

Payment Channels

MBR Payment Channels Focus Group Position Paper

Context

The focus group of 25 February 2021 met to examine implementation options for a broad and contemporary range of payment channels through MBR.

Position

The focus group recommends the following principles:

- Payment channels should be considered in the context of the overall payment and billing experience of users
- Users should be able to stay in their native systems
- Users should have detailed clarity of their financial position

Considerations

Pain points in the current system

1. Clarity of financial position – current lack of clarity in debt
Lack of detail in debt amounts was discussed as a specific example of a pain point in the current system. Currently it is difficult to interrogate what comprises a debt. Clarity is especially important in a regime where late fees are applied.
DWG member preference – a detailed debt position is supplied to users
2. Clarity of financial position – real time payments are good, but most useful when users can see the real time effect.
Real time payments are useful but need to be considered in the context of a full business process. If a payment is made in real time, ideally users want to see the payment reflected in account balances in real time.
DWG member preference – real time payments are reflected in real time account balances and/or receipts
3. Users staying in native systems – agents paying on behalf of companies
Many agents will pay fees and charges on behalf of their clients (an anecdotal estimate of the focus group was this could be for a third of companies). Agents currently move out of their business software to make these payments.
DWG member preference - the process allow agents to stay within their business software and make payments as they would for other invoices they receive.
DWG member preference – the process allows for an agent to pay one itemised invoice for a number of their customers rather than undertaking one payment process per customer.
DWG member preference – the process allows for payments to be scheduled.



4. Users staying in native systems – digital generation / small companies

Many younger company owners and small companies transact on mobile devices. Payment options that allow users to stay within that system are seen as the most convenient and user friendly.

DWG member preference – mobile users are able to stay within system

Potential new payment channels discussion

5. A range of future payment channels were put forward to the meeting

- International Money Remitters
- New Payment Platform (NPP) Overlay Services
- Digital Wallet
 - PayPal, Apple Pay, Samsung Pay, GooglePay, Alipay, WeChat Pay

6. New Payment Platform was discussed , noting a broader ATO exploration of payment processes. Discussion centred around how an implementation of the new payment platform would look in terms of business processes.

DWG member view – New Payment Platform should be considered within the context of overall business processes.

See also point 2 under 'Pain points in the current system' heading about real time payments.

7. International Money Remitters was discussed. Focus group members felt that while there may be some benefits, the numbers impacted were small and this channel held a lower priority than improvements elsewhere.

DWG member view – a lower priority is assigned to International Money Remitters as a channel.

8. Payment wallets were discussed. This option was seen as much more beneficial to individuals and ideally as many of the options as possible would be provided under this channel. The constraints of the channel meeting government requirements under the Public Governance, Performance and Accountability (PGPA) Act were noted.

DWG member position – a broad range of digital wallet options would benefit individuals, noting PGPA constraints.