

Videotex: Replacing Fax at BACS

Amy Johnson would have felt that she was on the set of a science fiction film if she were to be materialised on the spot in the old De Havilland aircraft factory that built her aeroplane in the 20s. The large white-tiled building stretching along De Havilland Road, Edgware now appears almost anonymous to the few passers-by, though it does modestly announce itself as BACS.

Security cameras scan you as you approach the building. Security locks control the entry. They let you into the reception area but other security checks control access to the waiting room and yet others into the building proper. You are constantly aware of the security checks following you as you walk around. The ever present closed-circuit TV cameras follow your every move once you are through into the building and the computer hall.

Computer hall? It's an understatement, since in scale it resembles a Victorian railway terminus: 'hall' is much too modest a description for the 30,000 square feet of open space which is a tribute to the computer manufacturer's art with its row on row of orange, black and white ICL equipment worth a staggering £5-6 million.

To get into the computer room you have to pass successfully through more space-age security — a revolving door with a double chamber that swoops you in and out willy, nilly — providing, of course, that you know the right password.

The reason for all the security? BACS — Bankers' Automated Clearing Services Limited is the focal point in the UK for automated money transmission between the major High Street Banks. Every night some 6.5 million payments are processed, valued at over £1,500,000,000.

In addition, the BACS facility houses the UK concentrator for SWIFT — Society for Worldwide Interbank Financial Telecommunication — a service connecting all the major banks throughout the world. Disappointingly dull grey boxes handle some £3,000,000,000 in international payments every day.

It's so staggeringly ordinary and orderly — no fuss, no bother. Just efficiently effective and secure.

In 1972, the year that BACS was formed as a limited company, following three years operation as the Interbank



The bank liaison control section at Bankers' Automated Clearing Services Ltd, Edgware

Computer Bureau, BACS processed 166 million transactions. Ten years later this number had grown to 544 million transactions. The target for 1990 is 1,700 million items and a peak day volume almost as high as the annual business in 1972. By 1990 BACS estimates that the present 20% of all interbank clearings handled by BACS will have grown to 40% of the then interbank clearings.

Already two thirds of all UK monthly salaries are paid direct into employees' accounts through the BACS service and a growing proportion of weekly wages are also paid through BACS.

Other applications handled by BACS include pensions, trade payments to suppliers and collections of regular bills such as insurance premiums, local authority rates and utility billings using direct debits.

With these volumes, it is not surprising that queries do crop up,

leaving BACS with a problem they know as 'referrals'. Data comes into BACS on magnetic tape, 8" diskette and cassette, and the recently launched direct telecommunications link.

These 'submissions', particularly the magnetic media do give rise to queries.

"We are currently experiencing a referral rate of about 20% on some of the submissions," says Derek Ridgley, BACS development manager. That rate could rise rather than fall he believes as more and more medium and small organisations recognise the benefits of the BACS service. Submissions are growing and, as input grows, so will the queries, he believes.

"We've got 13,000 registered user numbers at present and we're anticipating this will double by the end of 1985. As we attract the smaller user the volume of referrals will inevitably rise," Ridgley says.

Part of BACS security is to check thoroughly the input media as it arrives so that any potential misunderstanding can be sorted out at an early stage. For example, BACS check against their files the total value of submissions agreed between the customer and their bank. It also checks that the tape is self-balancing and that it is formatted correctly. Any potential problems are identified early and referred straight back to the customer through his bank.

Until recently, BACS handled these problems via facsimile

transmission to the customer services departments of the twelve sponsoring banks. The BACS referral section would complete the form, fax it to the appropriate bank who would then decide, with their customer, the most appropriate action to take. The customer services departments would then complete the forms with instructions and authorisation and fax it back to BACS.

This system had two problems. First it was slow and second, whilst it functioned satisfactorily during the day, out of the bank's normal working hours whilst BACS was still running, response times from the banks became extended holding up the vital work flow.

Ridgley's job means that he must keep himself abreast of new technology. Two years ago he saw a potential solution to the referrals problem, in videotex and one that could be implemented comparatively rapidly whilst BACS was developing its major new system. "It seemed to me to be the right area for us to apply videotex," he says.

In the event BACS chose the Rediffusion Computers system.

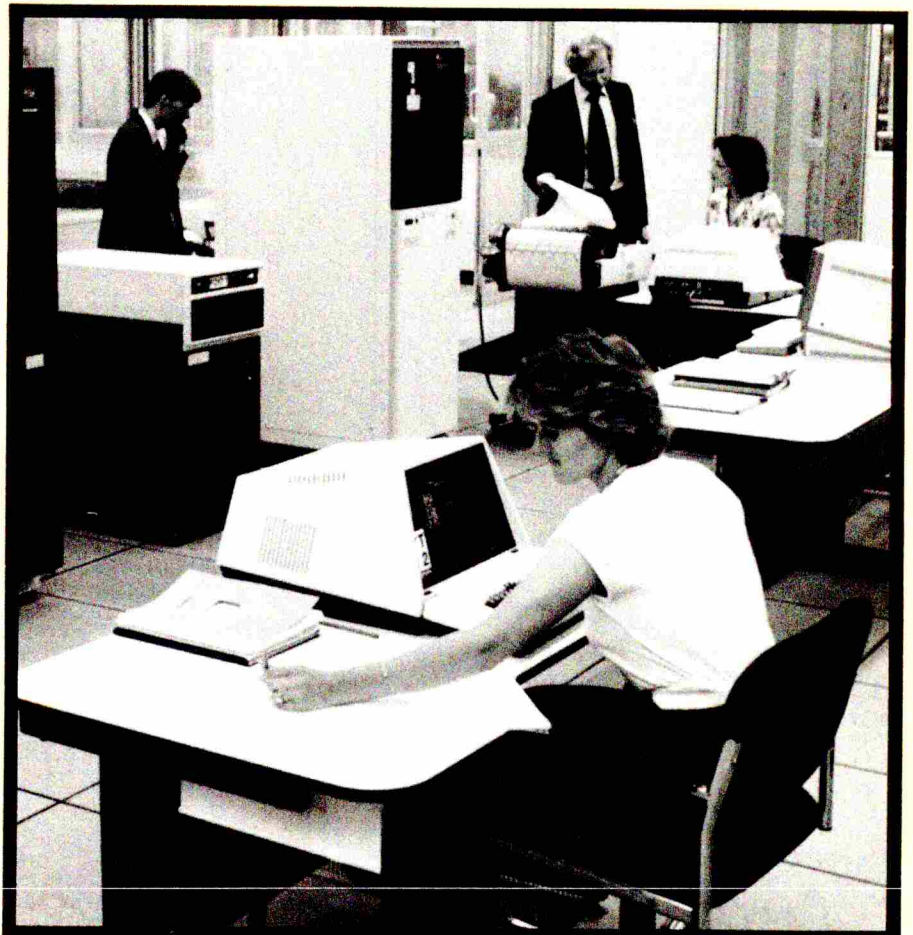
"They were the clear and obvious market leaders". BACS contracted with CMG to develop the referrals videotex software. The system went live during March this year and is now operating from Edgware to the banks, each provided with a videotex terminal. It is now a more sophisticated system than

originally envisaged at the outset because it not only supplements the facsimile transmission, but allows enquiries and information from the banks to BACS. BACS at present receives some 300 amendments a day to user files from the banks, involving a considerable amount of handling and paperwork, most of which can be eliminated using videotex.

"The advantages of videotex is that it enables us to handle the ever increasing volumes of data and the consequential referral activity with a greater degree of control and precision". One of Ridgley's team, Barrie Sylvester adds — "It's faster than fax — referrals can be completed in seconds, rather than minutes — and the operators prefer it."

For BACS though, another advantage, in the long run, is the experience that they have had with videotex technology. In due course, referrals will be moved on to their new on-line system but there remain "lots of opportunities for videotex users from staff noticeboards to electronic mail and the whole 'office of the future' scene"

BACS has two Rediffusion systems — an R2820 Telecentre as one on-line system and an R1800/30 as their stand-by machine. The hardware cost BACS around £140,000 and since they depend entirely on their computer systems, BACS clearly thinks that it was money well spent. ●



Pictured outside the Edgware offices of Bankers Automated Clearing Services Ltd are l to r: Derek Ridgley — development manager and Barrie Sylvester — controller facilities planning who are responsible for the videotex project

Picture shows the development area for videotex at Bankers Automated Clearing Services, Edgware, where Rediffusion's R2820 Telecentre and R1800/30 systems are installed for this project