

Bank of Ireland



Bank of Ireland Group 

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Kevin Murphy

Managing Director of Cards and Loans for Bank of Ireland

The Opportunity

Bank of Ireland sought a more robust platform that was chip-and-PIN capable. The bank’s options included selecting a third-party processor or building a new platform internally.

The Solution

Provide Bank of Ireland with processing functionality and payment systems needed to get card products to market faster, and give Bank of Ireland better control over IT processes.

The Benefits

- **Speed to market.** Launch new products faster to capitalise on forecasts that 36 percent of cardholders will allow their balances to revolve from month to month.
- **Efficiency in the payments infrastructure.** Improve control of business priorities with an integrated payments system.
- **Access to development expertise.** A shared processing environment leverages technology that’s used by major global institutions.
- **Partnership.** TSYS is a valuable extension of Bank of Ireland’s internal team.

The Case

As one of Ireland’s oldest financial institutions, Bank of Ireland has established a formidable presence in the country’s evolving credit card market. Bank of Ireland’s 800,000 commercial and consumer accounts issued through Visa, MasterCard and American Express carried more than 42 percent of Ireland’s purchase volume in 2003. Further, the bank’s credit-card business penetrated 30-35 percent of its customer base, accounting for 10-15 percent of its retail banking profits.

But Bank of Ireland’s ability to continue its growth became constrained by its complex and inefficient legacy processing systems. Sema’s CardPac software serviced its MasterCard and Visa accounts, and Prime software from American Express serviced the AmEx accounts. Bank of Ireland faced two immediate “groundbreaker” challenges: Develop and launch new products faster to capitalise on Ireland’s evolving card market, and achieve chip-and-PIN compliance before mandatory deadlines in 2005. Adapting the bank’s in-house systems to reach those objectives proved daunting.



"These were the options: choose an outsource partner or spend a significant amount of money to build an in-house solution. The cards business is complex, and we didn't have the capacity to build in house," says Kevin Murphy, managing director of cards and loans for Bank of Ireland. "It didn't make sense to build from scratch."

No one wanted to consider the most painful option of exiting the cards business completely. Ultimately, the card unit became the first major line of business in the bank's history to deploy an outsourced solution.

"TSYS offered the technology and culture that was the best match for our company. We felt like we could easily do business with TSYS," Murphy says. "We're a value-centered group at Bank of Ireland, and we wanted to ensure that our partners in a relationship that would probably extend to at least 10 years were people that we had an affinity with."

TSYS and Bank of Ireland assembled a project team of more than 100 people to tackle the bank's two entrenched legacy systems, which amounted to a complicated "double conversion." TSYS stationed consultants on-site at Bank of Ireland for more than eight months to assist as the client's in-house team navigated the conversion. The bank's legacy environment included separate systems for every financial product, which required redevelopment of 45 separate interfaces with TS2®, TSYS' core payments engine.

TSYS consistently provided superior support for Bank of Ireland during the potentially risky and stressful period inherent with any large conversion. TSYS planned and executed six mock conversions to establish confidence in a conservative bank culture. "Above all, the clients must be comfortable that they are putting the portfolio in our hands at the right time. No one wins by pushing the client into a conversion date," says Meitra Aycock, Bank of Ireland's lead relationship director at TSYS.

The complexities of the conversion helped Bank of Ireland's team realise the distinction between a technology vendor and a trusted partner. "The conversion is a mutual journey. We asked TSYS to understand our business. Don't just be the supplier of information technology, but understand what we are trying to achieve, and what TSYS can provide that will assist us in achieving our goals," Murphy says. "The TSYS culture certainly carried us through the conversion process. It runs all the way through the organisation. It's a very good fit." With the conversion successfully accomplished, Bank of Ireland is now focused on launching products that will establish it as Ireland's leading innovator in payments. Through unmatched flexibility and speed-to-market standards, TSYS is in position to propel Bank of Ireland towards their goals.

"In three to five years, we would like to be the undisputed leader in credit cards, with clear, blue water between us and our competitors in Ireland," Murphy says. "We see enough growth in our own customer base to keep us going through the next few years."

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