

UOB reduces cash handling risks by digitalising cash-on-delivery

*UOB mCollect, a QR-based solution, enables businesses to receive PayNow payments
and automates the reconciliation of collections against invoices*

Singapore, 4 November 2019 – United Overseas Bank (UOB) today announced the launch of UOB mCollect, a QR-based collections solution that digitalises the cash-on-delivery model. With UOB mCollect, businesses will be able to collect payments from their buyers via PayNow at the point of delivery, helping them reduce the risk inherent in handling cash while also improving cash flow and productivity.

According to UOB data, more than two thirds of the Bank's corporate customers still receive cash payments from buyers who tend to be small businesses. As a result, these businesses have to handle cash, leading to avoidable security and fraud risk. In addition, businesses need to dedicate resources to manage manual processes such as verifying payments collected and reconciling collections against invoices.

With UOB mCollect, employees simply generate a QR code on their mobile device and provide the code to the customer who then scans it to make the payment. After payment is made, funds are credited to the supplier's account immediately via PayNow and a notification is sent instantly to inform them of the transaction. Payments collected through UOB mCollect are also reconciled automatically, reducing the need for manual processing and cutting down the time needed to manage their account receivables by half¹. The ability to collect payments on the spot also helps businesses to improve their cash flow, particularly as companies continue to experience payment delays².

Ms So Lay Hua, Head of Group Transaction Banking, Group Wholesale Banking, UOB, said, "While good progress has been made to encourage more cashless payments among businesses, there is still a gap when it comes to the collection process, specifically with cash-on-delivery payments. With UOB mCollect,

¹ Based on industry average of approximately four days to reconcile invoices manually.

² According to the Singapore Commercial Credit Bureau, slow payments among Singapore firms inched up by 0.19 percentage points to 37.29 per cent in Q3 from 37.1 per cent in the previous quarter.

business will reduce the risks arising from handling physical cash and streamline their reconciliation process.”

The UOB mCollect solution can be integrated easily within a company’s existing enterprise resource planning (ERP) solution. For businesses without an ERP solution, UOB mCollect is also accessible as part of UOB BizSmart, the Bank’s integrated digital solution suite that helps companies manage core business processes.

Boong Food, a company under Boong Group, piloted the use of UOB mCollect. Boong Food is in the business of food processing and packaging and also supplies both fresh and frozen meat to about 800 companies in Singapore.

Mr Steve Wong, CEO, Boong Group, said, “We make hundreds of deliveries every day. When collecting payment, which is often made by cash, our salespeople have to spend time verifying the amount and payee details and tallying the payments at the end of the day. This manual process not only creates room for human error, but also takes up valuable time and resources. With UOB mCollect, our salespeople can collect payments digitally, streamlining the collection process and reducing the time needed for each delivery. Our finance team also benefits as payments received through UOB mCollect are automatically reconciled against each invoice. We will continue to work closely with UOB to explore the adoption of this solution for our other businesses within the group.”

Also benefiting from UOB mCollect is Goodair, a homegrown business supplying and servicing air-conditioning units for residential properties as well as commercial and industrial projects.

Ms Mabel Wan, Finance Manager, Goodair, said, “We have been using UOB BizSmart to manage processes such as invoicing, accounting and payroll digitally. With UOB mCollect, we can now generate and embed a dynamic PayNow QR Code in the invoices we issue to our customers. This means our service technicians can collect payments on the spot, shortening the time taken to receive payments which in turn helps to improve our cash flow.”

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About United Overseas Bank

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of more than 500 offices in 19 countries and territories in Asia Pacific, Europe and North America. Since its incorporation in 1935, UOB has grown organically and through a series of strategic acquisitions. UOB is rated among the world's top banks: Aa1 by Moody's and AA- by both Standard & Poor's and Fitch Rating. In Asia, UOB operates through its head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia, Thailand and Vietnam, as well as branches and representative offices across the region.

Over more than eight decades, generations of UOB employees have carried through the entrepreneurial spirit, the focus on long-term value creation and an unwavering commitment to do what is right for our customers and our colleagues.

We believe in being a responsible financial services provider and we are committed to making a difference in the lives of our stakeholders and in the communities in which we operate. Just as we are dedicated to helping our customers manage their finances wisely and to grow their businesses, UOB is steadfast in our support of social development, particularly in the areas of art, children and education.

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