

# CUMBERLAND BUILDING SOCIETY

## An NCR case study



The building society with big-bank technology delivers on its customer promise thanks to long-term relationship with NCR

### The customer

On 16th April 1850, more than 1,000 people came together to form the Cumberland Co-operative Land and Benefit Building Society. More than 160 years later, Cumberland Building Society has 34 branches through the North West of England and South West Scotland, and assets in excess of £1.6 billion.

The Cumberland aims to be the natural choice for mortgages and savings, and a leading provider of other retail financial services in its area. As well as a range of investment products, it is one of the few building societies to offer a full current account and debit-card service.

By focusing on providing a first-class customer service, it competes successfully with much larger organizations that dominate the UK's financial services industry. It also reacts swiftly to developments in the market so that it continues to provide the services that its members want.

For more information, visit [www.ncr.com](http://www.ncr.com), or email [financial@ncr.com](mailto:financial@ncr.com).





### **The challenge**

Technology has always played an important role at the Cumberland, and the Society has long been determined to punch above its weight when it comes to providing technology-enabled services to its customers. The challenge has always been to implement cost-efficient but highly effective solutions, with UK-based support and maintenance, and low total cost of ownership to ensure the benefits of advanced customer service are not overwhelmed by costs and complexities of delivering them.

In recent years, one of the Cumberland's key objectives has been to develop the services it offers its members, particularly in relation to its current accounts. Chris McDonald, Operations & HR Director at the Cumberland, says, "Face-to-face contact remains a very important part of the service we offer. However, competitive products such as internet and mobile banking supported by current technology are also needed to ensure our continued success in today's financial services market. This is an area of customer service where we strive to excel and differentiate ourselves from our competition."

### **The solution**

Cumberland Building Society has been a client of NCR, for more than ten years. Authentic, NCR's transaction processing solution, was initially deployed to support the Cumberland's cards-based strategy, which offered an associated debit card to current account holders. The system routed purchase transactions through the Visa network, and acquired ATM transactions through the LINK and Visa networks, as well as Cumberland's own ATM network.

Offering a card product to its account holders meant the Society faced a number of changes and upgrades to its ATM switching and authorization system, including Triple-DES connectivity; compliance with the LINK Information Security Standard; adopting EMV standards as Chip and PIN went live in the UK; implementing chip-card acquiring and issuing functionality; and improved security and features at the ATM.

The Cumberland initially selected Authentic because it is built using a modern, open system architecture which could run on the Society's existing commodity hardware and software platforms. Authentic offers a transaction processing system that is easy to configure thanks to user-friendly GUI and 'point and click' functionality, as well as a flexible messaging interface that ensures it can interoperate with all necessary internal and external systems.

### **The move online**

Equally important were the high levels of configurability on offer. Authentic's ability to adapt and scale meant it would be able to meet demands as they changed over time. The advantages of the system have been demonstrated by Cumberland's internet banking service, which is supported by Authentic operating as the payments hub and central point of reference for 24x7 account balances.

At the same time, Cumberland deployed Fractals, NCR's fraud detection solution to provide an enterprise fraud detection solution to cover a number of transactions including card payments, or those that originate from an internet banking channel.



Since launching its internet banking service, the Cumberland has introduced further product and service innovations, including Pay2Mobile, Cumberland's mobile payment service. Pay2Mobile is part of 'Paym', the UK Payments Council's industry-wide mobile payments service. Pay2Mobile enables Cumberland's customers to send funds to and receive money from each other, as well as customers at most of the UK's high-street banks. Cumberland was the only building society among the five clearing bank groups to be involved in the development and launch of Paym in early 2014.

The Society has also added a number of security features, supported by the Fractals Rules Engine, which are designed to reduce the risk of fraud and ensure that customers' accounts are as secure as possible. It has also implemented SecureCard, powered by Authentic, which prevents cards being used for overseas card-present transactions without prior notice from the cardholder.

Gary Richardson, General Manager IT at the Society, explains: "Technological advances have allowed us to make everyday banking much easier and more convenient for our members. NCR, Authentic and Fractals have played a key role in delivering that."

Richardson adds, "There's no doubt that having Authentic and Fractals as our payment processing and fraud detection platforms respectively has helped us stay at the forefront of current account services in the UK. We have an excellent working relationship with NCR and its support teams. They work closely with our own IT department, which is responsible for developing, testing and implementing new products and services. As a result, we can ensure that our ideas are developed quickly, efficiently and cost-effectively."

### Benefits

Independent, mutually-owned and highly regarded by its customers, it has successfully navigated the aftermath of the financial crisis and has cemented its position as a customer-focused, stable but innovative player.

*"Obviously the Cumberland is a much smaller organization than the UK's big banks. However, because we have the right technology and the right attitude we have been able to make decisions and move quickly to develop and introduce services that are of benefit to our members."*

– Chris McDonald, Operations & HR Director  
Cumberland Building Society

Together, NCR's Authentic payment hub and Fractals fraud detection and prevention application enabled Cumberland to modernize its payment systems progressively and to introduce new facilities with minimal impact on its pre-existing core systems. The resulting system handles not just ATM and Visa debit transactions but also non-card related payments originating from Cumberland's internet banking system and inbound Faster Payments.

The Society's technology choices have enabled it to deliver on its promise of customer service, while still maintaining a streamlined, focused and relatively small team of IT experts and fraud analysts. The Society continues to raise the bar for innovation among building societies: it has recently added a contactless payment service to customers, and is working with NCR to extend its debit card portfolio to include Visa business debit cards. Other projects in the pipeline include adding direct connectivity with Visa instead of routing ATM transactions via LINK.

# Why NCR?

NCR Corporation (NYSE: NCR) is the global leader in consumer transaction technologies, turning everyday interactions with businesses into exceptional experiences. With its software, hardware, and portfolio of services, NCR enables more than 550 million transactions daily across retail, financial, travel, hospitality, telecom and technology, and small business. NCR solutions run the everyday transactions that make your life easier.

NCR is headquartered in Duluth, Georgia with over 30,000 employees and does business in 180 countries. NCR is a trademark of NCR Corporation in the United States and other countries. The company encourages investors to visit its web site which is updated regularly with financial and other important information about NCR.

McDonald points out, "I like to say we're a small organisation with big technology capabilities. With Authentic and Fractals in place, we have the technology that would normally only be seen in one of our larger competitors – without the budget that they have available to them. As a result, over 50 percent of our current accounts are now enabled for internet or mobile banking, and we have seen a significant growth in the number of day-to-day banking transactions that are carried out online, such as transferring money and amending direct debits.

He concludes, "Most importantly, our technology choices mean we can offer the best of all worlds: an innovative, multi-channel current account coupled with the face-to-face branch service that helps ensure our Society remains at the heart of the community we serve."

## Key features

- **Market:**  
UK Building Societies
- **Challenge:**  
To implement a modern payment platform that would adapt to changing requirements and support Cumberland Building Society's focus on its customers and members
- **Solution:**  
The Authentic payment platform and Fractals fraud detection solution from NCR
- **Results:**  
A customer current account that matches and often exceeds the service available from far bigger rivals

NCR continually improves products as new technologies and components become available. NCR, therefore, reserves the right to change specifications without prior notice.

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