

TAKING PAYMENTS TO A WHOLE NEW LEVEL

Immediate access to cash for Australian businesses through NAB and PayPal collaboration

Corporate & Institutional Transaction Banking



The New Payments Platform (NPP) has largely benefited the consumer segment since its introduction in 2018, with many now accustomed to making and receiving payments in real-time.

PayIDs have made it simpler to pay and receive payments, richer payment information has provided greater level of transparency and simplified account reconciliation.

We're now seeing the emergence of developments that provide significant opportunities for businesses and corporates as they look to their banking partners for enhanced treasury and corporate connectivity.

Reliable, rich and fast connectivity is crucial for corporates to create transformational change to the customer experience, commercial platforms and treasury systems.

As an early leader of NPP, NAB has worked with a number of corporate customers across a broad range of industries to develop solutions that provide building blocks for future innovation.

To provide added value for their customers, PayPal has partnered with NAB to enable PayPal's eligible Australian merchant and consumer customers to instantly transfer money out of their PayPal wallets, via the NPP, to their Australian bank accounts.

Previously, payments could take up three days to be accessible. For merchant customers, instant access to funds may help improve cash flow and reduce reliance or eliminate the need for expensive credit lines.

The new service is enabled by NAB's payment Application Programming Interface (API) and allows PayPal to integrate into NAB's payment systems and initiate Fast Payments from their platform instead of using the bank's proprietary channels.

"The collaboration between our two organisations gives us great benefit in the Australian market as we are the first major payments platform to enable real-time payouts using the NPP," said Andrew Toon, General Manager, Payments, PayPal Australia.

"As payment technologies evolve, consumers expect an instant option and the new payment API provides PayPal the ability to enable that choice and flexibility for our customers." Toon added.

PayPal's Fast Payments service is one of NAB's first payment API services, as the bank looks to support more of its corporate customers in creating seamless payment experiences for their own customers.

"When we develop these solutions, we start with the needs of the end customer. We take a customer first view to create experiences that are new, better and seamless as possible," said Johan Westh, Executive, Corporate & Institutional Bank, Transaction Banking, NAB.

"PayPal is all about the customer experience. They're brilliant when it comes to delivering that."

“It was NAB’s existing capabilities but equally their view and strategies over the long term as to how this platform and its capabilities would evolve that were impressive.

NAB was ahead of the curve in terms of their vision of how they could develop the platform to better suit the requirements of our end users, our merchants and consumer customers. That customer-centric vision made working with NAB a great fit for PayPal.”

Andrew Toon, PayPal Australia

Seamless workflow with APIs

The service needed two elements to work – the instant payment capabilities provided by the NPP and APIs that PayPal’s systems can plug into and instantly carry the payment message from PayPal to NAB.

“PayPal is taking the payment experience into their own environment and then using NAB APIs to seamlessly integrate with banks to facilitate the transaction,” said Westh.

Along with a better customer experience, the service also provides PayPal with efficiencies and cost optimisation in its payment processes.

It’s part of a broader trend of corporates starting to draw on the capabilities of the NPP for greater visibility and control over transactions for outbound and inbound payments.

“Payments are a foundational component in the digital economy ecosystem. We saw NPP had the potential to be a game changer and an enabler for innovation,” said Jon Adams, Executive, Transaction Banking Products, NAB.

“We immediately started working on APIs for payments with the vision this is how we believe clients are going to want to connect to us.”

Corporate connectivity and customer experience innovation

Open Banking and Consumer Data Rights (CDR) will not only see the growing demand and expectation of consumers, business and corporates to allow third parties to access their data, but also direct access to their own data.

APIs allow for ‘plug & play’ access, giving Corporates greater access and control of their data, and ultimately their customers’ experience.

NAB’s payment API is just the beginning of the bank’s API-led transaction banking strategy.

For PayPal’s Andrew Toon, it was this long-term vision that made working with NAB such a success.

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