linked users of the platform with the core banking system, creating a seamless interface between the two.



Phase 2 began three years later, sparked by a shifting regulatory environment. In 2014 and 2015, major economies in the region were moving toward more open-banking standards, particularly around new RTP platforms. Transaction clearing times were going to be squeezed from hours to seconds.

Again, the bank decided that it was going to take the lead in this new market. Again, the organization leaned on its partnership with Verizon to help make it happen.

More Than Fast Money

Having two to four days to clear a transaction provided a safety net that both banks and their customers counted on to protect against identify fraud, ensure the integrity of the transaction and confirm that the funds were actually available. The new regulations removed that net.

They also removed a safety net on the tech side. Clearing a transaction in seconds means that a system can never go down, even for software update. A platform that processes billions of dollars’ worth of transactions every day could lose millions of dollars in just 10 minutes.



Internally, the cloud-based system provides greater operational flexibility and resiliency, delivering the agility banks need to compete in today's increasingly competitive market.

The first step to meeting these regulatory challenges was to leverage the private cloud securely. That made it easier to manage and deploy the massive amounts of data required for security protocols, such as confirming customer identification and fund availability. At the same time, the cloud-based architecture helped speed up transactions. Machine processing can burn a lot of time, and if workloads are spread across large distances, even milliseconds can mean missing that tight critical end to end transaction window.

Moving operations to the cloud and bringing the workload closer to the user also allowed the bank to take advantage of advanced technologies, such as artificial intelligence and machine learning, to move more efficiently with even greater safety controls. For example, the payment platform now operates across a self-healing network that can anticipate issues before they become problems and apply the appropriate patches without human intervention. It can also detect and block attempted breaches in near real-time — a speed humans could never match. The result is a secure self-healing network ecosystem that allows core banking functions to happen in real time, safely and reliably.

Growing Globally – Together

Meeting these new regulatory standards has created a whole new set of opportunities for the bank, both internally and in the global market. Internally, the cloud-based system provides greater operational flexibility and resiliency, delivering the agility banks need to compete in today's increasingly competitive market. At the same time, removing the physical barriers around its products and services has significantly expanded the bank's reach.

Meeting regularly with Verizon's innovation leadership, the partners are constantly scanning the horizon to understand where the industry is headed and identify new market opportunities being created.

For example, other banks lacked the resources, expertise and time to build their own RTP platforms to meet the new payment standards. That meant the bank was able to move quickly into neighboring markets with its solution, building a network of thousands of institutions now using its platform.

The full value of this technology, though, is still being revealed. RTPs have fundamentally changed the way banks conduct business, and the industry is still discovering the power that could be generated by leveraging data from real-time transactions when coupled with today's advanced analytic stacks.

Consider what could be learned by seeing the transactions of everyone pouring into Tampa Bay in February for the 2021 Super Bowl. You would know where those visitors were coming from, where they're staying, what they're buying, and even gather important demographic data, such as what percentage of those visitors are over the age of 65.

With a head start in this race, the bank has deployed a data analytics team to build intelligence around how customers interact with their banks. Meeting regularly with Verizon's innovation leadership, the partners are constantly scanning the horizon to understand where the industry is headed and identify new market opportunities being created.

Much more than a vendor, Verizon has become a trusted advisor and collaborator, helping the bank develop and deploy new products and services across multiple business units. Through this unique partnership, Verizon has helped the bank turn a niche market opportunity into a growth accelerator, becoming a global leader in payment platform innovation.

For financial services firms that are still struggling to map out their own digital transformations, the message is clear. Industry-leading innovators are separating quickly from the rest of the pack. To remain relevant, it's critical to work with a technology partner that can help you pivot into the digital age quickly. Verizon's industry expertise and global reach can help you make that leap in a matter of months—not years.

Who We Are:

We deliver the promise of the digital world by enhancing the ability of humans, businesses and society to do more new and do more good. We transform how people, businesses and things connect with each other through innovative communications and technology solutions.

Verizon Enterprise Solutions - Transform Your Business