

Open Banking Payments

Latest Pay by Bank Client Insights

June 2024

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About

Founded in 2017, Prommt is a payments orchestration platform that is revolutionising remote payments for enterprises and their clients. Prommt has expanded Pay by Bank use cases across hospitality, luxury retail, builders merchant and automotive sectors with its pay by link capabilities. Prommt enables secure, seamless checkouts via SMS, email, chat, web, or in-app, offering Pay by Bank as a default or alternative payment method based on a set of orchestration parameters such as transaction value, location, or customer type.

Headquartered in Dublin, Ireland, Prommt is used by businesses today across Europe and North America. Winner of the 2023 Best Open Banking Service Initiative awarded by the Global Payments Innovation Awards and finalist for the 2023 Best Open Banking Payments Project within the Open Banking Expo Awards.

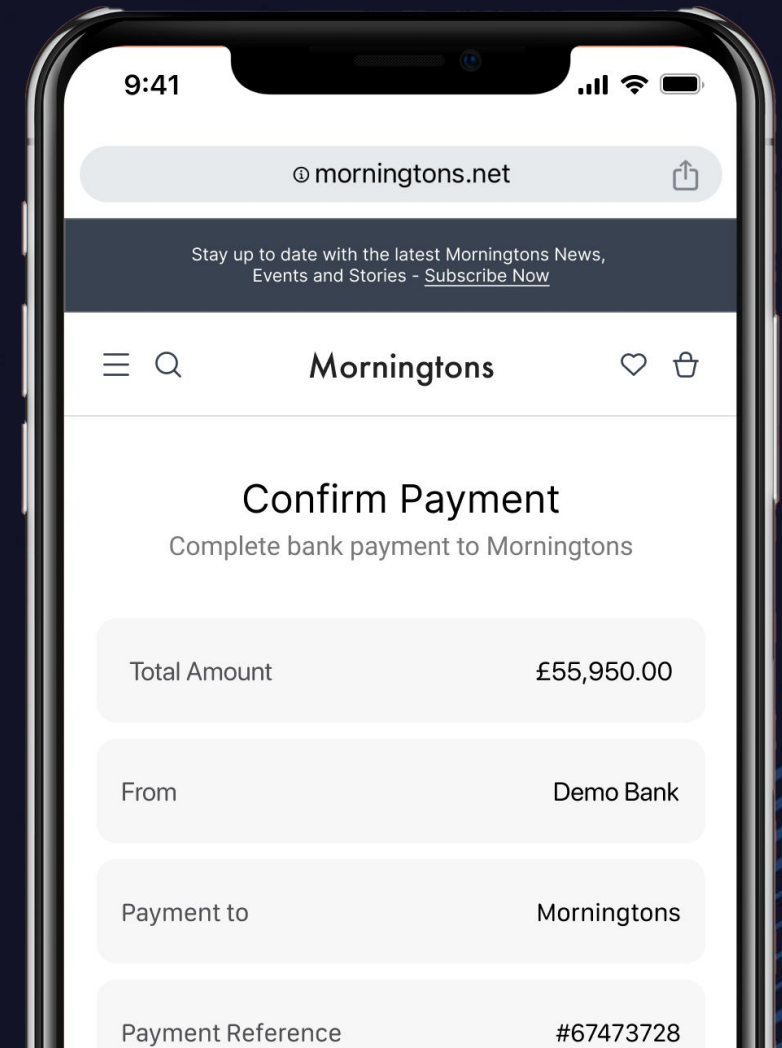
Prommt's licensed partner for Pay by Bank is [Token.io](https://www.token.io)

www.prommt.com

Why Pay by Bank?

Less Fraud, Less Hassle, Lower Fees

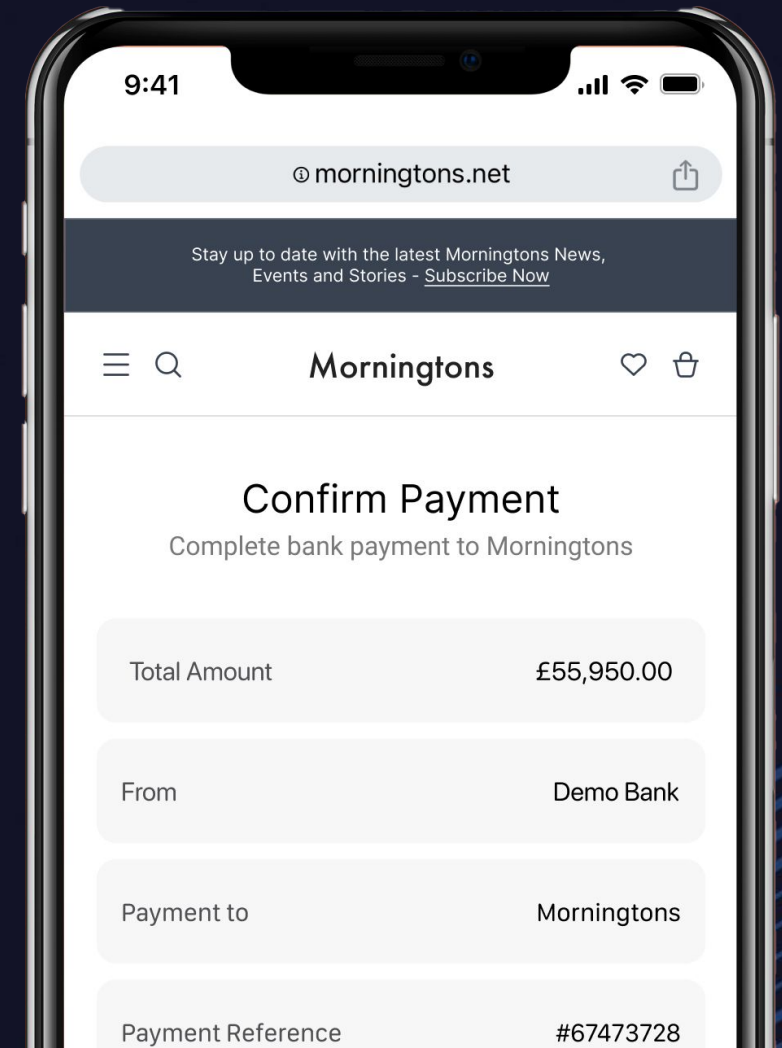
Open Banking, mandated for all European banks, enables seamless Account to Account payments. Pay by Bank is fast and simple and unlike cards, doesn't have scheme or interchange fees.



Why Pay by Bank?

Pay by Bank replaces the tedious process of sharing IBANs and account numbers for bank payments with a seamless digital bank payment experience

In place of card payments, Pay by Bank eliminates chargebacks, card fraud and payment operation costs. Extremely useful for high value transactions



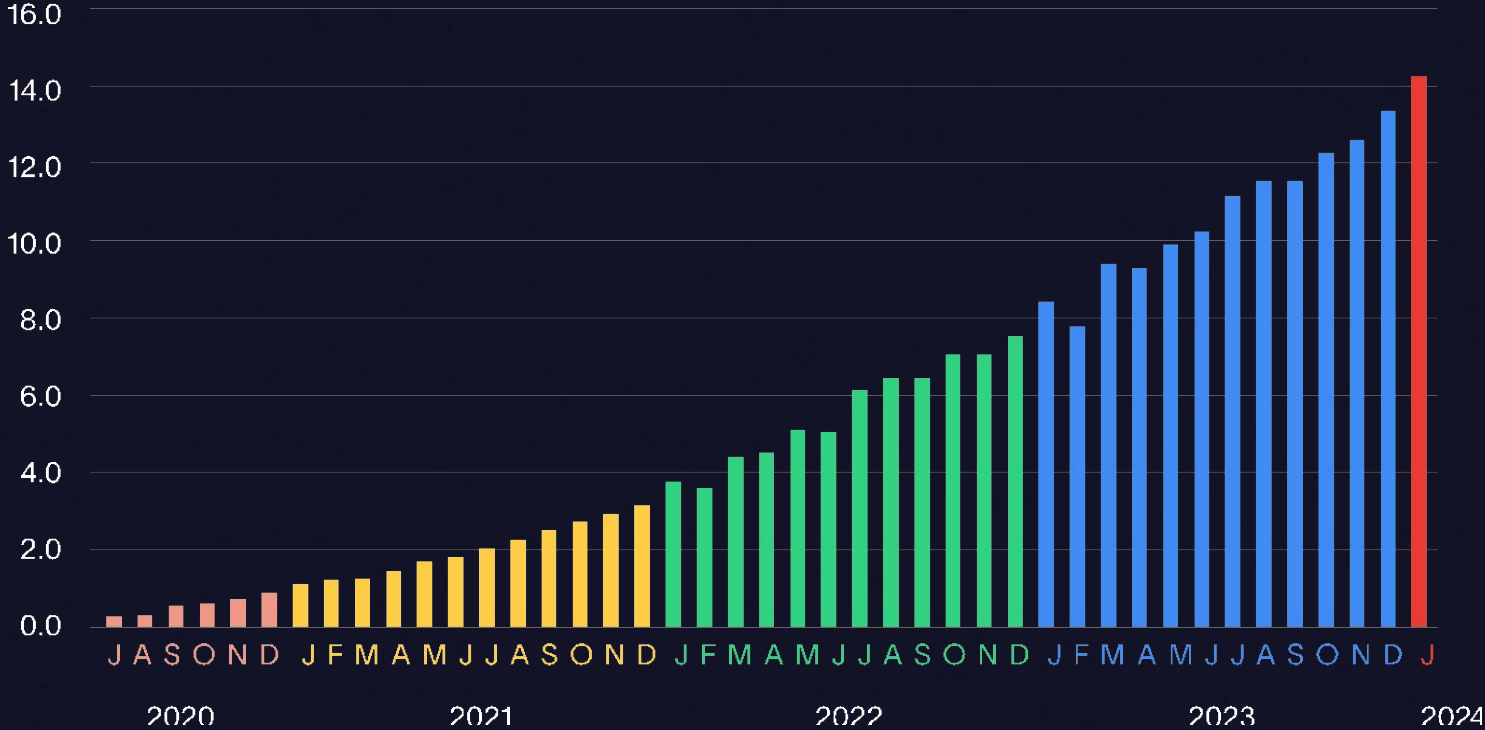
Market Adoption

UK OPEN BANKING
P A Y M E N T S
JANUARY 2024
14.45 MILLION



Year-on-Year
Growth

Total Open Banking Payments



Source: Open Banking Limited 2024

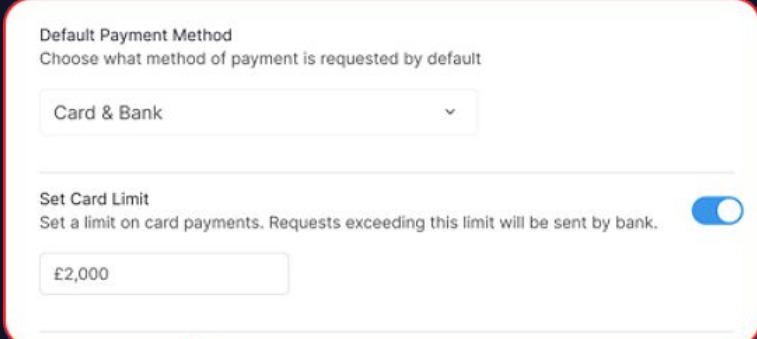
Pay by Bank succeeds best when combined with card

Offering seamless and versatile payment options is a driver of success for open banking payments.

Present Bank, Card, or Both?

Managing the optimization of payment options presented to customers, dependent on transaction value or location is key to success.

Prommt's payment orchestration controls helps drive adoption, cost reduction on high value payments while not impacting the customer experience.

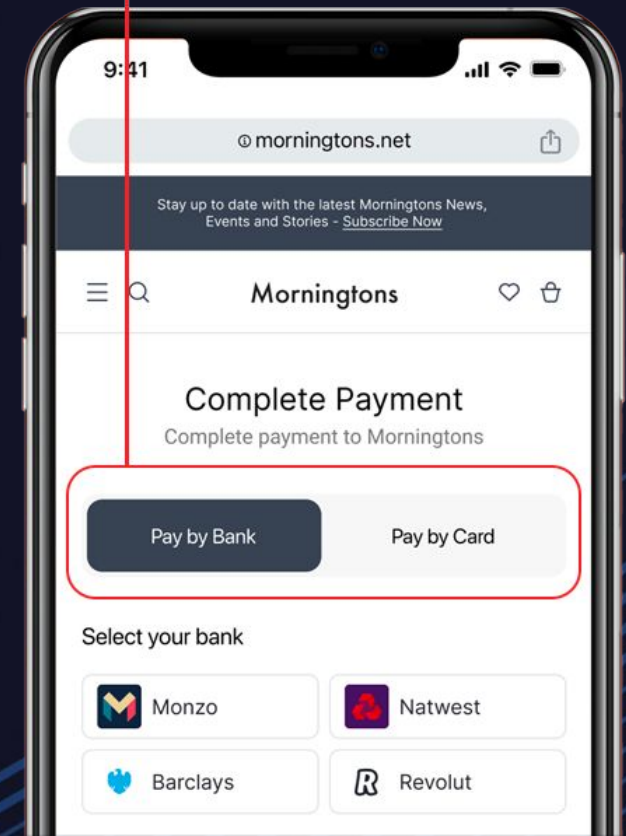


Default Payment Method
Choose what method of payment is requested by default

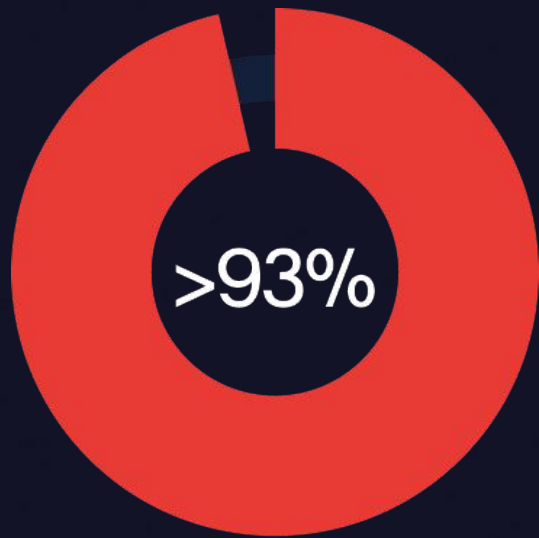
Card & Bank

Set Card Limit
Set a limit on card payments. Requests exceeding this limit will be sent by bank.

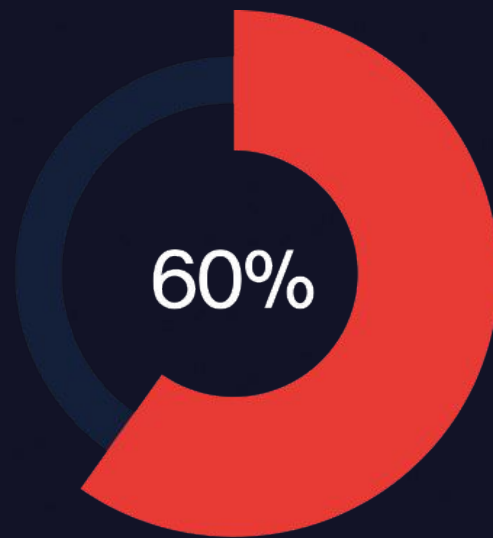
£2,000



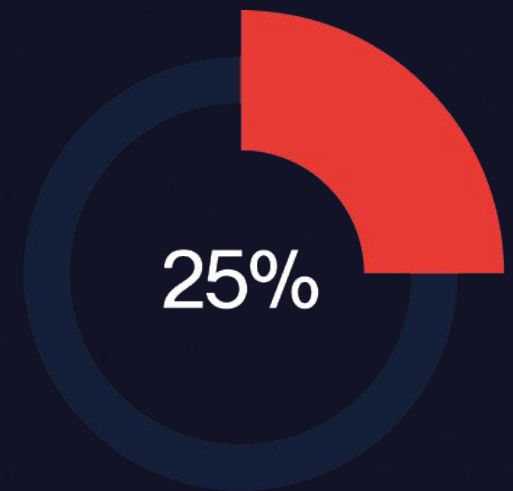
Latest Client Insights



Average payment success rates are >93%



Over 60% of Prommt's clients have adopted Pay by Bank



Pay by Bank accounts for almost 25% of our Total Payment Volume (TPV)

High Payment Success Rates for Pay by Bank



Pay by Bank is particularly relevant for high value payments.

The Average Transaction Value (ATV) for Bank is now three times that of Card.

In Ireland where SEPA next day doesn't facilitate immediate fulfillment, there are still many successful use cases including kitchen fitting, weddings and events, golf membership, etc.

Merchants are reporting significant tangible benefits, such as



Wilson's Auctions have replaced the majority of card transactions with Open Banking

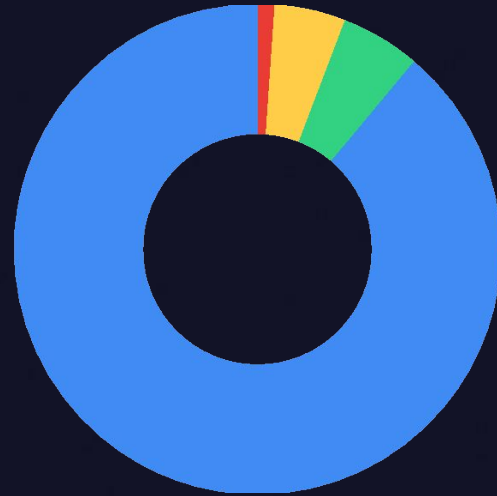


Motorpoint, a leading motor retailer, saved over £100,000 in the first 8 months since launch of PBB

Most popular sector

Automotive is the most popular sector using Pay by Bank, representing over 88% of TPV

However, Luxury Retail represents the highest Average Transaction Value



88.7 Automotive
5.2 Builders Merchants
4.9 High Value Retail
1.2 Hospitality

High success rates for Pay by Bank

Failure at point of payment is **much lower** for Bank than for Card.

Card is impacted by insufficient balance, 3DS and other issues. Pay by Bank enables customers to verify balance before paying.

● Payment Request Paid Success (BANK)

96.9% ▼ **0.842%**
Last Month from May '23

● Payment Request Paid Failed (BANK)

3.08% ▲ **36.4%**
Last Month from May '23

● Payment Request Paid Success (CARD)

84.0% ▲ **1.64%**
Last Month from May '23

● Payment Request Paid Failed (CARD)

16.0% ▼ **7.83%**
Last Month from May '23

Peak Pay by Bank transactions UK & Ireland

Automotive



£95,000
(BMW X7)

€72,714
(VW Touareg)

Luxury Retail



£66,400
(Rolex watch)

€15,321
(Jewellery)

Building Supplies



£47,077
(Trade Account)

€29,020
(Trade Account)

Hospitality

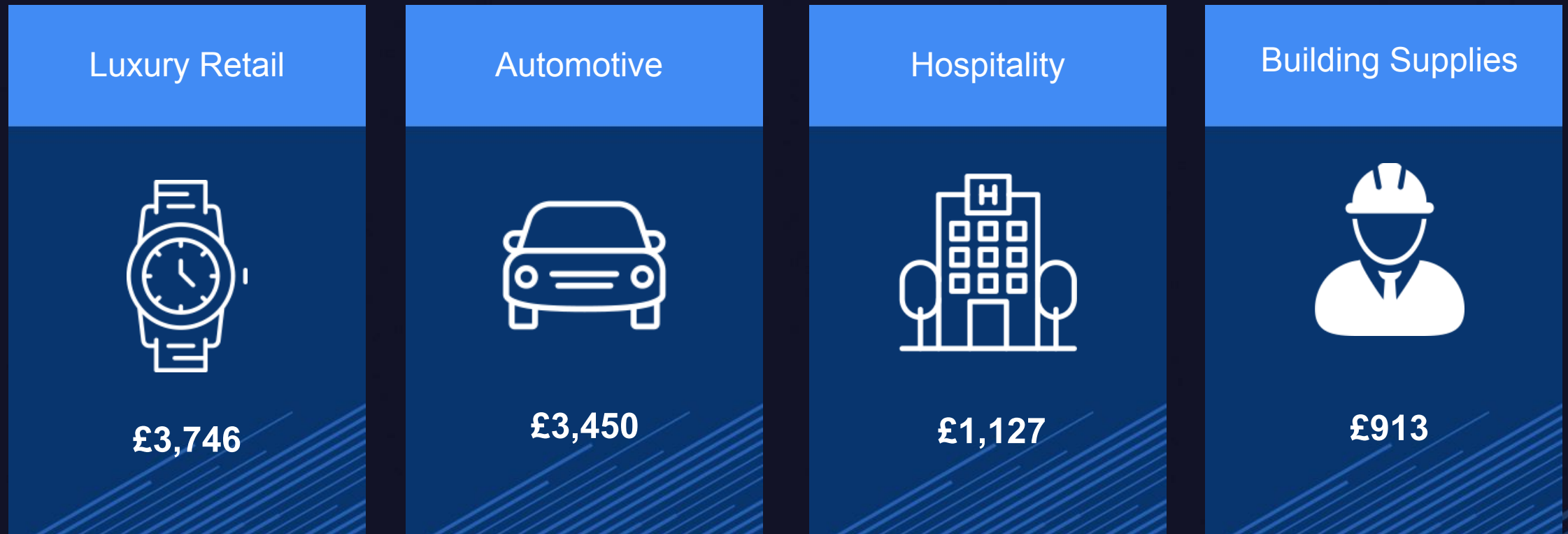


£21,490
(Corporate)

€15,000
(Wedding)

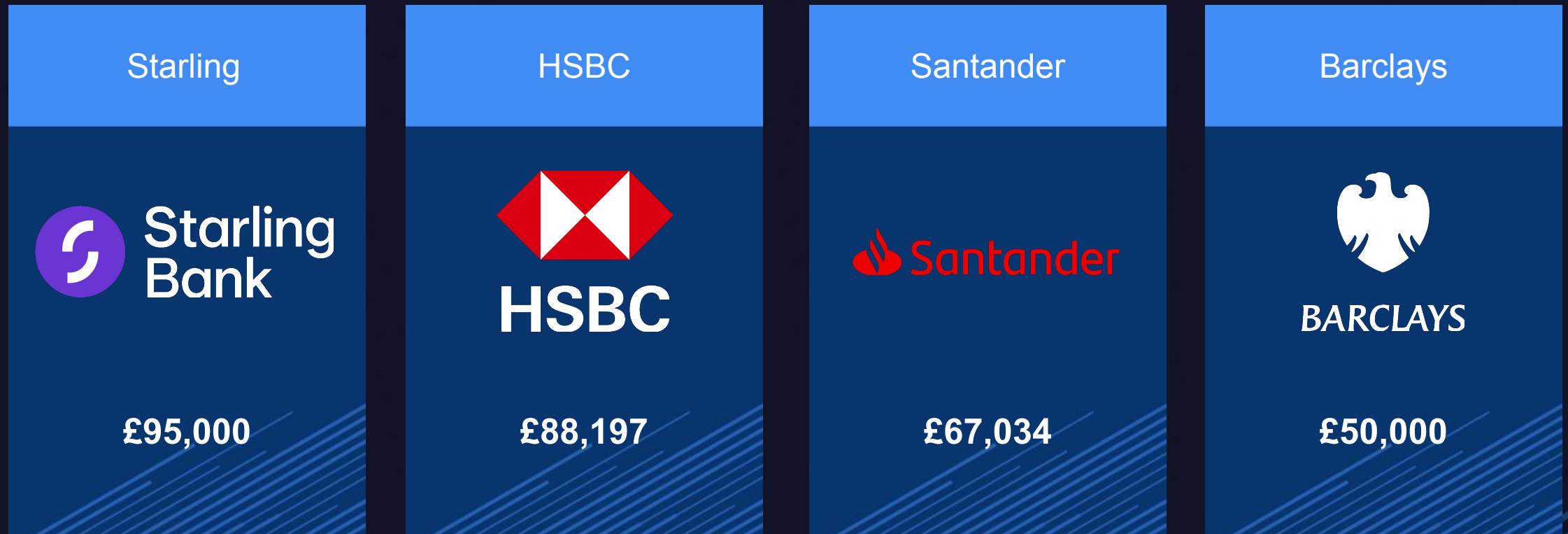
Average Transaction Value by Sector (UK)

Overall, the ATV for Bank is now three times that of card



Data from 01 January to 30 April 2024

Peak Payments by a UK Bank





“Pay by Bank has helped Motorpoint significantly reduce merchant fees and streamline payment collection, and in less than 8 months, has already saved the business over £100,000.”

Motorpoint

Motorpoint, are a UK automotive group, with a significant online presence. They wanted to stop taking card details over the phone, for compliance and security reasons. They integrated with the Prommt API, providing an Orchestrated checkout for Open Banking and Card via website and Pay by Link.

“Prommt has delivered immediate and significant cost savings on our high value car sales transactions, while providing a frictionless payment journey that reflects our brand identity.”

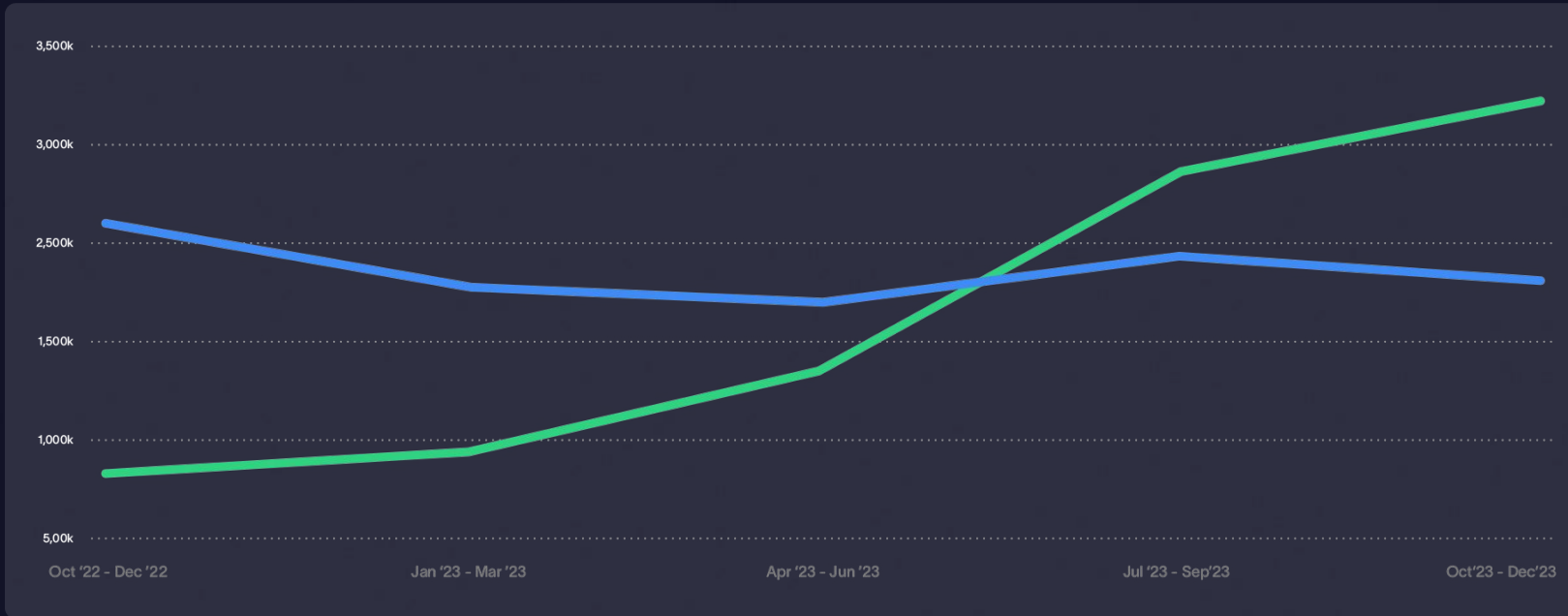
The ability to flexibly present bank or card as a payment method on our web checkouts, which is dependent on payment value, has delivered immediate benefits for Motorpoint.”

Heather Whitmore
Head of Finance Operations | Motorpoint



Adoption Use Case 1: Motor Dealership Client

● CARD ● BANK
2.07M ▼ 14.9% **3.19M** ▲ 253%
Oct '23 - Dec '23 from Oct '22 - Dec '22 Oct '23 - Dec '23 from Oct '22 - Dec '22



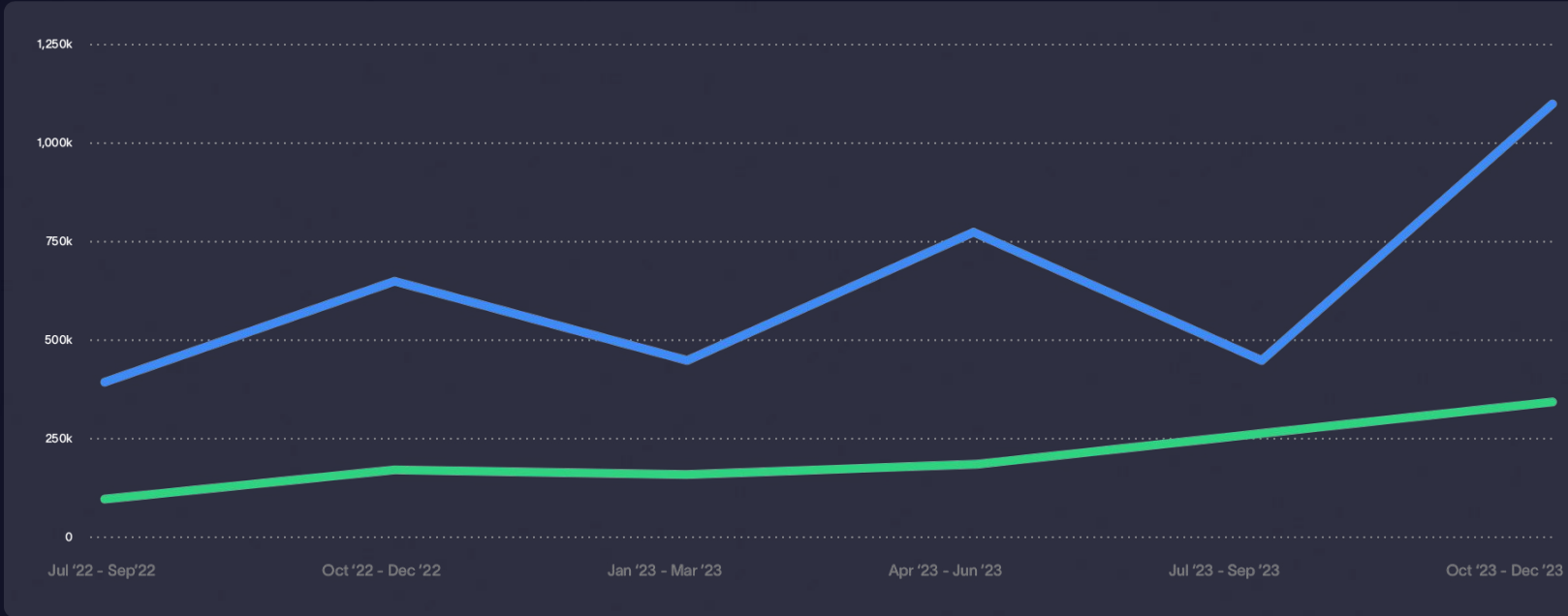
Bank surpasses card without card being impacted

Cards continue to be used for Deposits (as well as servicing and parts sales) but the introduction of Pay by Bank replaces manual bank transfers, and speeds up reconciliation and move to fulfilment

Transaction Type	Oct '22 - Dec '22	Jan '23 - Mar '23	Apr '23 - Jun '23	Jul '23 - Sep '23	Oct '23 - Dec '23	Row Average
● Card	2,437,163.38	2,048,013.56	1,957,351.16	2,216,412.36	2,074,305.89	2,146,649.27
● Bank	901,526.88	1,026,129	1,526,515.46	2,741,750.87	3,186,292.59	1,876,442.96

Adoption Use Case 2: Luxury Retail – UK high-end Jeweller

● BANK ● CARD
355k ▼ 263% 1.14M ▲ 181%
Oct '23 - Dec '23 from Jul '22 - Sep '22 Oct '23 - Dec '23 from Jul '22 - Sep '22



Card is still key in luxury retail

...but Pay by Bank is more relevant for high value payments, streamlining bank transfers and converting higher value card payments.

Average Transaction Value

● Card	3,442.35
● Bank	6,381.81

Event	Jun '22 - Sep '22	Oct '22 - Dec '22	Jan '23 - Mar '23	Apr '23 - Jun '23	Jul '23 - Sep '23	Oct '23 - Dec '23	Row Sum
● Bank	97,960	171,284.50	171,124	191,168.50	276,086.46	355,376.75	1,263,000.21
● Card	406,618.26	671,150.73	458,014.07	798,290.07	466,871.39	1,141,622.11	3,942,567.15

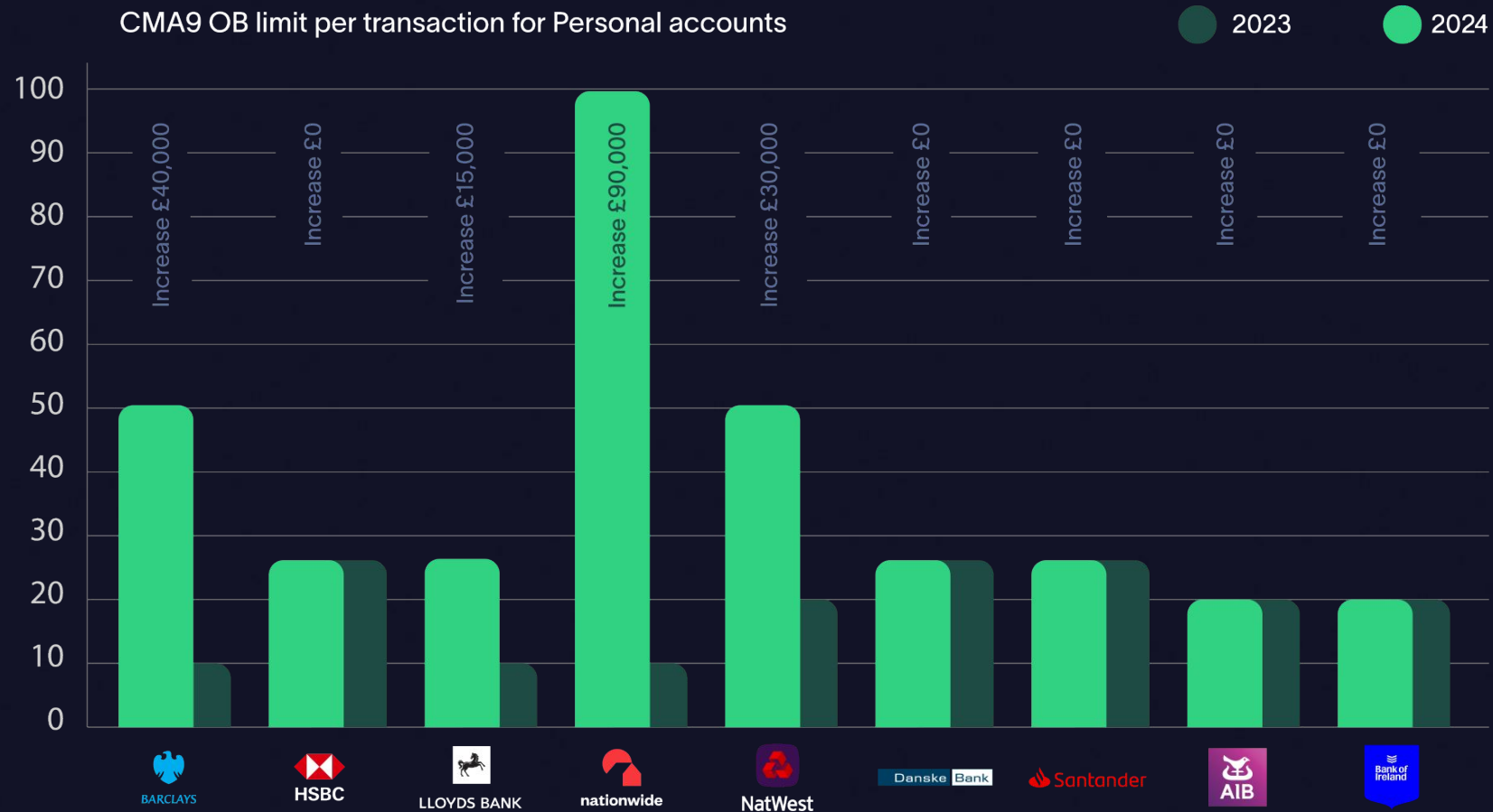
Current Limitations of PBB

Factors that are inhibiting the acceleration of client and end customer adoption

What's holding Pay by Bank back?

Inconsistent Limits

While bank limits are variable, they are increasing, indicating an upward trend





Like to Learn more?

www.prommt.com