

News Release

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ANZ first major bank to launch PayTo service for Billers

ANZ today announced it has become the first major bank to go live with a natively built, API-enabled, PayTo service for Billers. The first successful transaction on the service was completed with the Australian Bond Exchange (ABE) on 13 December, 2023.

ANZ's PayTo initiation service will allow businesses to send a payment agreement (a request to debit) to their customers via digital banking platforms. The biller's customers can then review and accept the payment agreement, providing authority to the biller to collect the payment. The payment agreement can be one-off or recurring.

ANZ Managing Director Transaction Banking Lisa Vasic said: "We're pleased to have worked with Australian Bond Exchange to successfully execute our first PayTo payment agreement and payment initiation, the first major bank in Australia to have done so via a solution that has been built internally.

"We see PayTo as a game changer in the account-to-account payment space, enabling the creation of new payment experiences not possible under existing payment rails in Australia. We know payment friction is real and this service will help make collecting payments, and initiating third-party payments, easier and more transparent - while also offering more control over the payments process."

ANZ Institutional's New Payments Platform (NPP) infrastructure was built using in-house capability with no dependency on third party solutions.

"Many Institutional customers are telling us they want the security and simplicity of a natively built bank-grade service, which is why we've built PayTo initiation capability in-house," Ms Vasic said.

Australian Bond Exchange Chief Executive Officer Bradley McCosker said: ""At the core of our business is a commitment to provide equal access to financial products and markets for all investors. Part of this commitment is providing Australians with clear, accurate and timely information, together with the access, tools, and services they need to make excellent financial decisions. Using ANZ's PayTo biller functionality we're able to provide our clients the ability to confirm and settle transactions in real time which helps deliver trust and security in the payments system."

Australian Payments Plus General Manager Business Payments Katrina Stuart said: "We are delighted to see ANZ come to market as the first major bank offering proprietary PayTo payment initiation services to their corporate and institutional banking customers. This will enable ANZ customers to realise the many benefits of PayTo including immediate payment confirmation, real time account validation and enhanced data for easier reconciliation."

ANZ will continue working with more customers to roll out PayTo for Billers over the coming weeks, with wider uptake expected through 2024.

How the first successful transaction worked

ABE connected into ANZ-built PayTo Application Programming Interfaces (APIs), allowing ABE to send a payment agreement to a customer to authorise. Once approved by the customer, ABE collected funds from the customer's nominated bank account.

The collection of funds by ABE was cleared and settled via the NPP infrastructure in near real-time.

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