



## Universal Payment Identification Code (UPIC) Helps Ameren Reduce Payments Risk

### Background

Ameren is a leading U.S. utility that serves approximately 2.4 million electric customers and nearly 1 million natural gas customers in a 64,000-square mile area of Missouri and Illinois. With assets of \$22 billion, Ameren operates a diverse mix of electric generating plants in the Midwest and has a generating capacity of more than 16,400 megawatts. [www.ameren.com](http://www.ameren.com)

UPIC is a unique account identifier issued by financial institutions to allow organizations to receive electronic payments without divulging confidential banking information. [www.upic.com](http://www.upic.com)

### Business Challenge

Because of the scale of its business, Ameren supports the use of electronic payments to improve efficiency and streamline its operations. At the same time, Ameren is focused on preventing bank account fraud to ensure the confidentiality of millions of customer payments. Additionally, when the company changes banks or its bank routing/transit or account numbers, it incurs high cost in providing customers with new payment information.

### UPIC Benefits To Ameren

Ameren benefits by keeping its bank account information out of the public domain, and thereby minimizing the opportunity for fraud. That is critical because Ameren receives large volumes of retail payments electronically from consolidators, corporates and business clients. "When I first heard of the UPIC concept, I was excited because I could see how it would help me manage payments at Ameren," said Don Hollingsworth, Assistant Treasurer of Ameren Corporation. "First, we would no longer have to furnish our real banking information to anyone who wanted to send us ACH payments, which in the wrong hands, could be used for illicit activities. Secondly, if anyone attempted to debit our bank account, the transaction would be rejected because UPICs disallow debits. This gave me great comfort."

## **The Bank's Role**

After switching financial institutions, the bank issued Ameren several UPICs to point to their accounts. The decision to use the UPIC proved beneficial almost immediately. The company's new bank required that Ameren change one of its accounts, which would have required notification to its customers. Had Ameren not been issued a UPIC, the company would have had to inform thousands of customers individually of its new bank account information at significant expense to the company.

## **How A UPIC Works**

A UPIC is a unique account identifier issued by financial institutions to allow organizations to receive electronic payments without divulging confidential banking information. "UPICs are for credit payments only and minimize the possibility of unauthorized debits, checks and demand drafts," said Sharon Jablon of EPN. "UPICs are terrific because they become an organization's permanent electronic payment address. The portability of UPICs reduces the effort required in changing accounts due to bank mergers or changes in banking relationships, including the cost of communicating new bank account information to trading partners."

*Since the inception of the UPIC in 2002, there have been more than 1 million UPIC payments totaling \$34 billion. Over 700 UPICs have been issued to public and private entities by financial institutions across the United States. The UPIC was developed by the Electronic Payments Network (EPN), the ACH business of The Clearing House Payments Company L.L.C., in conjunction with the financial services industry.*

## **How Your Institution Can Get A UPIC**

Organizations can obtain a UPIC through their bank. Today, 22 banks are offering UPICs including BB&T, Chemung Canal, Citibank, Comerica Bank, CoBiz Bank, Commerce Bank, Empire National Bank, Hancock Bank, HSBC Bank, JPMorgan Chase Bank, KeyBank, M&T Bank, The Bank of New York Mellon, PeoplesBank, PNC Bank, State Bank of Long Island, Sterling National Bank, SunTrust Bank, Union Bank of California, U.S. Bank and Wachovia Bank. No system changes are needed to accounts payable, accounts receivable or cash management systems to use a UPIC.

## **To Learn More About UPICs**

For additional information about UPICs, visit [www.upic.com](http://www.upic.com) or [www.epaymentwork.com](http://www.epaymentwork.com), or call Sharon Jablon, EPN Business Development Manager, [Sharon.jablon@epaynetwork.com](mailto:Sharon.jablon@epaynetwork.com), 212.613.0178.