Payment Gateway Services

SUCCESS STUDY

Mashreq Bank

UAE & Beyond: Leading the way in digital payment innovation

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About Mashreq

One of the UAE's best performing banks for five decades, Mashreq is a leading financial institution with an expanding footprint across the Middle East with international offices in Europe, Asia, Africa and the US, and a strong presence in the financial capitals of the world.

As the oldest bank in the UAE, Mashreq's journey can be traced back to humble beginnings in 1967, followed by periods of rapid growth and strategic expansion. Throughout the history, Mashreq has differentiated itself by pioneering new-to-market concepts and launching unique products and services.

Innovative approach truly sets them apart. It also continues to win the business numerous awards and accolades in all the fields of banking they operate in – Digital, Corporate, Retail, International, Treasury and Islamic, and across the multiple banking channels, including mobile, digital, online, traditional and telephony.

Background

Over the last few years, the United Arab Emirates has become a clear leader among the Gulf countries when it comes to the eCommerce.

In the mid 2000's, when the online commerce boom started, regional businesses began exploring new opportunities and by 2010 a number of online retail giants had entered the market. In 2014 the overall eCommerce spending reached $2.5 billion.

Today, the marketplace had matured considerably with wide adoption of credit cards for online transactions and eCommerce sales reaching $16 billion.

Despite that – according to Forbes Middle East – online sales in the in the region still account for only 2% of the overall retail sales making the untapped potential for e-commerce players huge. An important factor in building trust in online commerce over the last few years has also come from e-government initiatives where the process of integrating paper-based information services like utility billing/payments, traffic services, licensing, visa issuance, etc. are migrating to the online platform.

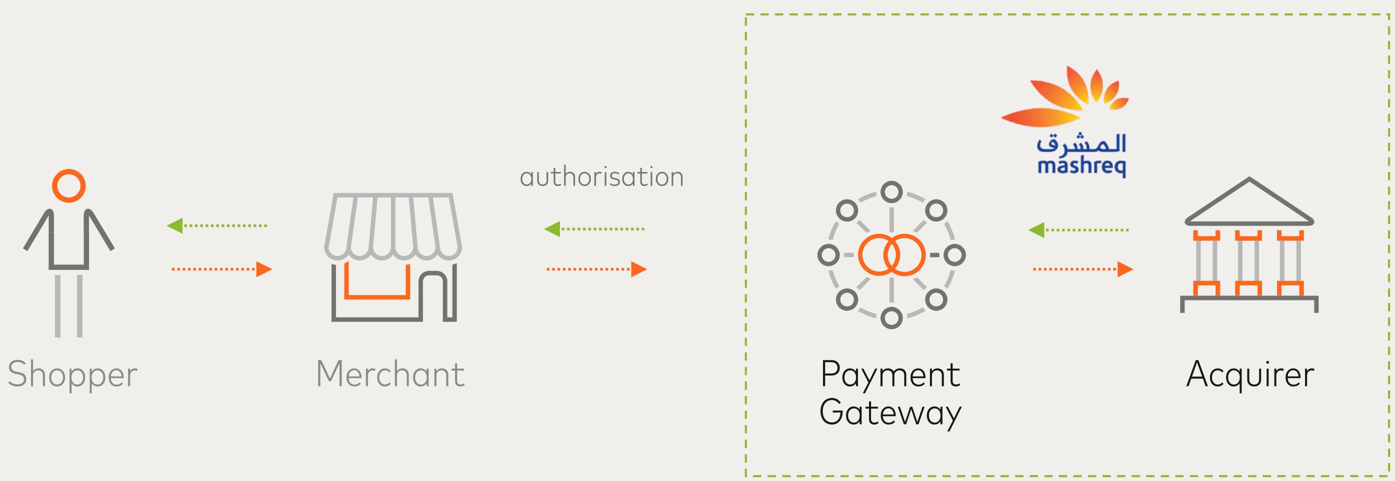
The growth has additionally been boosted by the region's young and tech-savvy population, keen to adopt new technologies and innovations.*

Business Need

With more financial transactions in the Gulf being conducted online and away from physical branches, a cashless way of life was quickly becoming a reality in early 2010s.

Mashreq Bank, one of the region's largest acquiring banks, was determined to remain ahead of the curve when it comes to digital innovation. In 2011 it decided to invest in sophisticated digital infrastructure and encourage its merchants to try new products, processes and services to drive the digital commerce landscape even further.

Adding a reliable, fast and smart payment gateway solution to the bank's existing acquiring business became a necessity.



Solution

Following an extensive evaluation of available products in the market and the cost associated with developing an in-house solution, Mashreq chose to partner with Mastercard Payment Gateway Services and integrate its industry leading White Label payment gateway as bank's own.

Selection criteria were straightforward. The gateway needed to:

- be fast, smart and highly secure
- support all key payment methods
- provide access to the latest eCommerce technology and innovations
- have global reach, with cross-border capabilities
- guarantee 99.95% uptime
- offer flexible branding options for back office interfaces as well as customer facing payment pages

Mastercard's White Label payment gateway proved to be the perfect match for Mashreq's requirements, which resulted in a quick and smooth implementation.

Today, Mashreq's gateway platform provides cutting-edge technology that enables thousands of UAE merchants to take advantage of the ever-growing e-commerce landscape, expand their business across borders and benefit from the following features:

Ease of integration
Application Programming Interface that allows seamless communication between different digital platforms, Payment Service Providers, innovative technologies and Alternative Payment Methods like Apple Pay, Samsung Pay and Alipay

Convenient checkouts and data security through tokenisation
Enabling merchants to convert sensitive customer payment data into a non-sensitive secure Token, which has no value to cybercriminals, even if data breach occurs.

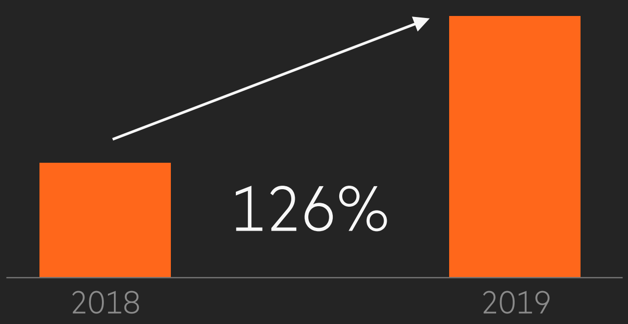
Customised Responsive Payment Pages
Allowing merchants to customise every aspect of their payment page to align with the look and feel of their website. Flexible mobile payments pages are also enabled for smartphone and tablet purchases.

Recurring Payments
Offering secure repeat/regular transactions via a subscription.

Results

Since 2011 Mashreq bank has embraced many trends, technologies and innovations to remain ahead of the curve in the digital payment world. Grasping the opportunities and meeting the challenges of today's extremely popular online services like food delivery and taxi booking apps, the bank has already attracted several well-known brands like Zomato, Talabat, Carriage, OSN and Deliveroo.

In 2019 alone the number of transactions processed through the bank's gateway has increased by 126% (YoY) allowing for hundreds of millions of secure digital purchases to take place.



Vibhor Mundhada: *SVP – Head of Merchant Acquiring, Mashreq Bank* said: 'Expectations placed on acquiring banks are constantly evolving, just like today's payment ecosystems. The changes in customer behaviour, digitization and developments in technology have led financial institutions to transform their networks to make it more convenient to both individual and business customers. Mashreq Bank has been making strategic investments that have revolutionized our operations and transformed us into a smart, connected and agile bank that helps local businesses grow and innovate with us.

We are glad that Mastercard Payment Gateway technology helped us on our path to deliver this industry leading payment platform'.

As the oldest bank in the country, Mashreq bank is fully aligned with the vision of the UAE Government to make all government utility services cashless by 2021 and is now leading the way in encouraging digital technologies and innovation.

Currently Mashreq and Mastercard Payment Gateway Services are working to introduce the first '*Tap On Phone*' solution in the region, which will help small businesses like coffee shops, grocery stores and food delivery companies to accept quick contactless card payments via an Android phone, rather than through a traditional chip & PIN terminal.

Kartik Taneja – *EVP, Head of Payments, Mashreq Bank* added: 'We continue to live up to the promise we have made to our merchants, to enhance their experience through innovation. We believe in harnessing the power of technology to create industry leading payment solutions which enable retailers to fully focus on growing their core business.

* Export.gov: United Arab Emirates - eCommerce