

Innovative instant payments solution offers SumUp a new competitive edge

CASH MANAGEMENT



Instant payments are on the rise, with local instant payment schemes now live in nearly 60 countries. Deutsche Bank is at the forefront of this trend, offering instant payment capabilities to its clients across the EU and beyond, with a range of special functionalities – including re-routing, batch processing, API initiation channels and push notifications.

As this trend has advanced, major players from the FinTech sector are beginning to explore and implement instant payment capabilities. For example, SumUp, a global financial technology company and a leading mobile point-of-sale (POS) provider, recently partnered with Deutsche Bank to migrate its pay-outs from SEPA classic to the SEPA Instant (SCT Inst) scheme. Deutsche Bank's instant payment solution offers significant value to SumUp's clients, in particular SME merchants, shortening their cash conversion cycle without adding to their administrative workload.



A customer pays for goods/services using the SumUp terminal.

In Deutsche Bank, we have found a strategic partner that not only fully understands our business model, but also has the capabilities and global reach to help us to evolve and grow our business. By leveraging Deutsche Bank's instant payments services where possible, we have been able to improve the SEPA (EURO) pay-out times for our innovative POS offering.

SumUp

Accelerating merchant pay-outs

SumUp is a PSP that simplifies and streamlines POS and online payments, while offering greater transparency over fees without fixed costs – providing the long tail of SME merchants with the opportunity to accept card payments from a range of providers.

In 2020, SumUp partnered with Deutsche Bank to accelerate its pay-outs to merchants. Deutsche Bank combined its innovative instant payment services with the unique POS solution to shift SumUp to instant payment execution – becoming one of the very first FinTech players to do so in the process.

Deutsche Bank's solution allows SumUp to expedite the settlement timeline for its EUR merchants whose beneficiary banks are connected to the SEPA Instant scheme. With SCT Inst enabled, a payment made via a SumUp terminal is settled to the merchant one day faster than the standard payout settlement timeline of 2–3 days.



Efficient, innovative processes

Deutsche Bank's instant payments expertise, combined with its innovative booking method, ensures a robust, smooth and simple process for SumUp and its clients. In particular, the Bank's unique "re-routing" process ensures that payments are always sent along the fastest rails. Where the beneficiary is reachable via SCT Inst, the payment is automatically sent via this scheme. If not, the payment moves through the available alternative schemes for next-day credit – ensuring the payment is always delivered in the most effective way possible. Currently the reachability rate for SEPA Inst is ~60% in the EU, and this varies from country to country with some markets having a higher SEPA Instant connectivity rate.

The Deutsche Bank solution has also helped SumUp unlock additional capabilities, including bulk payment uploads via a Host2Host channel, which enables the company to pay out to hundreds of thousands of merchants in one go. Additionally, by meeting the growing client demand for real-time services, SEPA Instant payments can provide FinTechs, platforms and corporates with a competitive edge.

Looking forward, instant settlements are very likely to become the new normal – and could even become a mandatory requirement in the coming years. Now, therefore, is an opportune moment to begin your instant payment journey.