

CASE STUDY

**From Go-to-Market Planning to Licensing,
Application, and Integration:**

**A Remittance Startup Teams Up with
NetRemit to Build Their UK-Africa
International Money Transfer Business**



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INTRODUCTION

The UK-Africa payment corridor presents an emerging opportunity for remittance businesses to offer safe, affordable C2C money transfers. To capitalise on this, businesses must obtain a Small Payment Institutions Licence from the Financial Conduct Authority, partner with a cross-border payment suite like Macro Global's NetRemit and simplify functionality with third-party integrations with the assistance of Macro Global Consulting's Unified Third-Party Service. By leveraging these factors, remittance service providers can build a successful C2C cross-border payment service.

Executive Summary

A UK-based money remittance startup sought Macro Global's assistance to revolutionize C2C money transfers from the UK to Africa. Macro Global, through their extensive consulting services and established cross-border payment suite, NetRemit, assisted them in navigating the complexities of the fintech landscape and achieving their goals.



Key Challenges Addressed



Regulatory Navigation:

MG Consulting's expertise secured a crucial FCA SPI license for the client, ensuring regulatory compliance and consumer protection.



Platform Development:

Macro Global's NetRemit, a feature-rich SaaS platform, provided a user-friendly interface, diverse payout options, and robust security features.



Third-Party Integration:

MG Unified Third-Party Services streamlined the integration of various KYC, AML, and payment service providers, saving time and development costs.

Results Achieved

- Launched a user-friendly, efficient C2C money transfer platform, obtaining SPI Licence.
- Automated workflows reduced processing times and error rates.
- Streamlined integration shortened development time.
- Reduced costs due to pre-built integrations and MG's expertise.
- Laid the foundation for a scalable platform.
- MG Consulting provided go-to-market consulting services, market entry and customer acquisition strategies, and growth consulting.
- By partnering with MG Consulting, this ambitious startup gained a comprehensive solution, propelling them towards achieving their vision in the UK-Africa remittance market.



Client Background

Our client is a new, ambitious entity in the UK remittance market sector. They are committed to revolutionising the international money transfer industry by providing a customer-centric (C2C) service that is specifically designed to facilitate the transmission of funds from the United Kingdom to African countries.

They prioritise a user-friendly online platform that seamlessly incorporates robust compliance features, acknowledging the significance of trust and security. However, circumventing regulatory barriers and establishing a fully operational remittance business can be difficult for newcomers. At this juncture, MG Consulting steps in.

The client approached MG in search of a comprehensive solution to resolve their challenges and transform their vision into a reality, realising the intricate details involved and lacking the in-house expertise. MG, with its proven track record in the remittance area, was well-positioned to help them through the licencing process, deliver a secure and user-friendly platform via NetRemit, and offer the tools they needed to maintain regulatory compliance.





FROM VISION TO REALITY: UNLOCKING REMITTANCE PROVIDER SUCCESS

Challenge 1: Navigating the Licensing Process

Understanding the FCA Application Process:

Obtaining an SPI licence from the Financial Conduct Authority can be an exhausting and intricate process. As the client is new to the field, they find it challenging to understand the relevant information required, complete the forms properly and submit a compelling case to the FCA.

01

Compliance

The FCA expects applicants to establish a strong framework for anti-money laundering, data security, and risk mitigation. To create and deploy these frameworks successfully, the client sought the help of consulting services.

02

Interview Preparation

The FCA interview is a critical step in the application process. Hence the client looked out for advice on how to effectively communicate with their business plan and address potential problems.



Solution: Streamlined Process and Expert Guidance

MG Consulting offered a comprehensive range of services to help the customer acquire their SPI licence:

01 Outsourced MLRO Service:

MG offered a competent Money Laundering Reporting Officer on a time and materials basis. The MLRO was instrumental in establishing and implementing the AML framework, ensuring FCA compliance.

02 FCA Application Process:

To obtain a Small Payment Institution (SPI) licence from the Financial Conduct Authority in the UK, the following procedures are typically taken:

Understanding SPI Licencing: The SPI licence is provided to small financial organisations that provide limited payment services but do not have full payment institution approval. SPIs provide services on a lower scale than fully authorised payment institutions.

Preparing for Application: Ensure that a small business fits the conditions for SPI licencing, such as having a UK corporate office, having a financial turnover of no more than €3 million over a 12-month period, and maintaining appropriate

Application Submission: Submit an application to the FCA for an SPI licence, including all essential documentation and information such as extracts from the company register, documents outlining the organizational structure of the company, and the details on bank accounts, processing centers, settlement banks, etc.

Regulatory Compliance: Comply with AML and Counter-Terrorist Financing legislation, and ensure that the business plan, management team, and financial resources match FCA criteria.



Review Process: The FCA will evaluate your application and conduct due diligence on the company's structure, activities, and regulatory compliance.

Qualifications and Experience: Ensure that the management team and those in charge of business operations have a solid reputation, necessary qualifications, and financial industry experience.

Regulator Interaction: Team up with the FCA throughout the application process, responding immediately to any queries or requests for more information.

Final Decision: The FCA will determine whether to give the SPI licence based on the comprehensiveness of your application, conformity with legislation, and completion of all relevant requirements.

Post-Licensing Compliance: After acquiring the SPI licence, ensure continuing compliance with all regulatory requirements, reporting duties, including any FCA-issued updates or modifications to regulations.

Professional Assistance: To ensure seamless licencing procedures and compliance with all applicable laws and regulations, professional assistance from MG Consulting Services is very essence for the client.

Assisting the FCA Application:

MG provided access to professionals with extensive knowledge and experience in fintech, banking, payments, regulatory compliance, and legal matters.

MG's Consultants are well-versed in the precise requirements and intricacies of acquiring an SPI licence, ensuring that the application procedure was completed accurately and efficiently.



Guidance Through Regulatory Requirements

- Consultants helped businesses navigate the complex regulatory requirements outlined by the FCA or other applicable regulatory agencies.
- They assisted in understanding and complying with specific requirements and standards required to obtain an SPI licence, such as AML/CFT rules and financial stability criteria.

Document Preparation and Organisation

- MG helped prepare and organise the material required for the SPI licence application.
- They ensured that all relevant paperwork was done accurately and in accordance with regulatory requirements, reducing the likelihood of delays or rejections.

Comprehensive Business Plan Development

- Consultants assisted in the creation of a precise and feasible business plan that defines the company's activities, financial predictions, risk management methods, compliance frameworks, and more.
- A strong business plan boosts the legitimacy of the application and raises its chances of approval.

Application Submission and Follow-up

- Submitted the SPI licence application for the client, thus expediting the procedure and conforming to regulatory timelines.
- Advised the client to address regulatory authorities' questions and requests swiftly and effectively for additional information.



Interview Support

- Conducting mock interviews to simulate questions.
- Providing advice on how to respond to queries confidently and productively.
- Preparing potential responses to upcoming FCA investigations.

GRC Templates and Policies

MG gave the customer comprehensive templates for important Governance, Risk, and Compliance documents:

- Enabled the client to establish effective risk mitigation strategies and ensure compliance with all applicable laws and regulations.
- Contributed to the development of AML/CFT procedures and controls and protection of the financial services industry's integrity.
- Recommended implementing robust technical and organisational security measures to protect personal data from unauthorised access or disclosure.

Faster Process and Greater Approval Rate

- The client accelerated the SPI licence acquisition process and increased their chances of acceptance by leveraging MG' expertise.

Ongoing Compliance Support:

- MG provided a Remittance as a Service (RTaaS) solution for compliance management. This service uses MG's experience to assure the client's continued compliance with applicable rules and reporting obligations.



Outcome Accomplished: Client Secures FCA SPI License with MG Support

Through MG Consulting's support, the client successfully:

Acquired an SPI License from the FCA:

MG's expertise ensured the client's application was comprehensive, compliant, and addressed all regulatory requirements.

Streamlined Application Process:

MG's guidance and pre-developed templates saved the client significant time and resources in completing the application.

Confidently Navigated the Interview:

MG's interview support helped the client present their business plan effectively and address all FCA inquiries confidently.

Established a Strong Compliance Framework:

MG's GRC templates and ongoing compliance support ensure the client has a robust framework in place to maintain regulatory compliance.



Challenge 2: Building a User-Friendly and Efficient C2C Payment Platform

As a newcomer to the remittance market, the client faced the task of building a strong and user-friendly platform for providing Customer-to-Customer money transfer services from the UK to African countries. They were keen on offering their intended audience a frictionless experience for sending and receiving funds, with a range of payout alternatives available, such as cash pickups, mobile wallet credits, and bank account transfers. Manual processes and outdated systems were not suited since they could cause delays, errors, and poor user experience.

Solution: MG NetRemit, A Feature-Rich SaaS Platform

MG overcame these issues by deploying its flagship NetRemit, a comprehensive SaaS (Software-as-a-Service) platform created exclusively for cross-border payments. NetRemit provided a plethora of functions that enabled the consumer to achieve the desired outcome. The solutions offered include:

01

Project Management Expertise:

The MG project management team worked closely with the client to discover their unique needs and key areas. This collaborative approach led to optimal workflow design and streamlined execution.

02

Provide Smooth C2C Transactions:

Adapting to a range of user preferences, customers were able to send and receive money with convenience using user-friendly web, mobile (Android and iOS), and NetRemit Admin Centre (NAC) applications.



03

Prioritise User Experience:

MG NetRemit's intuitive web and mobile user interface made international money transfers simple, providing a smooth and hassle-free experience for both senders and recipients.

04

Embrace Customisation:

The white-label SaaS Cross-Border Payments Platform allowed for customisation based on the client's branding and user experience choices, allowing them to create a distinct brand identity.

05

Diverse Payout Options Integration:

MG's NetRemit provided integration with a variety of payout service providers, allowing for cash pickups, mobile wallet deposits, and bank account transfers to meet the client's demands.

06

Enhance Compliance:

The built-in "Transaction Rules" and "Compliance Rules" settings maintained regulatory compliance, reducing risks and increasing user trust. The NetRemit platform simplifies customer onboarding, allowing businesses to swiftly verify customer identities, conduct due diligence, and comply with AML/KYC standards. Throughout the client lifecycle, this aids in risk mitigation, fraud prevention, and regulatory compliance maintenance.

07

Guarantee Data Security:

To protect sensitive customer information, robust security measures such as encryption and access controls were introduced, giving all stakeholders peace of mind.



08

Strengthen Supervision:

MG NetRemit provided a secure daily data feed service, allowing the customer to securely send transaction data to their preferred transaction monitoring solution, hence improving overall control and risk management. The report provides crucial information about customers, beneficiaries, and transactions, ensuring the client's system is updated with NetRemit platform transactions.

Outcome Accomplished: A Successful Launch and Increased Customer Satisfaction

The customer effectively built an easy-to-use and effective C2C remittance platform by utilising MG NetRemit. This resulted in various favourable outcomes:



Minimised errors:

NetRemit's automated workflows drastically lowered processing times and error rates, resulting in more efficient operation.



Enhanced User Experience:

The user-friendly interface and several access choices (web, mobile, and NAC apps) resulted in a smooth and convenient user experience, encouraging client satisfaction and loyalty.



Cost Savings:

Streamlined operations and reduced errors resulted in significant cost savings for the customer, allowing them to invest in future growth.



Stronger Compliance Posture:

Built-in compliance capabilities in NetRemit assisted the client in adhering to rules, mitigating risks, and establishing confidence with regulators and customers alike.



Data Security and Transparency

Strong security measures and a secure Data Feed Service protected sensitive customer information while also allowing for more supervision, which fostered transparency and confidence.





Challenge 3: Integrating Multiple Systems

The client lacked the necessary resources and experience to handle the hard task of integrating numerous Third-Party Providers for KYC, AML checks, FX, payment gateway, SMS, and different payout options. Manually integrating with each vendor could be time-consuming, expensive, and error prone. This posed a huge challenge to effectively establishing their C2C international money transfer business.

Solution: MG's Unified Third-Party Integration Services

MG UTS addressed this challenge by providing a full integration solution. It enabled the client to access all primary marketplace apps to meet all the cross-border payment needs, including KYC checks, payment gateways, FX, and pay-outs via NetRemit.

Thus, MG served as the client's single point of contact for TPP integration, streamlining the process and minimising complexity. MG's expertise expedited integration with the client's preferred TPPs, saving time and costs.

01

UTS TPP Technical Integration:

MG's team took up the technical components of TPP integration, including:

Technical Documentation and Support: Creating clear and comprehensive documentation to enable seamless API integration with the specified TPPs.

Collaboration with Chosen TPPs: MG worked closely with the client's preferred TPPs from its pre-integrated partner ecosystem to accomplish the integrations efficiently. MG plugs and plays its partner platforms, delivering a fast, seamless, accurate, and cost-effective payment experience.

Testing and Troubleshooting: Perform extensive functional, integration, regression, and end-to-end testing to ensure smooth functioning and detect any potential issues before launch.



02

Complete TPP Services:

MG UTS offers access to a variety of crucial TPP services required for cross-border remittance operations:

Address Lookup: Checking customer addresses for accuracy and reducing fraud risk.

SMS/Email OTP: Enables safe two-factor authentication to improve user security.

eKYC Verification: Streamlining the KYC procedure by electronically verifying customer IDs.

Faster Payout: Provide diverse payout options across 140+ countries, ensuring fast, secure, and cost-effective payouts through cash pickups, bank transfers, and digital wallets, ensuring seamless global customer experience.

AML Screening: Enforcing AML standards by detecting and reducing suspicious money laundering activity.

Transaction Monitoring: Tracks transactions from initiation to completion in real time to detect suspicious activities and set up validation rules, ensuring transparency and security.

Payment Gateway: The integration of secure payment processing functions to ensure seamless transactions.

FX Services: Facilitating cross-border money transfers by enabling foreign exchange functionality.

03

Quality Assurance:

MG prioritised strong quality assurance by thoroughly testing the integrated platform. They worked with the client to carry out UAT, which allowed them to assess the platform's functionality and usability from the perspective of a real-world user. Any faults or feedback discovered during UAT were fixed immediately to guarantee a user-friendly experience.



Vulnerability and Penetration Testing (VAPT): Using automated tools, MG performed a preliminary VAPT scan to discover potential vulnerabilities in the integrated platform. Through their selected TPPs, they provided client-side VAPT to strengthen the platform's security.

04

Go-to-Market Consulting:

Recognising the hurdles that new entrants encounter, MG expanded beyond technical integration. They offered excellent go-to-market consulting services to the client, helping them establish market doorway and customer acquisition strategies. This holistic approach resulted in a well-rounded launch strategy.

05

Growth Consulting:

Understanding the client's long-term vision, MG provided growth consulting services. This involved developing strategies to effectively scale the business and achieve long-term growth in the competitive remittance market.

Outcome Accomplished: Faster Growth and Success at Affordable Rate Faster Time to Market:

MG UTS's streamlined integration approach decreased integration and implementation time, allowing the customer to quickly launch their C2C money transfer business and capitalise on early market opportunities.

Comprehensive Management:

MG manages a wide range of tasks around TPPs, including billing, compliance, product/API upgrades, and partner integrations, providing unparalleled value, reducing costs, and ensuring a rapid return on investment.



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MG manages a wide range of tasks around TPPs, including billing, compliance, product/API upgrades, and partner integrations, providing unparalleled value, reducing costs, and ensuring a rapid return on investment.

Simple Integrations:

By utilising pre-built integrations and MG's knowledge, the customer reduced profound development efforts.

Competitive Rate:

Through MG's partner ecosystem, remittances to over 140 countries are provided at a competitive rate.

Reduced Risks & Fines:

MG UTS' integration with AML and KYC services ensured that the customer followed essential financial regulations, reducing compliance risks and penalties.

Strong Security Posture:

MG's VAPT services assisted in identifying and addressing potential vulnerabilities, resulting in a reliable and secure platform for user transactions.

Scalable Platform:

MG UTS laid the groundwork for a scalable platform, allowing the client to include more services and features as their business grows.

With its UTS programme and extensive support for TPP APIs, MG paved the way for a faster time-to-market at no cost of integration.



Results: SPI Licence Aquisition & Successful C2C Fund Transfer Platform

This case study showcases how MG Consulting's comprehensive suite of services empowered a new, ambitious remittance provider startup in the UK to overcome challenges and achieve success in the C2C money transfer market, specifically focusing on sending funds from the UK to African countries.

Successful SPI License Acquisition:

MG's expertise ensured the client's FCA application was complete, compliant, and addressed all regulatory requirements, leading to a successful SPI license acquisition.

Streamlined Application Process:

MG's guidance and tailored comprehensive consulting services, emphasising client requirements, saved the client significant time and resources in completing the complex FCA application process.

Confident Interview Navigation:

MG's interview support helped the client present their business plan effectively and address all FCA inquiries with confidence.

Established Framework:

MG's GRC templates and ongoing compliance support (RTaaS) ensured the client has a robust framework in place to maintain ongoing regulatory compliance.



Successful Platform Launch:

Utilising MG NetRemit, the client successfully built a user-friendly and efficient C2C money transfer platform.

Improved Efficiency & User Experience:

NetRemit's automated workflow led to significantly reduced processing times and error rates, resulting in more efficient operation. The user-friendly interface and multiple access options enhanced the user experience, promoting customer satisfaction and loyalty.

Enhanced Data Security and Transparency:

Robust security measures and a secure Data Feed Service protected sensitive customer information while also allowing for more supervision, fostering transparency and trust.

Faster Time to Market:

MG UTS's streamlined integration approach significantly reduced development time, allowing the client to launch their business quicker and capitalise on early market opportunities.

Reduced Development Costs:

By leveraging pre-built integrations and MG's expertise, the client minimised development efforts, resulting in substantial cost savings.



Enhanced Compliance:

Built-in compliance features in NetRemit and MG UTS's integration with AML and KYC services ensured the client adhered to essential financial regulations, reducing compliance risks and penalties.

Go-to-Market and Development Strategies:

MG's go-to-market consulting services helped the client build market entrance and customer acquisition strategies, while business consulting services helped the client scale their business.



CONCLUSION

From Aspiration to Remittance Powerhouse

This case study illuminates the transformative power of MG Consulting's partnership with a budding UK remittance service provider startup. MG Consulting's multifaceted approach addressed the startup's key challenges, from navigating the labyrinthine FCA licensing process to building a user-friendly and secure C2C money transfer platform specifically focused on the UK-Africa corridor.

MG's expertise in regulatory compliance ensured a smooth FCA SPI license acquisition, while MG NetRemit provided a robust, feature-rich foundation for the platform. MG UTS, the unified third-party service, streamlined integration with essential TPPs, saving time and resources. Recognising the challenges of market entry, MG went beyond technical expertise by offering valuable go-to-market and growth consulting services.

The startup successfully launched their C2C remittance platform, achieving significant benefits like improved efficiency, enhanced user experience, and reduced development costs. Notably, MG Consulting's focus on compliance and security instilled trust in both regulators and customers. Importantly, the platform boasts scalable architecture, allowing for future growth as the startup expands its horizons.

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