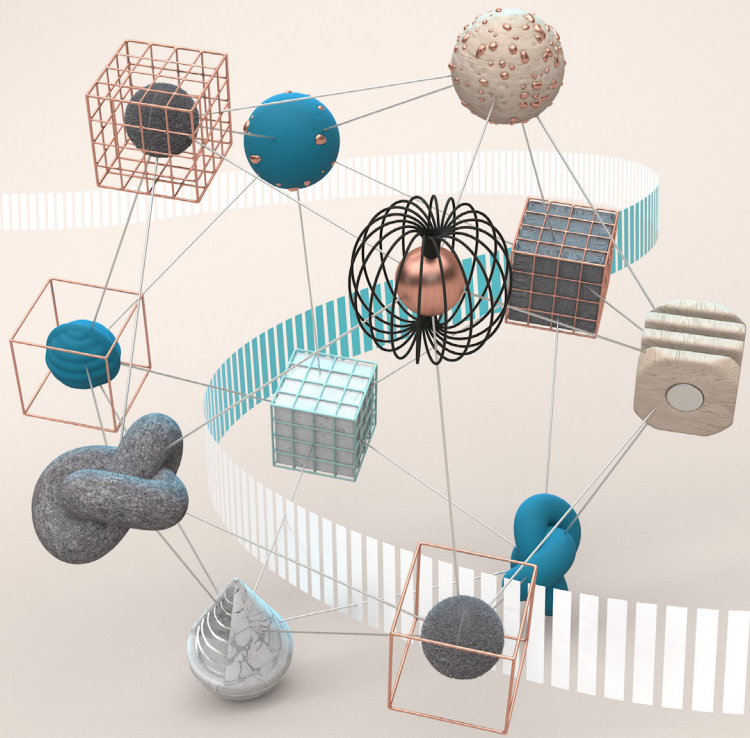




**BANKING  
CIRCLE**



## CASE STUDY | Marketplaces

# How Banking Circle partnered with a leading Marketplace to reduce payment reconciliation costs and deliver fast, low-cost payments for its merchants

### The Business Challenge

Banking Circle was approached by a leading Marketplace which had experienced substantial growth but was struggling to manage the payment reconciliation process, which involved numerous merchants and sellers. The Marketplace had been receiving payments into a single master account, which were only identifiable by payment and invoicing reference codes. These codes were often mis-coded or missing, and the allocation of payments into the correct ledger was time-consuming and incurred extensive administration costs. Sellers had customers in multiple countries which created FX challenges and resulted in high volumes of cross border transactions.

### Our Solution: Virtual IBAN account for Marketplaces

Banking Circle provided the marketplace with a master account that was linked to multi-currency Virtual IBAN accounts, which the Marketplace could then allocate to its merchants. This allowed the merchants to make and receive payments directly to the Marketplace without the need to include an invoice or payment code. The Virtual IBAN account provided instant visibility of the payment. Using our embedded FX functionality, the Virtual IBAN accounts were set up to collect in the merchant's preferred currency, saving on FX costs. Virtual IBANS were created in the name of the merchant and were in multiple jurisdictions giving them local payment capabilities.

### Benefits to the acquirer and its merchants

- By linking the Virtual IBAN accounts to a single master account, the marketplace had total visibility of both incoming and outgoing payments between merchants and sellers
- By using Banking Circle's embedded FX functionality and Virtual IBAN accounts, the merchants and the sellers benefited from faster payments and lower payment and FX costs.
- The cost and time spent on payment reconciliation was reduced by 60%
- It gave their sellers local payment capabilities – providing a local feel and better user experience
- Cross border payments were replaced with local payments which was faster and cheaper
- Merchants were able to use their local accounts to pay their business related expenses to suppliers in the local currency