

PRESS RELEASE

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Retailers using Payment Initiation Services could save millions on transaction fees during the Christmas and January sales season

Retailers using PIS as a payment method this Christmas could save up to 80% of the cost per online transaction, contributing to overall savings on transaction fees of millions of pounds for the retail sector, according to leading open banking provider Yolt Technology Services.

Online retail sales have been gradually increasing throughout 2020, with the ONS reporting a 6.4% increase in online sales during October 2020, driven by early Christmas shopping. And with online sales during the week leading up to the Black Friday trading period 56% higher than in 2019, 2020's Black Friday and Christmas period is expected to break online sales records. PIS will be crucial for retailers to cope with online demand, providing an accessible user experience, and maintaining profit margins.

PIS allows consumers to complete transactions through their banking app, by using their familiar banking authentication methods, ensuring a more secure and efficient payment way than traditional card payments, as the consumer goes through the bank's security measures rather than a third party's with no settlement period or transaction cost. With the average UK transaction fee for standard payments sitting at 2%, reducing these costs at a time when physical sales are expected to drop due to shop closures will be crucial to recovering strongly from the pandemic's impact.

Leon Muis, Chief Business Officer at Yolt Technology Services, comments:

“Retailers already using PIS will have been in a better place to cope with the Christmas surge and adapt quicker to the changes brought on by the pandemic, with more consumers than ever making purchases from home rather than the high street. Those retailers who can offer the best

digital experience will come out best and PIS will be playing an important role in helping retailers deliver an efficient and faster process for consumers, while saving money at the same time.”

With the potential for retailers to save large amounts of money through lower transaction costs, it's no surprise that Yolt Technology Services' recent Unlock the Value of Open Banking report found over half (56%) of retail companies not yet using open banking systems saying they were strongly considering adoption.

Leon Muis, Chief Business Officer at Yolt Technology Services, comments:

“With the shift to digital services during the pandemic expected to become a long-term behaviour amongst consumers, PIS and open banking will only become more important. As a result, many customers may quickly start to see PIS from being an accessory to a necessity in their everyday shopping. Retailers who don't embrace PIS may find themselves losing not just on saving costs but on sales themselves, with retailers using PIS having a significant competitive edge in offering the optimal online experience for consumers.”

TPPs such as Yolt Technology Services are available to facilitate the implementation of PIS successfully for retailers in a matter of days, so retailers who don't have it over the Christmas period can get PIS in time for the sales season. Yolt Technology Services also provides other open banking services that can improve customer insights, such as account information services and data enrichment. more information, visit: <https://yts.yolt.com/>

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Notes to editors:

About Yolt Technology Services:

Yolt Technology Services unlocks its Open Banking expertise to other organisations through a single and secure API - building, managing, and maintaining AIS and PIS connections for top financial institutions and ambitious tech businesses. Yolt Technology Services is available throughout Europe and makes on average 25 million API calls each week, passing the 1 billion API call milestone in October 2020. Yolt Technology Services' was recently recognised as the Alt-Fi Open Banking Provider of the Year in their 2020 awards.

ING PROFILE

ING is a global financial institution with a strong European base, offering banking services through its operating company ING Bank. The purpose of ING Bank is empowering people to stay a step ahead in life and in business. ING Bank's more than 53,000 employees offer retail and wholesale banking services to customers in over 40 countries.

ING Group shares are listed on the exchanges of Amsterdam (INGA AS, INGA.AS), Brussels and on the New York Stock Exchange (ADRs: ING US, ING.N).

Sustainability forms an integral part of ING's strategy, evidenced by ING's ranking as Leader in the banks industry group by Sustainalytics and 'A' rating in MSCI's ratings universe. ING Group shares are included in major sustainability and Environmental, Social and governance (ESG) index products of leading providers STOXX, Morningstar and FTSE Russell.