



CMP 8.12

Payments Functionality Guide

Version 1.0

Classification: **Customer Confidential**

Find out how MDS Global makes it easy

mdsglobal.com

Copyright

© MDS Global 2023

THE CONTENTS OF THIS DOCUMENT ARE THE COPYRIGHT OF MDS GLOBAL LTD. ALL RIGHTS RESERVED. THIS DOCUMENT OR PARTS THEREOF MAY NOT BE REPRODUCED IN ANY FORM WITHOUT THE WRITTEN PERMISSION OF MDS GLOBAL.

Confidentiality

This document contains information that is proprietary to MDS Global and is confidential. The original recipient of this document may duplicate this document in whole or in part for internal distribution only, provided that this entire notice appears in all copies. This document and its contents may not otherwise be reproduced, distributed or disclosed. The recipient agrees to make every effort to prevent the unauthorised use, distribution or disclosure of the proprietary information contained in this document.

Disclaimer

No representation or warranty is contained in, made or given by this document or the information contained within it and no warranty or representation is made or to be implied that the information contained in this document is complete, up to date, accurate or fit for the purpose for which this document is supplied. In no event shall MDS Global be liable for incidental or consequential damages or loss in connection with, or arising from its use, whether MDS Global was made aware of the probability of such damages or loss arising or not.

Trademarks

The grey and red symbol above is an unregistered trademark of MDS Global Ltd. Other trademarks referred to within this document are the property of their respective trademark holders.

Contact Details

Please visit www.mdsglobal.com for further information on MDS Global products, solutions and services.

ISO 22301 standard is applicable to MDS Global Business Operations.



Table of Contents

Table of Contents	ii
Version Control	iii
Terms Used in this Document	iv
1.0 Introduction	1
1. 1 Required Reading	1
2.0 Payments	2
3.0 Setting Recurring Payments	3
3. 1 UK Direct Debit (BACS)	3
3. 1. 1 Failed UK Direct Debit Refunds (AWACS)	3
3. 2 Recurring Card Payments	4
4.0 Applying Refunds	5
5.0 Processing Recurring Payments	6
5. 1 UK Direct Debit Process	6
5. 1. 1 UK Direct Debit Refunds	6
5. 1. 2 UK Direct Debit Rejections (ARUDD)	7
5. 1. 3 UK Direct Debit Refund Rejections (ARUCS)	7
5. 2 Recurring Card Payments	7
5. 2. 1 Stored Card Refunds	8
5. 2. 2 Generic Recurring Credit Card Payments	8
6.0 Processing One-Off Payments	10
6. 1 One-Off Card Payments	10
6. 1. 1 Enter New Card Details	10
6. 1. 2 Select Existing Card	11
6. 2 Batch Payment Upload	11
6. 3 Cash Matching	11
7.0 Additional Payment Information	13
7. 1 Direct Debit	13
7. 1. 1 UK Direct Debit Scheme	13
7. 1. 2 Third Party Payment Handler	14
7. 2 Third Party Card Payment Providers	14
7. 3 Datacash	14
7. 4 Recurring Payment Suspension	14
7. 5 Unallocated account	15
7. 6 Third Party Software	15

Version Control

Version	Issue Date	Author	Comments
Version 1.0	11 July 2023	MDS	CMP 8.12 Release - No changes since the last release.

Terms Used in this Document

For definitions and explanations of the terms, abbreviations and acronyms used in this document, please see the *CMP Glossary* document.

1.0 Introduction

This document includes a high-level description of the functional components of the CMP Payment features and how the different components interact.

This is a non-technical document and does not include low-level technical details or deployment information. While some individual screens are shown for illustrative purposes, detailed user processes are not described here.

1.1 Required Reading

This document assumes prior knowledge of the following documents:

- CMP Overview

2.0 Payments

CMP Payment functionality allows subscribers to make payments and have those payments reflected on their CMP account.

The customer's chosen payment method is reflected by the Payment Type recorded against an account and displayed against subscriptions.

CMP supports:

- Recurring UK BACS Direct Debit scheme
- Recurring debit/credit card
- One-off debit/credit card
- Bulk one-off payments
- Refunds

Payments can be made directly from the CMP GUI or taken via third party applications such as sales order portals, self-care applications, and Integrated Voice Recognition (IVR). Payments taken by a third party are recorded in CMP using the Record Payment web service.

Third parties such as Debt Collection Agencies (DRA) and Finance (Banks) can also provide payment information using CMP's Generic Payment Upload feature.

For descriptions and definitions of the terminology used in this document, see the section *Additional Payment Information*.

3.0 Setting Recurring Payments

When an account is created, the user navigates through the **account Creation Wizard** in the CMP GUI selecting the required Payment Type and entering the payment details.

CMP accounts can also be created via self-care applications and third party systems using the Create account web service where Payment Type is a parameter.

3.1 UK Direct Debit (BACS)

Where the customer chooses to pay via UK Direct Debit (Bankers Automated Clearing Services or BACS), the following must be specified:

- Payment Type
- Payment Terms
- Bank account Number
- Bank account Sort Code
- Name of Payer
- Set Up Method

All Direct Debit fields have standard validation to ensure the correct value type and length are entered. CMP Modulus Checking can also be applied to validate combinations of bank account numbers and sort codes.

When the user has completed the account Creation Wizard, the **Account Summary** screen opens with the Payment Type shown as **Direct Debit**.

New, amended or cancelled Direct Debit Instructions are extracted daily from CMP in the Automated Direct Debit Instruction Service (AUDDIS) extract. The AUDDIS extract is sent to a third party Payment Handler to be transmitted to BACS for processing.

If no response is received from BACS, the Direct Debit Instruction is successful.

If a Direct Debit Instruction is unsuccessful, details of the failure including a reason code are returned from BACS, via the third party Payment Handler, in the Automated Direct Debit Amendment and Cancellation Service (ADDACS) extract.

CMP processes ADDACS files, taking the appropriate configurable action against the account. Example actions include but are not limited to:

- Cancelling the Direct Debit, changing the Payment Type to the default Payment Type
- Requesting that Direct Debit details are changed and resubmitted

3.1.1 Failed UK Direct Debit Refunds (AWACS)

Advice of Wrong Account for Automated Credits Service or AWACS files contain the details of failed refunds where the receiving bank is able to identify the correct bank

account details or where a customer's bank account has been transferred to a new bank.

Incoming AWACS files are collected from the third party Payment Handler via SFTP and returned to CMP for manual processing by the Managed Service or the Service Provider.

The user updates the Direct Debit details stored against the account with the correct details supplied in the AWACS file. The configured AWACS Reason Code must be selected prior to confirming the changes.

3.2 Recurring Card Payments

The appropriate credit or debit card Payment Type must be specified if the customer chooses to pay via credit or debit card.

At this stage, CMP informs the user that the account will be created temporarily using the configured default Payment Type.

When the account Creation Wizard is completed, the third party Payment Provider's interface is initiated in the default web browser to set up, validate and store the card details as follows:

- The user enters the customer's card details in the Payment Provider's screen.
- The Payment Provider's interface validates the entered card details and displays a confirmation message.
- Successful responses include a unique card reference token, which is stored in CMP for use in future payment requests. Full card details are not stored in CMP.
- The user then returns to the CMP GUI to the account Summary where the selected card Payment Type is displayed.
- An error message is displayed in the browser in the event of an unsuccessful Payment Provider validation response.

The user can initiate a Payment Type change, re-entering the credit or debit card details from the account Summary.

4.0 Applying Refunds

A refund on CMP debits the sales ledger account by the refund amount. The payment interface associated with the refund (for example BACS or card provider) is then responsible for crediting the money to the customer's bank account.

To apply a refund in CMP, users add a refund to a selected Financials transaction in the **Account Summary**, and supply the following information:

- Refund Amount
- Remark
- Reason
- Refund Method

Once a refund has been added, users can use the **Financials** option, **Refund**, to view the refund details in the **Account Summary**.

A newly added refund has the status "Awaiting Approval". A Workflow Event is automatically raised for the required Service Provider's team to approve.

Alternatively, CMP can be configured to create refunds with the status "Auto Approved", removing the need for manual approval.

5.0 Processing Recurring Payments

When a customer's bill payment becomes due, CMP can automatically collect payments through the following payment schemes:

- UK Direct Debit Process
- Recurring Card Payments

5.1 UK Direct Debit Process

Direct Debit payments due to be paid are extracted from CMP in the Direct Debit extract. Customers who have payments due are identified using the calculation: `current date + predefined number of days`.

Direct Debit extracts are transmitted to BACS via a third party Payment Handler for processing.

BACS processes Direct Debits in accordance with the following Payment Cycle:

- Day One - Input - Direct Debit details transmitted to BACS
- Day Two - Processing - Accepted data is processed (the working day before Entry day)
- Day Three - Entry - Direct Debits are debited or credited to destination Bank accounts

CMP posts transactions to the CMP Sales Ledger when Direct Debit Extracts are transmitted, assuming success of the payment.

Transactions are immediately posted to the Sales Ledger with a calculated Posting Date representing when the customer's bank account is debited or credited - `BACS Processing Date (Day Two) + 1 day` - and CMP determines if that is a valid BACS date.

BACS processing occurs on 'working days' (Monday - Friday with the exclusion of Bank Holidays); so the date is incremented until a valid BACS day is found.

5.1.1 UK Direct Debit Refunds

Authorised Direct Debit refund requests yet to be processed are also extracted from CMP in the Direct Debit Extract.

Refund transactions are posted to the Sales Ledger using the calculated Posting Date representing when the customer's bank account is credited.

Where a customer has both a due debit amount and an approved refund, CMP creates two separate transactions in the Direct Debit extract.

5. 1. 2 UK Direct Debit Rejections (ARUDD)

Payment and rejection details are returned to CMP in the Automated Return of Unpaid Direct Debit (ARUDD) files if the bank is unable to process the payment. ARUDD files are collected from the third party Payment Handler for processing by CMP.

A reversal of the payment is applied in the CMP Ledger and the invoice is reopened during ARRUD processing.

Each returned payment includes a reason code. Configurable CMP parameters determine whether a Hard or Soft Decline has been returned and the required process to be carried out:

- Soft Declines are a result of a temporary error. Payments with Soft Declines can be retried a specific number of times by including the failed payment on a future Direct Debit extract. The number of retries for a specific reason code is configurable in CMP. Once the maximum number of retries is reached the Direct Debit payment is cancelled and treated as a Hard Decline.
- Hard Declines are permanent errors and are not retried. A Hard Decline results in CMP automatically changing the customer's Payment Type to the configured default.

Each BACS reason code and number of retries for Soft Declines has an associated Workflow Event and the appropriate actions to be automatically completed depending on the failure reason.

5. 1. 3 UK Direct Debit Refund Rejections (ARUCS)

Rejected refund details are returned to CMP in the Automated Return of Unapplied Credits Service (ARUCS) file if the bank is unable to process the payment. ARUCS files are collected from the third party Payment Handler for processing by CMP.

Refunds are manually reversed in the Sales Ledgers by the Managed Service and a Workflow Event is raised with the refund rejection details.

Rejected refunds are not retried. If required, the refund must be manually raised again by the appropriate Service Provider team.

5. 2 Recurring Card Payments

CMP's Recurring Card Payment process identifies all accounts with a Payment Type of Credit Card or Debit Card that have an Open Balance due to be paid.

A request is passed to the Payment Provider for each payment due. Once submitted the payment in CMP is updated to a status of *Pending*, restricting the payment from being resubmitted until a response is received.

The Payment Provider will return a response code indicating whether a payment has been successful:

- If a payment is successful, the successful payment response code is recorded and the payment is posted to the CMP ledgers.
- If a payment is unsuccessful, the unsuccessful response code is recorded and the required Workflow Event is raised, triggering any actions required. No amount is posted to the CMP ledgers.

Optionally, a Minimum Payment Amount can be specified in CMP. That is, if the Open Amount to be collected is below the minimum amount, the payment will not be requested.

5. 2. 1 Stored Card Refunds

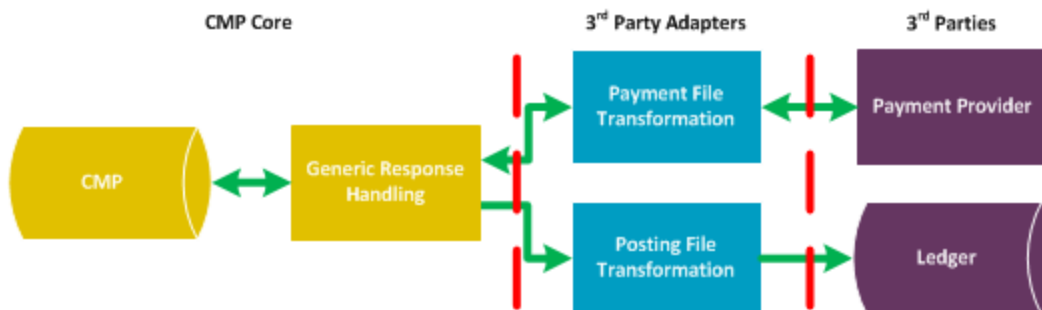
Credit or debit card refunds can be completed only if supported by the third party Payment Provider.

Standard Refund functionality is used to create the refund request in CMP before redirecting to the third party Payment Provider to complete the transaction.

Integration to third party Payment Providers is assessed on a per Service Provider basis.

5. 2. 2 Generic Recurring Credit Card Payments

The CMP Generic Credit Card Payment interface provides a standard, generic output and input format for the handling of recurring credit card payments. The interface assumes the card details have been stored in a secure manner in the payment provider system:



The generic recurring credit card payment functionality extracts payments and refunds from CMP when they are due and includes them in a generic JSON file.

The JSON formatted files can be converted by a third party adapter to the required format expected by the payment provider. Once extracted, the customer's account Balance is updated.

i Third party adapters can be created by MDS Global, Service Providers, systems integrators etc.

Payment response files, typically for errors only, can be processed back into CMP in a JSON formatted file. An adapter can again be used to convert files to the required file format if the payment provider cannot confirm to the JSON format expected. Depending on the error, the payment may be retried (soft decline) or the customer's payment type will be changed to facilitate collection via alternative means (hard decline).

6.0 Processing One-Off Payments

One-off Payments are typically made by CMP users on behalf of customers calling the contact centre via the CMP GUI. One-off Payments can also be made via third party self-care applications and interactive voice response systems (IVR) using the Record Payment web service.

One-off Payments can be made using an existing or new credit/debit card or via batch CMP functionality.

6.1 One-Off Card Payments

If the customer chooses to make a one-off credit or debit card payment, the users must navigate to the **account Summary**, via the menu path **Financials > Online Payments** selecting the **Add Payment** option, launching the **Payments Wizard**.

- If configured, a **Card Decision** screen is displayed to the user to select an existing credit or debit card stored against the account or enter new credit/debit card details
- If not configured, the Payments Wizard will launch the **Add Payment Details** screen



The **Card Decision screen** will be configured if the Payment Provider supports new and existing credit/debit card payments.

6.1.1 Enter New Card Details

The user will be given the option to **Store Card?** for use in future one-off payments before entering the payment Amount and Reason.

On confirmation of the details entered, the third party Payment Provider interface is launched in the default browser and the customer's credit or debit card details are entered on the screen displayed.

The Payment Provider returns a response code indicating whether a payment has been successful or not:

- When a successful payment response is returned, payments are posted to the Sales Ledgers, updating the account Balance .
- If unsuccessful, the configured Workflow Event is raised triggering any Actions. No amount is posted to the customer's account.

All responses are recorded in CMP for auditing purposes and displayed on the Online Payments screen with the appropriate status.

6. 1. 2 Select Existing Card

The user must select the card chosen by the customer to make a payment from the list of cards previously used and stored, before entering the payment Amount and Reason.

On confirmation of the details entered the third party Payment Provider interface is launched in the default browser and the selected credit or debit card details are automatically populated. The user must enter the customer's CSC code before submitting the payment request.

The Payment Provider will return a response code indicating whether a payment has been successful:

- When a successful payment response is returned, payments are posted to the Ledgers, updating the account Balance,
- If unsuccessful, the configured Workflow Event is raised triggering any Actions. No amount is posted to the customer's account.

All responses are recorded in CMP for auditing purposes and displayed on the Online Payments screen with the appropriate status.

6. 2 Batch Payment Upload

Service Providers can have the ability to accept one-off payments via third parties outside of CMP, for example direct bank transfers and cheques.

To accurately reflect these transactions, payment details must be specified in a CMP Batch Payment Upload extract.

CMP searches for an account matching the account Number specified in an extract:

- If an account is successfully identified, CMP posts the payment details to the Sales Ledgers, updating the account Balance .
- If the CMP account cannot be identified the payment is posted to the configured Unallocated account, requiring manual investigation by the Managed Service to be processed.

Payments posted to the Sales Ledger will be matched to invoices via CMP Cash Matching.

6. 3 Cash Matching

Because payments can be received from third parties via Generic Payment Upload functionality, when a payment is posted to the customer's Sales Ledgers the payment will be posted but not applied to an invoice. That is, the invoice will remain open even when the account Balance is zero.

Configurable Cash Matching rules identify how unapplied payments are matched and applied to accounts, reducing the number of unapplied open transactions.

Typically, a payment covers the full open amount and will close an invoice.

7.0 Additional Payment Information

7.1 Direct Debit

CMP supports the BACS UK Direct Debit Scheme for the electronic processing of Direct Debits.

7.1.1 UK Direct Debit Scheme

BACS (Bankers Automated Clearing Services) is the company that runs the Direct Debit Scheme in the UK.

The BACS Direct Debit Scheme allows Service Providers to regularly collect recurring payments from their customer base.

The Service Provider and the end customer must agree the amount to be claimed and the date of collection. Once agreed, the agreed amount is automatically debited from the end customer's bank account and credited to the Service Provider's bank account.

The BACS UK Direct Debit Scheme is made up of six extracts controlling how debits and credits are applied:

- AUDDIS (Automated Direct Debit Instruction Service) extracts automates the lodgement of Direct Debit Instructions from the Service Provider (Originator) to the end customer's (payer's) bank electronically.
- ADDACS (Automated Direct Debit Amendment and Cancellation Service) extracts contain details of any invalid Direct Debit Instructions for CMP to process.
- Direct Debit extract contains details of Direct Debit payments due for collection. Direct Debit extracts are transmitted to BACS to debit the required amount from the end customer.
- ARUDD (Automated Return of Unpaid Direct Debit) extracts contain details of payments that are unable to be processed by the banks. ARUDD extracts are sent from BACS to CMP for processing.
- ARUCS (Automated Return of Unapplied Credits Service) extracts contain details of refunds which are unable to be processed by the banks. ARUCS extracts are sent to CMP for processing.
- AWACS (Advice of Wrong account for Automated Credits Service) extracts contain details of changes to Direct Debit details when the receiving bank has identified and corrected incorrectly provided details. AWACS extracts are sent to CMP processing.



For guides and rules for the Direct Debit Scheme, see the BACs website:

<https://www.bacs.co.uk/resources/direct-debit-and-bacs-direct-credit-guide-and-rules/>.

7. 1. 2 Third Party Payment Handler

Service Providers can use a third party Payment Handler to manage the transfer of BACS Direct Debit Scheme files from CMP to BACS and vice versa. This option is controlled at a CMP environment level.

Third party Payment Handlers also complete any file conversion before being processed by CMP or BACS.

Integration to third party payment handler is considered during individual customer implementation. Examples of third party payment handlers include Albany/Bottomline, Experian, and PaymentTech.

7. 2 Third Party Card Payment Providers

Third party Payment Providers allow credit or debit card payments to be taken and stored in line with the Payment Card Industry Data Security Standards (PCI DSS).

All recurring and one-off credit/debit card payments are taken outside of CMP with only a card reference token being stored against a customer's account. The card reference token is used for future payment requests, minimising the CMP exposure to PCI-DSS compliance.

Examples of Payment Providers include DataCash and Verifone.

7. 3 Datacash

DataCash's Hosted Card Capture (HCC) solution provides the functionality for a CMP user to enter card details directly into the DataCash system. DataCash returns a response code indicating success or failure of the request. Successful responses include a unique card reference token to be stored in CMP for use in future payment requests. DataCash is the MDS Global preferred Hosted Card Capture solution.

7. 4 Recurring Payment Suspension

Customers with a recurring payment method can request to suspend payment for a period time if they are aware of a reason the payment will fail, such as. insufficient funds in bank account.

Users can edit the customer's account selecting to **Suspend From Payment** specifying the **From Date** and **To Date** the suspension should be applied. Once the To Date is passed, any payments previously suspended will be attempted.

7.5 Unallocated account

When payments are processed via third parties, outside of CMP, it is possible the required CMP account cannot be identified. In this scenario, CMP will post the payment to the Unallocated account.

Business Operations is responsible for identifying the correct account to associate the unallocated payments to, and then move the payments to that account.

7.6 Third Party Software

CMP has its own Sales Ledger to provide general ledger functionality. However, CMP can be integrated with third party financials software such as JD Edwards (Oracle). If this is the case, all bills and payments captured in the CMP Sales Ledger are duplicated to the third party software ledgers and updates to the system are managed as part of standard CMP functionality.