

Article

You can find more knowledge about products on this site.

- [Guide to IBAN setup process](#)
- [How can I reload a payment account or card?](#)

Guide to IBAN setup process

In this article we would like to focus on **IBAN**, bank accounts delivery to your customers. This topic is raising a lot of questions and requires attention.

Let's assume that you would like to offer IBANs for your customers. If you are a fintech provider, money transfer organization, lending company, eCom marketplace, it could make a lot of sense as a value added product. In such a case [Verestro](#), together with partnering payment institutions and banks can provide you IBANs via API or inside our SDKs or white label products and your customers will be able to transfer money to and from those bank accounts in the same way they do it in normal mobile or internet banking.

But what happens in the background? How does it work?

There are a few dimensions that we need to remember about once enabling the IBAN product - technology, money movement, money holding, liquidity management etc.

Technology

From a technology perspective it is not very difficult. You just go to section IBAN management in our [Developer Zone](#) and can find APIs. Please remember that you must create a user first in our database, perform KYC in majority of cases, create a balance or account for this user and once it is done you will use this IBAN API to create an account number (IBAN) for this payment account.

In the background, during project setup and operations, Verestro and our partnering payment institutions create for you a set of IBANs from one or more banks that will be used in case you request IBANs or transfers via API. Once transactions come to this IBAN, technically you are receiving information from our system that the balance of the account changed and you can display this information to the user.

Money Movement

By **Money Movement** we mean a process of transferring real money from sender to receiver. Because we are using various payment institutions and banks behind our system, it is worth discussing. There are the following steps in this transaction:

1. Sender sends money to IBAN of your user generated at Verestro platform
2. Our partnering payment institution or bank receives information about incoming transfer to this IBAN
3. Verestro platform informs you about the incoming transfer and optionally initiates movement of money to another bank which acts as settlement bank for your transactions. This happens in case IBAN is generated in another payment institution than Settlement Bank

4. Money gets available on user or your account or for settlements of card transactions at the moment it arrives at Settlement Bank (usually you do not experience any problems as it is at D+1 time)

Money Holding

In all cases money is held by **banks** cooperating with Verestro so they are secure in the same way as any other banking account in those banks. We cooperate only with strong and reliable banks in various countries (usually based in Poland).

Liquidity Management

In some cases once you are receiving and sending money from and to IBANs, in order to avoid delays of money transfers between various payment institutions and banks, it is necessary to place and manage additional **liquidity benefits** so that your users could send money faster. We will inform you about such situations during the project depending on the requirements and use case we are going to implement together.

Thank you for reading.

How can I reload a payment account or card?

There are many ways of transferring money to payment accounts or cards. In this article we would like to explain how it can be done with Verestro and in other cases.

Let's start with definitions so that we speak the same language. What is a payment card? What is a payment account? What is an IBAN? It seems simple, but in fact many customers use these words in a different way.

- **Payment Account** - it is a place in the system of a payment institution which holds information about money stored for a particular customer. Just it - a kind of a Record ID in a payment institution. It is not an IBAN, it is not a card.
- **IBAN** - IBAN is a payment account number in an international banking standard. This number helps sending wire transfers to a Payment Account.
- **Payment Card** - it is another number (PAN - Primary Account Number in the terminology of Mastercard and VISA) connected with a Payment Account and usually another payment instrument connected with a Payment Account. The Payment Card is a tool to pay using money on a Payment Account and sometimes it is a way to transfer money to a Payment Account. To be honest, I do not know situations where a Payment Card works without a Payment Account. In some countries (like USA) usually a Payment Account is not used in common discussions, but in fact there is always a Payment Account connected to a Payment Card.

Once we know those 3 definitions, let's look at the ways of transferring money to a Payment Account, which in other words could mean ways of reloading a Payment Card. There are several ways that we can use:

1. **Bank transfer to IBAN** - in such a case the user is sending money from an external bank account to our Payment Account, using an IBAN connected with our Payment Account. Usually it is a very easy, fast and effective way of transferring money in case of domestic transfers. It could be a costly way of reloading an account if the customer is abroad.
2. **Payout to Card** - in such a case the user is sending money from another bank or money transfer organisation using a Payment Card number issued by Verestro and our issuing partner. The customer is using Mastercard Moneysend or VISA Direct to transfer money from another account to their Payment Account at Verestro. Usually it is very fast but not cheap way of money transfers.
3. **Card-to-card** - card-to-card transfer is used when the user provides at external service another Mastercard or VISA card and transfers money to a card issued at Verestro. In such a case a funding card (a card issued by another bank) is debited and our Payment Card is credited, which means that money will appear on the Payment Account soon.

4. **Reload by another card via PSP, Google Pay or Apple Pay** - in any wallet of our partners we can provide functionality called Paytool which enables charging another card and sending money directly to the user's Payment Account. In this situation a funding card is charged as if it was an eCommerce transaction. The user's Payment Account can be reloaded quickly.
5. **Reload by partner** - in many cases our partners can use their own funds to reload the user's Payment Account. Examples of such situations are lending institutions that issue a card and reload a Payment Account with a loan amount. Similar example could be issuing cards for insurance related claims - in such a situation our partner (insurance company) adds money to the user's card and sends the card to the insured person. Usually such a reload happens via MasterBalance which is an account that we hold for our partners and it contains their money. This account can be used for a reload, as is usually used for transaction processing.
6. **Reload by crypto assets** - in some cases it is possible that our partners send crypto assets and we will convert them in cooperation with our partners into FIAT currencies to reload the user's account.
7. **Openbanking** - our partners can use open banking PIS (Payment Initiation) messages to transfer money to the user's Payment Account. We can help with such reload tools using our Paytool product.

Those are ways of reload we use today. We are happy to work on other ways of money transfers and enable new ones.

Thanks for reading.