



Treasury and Trade Solutions



Case Study

Virgin Atlantic Holidays *virtual cards*






Innovative Travel Agency Card by Citi Provides Smarter Payments for Global Holidays Business

Virgin Atlantic Holidays offers holidays worldwide with destinations, including the U.S. and Canada, the Caribbean, Africa, the Middle East, the Indian Ocean and the Far East. The company has grown to become one of the largest and most successful long-haul scheduled Global Holidays business in the UK.



Optimization Objectives

As Virgin Atlantic Holidays has grown globally, so has Treasury's need to optimize its virtual credit card capabilities to meet the expanding international requirements of the business. The Treasury team set the bar high with a robust set of objectives in what would be needed from the optimal virtual card solution. These included:

-  Delivering the ability to transact in any currency reducing foreign exchange (FX) fees
-  Having no fixed annual fees
-  Competitive pricing including payment terms and rebate
-  Providing an IT platform that could interface via API with dynamically issued cards for hoteliers via Virgin Atlantic Holidays' reservation system, as well as having a user interface platform for manual card issuance
-  Ability to provide enhanced reporting and controls with 24/7 support



Offering an internationally recognized card scheme



Ability to provide a daily reconciled report, which matches a card request to a transaction and presents a fully reconciled bill

Virgin Atlantic Holidays required a technically advanced virtual card solution with underlying credit, all of which made a global banking provider an ideal partner.

Solution Offering

To address its card solution requirements, Virgin Atlantic Holidays' Treasury team turned to Citi and its Travel Agency Card, an innovative virtual card product designed to provide smarter payments for the global travel industry.

Card Issuance

The Travel Agency Card by Citi was chosen due to the bank's advanced technology platform and the high quality of the program. The Travel Agency Card has been designed to provide a secure payment mechanism, streamline and automate global travel payments, which is critically important to Virgin Atlantic Holidays.

Reconciliation

This agile card program, which required no major system change or investment on the part of Virgin Atlantic Holidays to implement, takes advantage of next-gen API automation to enable Treasury to manage supplier payments, including hotel and flight payments around the world. Citi can also facilitate seamless reporting and reconciliation, as well as dispute settlement.

Controls

Citi's API also offers a single proprietary interface to create and manage all virtual cards, enabling cards to be generated in real-time, 24/7. Card parameters can be updated on-demand, as well as canceled in real-time.

The Travel Agency Card by Citi ensures that Virgin Atlantic Holidays' bookings aren't lost due to payments failures, while reducing the working capital burden of paying suppliers upfront through the card program's underlying credit terms. Citi's solution also addresses the complexity that comes with reconciliation of bookings versus payments in the back-office using custom data fields, ERP integration and a detailed reporting suite.

The Results

Virgin Atlantic Holidays has achieved its optimization objectives, positioning the company for continued global growth. Virgin Atlantic Holidays' Treasury team has taken advantage of a next-gen virtual card program from a trusted banking partner with a global network, competitive payment terms, and robust rebate structure.

The benefits of the solution include the ability to maximize payment acceptance by paying suppliers using a preferred virtual card product. The solution also optimizes cashflow by leveraging a Citi credit line to capitalize on working capital. Treasury is now able to reduce FX fees by paying suppliers in their local currency. This solution allows Treasury to overcome payment challenges for exotic locations and currencies.

Further benefits include the ability to automate payment creation leveraging Citi's API to create and manage all virtual card products. The solution enables Treasury to streamline reconciliation utilizing a daily file feed from Citi to the company's ERP system, automating payment reconciliation. By using a virtual card solution, Virgin Atlantic Holidays has improved payment security through the use of transaction level controls to prevent fraud.

The new Travel Agency Card by Citi complements Citi's existing local virtual card issuance capabilities in 46 countries and 30+ unique currencies globally, including highly regulated markets such as Brazil, India and South Africa, all of which are accessed via Citi.

“The introduction of the Virtual Card program deepens our long-standing Citi relationship and supports our growing international operation.”

Head of Treasury, Virgin Atlantic