

DebiCheck

The 31 October reality



adra

DebiCheck Timeline

- **Commence in 2012**
- **1 May 21 – No new AEDO/NAEDO mandates**
- **1 Nov 21 – No AEDO/NAEDO collections and end of migration**

But are we ready???

System failure risk

System stability

- SARB External Review caveat to 1 May 21 implementation
- Inter-bank technical stability - vs - end-to-end technical stability
- Intra-Day Failure - Incident reports i.e., transaction messaging, mandate validation etc.
- Is the system stress tested under volume?
- Major Failure Risk - What we learnt from the Nedbank incident

Was the BCP effective?

- Lack of BCP development lead time?
- Downstream end user readiness?
- Undeterminable reputational, operational and financial risk

What happens with next major bank failure?

No formal decision to develop/adopt a BCP.

Only viable BCP – bank switch to EDO but contra SARB Directive

PSSF/ADRA submission to consider a transparent, operable and developed BCP for:

- major failures, and
- “intra-day” failures.

NFTF and RFTF Functionality

- Joint PASA/PSSF task team appointed.
- Plan adopted by AC Steerco, including
 - Reconsider previously proposed solutions, including OTP (G20(D))
 - Optimize existing TT(1)(a) – USSD
 - Address bank mobile contact number database accuracy
 - Roll-out of new app based real-time solution
 - Consumer education

Balance between debits and credits

The FNB/DOA POC

- **Learnings**

- 5% of disputes has merit (majority as result of date rules)
- 35% admitted cash flow management
- 51% advised dispute lodged in error

- **DOA Recommendation**

- Introduce friction **BUT** only in EFT

- **DOA end user onboarding oversight**

- 371 end users, 65m transaction value at R8.76BN exited from NPS

Should end users be trusted or not?

Balance between debits and credits continue

Practical rule challenges

- Collections **disputable** for 12 months
- Automatic **reversibility** of collections
 - Friction: DebiCheck vs Migrated NAEDO and RMS mandates.
- **Mandate suspension** – the new cash flow management tool
 - No friction – no end user notice
- **Date rules** vs date adjustment indicator – (NCA Section 124(1)(d))
 - Weekend/public holiday “action date”
 - Festive/holiday period early salary dates
 - Bank error late file submissions

New Payments Industry “Regulator”

- SARB instruction – design a new Payments Industry Body by Dec 21.
- Objectives – fair, balanced PIB creating inter operable solutions, a level playing field etc.
- Outer core/end user participation.

Q & A