

# BankservAfrica and Lusis

Established in 1972, BankservAfrica's primary objective is to function as a clearing house for the South African banking and financial sectors.

Owned by South Africa's four large-volume banks and a consortium of smaller-volume banks, BankservAfrica's offerings include both real-time card-based services and traditional services such as direct debits, credit transfers and utility-type services. BankservAfrica processes approximately 3 billion transactions inclusive of batched and real time, valued at between ZAR 7 to 8 trillion.

## Challenge: The Need for a Scalable Product

For an organization like BankservAfrica, which wants to expand into the rapidly growing Southern African Development Community, the need for a fully functional core system that can cope with fast-changing payment methods and customer requirements is mission-critical.

The decision by BankservAfrica's current payments system supplier to sunset its product provided the perfect opportunity for the organization to conduct a thorough review of a replacement system and alternatives, while reassessing how the payments platform could become a genuine enabler of BankservAfrica's business vision.

It was critical for BankservAfrica that the solution selected ensure that it could quickly react to customers' requirements while allowing the organization to add innovative payment solutions.

## The Solution: Lusis Payments and TANGO

Ultimately BankservAfrica chose Lusis Payments based on the capability of TANGO. The solution met the organization's business requirements, which included that it must be a configurable product with specific monitoring capabilities. In addition,



BankservAfrica liked TANGO's cost and clear licensing structure.

TANGO is today's modern payments system, using state-of-the-art technology to address business needs both now and in the foreseeable future. The core principles of TANGO's architecture provide the maximum flexibility regarding choice of platform, database and operating environment to suit hardware and software preferences. TANGO offers an integrated infrastructure that is highly scalable and efficient due to the genuine approach to service-oriented architecture (SOA), which significantly reduces development time and cost.

TANGO provides a modern, open SOA for acquiring, routing, switching, authenticating and authorizing transactions across multiple channels — including ATM, point of sale, Internet and mobile banking — in a multi-institution environment across different geographies.

TANGO's unique design removes complexities and reduces migration time frames.

Having identified the Lusis Payments TANGO product as the most favored option, BankservAfrica then had the challenge of obtaining approval from its board to run a pilot program.

"When we approached our main board with our recommendation, they saw this is as a huge risk for the South African payments system, due to TANGO being a relatively new product and player in the market, who nobody in South Africa knew much about," said Chris Nolte, head of technology at BankservAfrica.

“They agreed for us to run a pilot to establish that TANGO could do the work based on a set of acceptance criteria, which we defined and then put forward and started the pilot project.”

Satisfied by the results of the TANGO pilot program, BankservAfrica’s board approved the rollout of TANGO into production. However, the implementation of TANGO was conducted in a phased approach in order to ensure smooth and continuous operational capacity.

Real-time clearing (RTC) was rolled out first, as it involved a smaller amount of banks and volumes. The migration of RTC was completed in April 2012.

ATM was next to be migrated by BankservAfrica, as this forms a large part of its business, and the majority of South Africa’s banks are participating. ATM was successfully migrated in September 2012 after successful certification testing with all participants.

“Our credit card authorization system followed and was implemented in February 2013,” Nolte said. “The last component was debit card, which was fully migrated in April 2013.”

### The Results: Operational Flexibility Brings Benefits

The initial results of the switchover to TANGO have clearly proven BankservAfrica correct in opting for Lusis Payments, with an increase in ATM volumes recorded early in the implementation. But the main benefit of TANGO for BankservAfrica is its operational flexibility. According to Nolte, “TANGO is a lot more configurable and is parameter-driven. From a flexibility and maintainability perspective it’s also a lot easier, and that is a big benefit for us.”

Another key benefit of TANGO is that it is essentially “future-proof,” with the ability to seamlessly integrate new services and functionality as and when required.

“We have a team that’s worked very closely with Lusis Payments, and BankservAfrica has had control over the source, up to a certain degree, and the flexibility of adding new functionality without getting the supplier involved every time we want to do something. For us, that’s been one of the big advantages,” Nolte said. “The other big benefit is the licensing model. Whereas with other platforms you license the transaction process, with Lusis Payments you license the software and you

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can process as many transactions as you want to. That model really works for us.”

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“Flexibility of use,” Gillis said, “from micro servers to non-stop infrastructures that can service the market, added to the appeal of Lusis Software’s TANGO platform.”

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