Request to pay: what corporates want

First findings from ongoing survey

4 December 2020
Request to pay

Improving the standard payment process by exchanging data prior to the payment

For more details on the request to pay process, see annex
About the EBA Request to Pay Survey
Request to pay survey: key milestones and next steps

Kick off a supply and demand side exchange by gathering corporate views

Launch of EBA Request to Pay Survey in five languages
10 September

Presentation of first findings
24 November

Deadline for receipt of responses
28 February

Publication of survey findings
Q1/Q2 2021

Launch of EBA Request to Pay Round Table
Q2 2021
Request to pay survey: questions and findings crafted by experts

We would like to thank the contributors who supported the development and preliminary outcome of the survey

• In-depth interview partners
  • Dr. Thomas Krabichler, MediaMarktSaturn Retail Group
  • Jean-Michel Chanavas, MERCATEL
  • Shriyanka Hore, Oracle Corporation UK Ltd
  • Heimo Tiefenboeck, Porsche Corporate Finance GmbH
  • Norbert Hambloch, STRABAG-PFS – a big thank-you for the support in the survey development too!

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  • Veronique Laws, HSBC
  • Jan Paul van Pul, ING
  • Cosimo Rullo, Intesa Sanpaolo

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Who has responded so far?
Who has responded so far?
Responses from 18 countries – strongest contribution from Germany, Italy and France

As of 6 November 2020, 94 responses to the survey were received:

ENGLISH: 28

GERMAN: 28

ITALIAN: 22

FRENCH: 11

PORTUGUESE: 5

SPANISH: 0

In which country is the entity you are working for located?

Norway 2
Finland 1
Sweden 3

Netherlands 3
Ireland 1
Denmark 1

Belgium 1
UK 2

Luxembourg 2

France 14
Austria 4

Andorra 1

Portugal 4

Switzerland 1

Malta 1

ABE EBA
EURO BANKING ASSOCIATION
Who has responded so far?
Wide range of business areas – nearly half of the responding companies are active in Finance and Insurance

In which business area is your company active?

Agriculture, Forestry and Fishing
Utilities, Energy and Water Supply
Manufacturing
Construction
Retail
Transportation
Telecommunications
Finance and Insurance
Provision of Services
Government and Public Administration
Other
Who has responded so far?
More than two-thirds are active multinationaly – over 70% generate an annual turnover of EUR 50m+

Is your company active multi-nationally (e.g. subsidiaries or customers in other European countries)?

Yes 71%  
No 29%

What is the annual turnover of your company?

- ≤ EUR 2m
- ≤ EUR 10m
- ≤ EUR 50m
- ≥ EUR 50m
- Don’t know

0 10 20 30 40 50 60 70 80 %
Who has responded so far?
78% are aware of the new pan-European request to pay process – only 31% have used a national process so far

Were you already aware of the new pan-European SEPA Request to Pay Scheme prior to this survey?
- Yes: 78%
- No: 22%

Are there any national request to pay concepts that you know?
- Yes: 51%
- No: 49%

Are there any national request to pay concepts that you use?
- Never: 69%
- Occasionally: 20%
- Regularly: 11%
First key findings for request to pay use cases from survey:

1. Point of sale/interaction
2. E-commerce
3. Recurring payments
4. E-invoicing
Request to pay at the point of sale/interaction (POS/POI): key findings
Request to pay at the point of sale/interaction (POS/POI)

87% see a relevant use case – 40% strongly agree

Do you agree that request to pay is a relevant use case at the point of sale / interaction (POS/POI) for your organisation?

- Strongly agree: 40%
- Agree: 26%
- Somewhat agree: 21%
- Disagree: 8%
- Don’t know/ N.A.: 5%

N=47

* N.A.=No answer
Request to pay at the point of sale/interaction (POS/POI)

Reduction of use of cash is the most obvious benefit for 89%, with 54% strongly agreeing.

Do you agree that the following points are key benefits of request to pay in the area of POS/POI?

- Reduction of the use of cash
- Cost savings
- Payment certainty
- Protection against fraud
- Protection against payment default

* No answer
Request to pay at the point of sale/interaction (POS/POI)

92% see a need for real-time payment reporting to POS system – QR code approach supported by 82%

Do you agree that the following elements are key pre-requisites for the use of request to pay at the POS/POI?

- Real-time payment reporting to POS system
- Near-field communication (NFC) exchange
- Integration of enterprise resource planning (ERP)
- Use of existing POS/POI terminals
- Scanning of quick response (QR) code

![Survey Results](image-url)
Corporate testimonial: use case for large-value payments at POS
Heimo Tiefenboeck, Cashmanager, Porsche Corporate Finance GmbH

Today’s showstopper:
No cashless & secure method for large-value payments at POS
e.g. for customers wanting to immediately buy a used/new car

We need a shortcut to the person on the floor who has to act on the payment information. Combining request to pay with virtual accounts, instant pay and push notifications for our salespersons would do the trick.

How request to pay could fix this:
• Set up a virtual account for each salesperson
• Salesperson triggers request to pay via mobile app
• Customer accepts request to pay and initiates instant payment
• Payment hits virtual account of salesperson
• Salesperson is notified, e.g. via push-message to mobile
• Customer drives off with new car
Other corporate testimonials on POS use case (1)

Need to build broad acceptance – interest in standardised QR code and payments moving away from cashdesk

Request to pay could help us further integrate the payment process into the sales process, by replacing cashdesks and queuing with software terminals on the sales floor.

For broad customer acceptance, it is important that there is no need to use new devices or identification processes.

Dr. Thomas Krabichler,
Senior Manager Treasury,
MediaMarktSaturn Retail Group
Other corporate testimonials on POS use case (2)

Need to build broad acceptance – interest in standardised QR code and payments moving away from cashdesk.

Request to pay offers a strong collection mechanism and alternative at the POS. However, to make this a success, corporates will want to create the same customer experience and have a standardised approach regarding, for instance, authentication of the customer or data coming through a QR code.

Shriyanka Hore,
Director, Global Product Strategy,
Oracle Corporation UK Ltd
Other corporate testimonials on POS use case (3)

Need to build broad acceptance – interest in standardised QR code and payments moving away from cashdesk

A pan-European QR-code, as favoured by the EC, could be a top enabler of request to pay at the POS and for other use cases.

If the request to pay message flow could include data on guarantees related to the purchased product, that would make life easier for post-sales support.

Jean-Michel Chanavas, Délégué Général, MERCATEL
Request to pay in online commerce: key findings
Request to pay in online commerce

95% of multinationally active companies see a relevant use case – 46% strongly agree

Do you agree that the use of request to pay in online commerce is relevant?

Responses from multinationally active companies:

- **Strongly agree**: 46%
- **Agree**: 35%
- **Somewhat agree**: 14%
- **Disagree**: 5%

N=19
Request to pay in online commerce

Key benefits

Do you agree that the following points are key benefits of request to pay in the area of online commerce?

- Convenient usability for company / customer
- Cost savings
- Protection against payment defaults
- Duration of process
- Availability of funds
- Protection against fraud
- Reversal in case of return of goods and services

* No answer
Corporate testimonial on e-commerce use case
Compelling solution for online shopping

We are already working on the integration of request to pay into our online shop. We believe it makes a lot of sense in that context.

Dr. Thomas Krabicchter, Senior Manager Treasury, MediaMarktSaturn Retail Group
Request to pay at the POS/POI and in online commerce: payment certainty
Request to pay at the POS/POI vs E-commerce

Required levels of payment certainty are similar for both use cases

What level of certainty / additional actions would your company require for concluding the business transaction at the moment it receives the request to pay approval?

<table>
<thead>
<tr>
<th>Use Case</th>
<th>Physical goods that can be exchanged following the purchase</th>
<th>Physical goods that cannot be exchanged following the purchase</th>
<th>Digital goods or services for deferred consumption</th>
<th>Services for immediate consumption</th>
<th>No category given</th>
</tr>
</thead>
<tbody>
<tr>
<td>Point of Sale</td>
<td>The immediate triggering of an instant payment</td>
<td>Payment guarantee provided by a service provider</td>
<td>No further certainty needed</td>
<td>N.A.*</td>
<td></td>
</tr>
<tr>
<td></td>
<td>20%</td>
<td>56%</td>
<td>24%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E-commerce</td>
<td>Physical goods that cannot be exchanged following the purchase</td>
<td>33%</td>
<td>50%</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Digital goods or services for deferred consumption</td>
<td>32%</td>
<td>52%</td>
<td>16%</td>
<td></td>
</tr>
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<td></td>
<td>Services for immediate consumption</td>
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<td></td>
<td>36%</td>
<td>50%</td>
<td>14%</td>
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<td></td>
<td>No category given</td>
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<tr>
<td></td>
<td>58%</td>
<td>17%</td>
<td>17%</td>
<td>8% N.A.*</td>
<td></td>
</tr>
</tbody>
</table>

*N.A.* = No answer
Corporate testimonial on required level of certainty

Payment certainty as a crucial success factor

Payment certainty is crucial and more important than actually having the money in the account.

Dr. Thomas Krabichler, Senior Manager Treasury, MediaMarktSaturn Retail Group
Request to pay in case of recurring payments: key findings
Request to pay in case of recurring payments
Request to pay in case of recurring payments

Full end-to-end digitalisation seen as a major benefit

Do you agree that the following points are key benefits of request to pay in the area of recurring payments?

- Full end-to-end digitalisation
- Convenient usability for customers
- Convenient usability for companies
- No return right for the related credit transfer (compared to direct debit)
- Cost savings
- Rapid settlement of receivables
- Protection against payment default
- Protection against fraud

N=60

Don't know/N.A.*

* No answer
Request to pay in case of recurring payments

89% among those who issue recurring payments today see a need for a bulk sending functionality.

Do you see a need for a bulk functionality between the payee and its service provider?

Responses from companies that request recurring payments from their customers today:

- Yes: 89%
- No: 9%
- No answer: 2%
Request to pay in case of recurring payments

Do you agree that it could be important for the request to pay to allow, for relevant use cases or situations, that the amount of each recurring payment can be modified by the payer?

Responses from companies that request recurring payments from their customers today:

- Strongly agree: 33%
- Agree: 29%
- Somewhat agree: 13%
- Disagree: 18%
- Strongly disagree: 4%
- Don't know/N.A. *: 0%

* No answer
Request to pay in case of recurring payments

Provide possibility to change other invoice details than the amount?

Do you agree that it would be important for the request to pay to allow, for relevant use cases or situations, that other parameters than the amount can be modified by the payer?

Responses from companies that request recurring payments from their customers today:

- Strongly agree: 20%
- Agree: 24%
- Somewhat agree: 20%
- Disagree: 18%
- Strongly disagree: 13%
- Don’t know/N.A.*: 4%

* No answer
Request to pay in case of recurring payments

One request to pay action for several invoices or for each invoice?

Would you prefer a dedicated request to pay action prior to each invoice payment or do you see a benefit in the additional availability of a one-time procedure for a certain number of recurring invoices?

Responses from companies that request recurring payments from their customers today:

18 %

There should be a request to pay prior to each invoice payment

82 %

There should be, in addition, a possibility to set different parameters, e.g. to determine the number of recurring invoices for which a once-for-all approval is given or to set a default approval for any invoice with an identical amount or up to a certain amount.
Corporate testimonials on recurring payments use case (1)

A use case with high potential and great flexibility, but bulks are a must

Request to pay could allow evolving from a scheduled cycle of generating invoices to a model of collecting payments as you go: once you hit a certain amount in payments due, you collect.

Shriyanka Hore, Director, Global Product Strategy, Oracle Corporation UK Ltd
Corporate testimonials on recurring payments use case (2)
A use case with high potential and great flexibility, but bulks are a must

The ability to submit requests to pay in bulks is an absolute must for our Treasury.

The possibility to change the amount when accepting the request for a recurring payment could be very valuable.
Customers should be able to indicate the reason for the change, for example in case of a rent reduction.

Norbert Hambloch, Head of Treasury, STRABAG-PFS
Request to pay in e-invoicing

91% of respondents see a relevant use case

In your company, you can imagine using request to pay as part of your invoicing process?

- Strongly agree: 34%
- Agree: 31%
- Somewhat agree: 26%
- Disagree: 5%
- Don’t know/ N.A.: 4%

* No answer

N=60
Request to pay in e-invoicing

90% of companies that regularly send invoices across borders can imagine using request to pay.

Do you regularly send invoices across borders within Europe?

Yes 60%

No 40%

In your company, you can imagine using request to pay as part of your invoicing process?

Responses from companies that regularly send invoices across borders:

- Strongly agree: 38%
- Agree: 31%
- Somewhat agree: 21%
- Disagree: 7%
- Don’t know/ N.A.: 3%
- No answer: *
Request to pay in e-invoicing

97% perceive clear convenience benefits for both payer (usability) and payee (reconciliation)

Do you agree that the following points are key benefits of request to pay in the invoicing process (receivables)?

- Convenient usability for payers
- Convenience of reconciliation
- Transparency of the processing status
- Convenient usability for company
- Full end-to-end digitalisation
- Cost savings
- Protection against payment default
- Europe-wide acceptance
- Rapid settlement of receivables
- Data security
- Protection against fraud

* No answer
Request to pay in e-invoicing

95% would be interested in having the e-invoice/data/link transported with the help of the request to pay

How interested are you in a solution where the request to pay would help with the transportation of the invoicing data or invoice, e.g. by including a link to the invoice?

- **Very interested**: 48%
- **Interested**: 35%
- **Somewhat interested**: 12%
- **Not interested**: 3%

* Don’t know/N.A.*

* No answer
Corporate testimonials on e-invoicing use case
Reaping digitalisation opportunities through more standardisation

In addition to the front end, we see a need for standardisation of the follow-up flows to ensure, for instance, that there is 100% clarity in case of a lack of funds in a buy now, pay later scenario.

Shriyanka Hore,
Director, Global Product Strategy,
Oracle Corporation UK Ltd

Combining the request to pay with the e-invoice already mandatory in the B2G space would make the invoicing and reconciliation process much more efficient.

Jean-Michel Chanavas,
Délégué Général,
MERCATEL
Concluding comments
Closing questions to corporates

97% of respondents interested in using request to pay – 97% agree with importance of uniform European approach

How interested are you in using request to pay in general?

- Very interested: 46%
- Interested: 31%
- Somewhat interested: 20%
- Not interested: 1%
- N.A.: 1%

Do you agree that it is important that request to pay offers a Europe-wide uniform mode of operation?

- Strongly agree: 62%
- Agree: 28%
- Somewhat agree: 7%
- Disagree: 0%
- N.A.: 1%
- Don’t know: 2%
Leaving the last word to our corporate contributors…

What is the prospect for request to pay? What more is needed?

Request to pay will only be a success if all customers in Europe are reachable. This may require regulatory action. With instant payments, we currently still have a 30% risk that the payment will be rejected.

Norbert Hambloch, Head of Treasury, STRABAG-PFS

To successfully bring request to pay to market, we need a dialogue between all actors at European level. The objective must be to ensure smooth processing across standardised interfaces. This includes the treasury and ERP systems. For this reason, a forum should be created to enable this dialogue, as the starting point for the development of related solutions.
Leaving the last word to our corporate contributors…

What is the prospect for request to pay? What more is needed?

Request to pay offers a path that leads straight to the customer, making instant payments and normal credit transfers universally accessible.

Unlike the PSD2-based payment initiation, for which only large corporates can put in place the necessary prerequisites, request to pay can be used by businesses of all sizes and holds benefits for all of them.

Jean-Michel Chanavas, Délégué Général, MERCATEL
Annex: what is request to pay?
Annex: what is request to pay?

Improving the standard payment process

In essence, a request to pay means that a payer and a payee electronically exchange structured data through a request for payment, before they exchange the money.

Request to pay improves the standard payment process by adding a message exchange, which takes place before the actual payment and includes:

1. A request to the payer for a payment
2. The acceptation (or refusal) of this request by the payer

Thanks to the information delivered as part of this request to pay exchange, the payer can identify the payee and the payee can easily identify and reconcile the subsequent payment.
Annex: what is request to pay?
Improving the standard payment process

Request to pay can be applied to virtually any payment scenario, from real-time and all-parties present scenarios to scenarios where the parties are in different places and may act at different points in time.

- Request to pay supports use cases featuring any of the below combinations:
  - Accept now: the request to pay must be accepted immediately, at the presentation time.
  - Accept later: the request to pay can be accepted at a later time than the presentation time.
  - Pay now: the request to pay must be paid by the payer immediately, at the acceptation time.
  - Pay later: the payment is initiated at a later time than the acceptation time.
Thank you!

Access to the request to pay survey (available in six languages):

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https://www.linkedin.com/company/euro-banking-association