

Case study: scheme fee comparison study

Brief



- Optima were engaged by a **leading payment scheme** to provide an **independent price comparison study** for a European issuing and acquiring bank.
- We were to indicate through an in-depth analyses, the **comparative costs** on a like-for-like basis of transferring all volumes to one scheme provider.

Approach



- Using our own **proprietary models and data sets**, as well as **reported business volumes**, we performed a core fee comparison for the bank.
- We showed the impact of **various migration options** on the total fees paid to both schemes.
- Our comparison also included growth rates , enabling the comparison to allow for a **5 year projection of fees**.

Results



- Our results showed a **significant price advantage** for scheme migration, based on the supplied portfolio data.
- This price advantage was a **~€0.5m annual cost saving**.
- In addition, we found a **significant billing anomaly** that indicated an **overcharging** (+35% of core fees), which would enable the bank to raise a scheme dispute.

Impact



- Through our comparison we were able to show **demonstrable savings** of a volume migration.
- Our analysis enabled the bank to weigh up their options through a portrayal of **various business case scenarios**.
- We were also able to highlight **additional risks, issues and further avenue of investigation** that would have a positive impact for the bank.