



SWIFT Payments

Case resolution

Client

Alfa Bank

Find out how Russia's Alfa Bank has significantly shortened the time it takes to process exceptions and investigations with SWIFT's case management solution.

For Russia-based Alfa Bank, finding a way to simplify and automate its exception handling was a key business need. Over 5000 of the bank's monthly payments are subject to an exception or investigation, ranging from simple issues such as rectifying an incorrect account number or beneficiary name, through to more complex exceptions such as needing more information about the underlying deal the payment is linked to.

Meeting the challenge

Dmitry Karshin, Head of Payment Technology Development from Alfa Bank, explains the challenge. "It is usual that cross-border payments involve more frictions rather than domestic ones. Some correspondent banks impose specific rules for payments formatting and data sufficiency requirements due to compliance reasons."

"It's necessary for us to observe both types of requirements on a constant basis, which significantly limits our ability to automate the payment process."

This, Karshin explains, necessitates the bank to process large volumes of free format messages to identify their relation to the particular payment, analyse if there was any preceding correspondence and decide on the actions to be performed.

These manual steps add time and cost to the bank. Using SWIFT codes to initiate and respond to exceptions and investigations enables a degree of automation, says Karshin. "However, codes do not enable us to automate exception and investigation processing in full. We still see that some banks tend to return the payments they cannot process instead of initiate enquiries on them."

“The total timeframe of investigations becomes 3-5 days shorter, meaning the payee gets the money sooner.”

Dmitry Karshin

Head of Payment Technology Development, Alfa Bank

Introducing case resolution

Finding an automated solution was the key, explains Karshin. “The main driver was to minimise the timeframe between initiation of inquiry on our side as payee bank and receipt of inquiry on the payer bank side.

“In the traditional approach it takes 3-5 days before the payer bank actually gets the inquiry, as it passes through the chain of correspondent banks.

As an active participant in the gpi community, Alfa Bank was well aware of the case resolution service.

“We track all the new ideas and future service propositions coming from SWIFT,” says Karshin.

“Having learned about case resolution, we dived into it and explored its logic and implementation principles.

“We concluded that the service could help us minimise manual operations and facilitate a more seamless message exchange process for exceptions and investigation.”

Implementation mode

Alfa Bank opted to re-develop its software to place case resolution at the heart of its investigations process. “It was very important and helpful to use the gCAT testing robot for testing of the software,” says Karshin.

“The onboarding process gave us confidence in being ready to use the service before its implementation in our live IT environment.

“We also appreciated efforts of our personal onboarding manager. They

made both preparation for onboarding and the onboarding itself very comfortable and efficient.”

Karshin has words of advice for prospective adopters of case resolution. “First of all, it is essential to explore the technical part of the service description and evaluate its implication to future business.”

Karshin adds that it’s crucial to update processes, not just the software, and to plan your migration carefully.

Reaping the benefits

“Case resolution is now an integral part of our standard exceptions and investigations procedure,” says Karshin.

The service enables the automation of the routine inquiry initiation processes. And it also enables automated tracking of the investigation phases performed in another bank.

One of the chief benefits is the ability for the payee bank to communicate directly with payer bank.

Karshin encourages more banks to join the service to derive more incremental value.

“This benefit directly correlates with number of the service participants, i.e. more participants mean more value of its implementation. It’s clear that benefits will grow with growing number of participants.”

Despite being a very recent go live, Alfa Bank reports “the total timeframe of investigation has become 3-5 days shorter and the payee gets the money sooner”.

SWIFT is a member-owned cooperative, providing secure financial messaging services to more than 11,000 organisations, across the financial ecosystem, in almost every country in the world. For nearly five decades we have delivered certainty, continuity and excellence by constantly evolving in an everchanging landscape. In today’s fast moving, increasingly connected and challenging world, this approach has never been more relevant.

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Alfa-Bank is the largest universal privately owned bank in Russia. It has been leading in all banking business segments for 30 years. Alfa-Bank serves more than 850 thousand corporate clients and 18.7 million retail customers.

Alfa-Bank is developing according to the phygital model, combining digital innovation with an effective physical presence network, which has 793 offices in Moscow, Russian regions and abroad, 900 cities with courier delivery and 27,900 of its own and partner ATMs. The bank is developing “A New Generation Branch Network” with recognition based on biometrics and geolocation without refusing live communication with customers.

According to IFRS financial statements for 2020, the Alfa Banking Group, which comprises ABH Financial, AO «ALFA-BANK» as well as its subsidiary financial companies, had total assets of USD 61.9 bn, gross loans of USD 42.7 bn, and total equity of USD 8.7 bn. Net profit was USD 1.3 billion.

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