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**CASHFAC**  
TECHNOLOGIES

LV= is a leading provider of Insurance, Savings, Investments & Retirement plans. The Cashfac solution is used by the Life division of the company which has a strong focus on retirement solutions and the administering of Self Invested Personal Pensions (SIPP).

They have 40,000 policy holders all of which had individual real bank accounts at the incumbent bank before the implementation of the Cashfac solution.

## The Challenges

LV= wanted a solution that would reduce the administrative burden of setting up and managing large numbers of bank accounts and client accounts with a virtual account infrastructure. Not only would this reduce the time and effort spent opening and closing real bank accounts, it would also ensure the business was bank agnostic and more flexible in their product offering to clients.

Other drivers for acquiring Cashfac's software were certain changes in regulation and the ability to diversify. LV= required a new system to cope with these changes and adhere to the new legislation. Before implementation the business was maintaining 40,000 real client bank accounts, a number which was fast increasing and becoming harder to manage internally but also by their bank.

LV= went through a tender process to seek out the best solution to fulfill their specific requirements and decided to acquire the solution via Cashfac directly instead of via a bank.

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The business case for Cashfac has been proved a success. The cost of acquiring Cashfac technology has already been recovered by the cost savings the solution has provided us with.

Andy Young , Head of Finance at LV=

## The Solution

Implementing the solution resulted in the migration of over 40,000 real bank accounts rendered down to 6 real accounts and thousands of client managed, virtual accounts. Going forward all new client accounts can be virtualised and opened instantly.

In one night £140 million of funds were moved from 40,000 real accounts to the new virtual account structure with no issues arising or breach of client money rules. In total, the whole implementation took only 7 months from start to finish.

The solution is being provided as a hosted, managed service which at the time of implementation helped accelerate deployment and reduced LV='s operational administration across the Insurance division and freed up their internal IT resources.

Time spent previously setting up individual payments manually was reduced significantly with the creation of 130 new money movements (i.e. a workflow of several transactions based on an initial receipt/ payment) within Cashfac.

A large integration project also took place during the implementation of Cashfac. The integration was with LV='s back office SIPP administration system, linking it to the Cashfac system. The result of the integration is a faster, straight through transference of data between the two systems and also the bank; the integration done by Cashfac also enabled LV='s IT team to focus their energy on other projects.

## The Benefits

Andy Young , Head of Finance at LV= and a key stakeholder in the project said 'The business case for Cashfac has proved a success. The cost of acquiring Cashfac technology has already been recovered by the cost savings the solution has provided us with.' Implementaion provided LV= with a proven rapid payback period where the costs were easily retrieved in the first year of operation.

- The virtual account structure that LV= now has with Cashfac provides a more granular view of all client accounts; client balances can be viewed instantly. It has also enabled a much faster reconciliation time of client accounts reducing the chance of a breach of client money regulations.
- The administration of setting up real client accounts at the bank and the reconciliation of those accounts has been reduced to a minimum, creating more time for staff to focus on other tasks.
- There is no longer the reliance on the bank to open accounts, which has proved mutually convenient for the bank and LV=. The whole treasury operation has been streamlined, is more controlled and less prone to human error.
- Creating client accounts in-house has also resulted in a reduction of different bank charges. All Payments made via CHAPS are now executed via 3 day payments where possible. The process is no longer restrictive and transaction costs have been reduced because of this.
- On top of achieving the goals and fulfilling LV='s requirements prior to implementation, the solution has also provided many other benefits to the business. Using Cashfac's Managed Service has achieved faster identification and resolution of any issues that have arisen.
- The Cashfac Managed Service Team are the specialists in Cashfac technology, and are dedicated to providing resolution in the fastest time. Acquiring the Managed service.