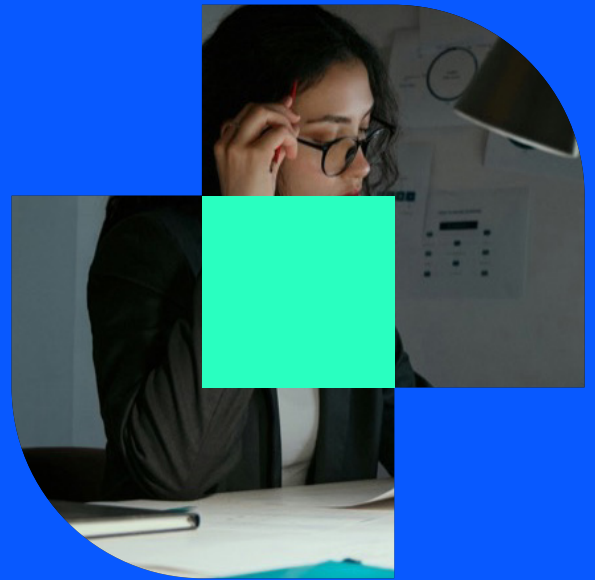


Use Case

Bank-to-Bank Payments Exception Management

SOLUTION

Smart Reconciliations



Bank to Bank Payments Exception Management Reconciliation is the process of validating, matching, and controlling the complete lifecycle of high value and high volume payments exchanged between financial institutions. It ensures that incoming and outgoing transactions across domestic and cross border rail - such as RTGS, SWIFT gpi, CHAPS, SEPA, Faster Payments, and real time networks are accurately recorded, settled, and reported, with exceptions identified and resolved rapidly.

Challenges

Financial institutions must manage increasingly complex, high velocity payment flows across multiple domestic and cross border rails. Although many payment hubs already provide basic reconciliation, exception management remains fragmented, manual, and heavily dependent on individual expertise. Breaks are often detected too late, handled outside governed workflows, or investigated across siloed systems, resulting in inconsistent resolution, operational blind spots, liquidity uncertainty, and elevated regulatory exposure.

The rapid adoption of ISO 20022 camt/pacs formats adds further complexity: richer, structured data introduces more matching points, more failure reasons, and higher expectations for accuracy and traceability. Without a unified control layer, banks struggle to detect discrepancies in real time, classify exceptions correctly, orchestrate investigations, and maintain a complete audit trail across the payment lifecycle.

The Accelerating Forces

Rising Instant & High-Value Volumes Instant payments, SWIFT gpi, and intraday settlement cycles demand continuous matching and immediate exception detection to maintain liquidity and customer outcomes.

ISO 20022 Migration & Data Expansion The industry shift to ISO 20022 introduces richer datasets (e.g. camt.052/053/054, pacs messages) that create opportunities for automation but require platforms capable of consuming, interpreting, and operationalising structured fields for investigations.

Operational, Liquidity & Regulatory Pressures Breaks in bank-to-bank flows create delays, mis-posted cash, and liquidity risks, while regulators and partners demand transparency, fast resolution, and auditable workflows, intensifying the need for real-time, traceable exception management.



Solution

A next-generation Bank-to-Bank Payments Exception Management Reconciliation solution provides a single control layer that unifies reconciliation, real-time break detection, and governed investigation workflows across all major rails, including RTGS, SWIFT gpi, CHAPS, SEPA, Faster Payments, and instant networks.

The platform consumes ISO 20022 camt/pacs and MT messages, standardises formats, and automatically identifies discrepancies across incoming and outgoing flows. Breaks are classified, routed, and escalated through configurable workflows that enforce separation of duties, apply decision rules, and initiate the next step in the lifecycle, such

as generating investigation messages, triggering payment recalls, notifying counterparties, or updating downstream systems.

Real-time dashboards provide visibility into payment status, exception queues, SLA performance, Nostro/Vostro impacts, and settlement exposures. Intraday and end-of-day cycles run concurrently, enabling continuous control rather than retrospective detection. This unified approach ensures that exceptions are identified once, resolved once, and consistently applied across all dependent processes, strengthening operational efficiency, transparency, and settlement certainty.

Benefits

- ✓ **Faster break resolution:** real time detection and policy driven workflows compress investigation cycles; human review only when policy requires.
- ✓ **Intraday control & liquidity clarity:** unified visibility over status, Nostro/Vostro activity, and exposures; fewer surprises at day end.
- ✓ **Straight Through Processing (STP) at scale:** ISO 20022 driven matching and automation lift straight through processing across multi rail flows.
- ✓ **Audit ready governance:** explainable actions, maker checker, escalations, and complete case trails.
- ✓ **Future proofed:** ISO 20022 native architecture accommodates evolving rail mandates and rising instant volumes without additional FTEs.

Next steps

To discover how Smartstream can help you automate high-value, multi-rail payments reconciliation with real-time control, [request a demo](#) or contact our team at **smart.stream**

About Smartstream

For more information visit:
smart.stream

Smartstream unlocks trusted, intelligent data insights – clearly, consistently, and without compromise.

Empowering leading global financial institutions and enterprises with innovative solutions that deliver accurate, timely data insights to streamline operations, reduce costs, and meet regulatory demands with confidence.

By harnessing data at the core of customer operations, Smartstream drives smarter, faster outcomes across reconciliations, liquidity, collateral, corporate actions, fees, and reference data solutions.