

# YORKSHIRE BUILDING SOCIETY

## An NCR case study



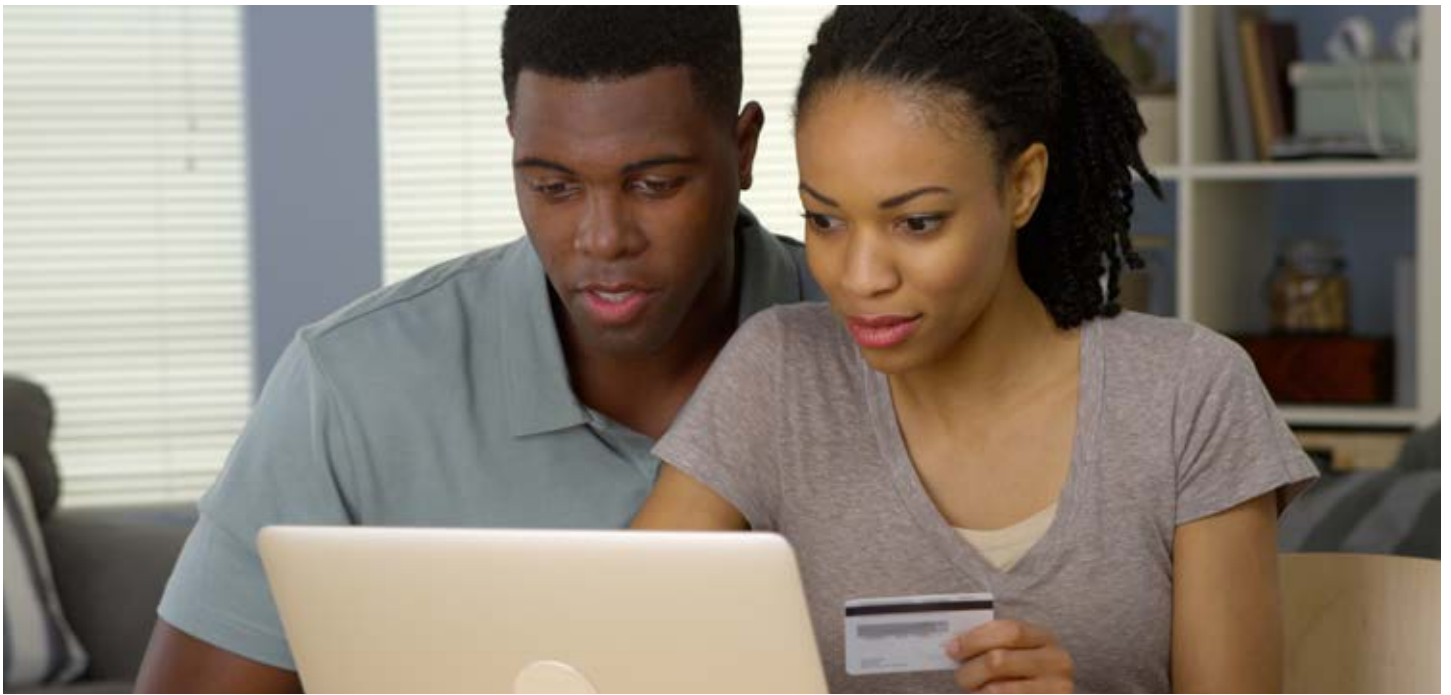
### Yorkshire Building Society enjoys steady growth supported by Authentic from NCR

#### The customer

At the end of its first year of business, the Huddersfield Equitable Permanent Benefit Building Society had six borrowers, three members of staff and assets worth just under £4,045. One hundred and fifty years, and several mergers and acquisitions later, Yorkshire Building Society—the direct descendent of the Huddersfield—has 3.4 million members, more than 4,000 staff and assets that are worth approximately £35 billion.

In the past ten years Yorkshire Building Society has absorbed the businesses of a number of fellow mutual organisations, to become the second largest building society in the UK. The success of Yorkshire Building Society is a testament to its enduring belief in maintaining a robust mutual model and focus on delivering steady, secure and reliable results for its members.

The core business of Yorkshire Building Society remains savings and mortgages. However, it also issues ATM debit cards in association with its savings accounts, which can be used across the LINK network as well as its own ATMs.



### **The challenge**

In the early 2000s, Yorkshire Building Society became one of the very first customers to sign up to the Authentic payments platform from NCR, and played a key role in the early development of the platform.

The two companies already had a well-established business relationship that centered on NCR's support for Yorkshire Building Society's legacy payment systems. However, developments in the market created a number of challenges for the Society's ATM acquiring operation. These included the need for Triple DES connectivity to both the LINK and the Society's own ATM networks; an upgrade to the LINK Information Security Standard; and improved functionality at the ATM to provide members with mini-statements, and enable them to manage deposits, transfers and bill payments.

These capabilities were not supported by Yorkshire's legacy authorisation system, and it was clear that new technology was necessary to meet the coming challenges of the 21st Century.

### **The solution**

Yorkshire Building Society turned to NCR, and became an early partner in the development of Authentic, NCR's transaction processing solution.

Authentic is an intelligent transaction processing platform that delivers conventional card-switching services as well as online banking and mobile commerce. For Yorkshire Building Society it provides essential card authorisation, routing and switching, as well as managing the connectivity to various internal and external payments systems, networks and devices. Importantly for a building society like Yorkshire, Authentic was designed to perform stand-in authorisations, which would enable members to use their ATM cards at their convenience while keeping IT management and operational costs under control.

Yorkshire Building Society was impressed by the flexibility and agility inherent to Authentic. The platform's component-based design makes it easy to meet the specific requirements of the Society's business without extensive programming, re-coding or complex customisations. Its intuitive, user-friendly interface with point-and-click functionality would also make it easier for Yorkshire's business users to implement any necessary changes without acquiring knowledge of the core processing engine.

NCR also designed Authentic to be compatible with any standard commodity hardware and software platforms. That meant Yorkshire Building Society would be able to retain its existing infrastructure and make any future investments in technology without being compromised by the demands of its card authorisation platform.

Finally, NCR offered a low-risk migration plan for a phased approach to implementation, as well as ongoing UK-based maintenance and support. Once initial installation had been completed, the NCR team carried out a few further customisations to ensure the system matched the Society's needs.

From the beginning, NCR offered Yorkshire a combination of practicality and vision it could trust. The organisation has enjoyed steady growth over the years, serving its members and surviving a number of challenging market conditions. That stability and reliability has been achieved in part by ensuring that its operating costs are carefully controlled. Yorkshire Building Society partnered with NCR because the team wanted a platform that would fit to the Society's way of thinking: that means an exceptional quality of service built on a sensible investment with low operational costs and a long-term planning.



### **The solution benefits**

Since Yorkshire Building Society first adopted Authentic, both the Society and its market have seen a number of significant changes. Having addressed the initial challenges presented by new directives for card management and security, Authentic has supported Yorkshire Building Society as it migrated its network of ATMs from Diebold to NCR machines. When the building society outsourced ATM maintenance to Bank-Machine, NCR developed a new interface to provide a data-feed on ATM activity as well as a command interface to allow Bank-Machine to control the ATMs.

As Yorkshire Building Society adopted the new ATMs, it also conducted a phased upgrade of cards managed through Authentic from magnetic stripe to chip and PIN.

Most notably, in the years following the financial crisis, Authentic has supported Yorkshire Building Society as it has increased the number of cardholders and savings accounts by absorbing accounts from several of its former rivals.

During this period, NCR supported the migration of 15,000 cards and 330,000 accounts from Chelsea Building Society on to the Authentic platform as well as the upgrade of Chelsea Building Society cards to the new EMV format, and added 110,000 accounts from the Barnsley Building Society—while maintaining them as separate brands. It also supported 500,000 savings accounts from the online financial service provider Egg.

The Society now has more than 220,000 cardholders and 2.3 million savings accounts.

The team at Yorkshire Building Society can draw on a very long heritage, but must remain prepared for change and able to address any new challenges as they emerge. Authentic has demonstrated time and time again a flexibility that has enabled Yorkshire Building Society to grow its business and adjust to changing circumstances without compromising on its service to members. As a result, the Society can look to the future safe in the knowledge that it will be able to meet its members' needs for payment services whatever they might be.

