

Bacs Factsheet

All About Bacs for SMEs

accesspay.com



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The Bankers' Automated Clearing Services (known as Bacs) was designed by UK banks to allow the electronic processing of financial transactions, including Direct Debit and Direct Credit. It uses secure Internet-based service, Bacstel-IP, which the Bacs website calls the "largest Public Key Infrastructure (PKI) community in the world."

To connect with Bacstel-IP and make payments, Bacs requires that businesses use software provided by one of its Bacs Approved Solution Suppliers (BASS). AccessPay is one of these suppliers.

- Businesses can use Bacs for rapid, secure payments processing.
- Bacs provides the ability to track and view payment status information online, with support for online electronic reporting.
- Confirmations are provided when payments go through.
- High-grade security with secure sockets layer (SSL), PKI and Public Key Cryptography (PKC) to protect data transmitted.
- Funds clear more rapidly than cheques, and are available by the next day (to earn interest). Electronic payments also don't get "lost in the mail."
- Processing is automated for time and money savings, letting you focus on core business.

"Our research indicates that transactions made using Bacs Direct Credit cost significantly less to process than a cheque payment."

- Bacs Website

Global e-Payments: Number of Transactions (Billions), 2009-2013F



Faster Payments Service

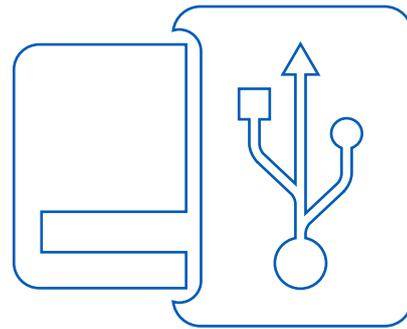
In 2008, Bacs introduced the Faster Payments Service (FPS). This provides near real-time payments between banks within the UK. Through its Direct Corporate Access Channel, businesses can submit bulk payments directly into the FPS for rapid processing, with value limits of up to £100,000.



SmartCards and HSM

Bacs lets businesses use SmartCards to make payments. The SmartCard readers and software are available from banks that use this service. This payment method requires inserting the SmartCard into a reader and keying in a PIN for each transaction that requires a digital signature.

If your business makes bulk payments, you can choose to use a Hardware Security Module (HSM). It connects to your system (often within the mainframe or servers), and holds account keys and other security information. Its security features are designed to prevent unauthorized access. Instead of entering a pin for each transaction, it can automatically process large numbers of transactions.



Direct Debit

Bacs also supports Direct Debit (AUDDIS) and paperless Direct Debit. Please see our Direct Debit Fact Sheet for further information on this topic. AUDDIS allows you to enter customer information into your system, and send it via Bacs to the customer's bank for Direct Debit authorization. This can be used to pay one-off, ad hoc, or recurring invoices.

Bacs Direct Credit

This allows the automated processing of payments on a regular basis, such as:

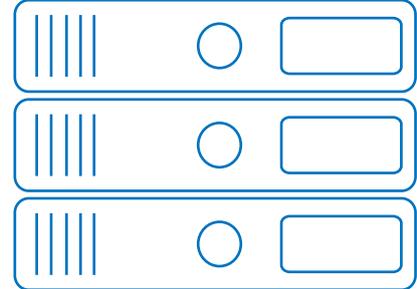
- Employee salaries and expenses.
- Vendor bills.
- Pensions and dividends.
- Refunds.
- Insurance settlements.



How Secure is Bacs?

Bacs is extremely secure. The Bacstel-IP system is protected by SSL encryption between any computer you use and Bacs. It also requires a secure, encrypted password, and the system is constantly self-monitored to validate data and user authorisation.

The risk of fraud is low, since you will on your end be maintaining network security, and using your normal methods for verifying your customers' and vendors' identities. Should you choose to join AUDDIS (which allows Direct Debit), your bank must approve the security measures you will be using to verify identify.



AccessPay: Bacs Approved Software Service

AccessPay is a Bacs Approved Software Service. To become approved, our solution meets Bacstel-IP software and customer service standards for quality, passing their rigorous testing and approval procedures. These include:

- Ensure easy-to-use and secure connections.
- Provide validation routines to validate correct bank account data prior to submission of a file, using the latest version of the Industry Sorting Code Directory.
- Assure compliance to the Bacstel-IP interface for digital signing and Secure Socket Layer (SSL) standards.

Our goal is to provide businesses like yours access to the faster payments and Direct Debit features that Bacs supports, offering security and compliance to the highest standards.

Choosing to use Bacs automated payments and Direct Debit makes sense for most businesses, due to the greater control, automation and improved cash flow they provide.



For more information

If you would like to learn how the AccessPay platform could benefit your customers, and are interested in hearing more about our next-generation UK & International Payments, Cash management and reporting solution, visit:

www.accesspay.com

You can also email
info@accesspay.com

or

Call AccessPay UK office on:
03300 298 520