



The future of payments: A guide for financial institutions

Discover how to evolve beyond transactions with future-ready systems.

In today's rapidly evolving financial landscape, the payments industry faces immense opportunities alongside significant challenges.

To thrive in this modern era, organizations must strike the perfect balance between innovation and security. With ever-changing regulations, increased threats from fraud and financial crime, and heightened consumer expectations, financial institutions are tasked with transforming their governance, risk, and compliance processes. At the same time, they must speed up their customer experience and product innovation strategies.

Cognizant, in partnership with Microsoft, can help you on every step of your journey, combining our deep expertise in financial services and technology to offer tailor-made solutions that capitalize on the strengths of your teams and technology stack.

Here we explore four key strategies that can help businesses like yours navigate the complexities of modern payments. With the right approach, you can combat fraud, streamline operations, and provide a seamless, secure experience to your customers, accelerating your journey toward future-readiness in payments.

1. Capitalize on the value of data

As the volume of data handled by payments institutions grows, so does the challenge of interpreting and securing it. However, this also presents a momentous opportunity to deliver greater value to customers by using this data for innovation and differentiation.

The standards being introduced in the Payments industry can generate new opportunities to deliver greater value to customers. For example, ISO 20022 can lead to richer and more structured payments data, making it easier to innovate new, personalized services across all channels.

But to harness insights from your expanding payments data, you need the right technology — including gen AI — and an expert partner to deliver it.



Modernizing your data environment

In partnership with Cognizant, you can unlock the value in your data in six steps, improving decision-making, boosting loyalty, and revenue. All while maintaining security, and compliance with regulations.

1

Assess your payments data maturity.

2

Design and build a modern payments data foundation and architecture.

3

Streamline data processes with a gen AI environment.

4

Migrate data from legacy to modern platforms.

5

Drive intelligent decision-making with gen AI.

6

Harness data insights for new products and services, strengthen CX and boost revenues.



Do more with your data with modern platforms and services from Cognizant and Microsoft



Microsoft Intelligent Data Platform

Spend more time creating value by using this cloud-based tool to fully integrate your databases, analytics and governance processes.

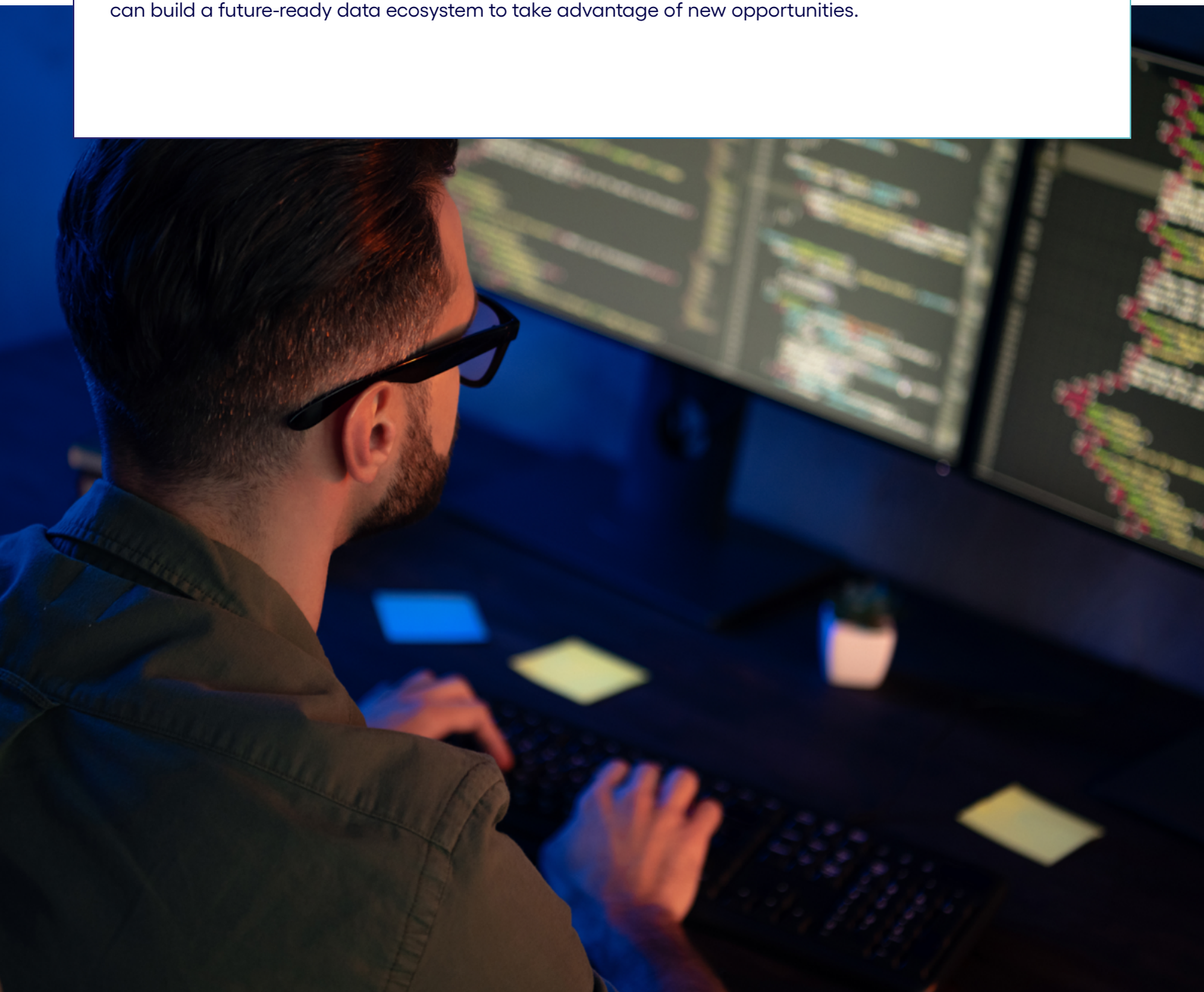


Cognizant's Neuro® AI platform

Manage and assess data more effectively by combining **Cognizant's Neuro® AI platform** with Microsoft Fabric, an end-to-end analytics and data platform.

Upgrade your data to unlock new opportunities

Modernizing data is a non-negotiable step towards growth with AI. Here's how businesses can build a future-ready data ecosystem to take advantage of new opportunities.



2. Reinforce cybersecurity to combat financial crime

Cybercrime is growing in scale and complexity, and AI is only adding fuel to the fire.

Deepfake images, audio, and video, for example, are becoming increasingly sophisticated, which has huge implications for phishing, authorized push payments fraud and other attacks involving facial or audio biometrics.

Thankfully, AI can also be used for good, streamlining data processes to help you proactively mitigate risks, safeguard systems and protecting clients. This includes simplifying and, in some cases, automating new security processes enforced by tightening regulations.

Cybersecurity Ventures expects the cost of cybercrime will reach

\$10.5t

annually by 2025.*

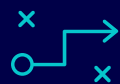
Creating an enterprise-wide fraud strategy

Whether you need to fortify defenses against fraud or enhance overall cyber resilience, Cognizant and our network or cybersecurity specialist partners can work closely with your teams to test, analyze, and develop customized solutions tailored to your specific needs.



Tailor-made cybersecurity

Conduct a financial crime risk assessment and develop the right security strategy and road map for your business.



Manage risk

You can find the right partner for you in our network of cybersecurity experts and collaborate with them to design and implement end-to-end risk frameworks and solutions such as gap analysis, threat modeling and case management.



Detect fraud

Protect your business from cybersecurity attacks by leveraging AI/ML-based fraud detection models that pre-empt and monitor threats.



Respond to threats

Achieve high levels of agility and resilience by automating and outsourcing your financial crime operations.

Protecting your business for the future



Automated fraud detection

Our automated bot helps a global fintech scan over one million transactions annually for fraud, ensuring the safety of £100 billion every year. The intelligent process automation bot monitors suspicious activity, screens payments, and generates suspicious activity report narratives quickly and accurately.



An intelligent tool to combat fraud

The AI capabilities in Microsoft Azure help businesses unlock new value from their data to drive better customer outcomes and improve their protection against various kinds of financial crime — including fraud, electronic crime and money laundering.

Solving some of the toughest problems in finance

Microsoft Azure uses AI to ensure smoother, safer customer experiences while saving costs. That's why an international payments network uses Azure Machine Learning and Azure Confidential Computing across its global financial transactions.



3. Turn regulatory pressure into resilience

Resilience has always been a priority for payments institutions, and new regulations create opportunities to strengthen their payments infrastructure.

Europe's Digital Operational Resilience Act (DORA), for example, aims to strengthen the IT security of financial entities and ensure that the region's financial sector can recover from severe operational disruption like cyber-attacks.

However, regulations such as DORA also require enhanced continuity, disaster recovery, and supply chain monitoring.

You're in safe hands when it comes to developing a culture of resilience.

On top of the support we can offer you in this area, our collaboration with platform partners such as Microsoft, DataDog, Moogsoft and Blueprism will plug any holes in your system capabilities.

Build and run resilient payments operations

Through comprehensive system risk assessments, end-to-end observability, and performance resilience tests, Cognizant and our team of experts can work with you to pinpoint exactly what's needed to ensure future-proof payments resilience.



Assess your current performance

Leverage payment system risk assessments and end-to-end observability and performance resilience tests to know exactly what's required to become more secure.



Prepare for upcoming regulations

Implement resilience engineering and create a comprehensive framework that includes a business continuity plan, disaster recovery and risk management capabilities.



Guarantee reliable operations

Utilize system reliability engineering tools and self-healing apps with fail-safe deployments to minimize downtime.



Be ready for the future

Embrace AI tools that use machine learning and auto-scaling predictive analytics to continuously evolve for whatever the future requires.

Move to one of the world's largest backbone networks

The Microsoft global network connects more than:

60

Azure regions

300+

Azure data centers

190

edge sites

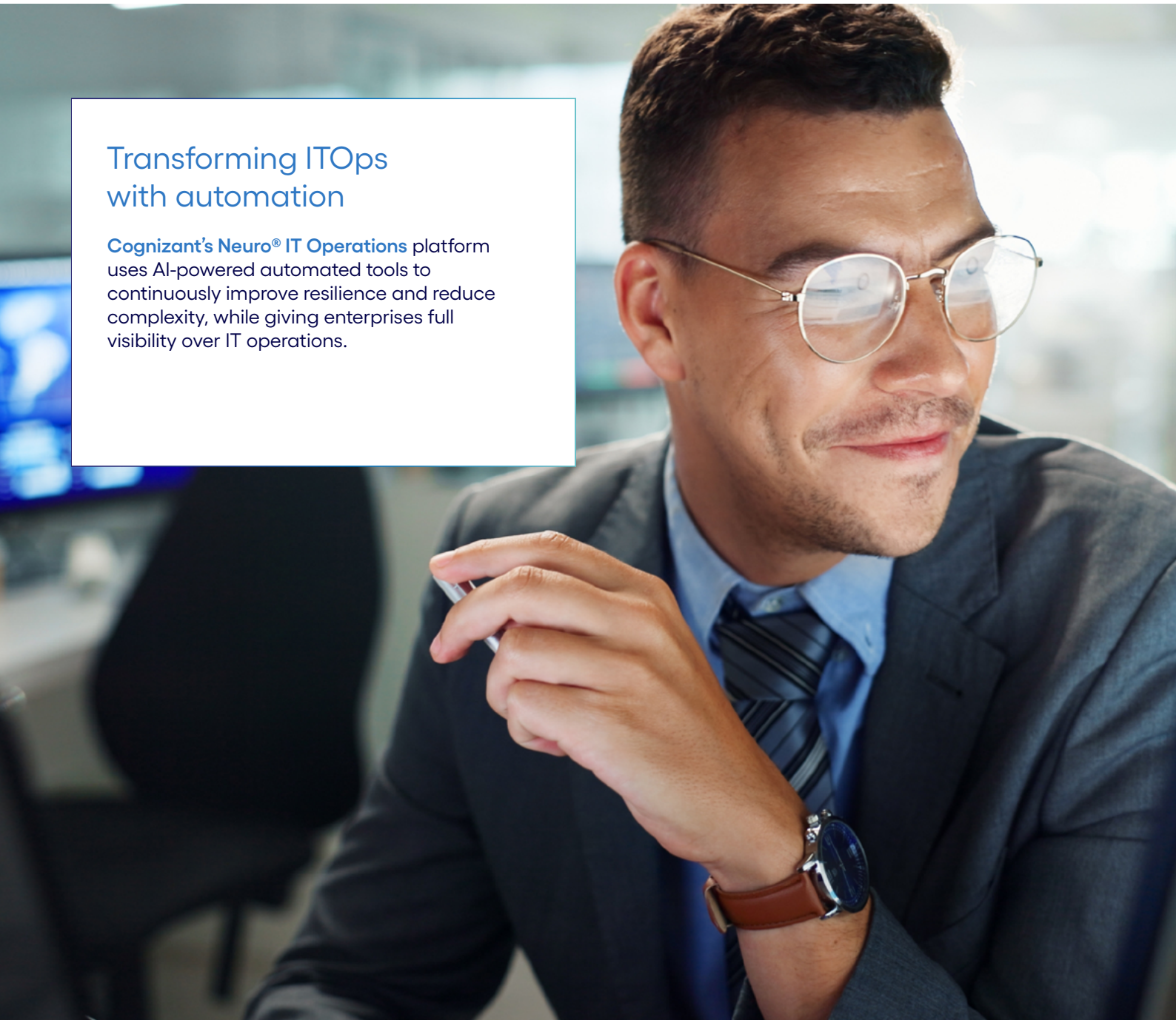
175,000

miles of terrestrial
and fiber worldwide

Microsoft services ensure resilience through redundant architecture, data replication, and automated integrity checking. Redundant architecture involves deploying multiple instances of a service on geographically and physically separate hardware, providing increased fault tolerance.

Transforming ITOps with automation

Cognizant's **Neuro® IT Operations** platform uses AI-powered automated tools to continuously improve resilience and reduce complexity, while giving enterprises full visibility over IT operations.



4. Seizing gen AI opportunities in payments

Gen AI has the potential to transform every aspect of the payments experience, be it through personalized advice or smoother, more secure processes. Naturally, every business is eager to embrace it.

However, while its potential is clear to see, gen AI still has a long way to go. As it evolves, we'll be with you to make sure you make the most of every opportunity.

Navigate the gen AI landscape with expert partners

Together, we'll work with your teams to get them familiar with AI — starting with bespoke consulting, digital engineering and technology expertise that helps you:



Lay gen AI foundations

Assess your organization's maturity and develop the right business case and adoption road map that will put you on an AI-first path to modern payments processes.



Delight your customers on demand

Create and integrate an end-to-end AI digital payments system, including AI-powered chatbots and automation, enabling personalized experiences for your customers and faster, continuous innovation.



Create an AI culture

As AI develops, your people and culture need to develop with it. This includes working with your teams to onboard them onto AI and providing human-led support to train your people to keep up with its continuous improvements.



Manage AI risk

Embed intuitive reviewing and monitoring layers into your systems, and teach your engineers how to use them to ensure a smooth, compliant AI journey.

Delivering value and fostering innovation

Cognizant fosters innovation through our BlueBolt initiative, where Cognizant associates develop AI solutions for payments businesses. Combining these tools with Microsoft Azure and OpenAI Service will make your day-to-day tasks far easier thanks to capabilities like rapid content generation and case summarization.

An award-winning Virtual Assistant built on Microsoft 365 Copilot

A British Financial Services company is innovating with Microsoft to deliver exceptional CX through its award-winning virtual assistant, Redi. The result is a high customer satisfaction score from its retail and business banking customers.

Put gen AI into practice in Banking and Financial Services

We can further support your AI journey through our Microsoft collaboration.

Together, we're building the skills and knowledge to modernize your technology, reimagine your processes and transform experiences. For example, adopting Microsoft 365 Copilot can help optimize processes so your people can focus on higher-value tasks.

Learn how our partnership is transforming the banking, financial services and insurance industry in our guide: [Capitalizing on generative AI in BFSI](#).



Fastrack your journey into the future of payments



Cognizant provides digital transformation services, acting as a consulting partner and systems integrator. We've built deep industry knowledge after working with payments institutions and banks for more than 27 years. Our services include end-to-end consulting, industry-specific solutions and comprehensive frameworks for everything from a short advisory project to a strategic transformation program.

Cognizant, in partnership with Microsoft, works closely with you to understand your needs, ensuring businesses like yours can adapt to rapid industry changes and deliver exceptional customer experience by remaining innovative, resilient, compliant and secure.

1

Do more with your data

Harness a gen-AI-powered environment to make more of your data, guiding you to innovate high-quality services that customers want.

2

Reinforce cybersecurity

Create a road map and strategy involving intelligent solutions like AI fraud detection and management, as well as our expansive cybersecurity partner network, to combat increasing threats.

3

Turn regulatory pressure into resilience

Become regulation-ready with our support — including security assessments, tailored resilience frameworks, and future-ready AI tools.

4

Seize gen AI opportunities

Ensure smooth gen AI progress with day-one expert support and an entire partner ecosystem's worth of leading AI tools.

Speak to a Cognizant expert.

These expert insights have been brought to you by:
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*Source: Cybercrime Report, CybersecurityVentures.com

