



Alliance Data relies on SWIFTRef to fight payment rejections and reduce repair costs
Though not connected to the SWIFT network, Alliance Data quickly realised the benefits of integrating SWIFT's reference data solutions.

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Betsy Clark, Senior Manager, Cash Management, Alliance Data

Alliance Data® and its businesses comprise North America's largest, most comprehensive provider of transaction-based, data-driven marketing and loyalty solutions, driving business growth and profitability for some of today's most recognizable brands.

Alliance Data Retail Services is the second-largest U.S. provider of marketing-driven private label and co-brand credit programs designed to increase consumer spend and loyalty. Across multiple touch points, like traditional, digital, mobile and other emerging technologies, Alliance Data Retail Services helps its clients – such as HSN, J. Crew, The Buckle, and 90 others – create and increase customer loyalty through solutions that engage its nearly 25 million cardholders each day.



Business background

Named by Fortune magazine in 2014 as one of the world's 'Most Admired' companies, Alliance Data is a leading global provider of data-driven marketing and loyalty solutions. The company is headquartered in Plano, Texas, but is active worldwide. It depends on over 1,500 global suppliers and its Treasury & Cash Management department manages some 200 bank relationships. The company initiates thousands of payments a month, covering treasury transactions, funding and supplier payments. To ensure these payment instructions are turned around rapidly and successfully, access to high quality reference data is paramount.

Before adopting SWIFTRef's reference data solution, the company relied heavily on the Internet and online data-checkers to identify requisite BIC, CHIPS Uid or national identifiers of a beneficiary bank, or for validation of an IBAN. However, as data accuracy is critical for automated processing and routing of outgoing payments, and as this was not guaranteed through these channels, the company was experiencing a significant number of payment rejections.

With banks charging a repair cost of up to 25 USD per message repair and with a few thousand payments to repair per month, Alliance Data found its repair costs mounting rapidly.

Solution overview

In December 2013, Alliance Data decided to adopt SWIFTRef's Corporate Pack Two – a special package for corporate customers consisting of the Bank Directory Plus' directory and Bankers World Online². "Honestly the only way we could guarantee we had the right information was to go through SWIFTRef," says Betsy Clark, Senior Manager, Cash Management, Alliance Data. "We got our accounts payable team onto SWIFTRef and we showed them how to utilise the information; it was invaluable."

Soon thereafter, the company chose to install a new ERP solution from PeopleSoft to manage, amongst other things, its supplier relationships. "When we implemented our PeopleSoft treasury module, we didn't have a way within the application to validate the quality of the reference data we were using," says Clark.

Having already experienced the reliability of SWIFTRef data, the firm decided to work on integrating it as a table in PeopleSoft.

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Elire Inc, a SWIFT business partner, took care of the integration of the SWIFTRef data files in Alliance Data’s ERP system. Managing the project, Karen Willis, partner at Elire’s Treasury Management Practice commented, “Integrating SWIFTRef was very smooth - coding and testing took approximately a month from start to finish.”

“For me as a user, the process was seamless,” says Clark. With the integration of the Bank Directory Plus file, outgoing payments can now be automatically populated with the most accurate and appropriate bank identifier for the beneficiary bank, while Bankers World Online provides for any ad-hoc validation of IBAN codes. “We now have the necessary reference data directly validated as we’re entering transactions into our payments system.” says Clark. “The accounts payable team doesn’t have to guess. They know the information is right. They’ve now used SWIFTRef to update over 1,200 vendor records!”

Asked whether Alliance Data considered any alternative approaches, Clark is clear. “Honestly, SWIFTRef was the

obvious choice,” she says. The firm is now looking into the possibility to connect directly to SWIFT for its payment transactions and reporting needs, rather than relying on each individual bank’s solution. “Everybody’s on board that SWIFT is the way to go, so we are definitely going to be pursuing that in the future,” explained Bob Barnes, Alliance Data’s Director of Treasury, “but in the meantime, SWIFTRef is already bringing us enormous benefits.”

Why SWIFTRef?

SWIFTRef is SWIFT’s unique global reference data utility covering all BIC codes worldwide as well as LEIs, national bank identifiers, bank names and contact details, SEPA data, IBAN validation tools, standing settlement instructions (SSIs), bank holidays, country and currency codes, credit ratings for banks and more. SWIFTRef data is available in different formats: through an online web query tool, as a file – manually downloadable or delivered over SWIFT’s highly secure SWIFTNet FileAct channel – or as an API web service. Data is available on a monthly and daily basis. SWIFT is ISO registration authority for BIC and IBAN format, and first issuer for LEIs.

Accurate reference data is critical for corporate companies:

- ◆ To ensure correct payments routing
- ◆ To avoid payment failures and resulting charges from banks
- ◆ To ensure timely payments to suppliers and customers
- ◆ To benefit from early payment discounts offered by suppliers
- ◆ To maximise efficiency and automation

About SWIFT

SWIFT is a member-owned cooperative that provides the communications platform, products and services to connect more than 10,500 banking organisations, securities institutions and corporate customers in 215 countries and territories. SWIFT enables its users to exchange automated, standardised financial information securely and reliably, thereby lowering costs, reducing operational risk and eliminating operational inefficiencies. SWIFT also brings the financial community together to work collaboratively to shape market practice, define standards and debate issues of mutual interest.

For more information, please contact your SWIFT account manager or visit www.swift.com/SWIFTRef

(1) Bank Directory Plus contains all bank identifiers (BICs, LEIs, CHIPS UIDs, national sort/clearing codes) required to prepare, validate and process payments to any bank, anywhere.

(2) Bankers World Online is SWIFTRef’s online flagship service, providing online access to worldwide payments reference data and financial information related to financial institutions and corporates worldwide.