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PayPoint launches Payment Initiation Services Provider (PISP) solution – Pay By Bank

PayPoint is now the first Open Banking expert to offer bank to bank payments to Pay-As-You-Go Customers

Welwyn Garden City, 11 September 2023: Digital payments expert, PayPoint, has become the first Open Banking provider to offer bank to bank transfers as a Payment Initiation Service Provider (PISP) to Pay-As-You-Go energy customers with its new Pay By Bank service. PISP credit transfers operate on the existing interbank infrastructure, but provide customers with an easier payment journey, as a PISP payment requires fewer steps and less data entry than other methods while delivering cost efficiencies for any business.

The move comes following a record number of Brits taking to Open Banking. Data from Open Banking Limited shows that Brits made 11.4 million open banking payments in July, a nine percent rise on the previous month with one of the key drivers in this growth being single domestic payments, which recorded 10.5 million transactions in July, an eight per cent increase from June.

The PISP Pay By Bank solution strengthens PayPoint's existing Open Banking portfolio, which includes Confirmation of Payee (CoP), Payer Name Verification (PNV) and Account Information Services (AIS) solutions.

Payments using the Pay By Bank solution are more straightforward than debit and credit card payments or traditional bank transfers. The customer first selects the Pay By Bank option on the merchants website or app. Once the customer consents, PayPoint as the PISP (Payment Initiation Service Provider) connects to the customers bank account to initiate the payment. The customer simply authenticates the payment using their banking app, which also gives them greater transparency as they can see their account balance before payment. The payment is then processed and transferred to the merchants account typically within two hours, and are secure as the customers bank details are not disclosed to the merchant. The business receiving the funds benefits from faster payments at a lower cost per transaction, as PISP payments bypass traditional payment card payment schemes that involve third party fees.

Jo Toolan, Director of Client Services at PayPoint, said: "We are committed to investing in and growing our digital payments offering, including our suite of Open Banking solutions.

"Our most recent Pay By Bank solution offers customers a payment method that requires fewer steps and less data input than others, thereby reducing friction in a customer's payment journey. Uniquely, we have paired this payment option with a Pay-As-You-Go vend, enabling the service for customers using a smart meter. The launch of Pay By Bank is a major milestone in the evolution of our Open Banking offering and our long-term success in providing omnichannel payment solutions."