



# PSD2 ACCELERATOR

CAPTURE OPPORTUNITIES, ADDRESS CHALLENGES,  
AND DRIVE SUCCESS THROUGH PROVEN EXPERTISE



# INTRODUCING OLIVER WYMAN'S PSD2 ACCELERATOR

PSD2 will have **profound implications** for the participation of Banks, Merchants, and Payment Services Providers in the industry.

The directive introduces **two new players** – which will be disruptive for the ecosystem. **Payment Initiation Service Providers (PISPs)** and **Account Information Service Providers (AISPs)**

Compliance alone poses a **significant operational, technological and change management challenge** that will have to be carefully managed.

But this alone will not ensure success – the **commercial implications** and **impact on your strategy and proposition** require careful consideration.

**The clock is ticking** – you need to act fast given the lead time for redesign and need for implementation of new technologies, processes, and systems.

**Oliver Wyman** has deep PSD2 expertise and experience from **supporting a variety of market participants respond to the challenge.**

We have invested in **capabilities and competencies** to help our clients deliver change and bring propositions to market quickly.

Oliver Wyman's **PSD2 Accelerator** is a modular offering designed to address your needs and accelerate your response.

# PSD2: REVOLUTIONISING RETAIL AND SME PAYMENTS

## PROFOUND STRATEGIC IMPLICATIONS

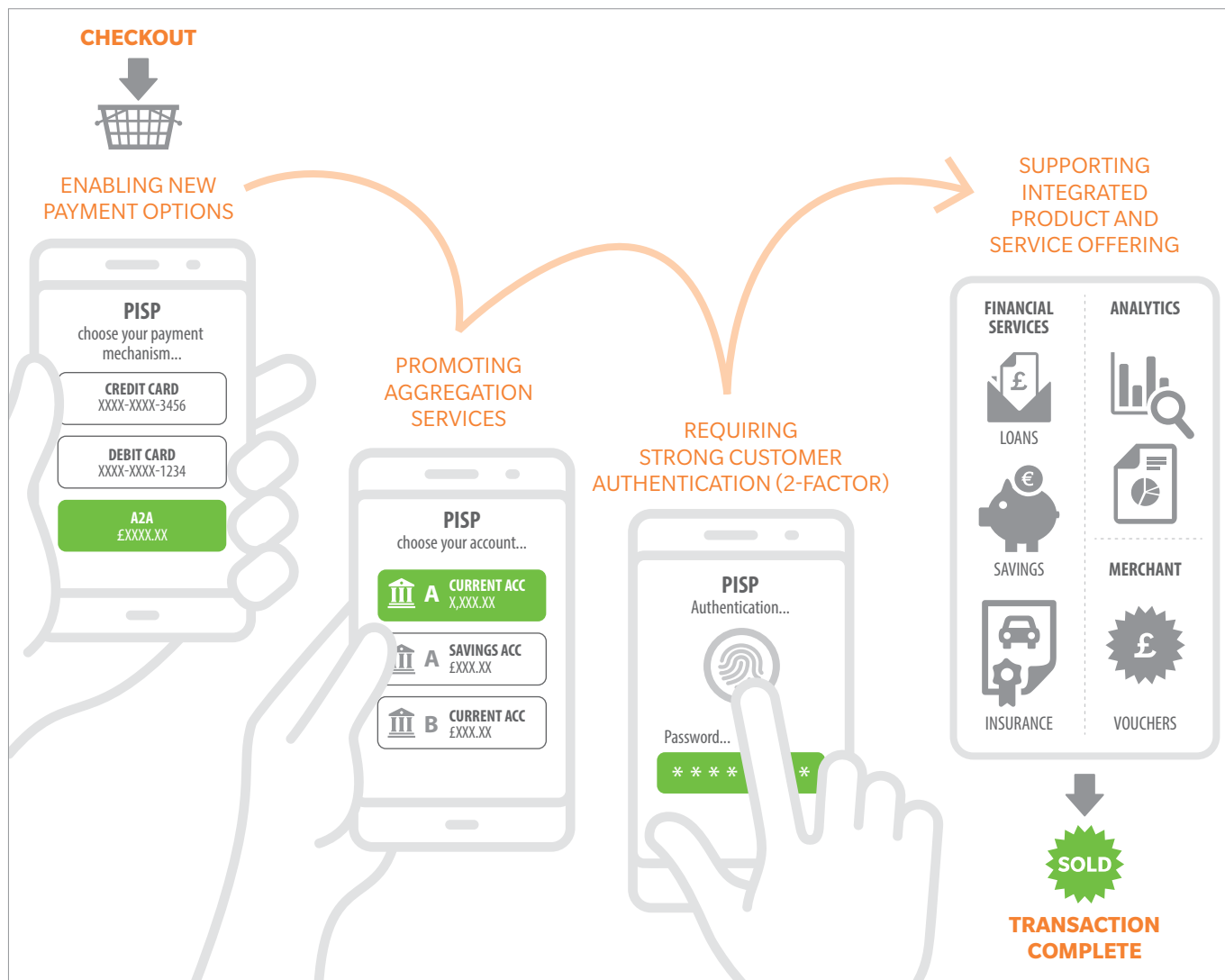
### OPPORTUNITIES

- ▶ Drive growth in your customer base by becoming a single digital interface for financial and transactional needs
- ▶ Offer ancillary products and value add services based on transactional data you access as a Third-Party Provider (TPP)
- ▶ Broaden your participation across payment types
- ▶ Integrate your proposition further into customer journeys and the ecosystem
- ▶ Commercialise your data feeds by building new API propositions

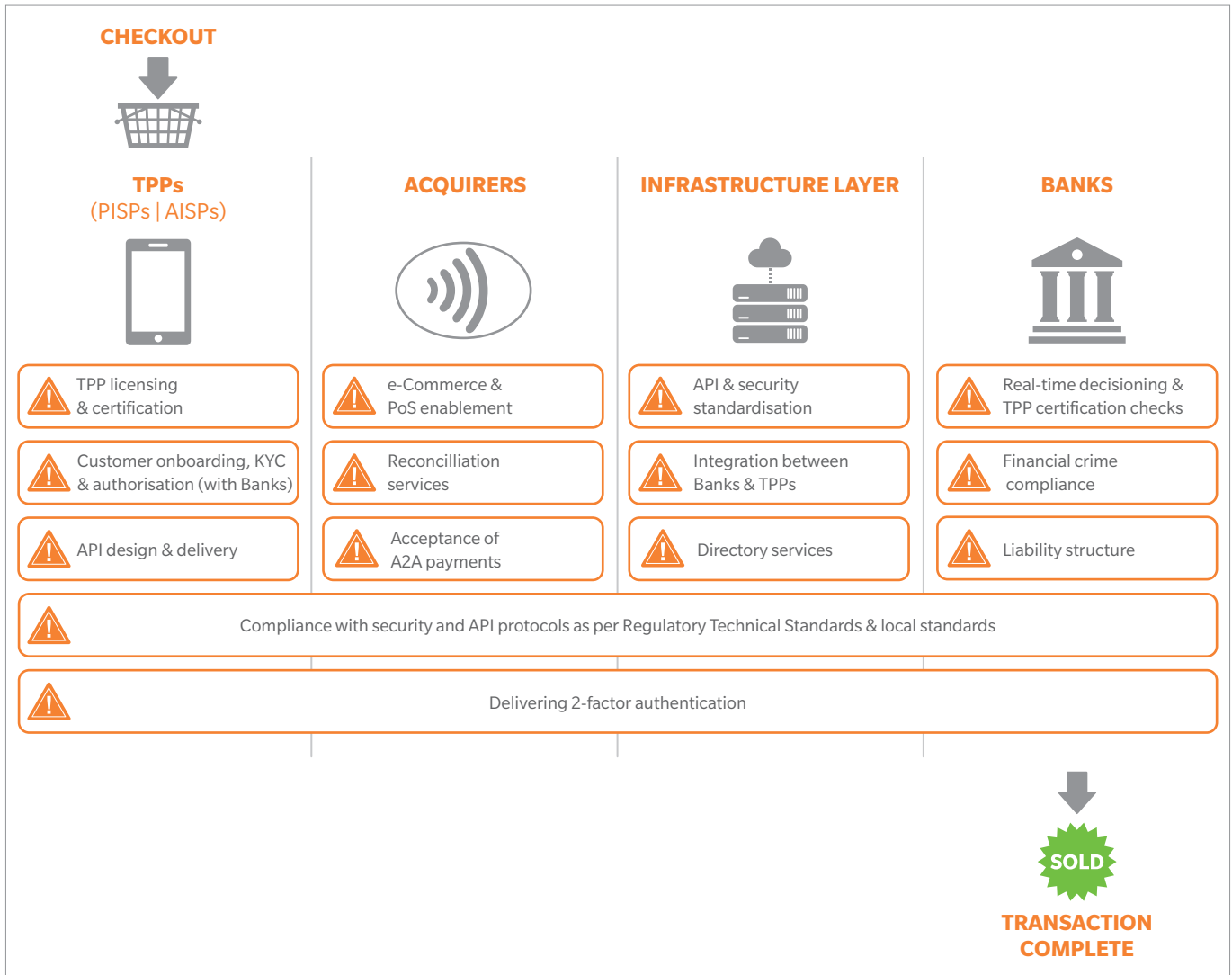
### THREATS AND CHALLENGES

- ▶ Risk of intermediation by other providers who serve as the digital interface between you and your customer base
- ▶ Increasing competition eroding the value captured by vertically integrated players
- ▶ Loss of customer current account data privileges reducing its value as a driver of cross-sell
- ▶ Onerous technical and compliance requirements requiring investment in operating model and technology
- ▶ Managing a portfolio of third-party providers with varying levels of security, fraud, and AML protocols and credentials

# PSD2: REVOLUTIONISING RETAIL AND SME PAYMENTS CHANGING THE CUSTOMER EXPERIENCE...



# ...AND POSING SIGNIFICANT OPERATIONAL CHALLENGES



# PSD2: SUCCEEDING THROUGH TACTICAL AND/OR STRATEGIC RESPONSES

## AMBITION

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## DESCRIPTION

### COMPLIANCE



Operations and technology-led exercise

Limited feedback to the business, limited/no commercial upside



Most participants today

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### COMPETE TO PLAY



Cost-benefit assessment of spend to win vs. reactive response

Clear on value at risk from PSD2 across various parts of the business



Tactical responses

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### COMPETE TO WIN



Business fully engaged (and leads) on PSD2 response

Participation, propositions, processes, policies, and technology all reviewed and adjusted, given PSD2



Strategic responses

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# OLIVER WYMAN'S PSD2 ACCELERATOR

## CHOOSE YOUR INGREDIENTS TO GET TO MARKET SOONER

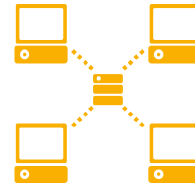
*“Fit-for-fight  
PSD2 programme”*



*“Customer offering aligned  
with PSD2 strategy”*



*“PSD2-ready business”*



<p><b>PROGRAM CATALYST</b></p>	<p><b>PROPOSITION LAUNCH</b></p>	<p><b>INTERNAL DELIVERY</b></p>
<p>Programme diagnostic</p>	<p>Participation strategy</p>	<p>Operating model design</p>
<p>PSD2 war gaming and delivery strategy</p>	<p>Proposition design</p>	<p>Risk and capital requirements</p>
<p>Content-led programme management (“Smart PMO”)</p>	<p>Test and learn “incubator”</p>	<p>Technology solutions</p> <p>Financial crime controls</p>

# OLIVER WYMAN'S PSD2 ACCELERATOR DELIVERING THREE STRATEGIC BENEFITS

## 1

### REGULATORY COMPLIANCE

Compliant products and processes (new and existing)

New capabilities to exploit opportunities and comply with requirements (XS2A standard)

Ongoing financial crime, risk, and liability management

## 2

### GROWTH AND MARKET POSITION

Clear vision of play vs. win participation strategies

Propositional changes to differentiate and deliver value for target customers

Rapid product development and communication to market

## 3

### LONG-TERM FINANCIAL GAIN

Early investment to avoid long protracted spend

Alternative business models to compete in the post-PSD2 market

Infrastructure and platform for future growth



# PROGRAMME CATALYST OLIVER WYMAN OFFERING



	OLIVER WYMAN OFFERING	REGULATORY COMPLIANCE	GROWTH AND MARKET POSITION	LONG-TERM FINANCIAL GAIN
<b>PROGRAMME DIAGNOSTIC</b>	<p>PSD2 strategy assessment and checklist</p> <p>Programme quality assurance and regulatory response</p> <p>Scope and effectiveness</p> <p>Resource allocation and efficiency</p> <p>Program management capabilities and delivery risks</p>	<p>Completeness of programme scope and delivery ensured</p>	<p>Stress testing of your PSD2 strategy and response</p>	<p>PSD2 investment benchmarked to market</p>
<b>PSD2 WAR GAMING AND DELIVERY STRATEGY</b>	<p>PSD2 war gaming</p> <p>Vendor and partner selection</p> <p>M&amp;A opportunity scan</p> <p>TPP start up</p>	<p>Minimum viable offering in required time frames</p>	<p>Rapid capability build aligned to your strengths</p>	<p>Improved investment decision making</p>
<b>SMART PMO</b>	<p>Experience and content-led programme management</p> <p>Perspectives from previous engagements and knowledge of what works</p> <p>Technical expertise to challenge delivery</p> <p>Best practice PMO tools and governance</p>	<p>Stakeholder alignment and reduced delivery risk</p>	<p>Quality assessment of the solution(s) against desired results</p>	<p>Prioritisation of critical path investment</p>

 PRIMARY BENEFITS

# PROPOSITION LAUNCH OLIVER WYMAN OFFERING



	OLIVER WYMAN OFFERING	REGULATORY COMPLIANCE	GROWTH AND MARKET POSITION	LONG-TERM FINANCIAL GAIN
<b>PARTICIPATION STRATEGY</b>	<p>Future market shape and commercial impacts</p> <p>Revenues at risk analytics</p> <p>Alternative business models and economics</p>	<p>Competitor, partner, and customer definition and differentiation</p>	<p>Clarity on the opportunity and your response</p>	<p>Knowledge of what is at stake</p>
<b>PROPOSITION DESIGN</b>	<p>Target segments and value proposition</p> <p>Customer journeys and experience redesign</p> <p>Commercial and pricing models</p> <p>Market and customer communication</p>	<p>PISP/AISP-enabled products</p>	<p>Ready for market proposition(s)</p>	<p>Perspective on future sources of financial strength</p>
<b>TEST &amp; LEARN INCUBATOR</b>	<p>Customer surveys and UX testing</p> <p>Pilot/PoC development to test offerings</p>	<p>Optimal solution design</p>	<p>Agile development based on customer feedback</p>	<p>Proof before large-scale financial commitment</p>

 PRIMARY BENEFITS

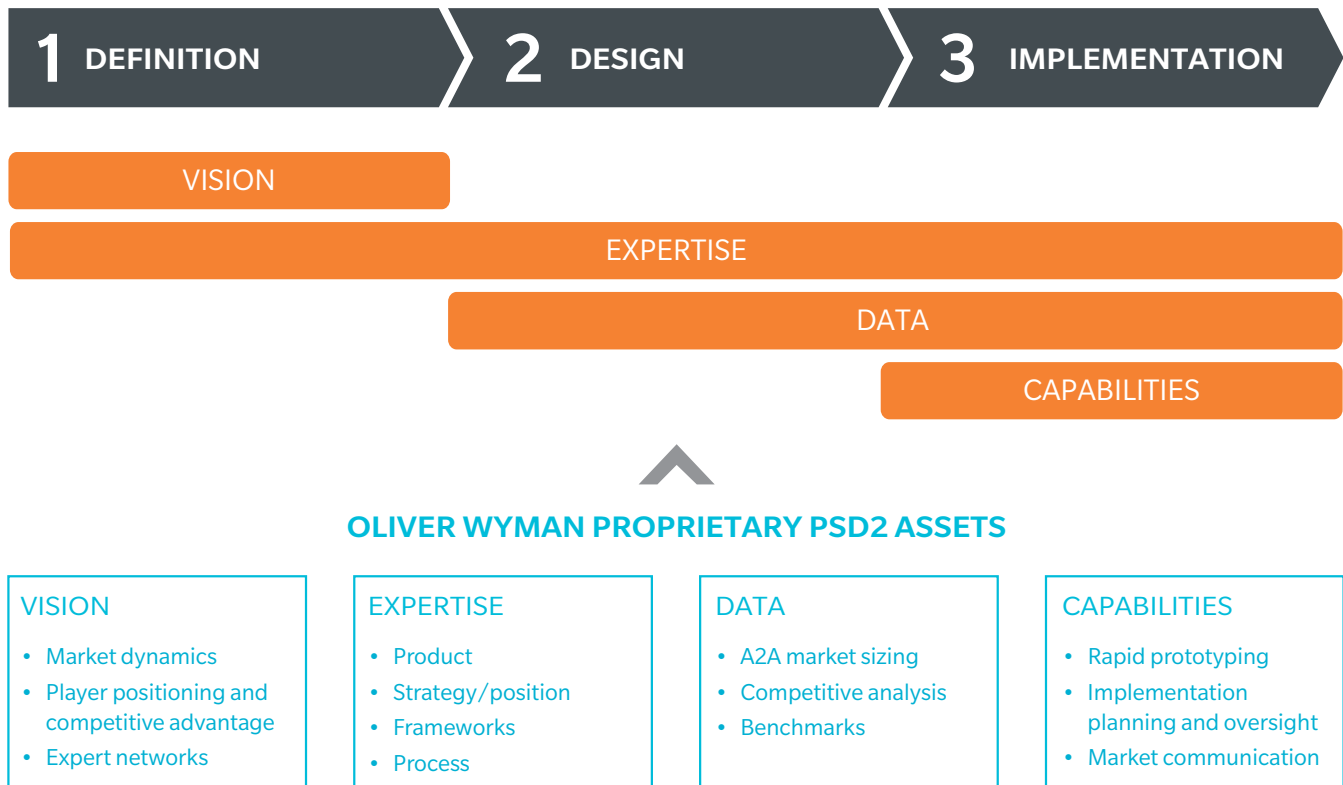
# INTERNAL DELIVERY OLIVER WYMAN OFFERING



	OLIVER WYMAN OFFERING	REGULATORY COMPLIANCE	GROWTH AND MARKET POSITION	LONG-TERM FINANCIAL GAIN
<b>OPERATING MODEL DESIGN</b>	Organisational review Resource and capability assessment Business process design	Review of business structure (new and existing)	Platform and capabilities for growth	Organisational future proofing
<b>RISK AND CAPITAL REQUIREMENTS</b>	PISP/AISP liability design Risk exposure and capital modelling Risk mitigation	Optimal protection and cover for the business	Clarity on post-transaction dispute and liability management	Manage exposure to future financial risk
<b>TECHNOLOGY SOLUTIONS</b>	Tech requirements under PSD2 Tech build lifecycle planning API build AISP/PISP build	Alignment with RTS	Technology and infrastructure to support growth	Sustainable business and commercial model
<b>FINANCIAL CRIME CONTROLS</b>	Financial crime controls impact assessment TPP fraud, ABC, sanctions, and AML framework design	Balance PSD2 with 4MLD and 2WTR compliance	Clarity on TPP requirements	Reduce exposure to financial penalties

 PRIMARY BENEFITS

# OUR PROPRIETARY ASSETS CAN SPEED UP EACH PHASE OF YOUR PSD2 PROJECT



# OLIVER WYMAN CAPABILITIES AND EXPERIENCE

## EXAMPLE COMMERCIAL ENGAGEMENTS



### REGULATORY RESPONSE

- Time-sensitive regulatory cross-program management infrastructure review for a European bank
- Review of MiFID II for a Global IB

### RISK AND CAPITAL

- TPP liability structure modelling for leading insurer
- Best in class risk management and modelling expertise

### FINANCIAL CRIME

- Impact assessment and AML and Sanctions controls design for leading European banks

### TECHNOLOGY

- Development/integration of PSD2-like capabilities for UK payments players
- Investment in FACTERN platform and recent acquisition of leading payments tech company, L-Shift

### STRATEGY AND M&A

- PSD2 strategy for a major European payments provider
- Multiple commercial due diligences of payments players

### VALUE PROPOSITION

- SME proposition design for large European acquirer
- Commercial effectiveness for a major European payment provider

### CUSTOMER JOURNEY AND UX

- Creation of a disruptive brand strategy for a retail banking entrant
- Development of retail customer UX encompassing all products/services for UK retail bank

### ORGANISATIONAL EFFECTIVENESS/ CHANGE- MANAGEMENT

- Organisational design and change-management projects at Financial Services clients across Europe

# WE ARE THOUGHT LEADERS IN TOPICS RELEVANT TO THE PAYMENTS ECOSYSTEM

*We publish a flagship report on the payments industry as a whole...*



*...as well as a detailed investigation of PSD2 implications...*



*...and a host of pieces on broader topics relevant to managing change*



# CONTACTS

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Oliver Wyman is a global leader in management consulting that combines deep industry knowledge with specialised expertise in strategy, operations, risk management, and organisation transformation.

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