

EBIDS PILOT

Electronic Billing Information Delivery Service

The EBIDS (the Electronic Billing and Information Delivery Service) pilot is demonstrating a bank-centric solution for electronic bill presentment and payment (EBPP) using existing infrastructure. The vision for EBIDS is to develop standards that make ebilling/payment as easy as Direct Deposit. NACHA formats and rules will enable banks, billers, and ebilling providers to standardize EBPP applications.

In the EBIDS process, billers will deliver ebills to consumer financial institutions and receive corresponding credit payments – with appropriate remittance – all through the ACH Network. Importantly, EBIDS offers a new revenue paradigm as an incentive for consumer financial institutions (CFIs) to participate, and further enhances the value of the online banking channel.

The basic process flow includes these steps:

- A biller's corporate bank (the biller financial institution - BFI) sponsors a biller to participate in EBIDS, and enrolls the biller in the EBIDS Biller Directory.
- The consumer – through his bank's (the consumer financial institution - CFI) Internet banking service, enrolls to receive an ebill from the biller.
- The enrollment is transmitted via the ACH to the BFI, and the enrollment request is processed by the biller.
- On the next bill cycle, the biller provides bill data to the BFI, which then transmits the bill file to the CFI.
- The consumer views the ebill through the CFI's Internet banking service, and authorizes payment.

By extending current infrastructure, EBIDS offers these benefits for financial institutions:

- Inter-bank fee revenue for CFIs for each ebill enrollment originated and ebill received.
- Transaction revenue for BFIs for each enrollment, bill presentment, or bill payment originated/received for the biller.
- A greater revenue opportunity for those banks that are both a CFI and BFI and can process "on-us" transactions.
- Increased availability of ebills by establishing industry standards (including the opportunity to include medium/small billers), and a least cost routing option for corresponding payments.
- Decreased possibility for user errors and corresponding returns.
- Potential applicability to web banking for businesses.

Billers and consumers will benefit too from EBIDS. Billers have the opportunity to disseminate ebills through a wider network, and will receive guaranteed credit payments – with correct remittance. Meanwhile, consumers maintain the privacy of their bank account number, and retain control over the timing of the payments.

EBIDS also demonstrates key processes that will help the ACH Network to evolve:

- EBIDS is pioneering the Biller Directory concept, which will enable banks to send more payments to participating billers.
- EBIDS is pioneering the next generation of remittance data with the use of XML.
- EBIDS is pioneering the linkage of ACH transactions to data residing in external systems via SAML to enable a single-sign on.

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