

PayPoint launches Single Daily Settlement

- **Easier cash management**
- **Lower cash banking charges**
- **Reduced direct debit/credit costs**

Welwyn Garden City, 10 July 2013: PayPoint, the UK's leading retail payment services network, has introduced the industry's first net settlement system for retail payment services.

In a significant shift from having separate collections and payments to and from retailers for each of its products and services, PayPoint is now collecting or paying a 'net' amount each day. The timings of payments to retailers have not changed.

Previously, payments to retailers for the sums they pay out on CashOut, Western Union or through self-fill ATMs were made separately to the collection by PayPoint of the cash paid to retailers from bill-paying customers.

With Single Daily Settlement, amounts paid in are combined with amounts paid out to create a net amount that the retailer needs to deposit each day. So, for example, if a retailer's ATM withdrawals, Western Union payouts, Simple Payment and CashOut payments on Monday amount to £250 and £1,000 in bill payments has been collected from customers across all PayPoint services on the same day, the retailer will only need to bank £750, which is the sum that will be debited from their bank account three days later.

For some retailers, especially those with high transacting PayPoint cash machines, this can result in a net payment *into* their bank account.

To help retailers understand what Single Daily Settlement can mean to them, PayPoint has created a unique Calculator – which they can find at <http://www.paypoint.co.uk/retailers/SDS-calculator>. Based on the actual value of transactions they process through the different PayPoint services and the banking costs they incur for cash banking and credit/debit payments, the calculator highlights the potential savings they can make as a result of Single Daily Settlement.

Andrew Goddard, Retail Director at PayPoint, said:

“Single Daily Settlement is probably the most significant change since we launched the current, multi-functional terminal. Because retailers will only need to bank the net amount after taking off payments they have made to customers, it makes cash management easier, reduces cash banking charges and also reduces the number of daily direct debit/credit charges for different PayPoint services. Single Daily Settlement is unique in this industry and I expect our retailers to benefit significantly.

“For retailers who have embraced CashOut, have one of our self-fill ATMs and Western Union, the potential annual saving can be as high as £670 a year¹.

“This major development has been made possible because of the success of our CashOut service, which we launched three years ago and which has paid out over £75m, together with the hundreds of millions of pounds paid out through our self-fill ATM network. While retailers have enjoyed the benefits of lower banking costs and extra sales from recycling the cash they take through PayPoint, Single Daily Settlement brings additional benefits to retailers, particularly to cash flow

and in reducing bank debit and credit charges.”

Single Daily Settlement is the latest in a series of improvements to the service PayPoint provides for its retailers, designed to make their relationship with PayPoint simpler and more profitable. Other recent improvements include the near doubling of its field force (at a time when most other companies serving the independent retail sector are reducing face-to-face contact) and its new retailer extranet, MyPayPoint, an online repository of financial statements, training materials and product information.

PayPoint’s CashOut service enables customers to pick up rebates, promotions and other payments from utility companies, financial services companies and local authorities at their local PayPoint retailers. CashOut is available through all PayPoint retailers – customers come to the store with a printed barcode voucher or a text message with a 10-digit voucher number on their mobile phone. Financial services organisations and local authorities take advantage of it to issue mostly low-value emergency payments to customers.

Research shows that in nearly half of cases, CashOut customers make purchases while they are collecting their payment. Some CashOut vouchers can be used only for energy top-ups so retailers earn twice – once for the CashOut and again for the energy top-up.

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1. Based on a retailer taking £500 a day in PayPoint transactions and paying out: £100 through CashOut, £200 through ATM payments and £75 receive payments per day, and assuming average bank charges of 45p per £100 banked and 30p for every credit or debit applied.