



SWIFT publishes new 'Pay Later' API standard

New API standard will drive uptake of innovative instant loan approval process, increasing payment and borrowing choices for consumers

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SWIFT has today published a standard for 'Pay Later' APIs in a key step toward enabling the rapid adoption of an innovative new consumer payment model.

'Pay Later' is an instant online payment facility which offers customers the ability to use traditional bank loan financing to pay for goods purchased online. By selecting Pay Later at the point of purchase, customers are provided with available loans from their banks; they can then select and initiate a loan, knowing that the funds can immediately be credited to the merchants and items dispatched. By offering the Pay Later option, merchants are in turn able to offer a wider variety of purchase options and to reach a wider consumer audience, whilst still ensuring surety of payment.

By publishing an API standard for 'Pay Later', which is formally called the Transactional Finance Application Programming Interface, SWIFT is facilitating the widespread adoption of this new payment model by both merchants and banks around the world. Using this single standard, merchants will be able to implement the Pay Later option ensuring they are able to reach multiple banks around the world and avoid multiple costly implementations.

Stephen Lindsay, Head of Standards at SWIFT said: "SWIFT has long been at the forefront of banking standardisation and is continuing this work in the API world. Our work on Pay Later is a good example of how standardisation plays a vital role in ensuring the industry can take every advantage of technological innovation."

Tony McLaughlin, Managing Director, Treasury and Trade Solutions at Citi said: "The launch of Pay Later API will support banks' transition into the world of digital platforms. The API will enable banks to maintain the vital lending relationship, whilst driving growth of the global digital economy. Citi believes that the introduction of this interface will provide the basis for future innovations in platform banking."

Anne Carøe Hald, Global Head of Payments Products at Danske Bank said:

"Pay Later is an opportunity for banks to serve their customers better; to offer appropriate finance where and when customers need it. The ability to provide services in this way - seamlessly integrated in customers' on-line lives - will be key for banks to thrive in the digital economy."

Christer Holloman, CEO at Divido said: "New digital ecosystems are emerging that create magical customer experiences for millions. Financial services will be part of that transformation and become invisible enablers of the customer journey. Banks need to embrace fintech partnerships and standardised APIs for retail and wholesale banking to secure their role in the digital economy."

In fulfilling its established role as a trusted standards setter, SWIFT provides a neutral venue for collaboration, standards and payments business expertise – as well as a platform for capturing, publishing and testing specifications that ensures all participants can contribute with confidence.

The working group on the Pay Later API standard includes banks, merchants and technology providers. This group will continue to work together to evolve the standard API specifications and rulebook. The aim is to create the conditions for a broad ecosystem of the Pay Later platform to provide optionality to customers, to give merchants a greater ability to sell their goods and to ensure a wide reach for banks. By re-using business definitions from the established ISO 20022 messaging

standard that it manages, SWIFT ensures that data specified in APIs is compatible with the messages used to clear and settle instant payments, simplifying data integration for both banks and merchants

SWIFT welcomes contributions from industry participants to continue evolving the Pay Later standard. With the publication for version one of the specification, multiple participants, including merchants, marketplaces, fintechs and banks will be able to begin working on live pilots. The parties foresee an ongoing collaboration between industry participants to develop value added API standards to drive the growth of the digital economy.

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About SWIFT

SWIFT is a global member owned cooperative and the world's leading provider of secure financial messaging services. We provide our community with a platform for messaging and standards for communicating, and we offer products and services to facilitate access and integration, identification, analysis and regulatory compliance.

Our messaging platform, products and services connect more than 11,000 banking and securities organisations, market infrastructures and corporate customers in more than 200 countries and territories. While SWIFT does not hold funds or manage accounts on behalf of customers, we enable our global community of users to communicate securely, exchanging standardised financial messages in a reliable way, thereby supporting global and local financial flows, as well as trade and commerce all around the world.

As their trusted provider, we relentlessly pursue operational excellence; we support our community in addressing cyber threats; and we continually seek ways to lower costs, reduce risks and eliminate operational inefficiencies. Our products and services support our community's access and integration, business intelligence, reference data and financial crime compliance needs. SWIFT also brings the financial community together – at global, regional and local levels – to shape market practice, define standards and debate issues of mutual interest or concern. SWIFT's strategic five year plan, SWIFT2020, challenges SWIFT to continue investing in the security, reliability and growth of its core messaging platform, while making additional investments in existing services and delivering new and innovative solutions.

Headquartered in Belgium, SWIFT's international governance and oversight reinforces the neutral, global character of its cooperative structure. SWIFT's global office network ensures an active presence in all the major financial centres.