

How to get ahead of Australia's payments transition

The imperatives and pathways for business payments modernisation.



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A word from Commonwealth Bank

While Australia's real-time payment system, the New Payments Platform (©NPP)¹, already supports billions of dollars in daily transactions, it is not well understood. Most businesses are unaware the NPP will replace the legacy Bulk Electronic Clearing System (BECS), otherwise known as Direct Entry System, with 2030+ serving as an indicative milestone. That will require the migration of BECS-supported payments, including payroll, bulk supplier payments or customer direct debits. It also presents an opportunity to use this transformational moment to enhance financial operations.

In Australia, we are fortunate to have the NPP given its unique features. It uses the data-rich ISO20022 standard, which also allows for global interoperability. It is always on, supporting retail, commercial and wholesale payments use cases.

At Commonwealth Bank, our transaction banking teams have been working closely with many businesses to plot

out their NPP transition. That involves the collaboration of payments experts and teams focused on improved liquidity and cash flow planning, data-driven automation, and a better customer experience.

This guide draws on their collective experiences and our engagement with participants from the broader payments ecosystem. The result is a framework designed to improve readiness, confidence and momentum, suitable for both businesses getting started and those currently planning, piloting and using NPP services.

NPP capabilities are already delivering real-world business impacts through enhanced financial management, operational efficiency, security and compliance, and customer interactions.

More innovations are on the horizon, and early NPP adopters are likely to be best placed to capture the opportunities and manage the risks.



Ethan Teas

Executive General Manager Payments
Commonwealth Bank of Australia

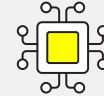
The state of play for the NPP transition

Australia's Bulk Electronic Clearing System (BECS) is gradually being phased out in favour of the New Payments Platform (NPP). Businesses are encouraged to begin planning their transition to ensure continuity and take advantage of the enhanced capabilities offered by the NPP. Understanding the migration process and preparing early will help organisations make a smooth shift.



What is BECS?

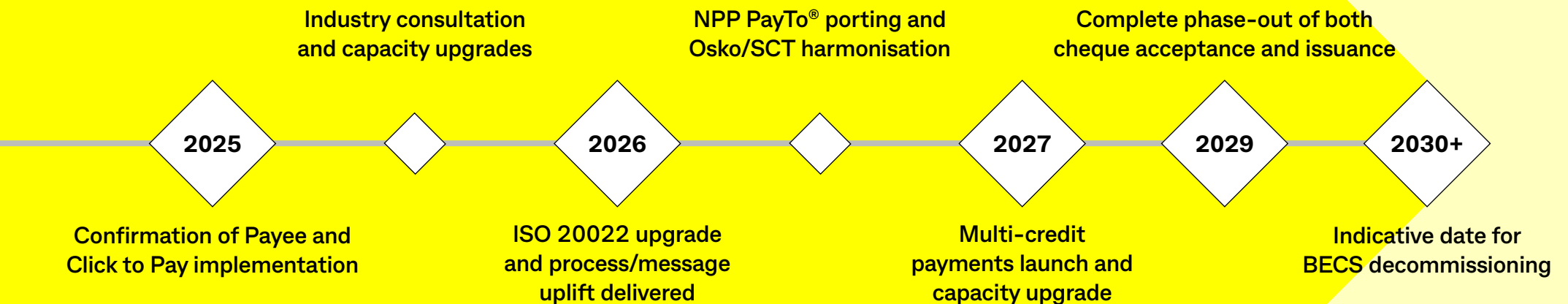
The Bulk Electronic Clearing System is Australia's main account-to-account payments system. It processes direct debits and credits through batches, covering a range of payments from payroll and superannuation to customer receipts.



What is the NPP?

The NPP is Australia's real-time payments backbone, running 24/7 with richer data through the ISO 20022 messaging standard. Services such as PayID®, Osko and PayTo®² are built on the NPP, offering faster, safer and simpler ways to manage payments.

Key milestones on the payments modernisation pathway³



Ongoing enhancements

Cyber security improvements | Stronger fraud protection | New tokenisation standards | Better dispute and chargeback processes

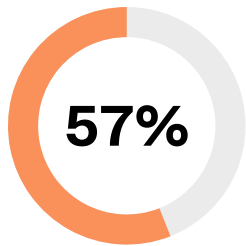
² PayTo® is a registered trademark of NPP Australia Limited.

³ Adapted from the 2025 AP+ Roadmap

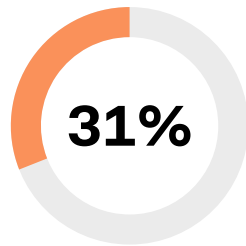
Where businesses stand on their NPP transition journey⁴



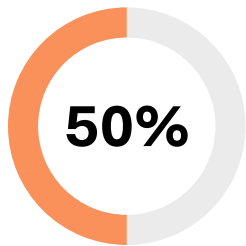
Readiness



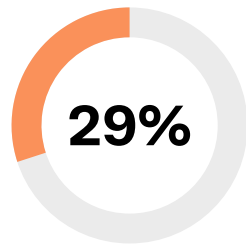
are not aware BECS is being decommissioned by 2030



had not heard of the NPP



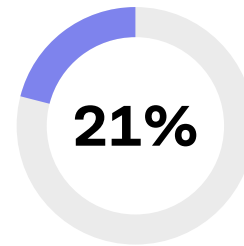
were unsure how difficult it is to migrate payments processes to the NPP



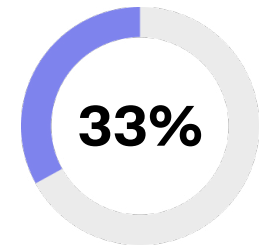
did not know cheques were being retired by 2029



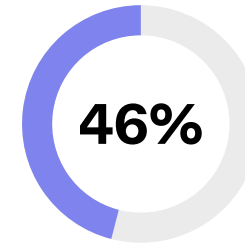
Progress



are already using the NPP or are piloting services



have no plans or are not sure where to begin



are planning or considering using the NPP as part of their technology roadmap

The shift away from BECS has started

The modernisation of Australia's payment system is well underway. Since 2018, the New Payments Platform (NPP) has provided real-time, always-on payments infrastructure. The NPP will replace the legacy Bulk Electronic Clearing System (BECS) for account-to-account payments, with 2030+ serving as an indicative milestone.

The NPP is already transforming how payments are made, received and managed, facilitating \$6 billion in payments each day⁵. At its core is a global standard that allows richer data to be sent with every transaction, such as

remittance advice, purchase order numbers or payroll information. This extra context makes processing and reconciliation faster and supports features such as scam and fraud protection.

The transition of BECS marks a turning point that moves beyond migration deadlines. It's a shift to future-ready payments that have positive implications for financial operations, reduced administration and better customer interactions.

How payments capabilities are changing from BECS to NPP

	From (BECS) 	To (NPP) 	Business opportunity 
Speed and availability	Batch based, overnight settlement, business days only	24/7 processing, near real-time settlement	Improve liquidity management and cash flow forecasting
Fraud and security	Basic monitoring with reactive controls	Scam and fraud prevention overlay capabilities	Build stronger risk management practices
User experience	Slower, less flexible payment options	Faster, seamless payments services	Elevate customer and employee experiences
Data and messaging	Fixed, minimal data fields and instructions through ABA files	Rich, standardised ISO 20022 data with structured detail	Modernise financial systems to enhance operational efficiency and reconciliation
Integration	Legacy file-based workflows and uploads	API-enabled, embedded payments services	Streamline operations with connected workflows

⁵ AP+ August 2025. Unlocking business opportunities with real-time payments.

Harnessing NPP capabilities and early mover advantages

For the one in five Australian businesses already using or piloting NPP services, several factors are driving adoption. Survey respondents identified **faster payment, 24/7 availability and the delivery of better customer experiences** as their top motivators⁶. Businesses also recognise specific advantages associated with individual NPP services.

Take PayTo®, for example, a faster and more secure alternative to direct debits that enables businesses to debit payments directly from customers' bank accounts. While 70% of businesses are unaware of what PayTo® is or unsure what it does, the 30% that are familiar with it rate faster payments as the top benefit. Better fraud protection and security, as well as reduced payment errors and disputes, are also among the top three⁷. Importantly, these benefits extend beyond transactions. They have a bearing on how businesses manage cash flow, streamline operational processes, strengthen security and engage customers.

^{6 & 7} CommBank Survey results, BECS to NPP end-user (as at August 2025).



How the NPP delivers business value

Strategic value



Immediate value



Financial management

Faster settlement and richer data improve liquidity, strengthen cashflow management, and enable more accurate working capital forecasting.



Customer experience

Fast payments, confirmations and refunds deliver frictionless experiences that meet rising expectations for convenience and reliability.



Operational efficiency

More contextual data, like payments remittance, can automate reconciliation and reduce errors and manual input. Application Programming Interfaces (APIs) can help streamline payment initiation, confirmation and reporting.



Security and compliance

Real-time monitoring and richer transaction data reduce fraud and mistaken payments, while improving audit trails and regulatory compliance.



Future-facing NPP capabilities

As businesses adopt NPP services, they become better placed to capture future NPP capability upgrades and service overlay innovations, such as:

- Near real-time cross-border settlement
- Real-time sanctions screening and compliance
- Tokenisation for asset and payment settlement
- Payments-as-a-Service (PaaS) via APIs

Internal impact



External impact

The business transition framework

What's clear from the survey is that most businesses are still early in their NPP transition planning, and many are unsure where to begin. For larger, more complex organisations, this payments modernisation process can be a multi-year undertaking that brings both opportunities and risks. While every roadmap will vary based on factors like in-house expertise, IT architecture, and existing financial workflows, there are some common steps all businesses can follow. These steps are best considered as a capability-building cycle that accelerates over time.

Step 01

Map BECS dependencies to identify opportunities and risks



Step 03

Start with small-scale pilots to test and learn



Step 02

Prepare people, processes and technology



Step 04

Scale up your transition



Map BECS dependencies to identify opportunities and risks

One encouraging finding from the Commonwealth Bank survey was that businesses can readily identify their critical payments use cases. Bulk supplier payments, and payroll and superannuation, were commonly ranked as the most important, followed by direct debits and ad hoc collections⁸. The following is the full set of payments use cases named by businesses:

Business-to-business	People-related	Customer-related	Other
• Bulk supplier payments • Accounts payable bills • Intercompany transfers	• Payroll • Superannuation • Staff reimbursements	• Direct debits • Ad hoc collections • Instalments and loans • Bill payments	• Emergency and out-of-cycle • Recurring

However, as one respondent said, “I didn’t know payroll was impacted”, highlighting the foundational nature of mapping your end-to-end payments workflows to understand:



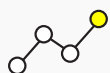
Which processes in your business rely on BECS



Payment frequency and legacy constraints, such as daily cut-off times



Whether payments are single or batch-driven



Unearthing opportunities

Payments mapping identifies migration imperatives and highlights opportunities for NPP alternatives to unlock efficiencies. For example, moving from payment runs within business hours to a 24/7 model. Mapping should not be viewed only through a compliance lens. It is part of the broader business transformation agenda to modernise financial operations and an opportunity to harness real-time capabilities.



Managing risks

Migrating to the real-time world carries new risks. On the one hand, mistaken or fraudulent payments can move instantly and are harder to recover. On the other hand, the NPP offers new safeguards and controls. Service overlays such as Commonwealth Bank’s NameCheck solution is one such preventative measure, where a sender can use richer payments data to confirm whether the recipient is the right one.



Lachlan Baumert
Senior Product Manager
Real Time Payments
Commonwealth Bank

“Knowing your own processes end-to-end and back-to-front is crucial to being able to deliver any type of real change.”

⁸ CommBank Survey results, BECS to NPP end-user (as at August 2025).

Prepare people, processes and technology

Migrating payments to the NPP is about more than swapping rails. It is a change in your financial operating model that may require new technical settings, cross-functional collaboration, bank support and stakeholder education. The approach you take will depend on the size of your organisation and the complexity of payments processes and vendor integrations.



Assemble your team

Establish a working group to guide decision-making and anticipate the wider impacts of NPP migration. For some, this might be a small group. For more complex businesses, it may include treasury and finance, digital and customer experience, transformation and change and communications teams. Ask which areas will be impacted as real-time payments become a reality.



Engage your bank

Early dialogue with banking and payments partners is essential in building a realistic transition roadmap. Work with your payments partners to map processes, identify NPP opportunities, and gain connectivity to new services. Ask about your bank's NPP capability roadmap, when new services like PayTo®, ISO 20022 file translation, or real-time cross-border payments will be available.



Work with technology vendors

In our survey alone, businesses used 45 different ERP, accounting and payroll systems⁹. These technology vendors will be a critical enabler of the transition. Work with vendors to confirm readiness, test data flows and clarify how handling of real-time authorisation, automated reconciliation and reporting.



Educate stakeholders

NPP migration can be a significant change program, altering how teams work and customers pay. Education and clear communication are vital to gain internal support and sponsorship, manage change and prepare customers for new interactions. This engagement can support transition momentum and ensure customers are aware of the shift and its benefits.



Jade Chin
Executive Manager
Payments as a Service
Commonwealth Bank

"Banks are more than service providers during the transition. We're aligning systems and vendors, supporting implementation and helping support the educational process."

⁹ CommBank Survey results, BECS to NPP end-user (as at August 2025).

Start with small-scale pilots to test and learn

Rarely will a business be moving all BECS payments to NPP services at once. Piloting NPP services in a controlled way can help build confidence, gather data and refine processes before scaling. At a high level, businesses can:

Select low-risk or high benefit NPP process

Continue dual-running payments on BECS

Measure outcomes and collect internal or external feedback

Refine approach and expand scope



Pilot first

In the initial phases, maintain critical payment processes on BECS while conducting small-scale pilots on the NPP. This helps avoid disruption to critical business operations while providing an opportunity for real-world testing.



Demonstrate the benefits

Establish clear metrics for the pilot's success. This could include customer satisfaction, instances of dishonour rates or gains in processing times. Run surveys and collect feedback from internal teams and customers. Bring data together to validate benefits and refine approach.



Build momentum

Use learnings to expand into new payment use cases, tighten controls and mitigate risks. Educate internal teams and use quick wins to gain ongoing endorsement.



Pilot use case in action

Deploying PayTo®, a real-time direct debit with faster settlement and reconciliation, is a common pilot use case, given the potential positive impact on cash flow and customer experience. Rather than introducing it to all existing customers, it can be launched for new ones as they are onboarded. There is no disruption or change and direct feedback can be sought before offering it to more customers.

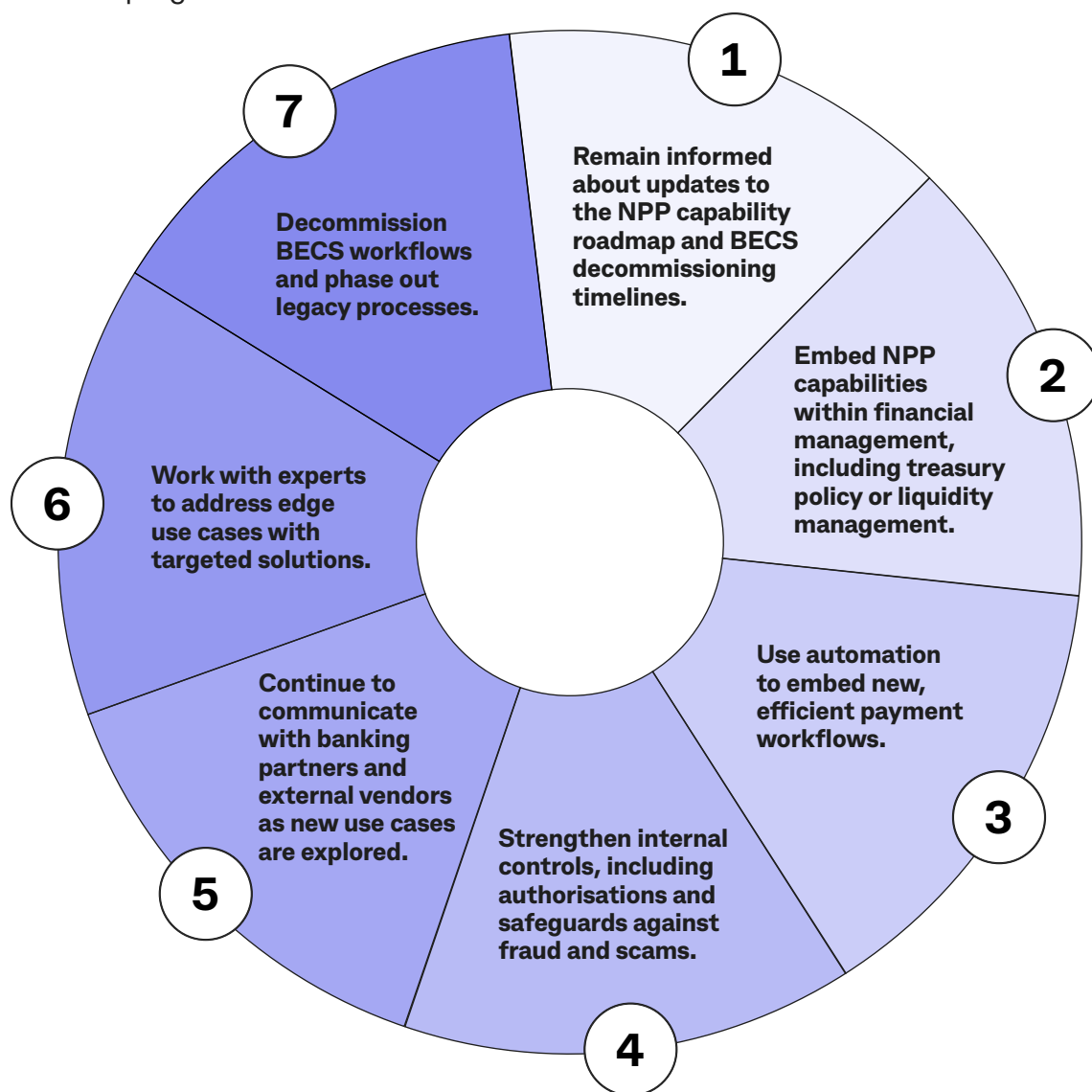


Hannah Jones
Executive Manager
Payments Customer Success
Commonwealth Bank

"You don't need to start with a critical process like payroll. Think small, collect data on the experience and then increase scale and volumes."

Scale up your transition

As confidence and internal capabilities grow, you are ready to accelerate your transition to the NPP. This includes continuing many of the steps above and new considerations as your transition progresses:



Pilot use case in action

In the PayTo® example above, the natural next step is to move beyond the pilot and begin automatically migrating direct debits for a broader cross-section of customers. This would again present minimal disruption and allow customers to opt out if they prefer their existing arrangements. As the NPP continues to evolve, new capabilities will also make it easier to scale. From 2027, it is expected that there will be simplified pathways to support direct and larger-scale migration of direct debits.



Damien Sheedy

Chapter Lead & Product Owner
Domestic Payments, Business Banking
Commonwealth Bank

"We're looking closely at the next wave of planned NPP capabilities and how that will simplify the transition for businesses. Right now, we're focused on supporting legacy systems while readiness builds, and providing tools and support for early adopters."

Transition framework quick check guide

Step 1

Map BECS dependencies to identify opportunities and risks



Assemble cross-functional working groups, including finance, IT and operations



Map current BECS processes and critical dependencies integration



Identify opportunities for NPP-driven efficiencies and benefits, as well as risks

Step 2

Prepare people, processes and technology



Engage with technology vendors and banks to enable ISO20022 and NPP integration



Rewire payments processes for real-time authorisation, richer data and 24/7 operation



Manage operational change and educate internal teams and customers

Step 3

Start with small-scale pilots to test and learn



Piloting lower risk NPP workflows whilst continuing BECS on critical payments workflows



Set clear metrics, and measure business and customer impact and outcomes



Gather feedback and data, and use to refine and scale up scope of pilot

Step 4

Scale up your transition



Gradually phase out legacy processes as confidence grows



Automate processes, uplift security controls, and continue stakeholder engagement



Embed NPP capabilities into treasury policies, liquidity and cash flow managements

How we can help

There is still time before BECS is phased out, but the transition is well underway. Acting early and tailoring the roadmap to your processes and needs can help capture the benefits of real-time payments, reduce associated risks, and progress your transition with confidence and momentum.

Our transaction banking teams are already working with many businesses to provide guidance, identify dependencies and use cases and support implementation. While every transition roadmap will be different, the shared principles outlined in this guide provide a starting point for tailored discussions.

Things you should know:

CommBank Survey results, BECS to NPP end-user (as at August 2025). Results were based on a survey of 140 respondents and was conducted over a six week period between July and August 2025.

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Get in touch

Contact your Relationship Executive or Transaction Banking Specialist to find out more.

Looking for more information?



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