

A GUIDE TO LAUNCHING AND GROWING A CARD AND PAYMENT PROPOSITION



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CARDHOLDERS NAME
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FINTECH IS BIG BUSINESS, AND THE COVID-19 PANDEMIC SEEMS TO HAVE ONLY ACCELERATED THE PACE OF THE SECTOR'S DEVELOPMENT.

In 2021, the fintech sector attracted \$102bn in investment. London alone plays host to over 2,500 fintech companies, and there are thought to be well over 25,000 startups operating in the space worldwide.

In such a competitive sector, speed to market is everything.

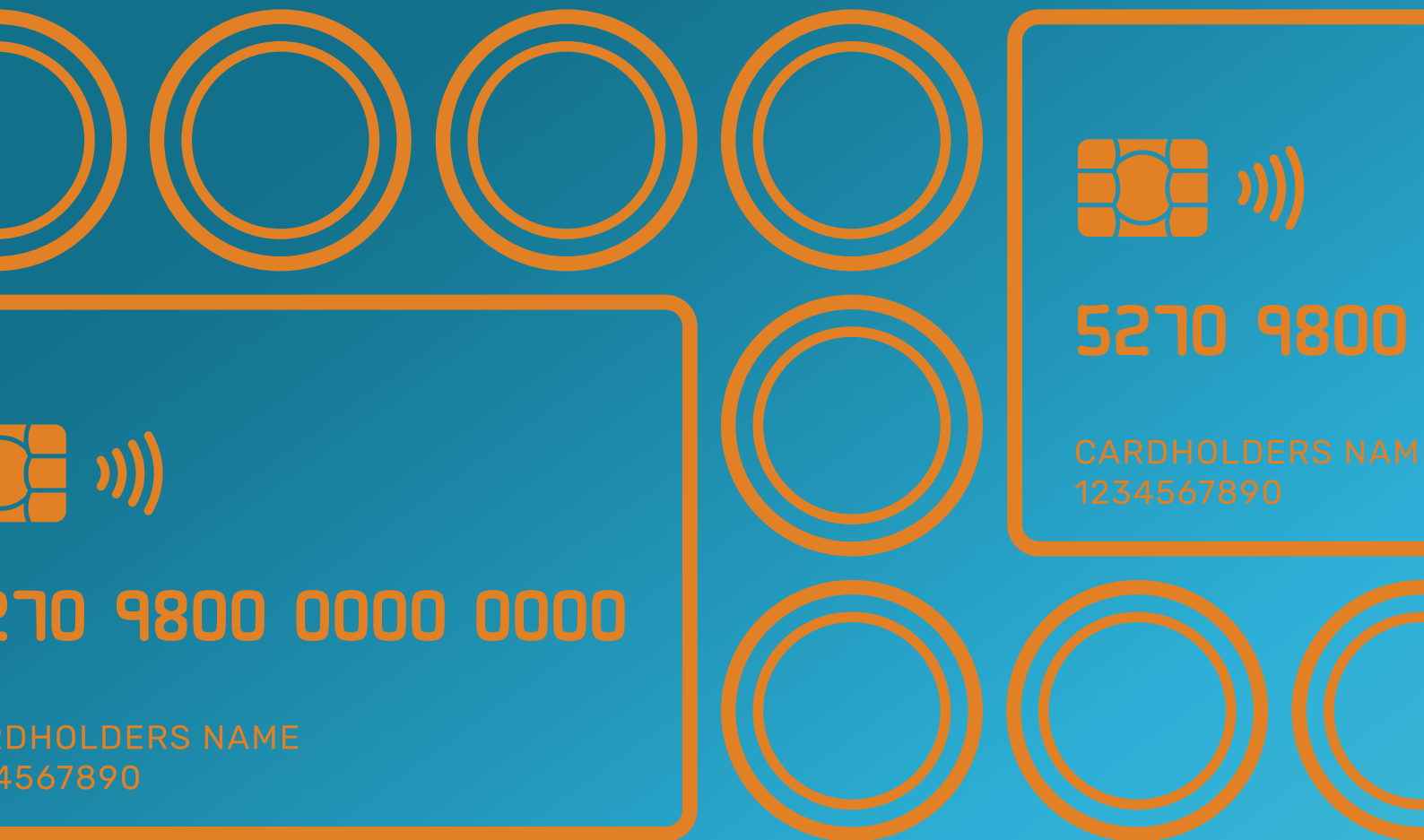
Speed to market can have a measurable impact on your startup's long-term success. Bringing your fintech offering to market quickly allows you to outmanoeuvre direct competitors, establish early brand loyalty with customers, and use resources and investment effectively by minimising costs with a shorter development roadmap.

Launching faster also puts your product in front of potential users more quickly, giving you first-hand insights and feedback at a much earlier stage and providing vital data for further development of your offering.

Regulatory barriers are restricting fintech innovation.

Even once fintech startups bring their propositions to market, there are numerous barriers to growth. Many new companies find themselves overwhelmed by the level and complexity of red tape surrounding financial regulation, particularly in the face of international regulation, with 47% citing regulatory compliance issues as the main barrier to international growth.





B4B PAYMENTS IS POWERING A NEW GENERATION OF FINTECH GROWTH.

In this guide, we'll show you how our market-leading unbundled financial infrastructure and next-generation BIN Sponsorship 2.0 solution can support you to launch a new card and payments offering and get to market more quickly.

We'll also show you how our services can support you as you scale your business, with flexible bridging solutions and expert support to ensure our services scale alongside you, leaving you free to innovate.

STEPS TO A SUCCESSFUL LAUNCH

There are a few key stages to consider in your card and payment proposition launch:



INFRASTRUCTURE:

What financial services will you offer, and what technology will you use to deliver them?



LICENSES:

How will you gain authorisation to offer financial services in your target locations?



COMPLIANCE:

How will you stay compliant with regulatory requirements?



SCALE:

How will you develop your offering as your company grows?

In this guide, we'll walk you through each stage of the process, step by step.

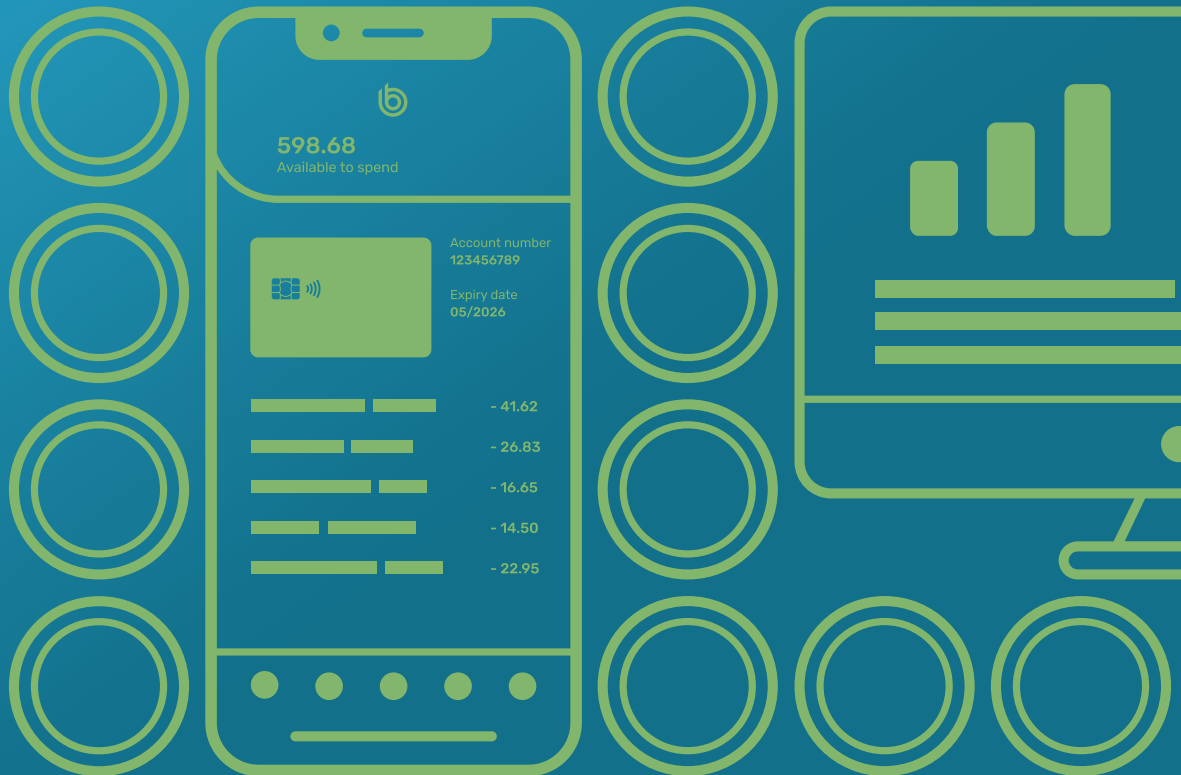
INFRASTRUCTURE

> THE OLD WAY

Build payment infrastructure from scratch based on creaky, aging banking systems.

> THE B4B WAY

Leverage our tried-and-tested platforms for card issuing, payment accounts and FX. Integrate easily via our robust APIs and webhook functionality.



OUR UNBUNDLED FINANCIAL INFRASTRUCTURE

Our unbundled financial infrastructure is powering a new wave of fintech companies to success.

Choose from a flexible range of solutions for every stage of your growth cycle.



INFRASTRUCTURE

Embedded Cards

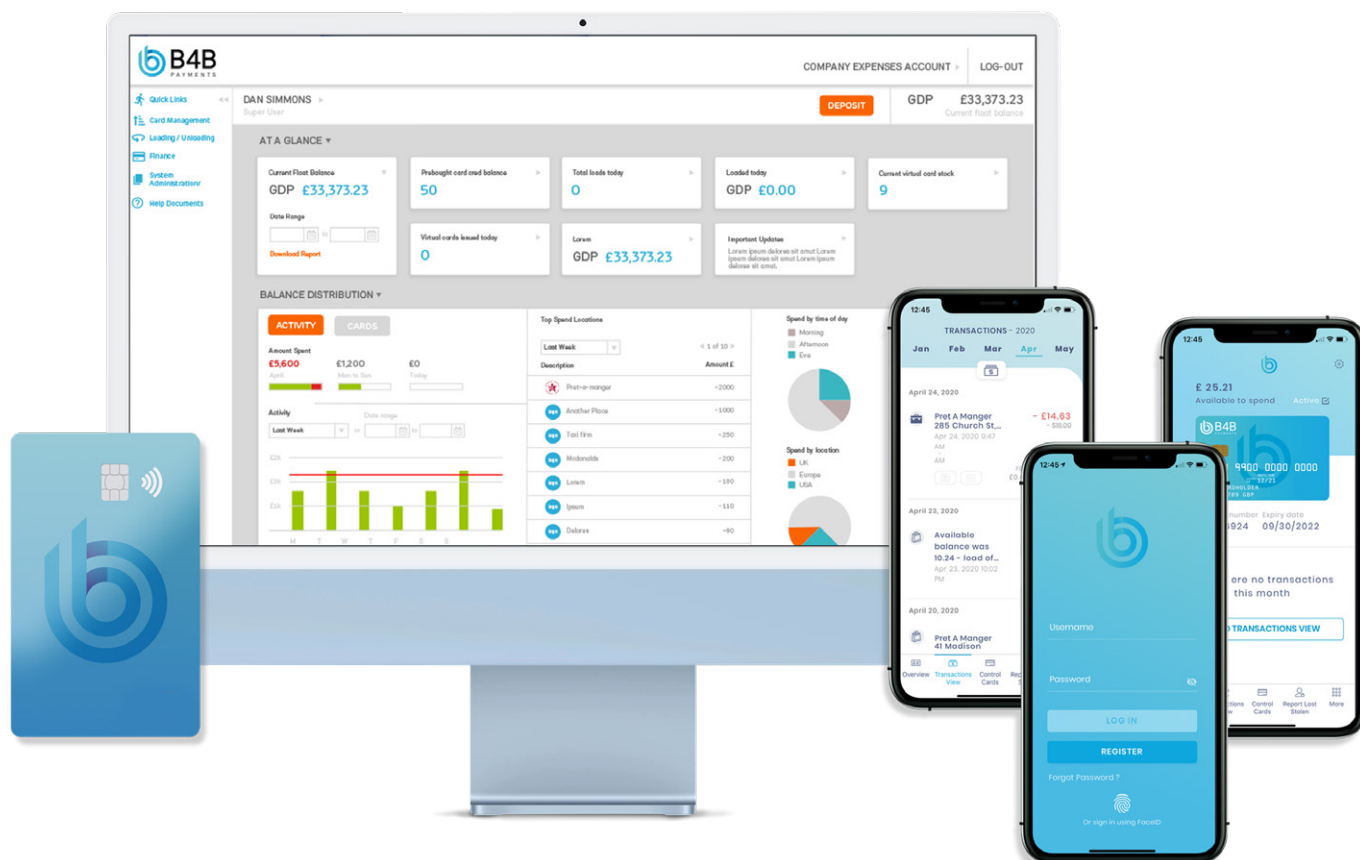
Launch your own Cards as a Service proposition in weeks on top of our scalable and secure platform, fully tailored to your needs. Choose MasterCard or Visa, physical virtual or mobile, biometric and eco-friendly.

- **Fully-branded physical or virtual prepaid cards, or Apple Pay/Google Pay digital wallet credentials**
- **Configurable usage restrictions to suit hundreds of use cases**
- **Issue ten or tens of thousands of cards, with easy management via our powerful portal.**
- **Two-Factor Authentication/One-Time Password as standard on all cards**
- **Offer market-leading biometric ID+V cardholder login security.**

Embedded Payments

We offer everything you need to launch and manage Payments as a Service. With our Payments Accounts, you can inform your merchant that funds have been received instantly via webhooks that provide real-time notification upon receipt of funds.

- **Better CX: Much better service for the Merchant**
- **Multi-currency: Payments received in GBP, EUR and DKK and settled in 25 currencies**
- **Scalability: An unlimited amount of VIBANs can be assigned**
- **Real-time: Instant notification on receipt of funds.**





Embedded Accounts & FX

Leverage our payment accounts to make and receive international payments in multiple currencies, with faster processing and more control over foreign exchange fees.

- **Accounts with VIBAN, IBAN, Sort Code and Account Number**
- **Account in EUR/GBP/USD, receive payments in 25 different currencies.**
- **Send payments via SWIFT, Faster Payments, CHAPS, SEPA and local clearing in the USA (ACH) and DKK.**
- **Carry out FX transactions within the platform at competitive rates**
- **Easily create FX trades at market rates in 25+ currencies**
- **Receive an up-front exchange rate during bank opening hours, with no hidden fees.**

Platforms and Integration

Whichever services you choose to offer, it's easy to build on our infrastructure and develop your own embedded finance solutions.

Our API-driven platform lets you build and customise your own world-class payment experience. Integrate securely with our robust card and payments API using webhook functionality, or use our user-friendly interfaces to easily access card and payment features.

- **User interfaces for card, payment and account management**
- **Robust card and payments API with webhooks**
- **Cardholder Android/iOS app with full branding capabilities**

ACCELERATE YOUR TECHNICAL ROADMAP WITH EMBEDDED PAYMENTS, ACCOUNT AND CARD FEATURES AT YOUR FINGERTIPS.

Our end-to-end payment, account and card issuing platforms provide a secure, reliable and flexible base on which to build your own fintech solutions, fully integrated via our robust API and webhook functionality.

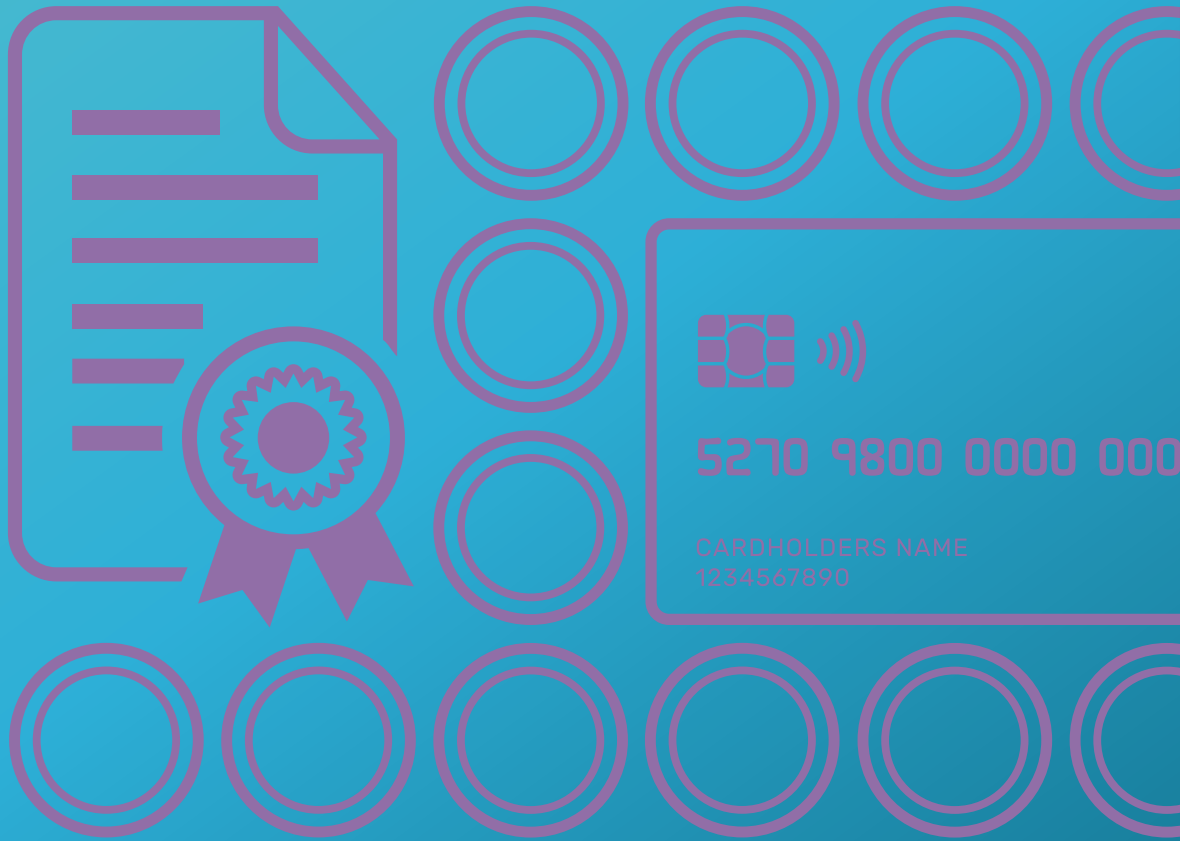
LICENSES

> THE OLD WAY

Navigate complex and lengthy e-Money and scheme membership applications (if you meet their requirements).

> THE B4B WAY

Use our UK and European e-Money license and MasterCard/Visa scheme memberships to get your programme running fast.



GETTING AUTHORISED

It's no surprise that the financial sector is heavily regulated, with a heavy burden of compliance requirements to keep consumers safe.

If you're setting up a fintech offering, it's likely that you'll need to seek some form of licensing or authorisation, and undergo some checks to ensure that your business is suitable and trustworthy enough to offer financial services. The two main authorisations you'll need to offer card and payment services are:



E-Money License

An e-money license allows an institution to hold client funds and provide payment services electronically. This means they're not able to take deposits or offer credit or investment products, but they can provide payment accounts and debit cards based on e-money (funds held electronically on a card or in an account for the purpose of making payment transactions, as opposed to a bank account balance being held to earn interest, or a credit limit against which a customer could borrow).

E-Money licenses in the UK are approved by the FCA. However, a UK e-Money institution cannot automatically access SEPA to make and receive payments across Europe, and a UK e-Money license isn't valid in the United States either, where licenses need to be applied for on a state-by-state level.

Card Scheme Membership

If as a business you want to issue cards, you'll need to work with a card scheme like MasterCard or Visa. A card scheme license authorises a company to issue payment cards and gives you a BIN number – the first six digits on a payment card – which you can use to issue your own unique card numbers to cardholders.

Card scheme membership requirements can be just as challenging as FCA licensing requirements, with stringent requirements to be met before a scheme license can be granted.

USE OUR LICENSES AND MEMBERSHIPS AND GET TO MARKET FASTER.

Our BIN Sponsorship 2.0 solution offers fintechs the ability to leverage our UK and European e-money licenses, card scheme memberships with MasterCard in the UK and Europe and Visa in the USA, and also the opportunity to leverage our membership of the Banking Circle group to offer even more advanced financial services.

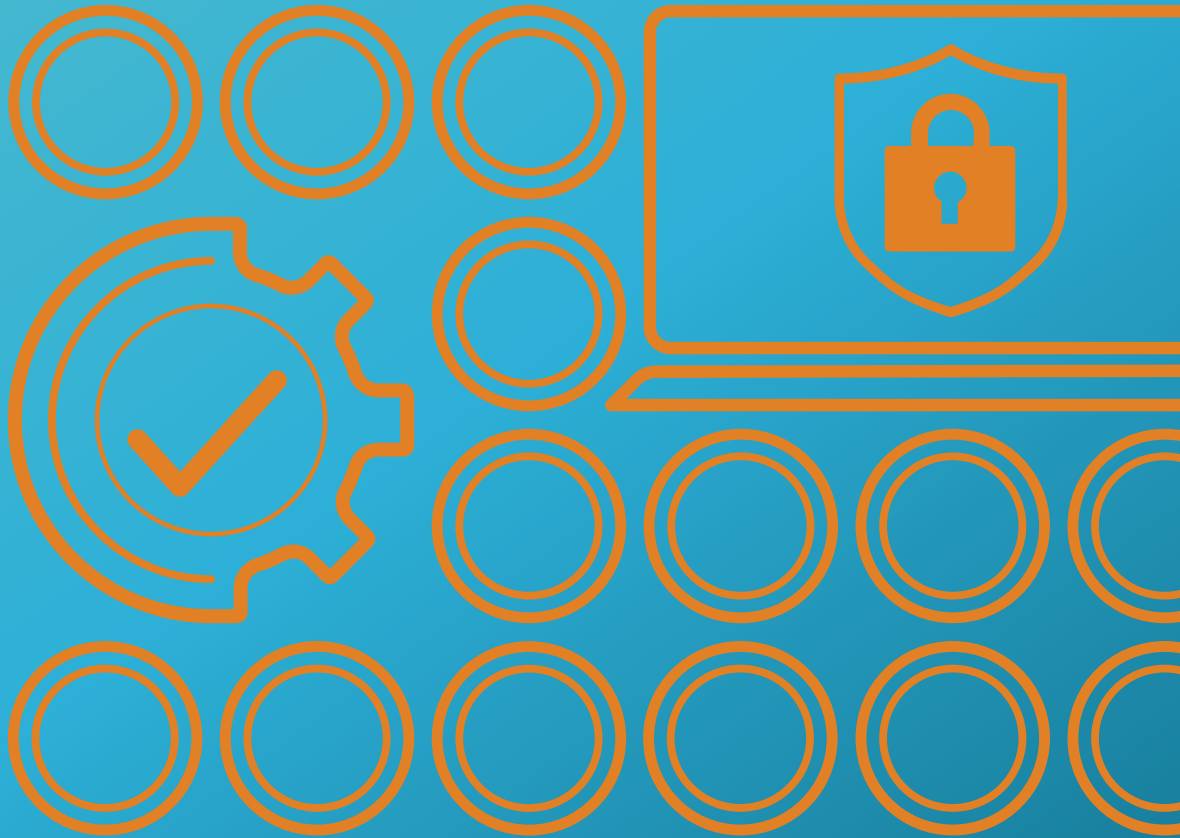
COMPLIANCE

> THE OLD WAY

Develop extensive compliance procedures from scratch, and hire a team to implement them.

> THE B4B WAY

Trust our 15 years of payment expertise and let us handle AML/KYC, safeguarding and fraud monitoring.



STAYING COMPLIANT

Instances of fraud or security breaches can be hugely damaging to your brand. They can also put your hard-earned FCA licenses or card scheme memberships at risk if you can be shown to have acted negligently.

It's therefore vital that your company has robust policies and procedures in place and is able to demonstrate that it's doing everything it can to keep customers safe. Key requirements to be aware of include:



Anti-Money Laundering

Financial services businesses have responsibilities under law to conduct customer due diligence to help prevent money laundering. In practice, this means carrying out “Know Your Customer” checks, ensuring that the person or business you’re working with is who they say they are.

At a basic level, this typically means seeing proof of a customer’s identity and address before starting a business relationship, although depending on the circumstances or the value of the transactions taking place, further checks can be required.

Safeguarding

Payment institutions and EMI’s must comply with safeguarding requirements to ensure that customer funds are protected in the case that your company becomes insolvent. This includes customer money that’s being held during a payment transaction, or customer funds being held as e-money, for example a credit balance on a payment card.

Customer funds must be held separately from your company’s other funds, and must be covered by an insurance policy or guarantee.

Fraud Monitoring

Instances of fraud can be hugely damaging to your brand – fraudsters using your name to carry out phishing scams or targeting your customers for identity theft can cause serious problems. It can also put your hard-earned FCA licenses or card scheme memberships at risk if you can be shown to have acted negligently.

While unfortunately fraud can be very difficult to combat, it’s vital that your company has robust policies and procedures in place and is able to demonstrate that it’s doing everything it can to identify, prevent, and tackle fraudulent behaviour.

TRUST B4B TO MAKE COMPLIANCE STRAIGHTFORWARD.

As a BIN Sponsor, B4B Payments has a responsibility to handle AML and KYC checks, funds safeguarding and fraud monitoring for the companies we partner with, and our expert team are here to guide you every step of the way, from developing policies and procedures to staying on top of the latest cybersecurity developments.

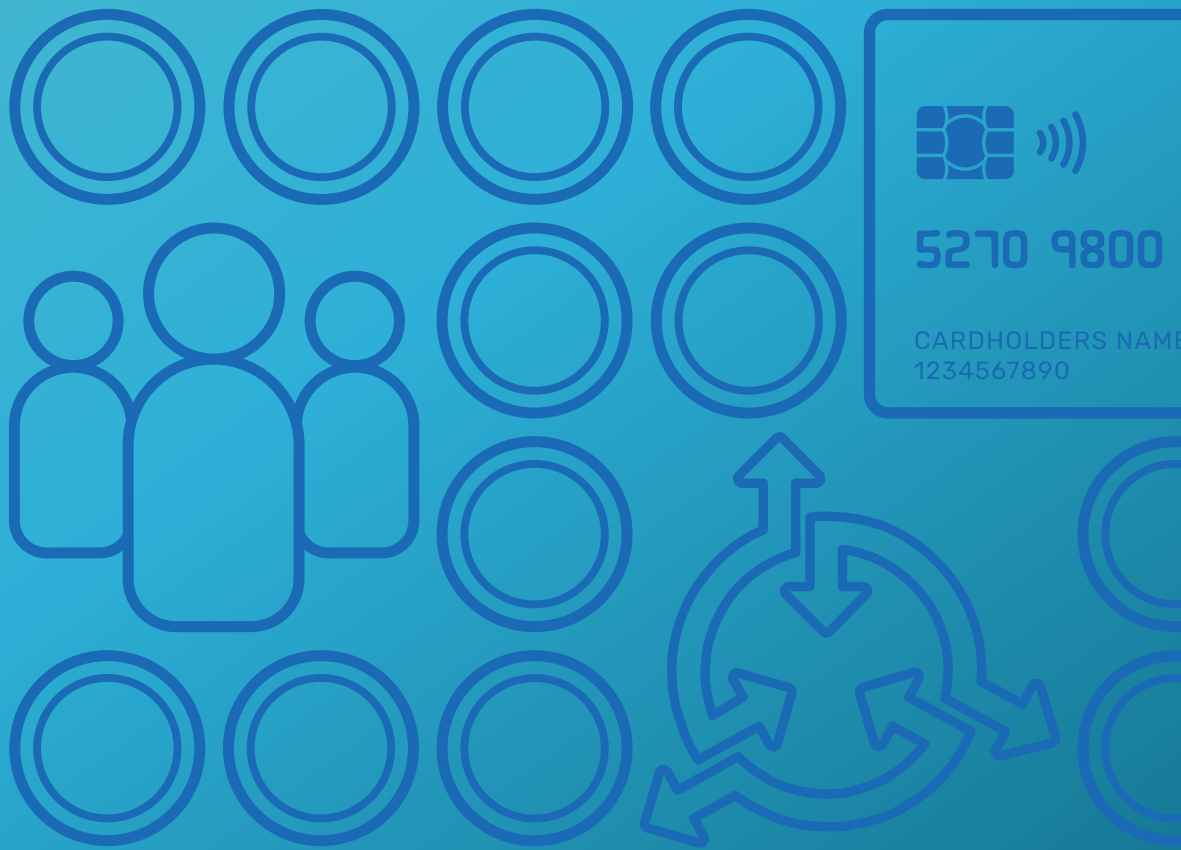
SCALE

> THE OLD WAY

Outgrow your solution and go through another lengthy implementation process from scratch with a new partner.

> THE B4B WAY

Scale flexibly with bridging solutions that support you through the process of regulation and scheme membership.



SCALING UP

Our powerful embedded finance solutions are designed to support your company as you grow. Move faster, scale confidently, and stay secure and compliant throughout.





International expansion

B4B Payments is authorised by the FCA and the Bank of Lithuania to provide card and payment services in the UK and across Europe. Leverage our licenses and MasterCard Principal Member status and build on our scalable and secure platform to access new markets with ease.

Becoming a regulated EMI

While partnering with a BIN sponsor can help significantly increase your speed to market, many companies make the decision to go through the process of gaining their own e-Money license. Once this is granted, you can continue to outsource your scheme management, collateral requirements and settlement to us.

Partner integrations

If you choose to, you can partner with third party suppliers like processors and card bureaus, using our scheme licenses and e-Money permissions while you build your own key relationships to support your future growth.

Settlement only

As your proposition develops, you can choose to continue to leverage our issuing capabilities but to build your own customer interface to manage client accounts, and issue accounts under your company's own name.

Full scheme membership

When you obtain your own card scheme membership, B4B can continue to support you with safeguarding, accounts and payments as part of the Banking Circle group.

EXPERT SUPPORT AT EVERY STAGE OF THE FINTECH GROWTH CYCLE.

We offer tailored support, whatever your current regulatory status or long term aspirations. Whatever your requirements, our team of industry veterans is on hand to ensure fast and accurate implementation and expert advice.

CASE STUDY: JUNI



One of 2021's fastest-growing fintech startups, Juni, partnered with B4B Payments to power their prepaid card proposition, as part of a suite of functionality designed to solve challenges faced by ecommerce entrepreneurs.

The Company

Gothenburg-based Juni was listed as 2021's fastest-growing fintech startup, raising \$76M in Series A funding and announcing plans to recruit 120 people over the course of 2022. Juni is designed with ecommerce entrepreneurs in mind, offering an all-in-one platform and financial companion to help businesses make better decisions.

The Situation

The Juni Card makes it easy for ecommerce businesses to track their media spend across multiple ad platforms, and see a centralised view of their return on ad spend. With the option to make payments in multiple currencies, process FX transactions with a 0.25% capped fee, earn 1% cashback on ad spend, and access data from multiple ad accounts in a single interface, the Juni Card empowers ecommerce entrepreneurs to gather data insights, make better decisions, and scale their activities more effectively than ever before.

The Solution

Juni has leveraged B4B Payments' BIN sponsorship 2.0 service to power their prepaid card proposition. By leveraging B4B's E-Money license and MasterCard Principal Member status, Juni was able to quickly bring their card to market without first needing to navigate the complex process of gaining their own E-Money license and card scheme membership.

The Benefits

By partnering with B4B Payments, Juni was able to make the Juni Card a reality much faster. They've also set themselves up for fast and efficient scaling of their proposition in future. Unlike most BIN sponsorship providers, B4B Payments' next-gen solutions are designed to scale flexibly over time to support fintech companies from their earliest days as a start-up through to becoming a fully licensed entity in their own right.

“We're delighted to be supporting Juni to bring the Juni prepaid Mastercard to market, and to see our payment solutions leveraged in such an innovative way to empower ecommerce and digital marketing entrepreneurs. As an established fintech firm ourselves, we're excited to be part of Juni's success, and we look forward to working closely with them to achieve their ambitious roadmap.”

Paul Swinton, CEO, B4B Payments



ABOUT B4B PAYMENTS

With over 15 years of expertise in payments and now as part of the Banking Circle group of companies, B4B Payments is a globally recognised and trusted provider of card issuing and payment services.



Expert team

Our team has a market-leading level of experience setting up successful card programmes, with the knowledge and expertise to help you grow your business with the power of scalable and secure payments.

Advanced products

Our end-to-end payment solution provides everything you need to set up and manage card and business payment capability.

Trusted global provider

We're authorised with leading industry bodies worldwide to provide end-to-end card issuing, BIN sponsorship and payment services:

- **FCA and Bank of Lithuania Authorised E-money institution**
- **Principal Member of Mastercard**
- **Partner provider to Mastercard Fintech Express Program**
- **VISA Inc Partner for card issuing in US**



LEADING FINTECH BRANDS TRUST B4B PAYMENTS TO POWER THEIR PAYMENT AND ACCOUNT PROPOSITIONS.

With over 15 years of expertise in payments and now as part of the Banking Circle group of companies, B4B Payments is a globally recognised and trusted provider of card issuing and payment services.

With an expert team and a suite of powerful end-to-end payment and card solutions, we have the knowledge and expertise to help you grow your business with the power of scalable and secure payments.

Find out more about how

B4B Payments could work for you:

email business.development@b4bpayments.com

or visit www.b4bpayments.com



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