

CASE STUDY

Accelerating payments modernization with NatWest

Payments Modernization Toolkit

INTRODUCTION

Against a backdrop of the pending ISO 20022 migration deadline, and other regulatory changes around SEPA, NatWest was seeking a way to modernise its payments systems to meet the demands of this fast-paced change agenda.

However, time was of the essence, and upgrading its core systems directly with its incumbent vendors was a potentially complex and costly project.

NatWest had two main challenges:

Replace two different legacy systems to route cross-border and domestic payments, as well as payments between branches.

Shield its legacy systems to address regulatory change during the transition to a strategic solution.

PHASE 01

The first phase of this project involved NatWest wrapping its core systems with a new routing engine to enable the moving of messages for CBPR+ and Target 2 across multiple systems.

This was driven by the following challenges:



ISO20022 deadlines were aggressive.



Legacy routing systems were not suitable to handle ISO20022 traffic or Legacy routing systems required modernisation to manage ISO20022 traffic.



Strategy for modernization required flexible system.

WHAT WE DELIVERED



An **Event-driven architecture**, with microservices patterns, and an extendable model to gradually replace the two legacy systems.



Payments Intelligence dashboards for monitoring, payments traceability and payments insights.



Testing framework to test components in isolation but also enabling end-to-end testing.

PROOF POINTS

90%
rule routing reduction

Cloud-ready in
4 months

No vendor
lock in

PHASE 02

Secondly, we supported NatWest to deliver a tactical wrapper, ensuring the bank could remain compliant with the SEPA v2019 regulations.

WHAT WE DELIVERED



Regulatory accelerator microservices used to create a tactical wrapper solution, shielding the legacy systems from channels and gateways, with the translation of 23 different message types.



No data loss assured, as a result of data consolidation and enrichment.



Flexible architecture, to allow for gradual migration of functionality towards the new system, and easy decommissioning of the tactical solution once the new system is in place.

PROOF POINTS

30% faster
deployment

Blue-green deployment
with zero downtime

WHAT'S NEXT?

The next steps on our journey with NatWest include:

Connecting to SWIFT micro-gateway directly.

Moving more legacy systems to the payments router solution.

Supporting NatWest's migration of key systems to the cloud.



Ian Povey,
CIO Payments Technology,
NatWest

"RedCompass Labs' technology has enabled us to modernise our payments systems to keep up with the rapid pace of change, without undertaking costly, challenging and complex IT projects.

"The RedCompass Labs team is able to combine their expertise in payments and technology to help us solve some of our most pressing technology challenges. This allows us to not only meet our regulatory obligations and find ways to streamline our processes, but to focus on delivering better for our customers."



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