

# **Settlement & Reconciliation – Digital Payments Case Study**

## **Background**

In digital payment systems, transactions are processed in real time, while settlement and reconciliation occur later. Mismatches between gateway, bank, and merchant records can result in financial loss and operational inefficiencies.

## **Problem Statement**

Operations teams face difficulty resolving mismatches where transaction status or amounts differ across systems, leading to delayed settlements and manual intervention.

## **Scope**

- Settlement lifecycle
- reconciliation checks
- mismatch identification
- exception handling workflows

## **Functional Requirements**

- Match transactions across gateway, bank, and merchant systems
- Identify amount mismatches, missing records, and duplicates
- Generate daily reconciliation reports and trigger exception workflows

## **KPIs**

- Settlement success rate
- reconciliation accuracy
- average resolution time

## **Risks & Mitigation**

- Risk of financial discrepancies mitigated through automated matching and audit logging.