



**mistho.**

Open payroll connectivity for Europe


The European Payroll API

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**Optimizing income  
verification**

September 2022

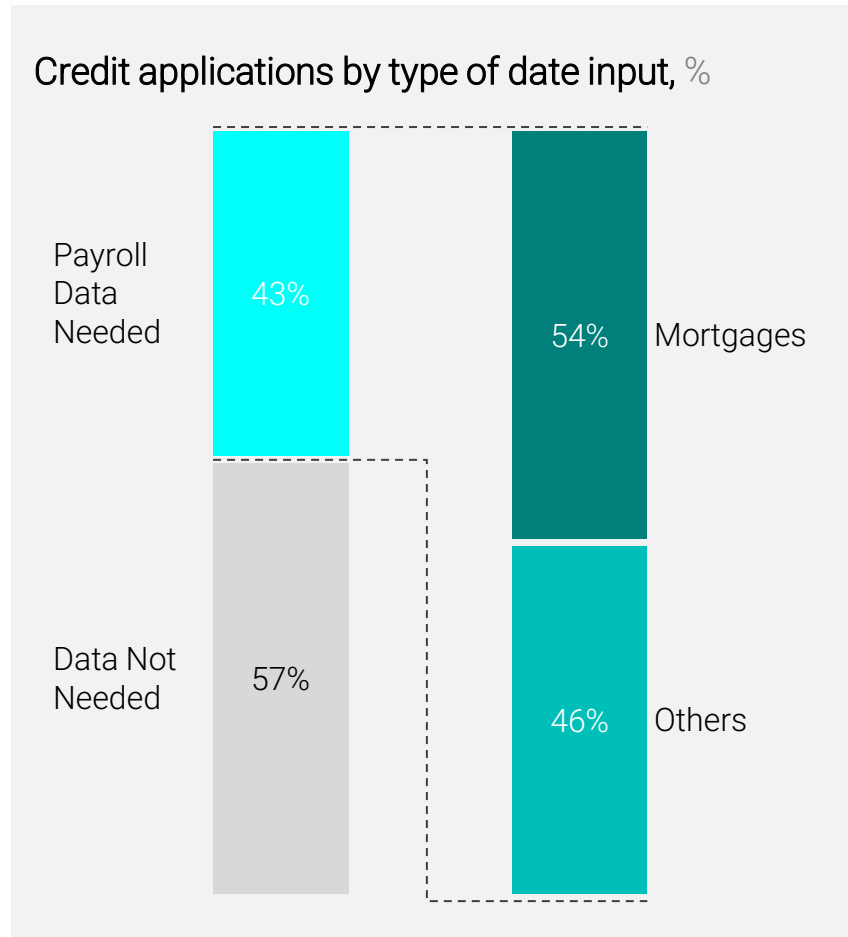
# Contents

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The goal of this document is to give you deep insights into the Mistho Payroll API and how we can support your business with better income verification solutions. Each section should answer major questions that could come up in internal discussions and we are excited to answer any follow-up questions in a personal meeting.

## PROBLEM

# Payroll data is fundamental to credit processes...



Payroll data is needed for **approx. half of all credit applications** mainly driven by mortgages and today there is **no technology available for straight through processing**

## PROBLEM

# ...and payroll data is becoming increasingly crucial

**Fraud levels are on the rise due to increasing economic pressures**

Due to the pandemic 6.6m UK residents are now living on *significantly reduced income*

**Payroll data is core to fraud prevention**

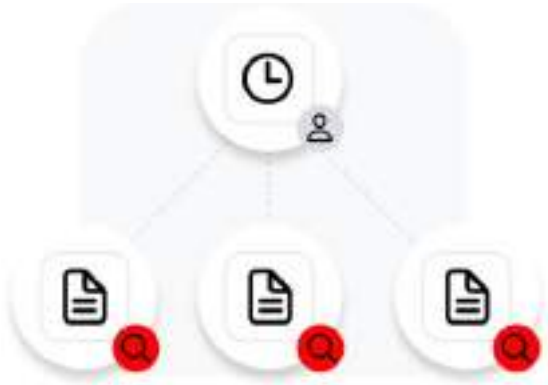
Studies have shown a direct correlation between credit risk and the length of employment and income.

**Payroll data is already today the preferred method to validate affordability**

97% of people who were asked to share their payslips during credit applications in the past 3 years have done so.

## PROBLEM

# However, the status quo of payroll verification is broken



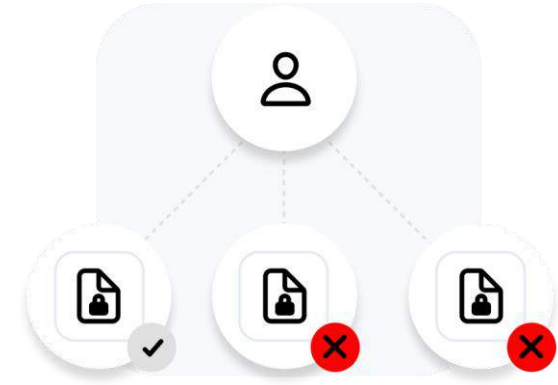
## Highly Manual

In most applications and interactions, individuals need to **manually download PDF pay slips and re-upload them** or send them via e-mail



## Non-Native

Income verification in credit or rental applications **requires users to leave the website/app** and search for and upload documents resulting in **process breaks**



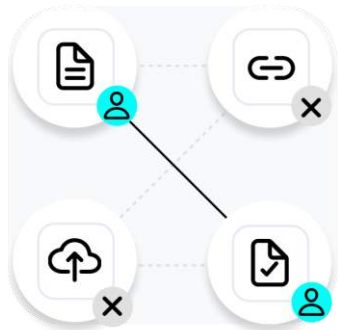
## Risky

From a lenders and landlord perspective, uploaded PDF documents could easily have been edited and there is **no guarantee for their validity**

# Mistho provides secure digital access to payroll data

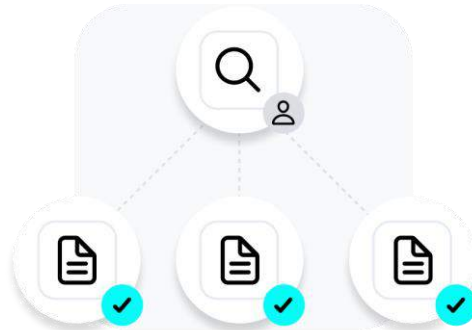
## The solution

Leveraging the Mistho API, users can natively (within the website/app they are utilising) log onto their payroll / HR systems and automatically share their data to the partner of their choice in both PDF (e.g., last 3 months payslips) as well as a standardized JSON format. Data quality is improved as it comes directly from the first-party source with low to no risk of fraud and user-flow is improved significantly given a complete in-app/in-site experience.



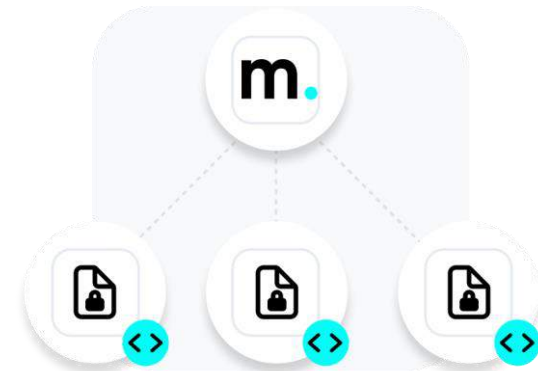
### Fully native

The users never needs to leave your site or application to verify income



### Fast

Income verification just takes a couple of seconds, no need for waiting

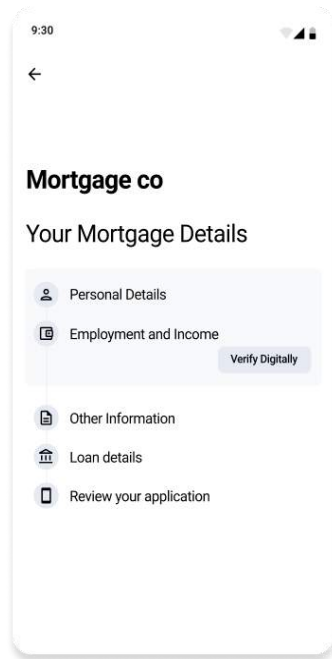


### Accurate

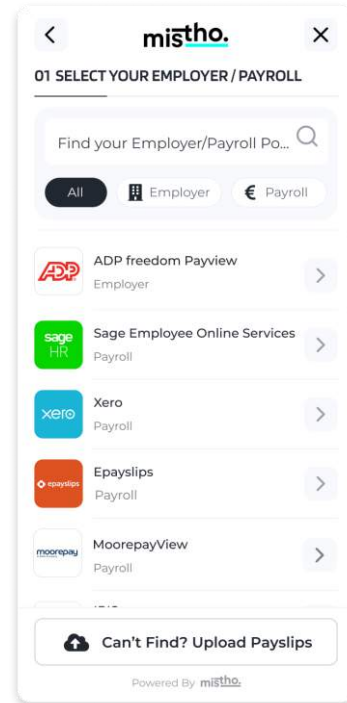
Our data comes directly from the source, the risk of fraud is minimized

## SOLUTION

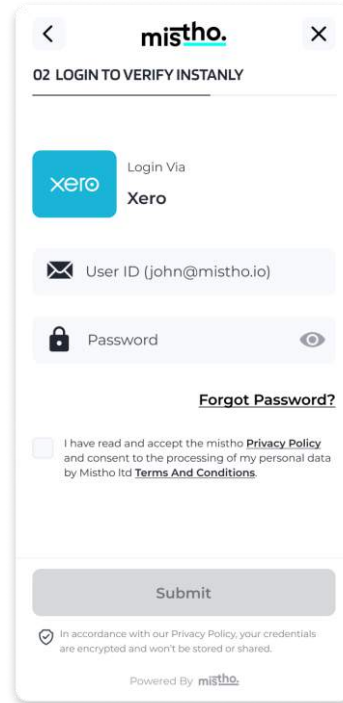
# Our front-end module is easily integrated into your flow



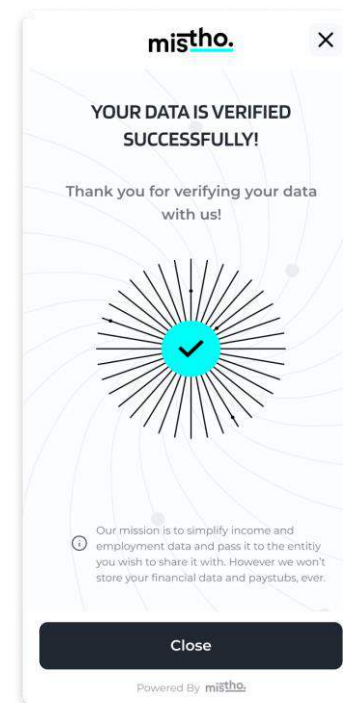
**Step 0**  
Initiate Mistho  
verification in app



**Step 1**  
Select and verify  
employer or payroll  
provider



**Step 2**  
Enter standard  
credentials to  
access information



**Step 3**  
Verified  
information is  
shared with partner



**Step 4**  
End User can  
continue with  
process flow

# Our solution comes with everything your dev. team needs

## Custom configurations

To provide a fully customized user-experience, you are able to customize the user experience via your own configurations in our dashboard.

*SDK for mobile & web coming later this year*



## Complete API library

We provide a full API documentation and easy accessibility via our self-service tools and customer service team



## Sandbox environment

Our sandbox environment enables you to try and optimize the integration before sharing it with the world

**Built for engineers by engineers**



## SOLUTION

# Already today we cover around 70% of the UK's employees

### Example Payroll platforms



### Example UK employers















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**Users can either select their payroll solution or employer**

## SOLUTION

# The majority of key providers are already covered and we are now integrating the long-tail of hundreds of providers

Overview of coverage by payroll provider

Payroll provider	Covered	Population covered	Comments
		~ 12.9 million	Sage serves approx. 50% of the UK private sector and is the #1 for SMEs when it comes to payroll solutions
		~ 4.0 million	Xero is a more recent entrant with the same focus as Sage with approx. 800k customers
		~ 2.3 million	Iris is a full-service provider for HR and payroll solutions focused on mid-market
		~ 1.2 million	The NHS is the single largest employer in the UK covering more than 1.2 million employees across the various associated organizations
		~ 1.0 million	ADP is the largest US-based payroll provider and a heavy weight for UK payroll
		~ 0.5 million	Moorepay (part of Zellis group) is a go-to-solution for SMEs with more than 10k customers
		~ 21.9 million	

**The UK currently has 30.5 million people in employment, enabling a 71.8% coverage ratio. Beyond the initial providers covered a long list of specific employers and other smaller providers will be covered over the next months**

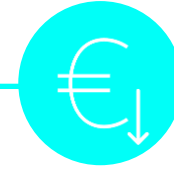
*Note: these are only the largest providers we cover, add. Providers are not considered (currently 15 are not considered)*

# Our API drives direct business impact



### Revenue upside

- Achieving a **fully digital process** with Mistho will increase the number of completed applications and leads
- **Faster decisioning time and response** to your customers makes your offering more competitive and directly improves conversion
- **Identifying promising leads (income-based)** allows your sales experts to focus efforts on improving conversion



### Cost reduction opportunities

- **Save the time spent checking applications** and pursuing further information with first-party payroll data
- **Reduce fraud across your portfolio via 100% verified data across your portfolio**
- By implementing Mistho early in your process flow, **irrelevant leads can be filtered out early** (i.e. fake personas), saving wasted effort by your sales experts

## ADVANTAGES

# Open Payroll is the go-to for affordability assessment

Comparison of affordability assessment solutions

### Technology-Enabled Solutions

#### Mistho

- ✓ Up-to-date data
- ✓ Tamper-proof
- ✓ Granular Data
- ✓ Enables Fully-digital UX
- ✓ Large Cost Savings
- ✓ Privacy: One-time Access Only

#### Open Banking

- ✓ Up-to-date data
- ✗ Possible Fraud
- ✗ Only Total Income
- ✓ Enables Fully-digital UX
- ✓ Large Cost Savings
- ✗ Privacy: Continuous Data Stream

### Legacy Solutions

#### Credit Agencies

- ✗ Historical Data
- ✓ Tamper-proof
- ✓ Granular Data
- ✗ Slow, manual process
- ✗ Expensive Reports
- ✓ Privacy: One-time Access Only

#### Paper Documents

- ✓ Up-to-date data
- ✗ Possible Fraud
- ✓ Granular Data
- ✗ Slow, manual process
- ✗ Free, but unverified
- ✓ Privacy: One-time Access Only

Open Banking has digitized many aspects of the financial services industry. However, it is not perfect as a proxy for payroll data. End-user adoption of Open Banking within the UK has been slow due to privacy concerns over continuous access to bank data. Mistho's one-time income verification resolves such privacy concerns and based on initial consumer feedback higher customer adoption is expected.

# Our pricing is flexible and adjusts to your needs

## Pay-per-use

For a quick start and implementation we enable our customers with our pure pay-per-use model with no fixed commitment and pure per unit pricing

**Fixed fee per API call**

## Enterprise grade

For our enterprise customers we offer more attractive offerings with lower cost per API call and minimum SAAS fees per month

**SAAS + fee per call**

*Only successful API calls are chargeable*

Excited about our solution?  
Get your sandbox API keys today at [mistho.io](https://mistho.io)



**mistho.**

**Thank You!**

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[www.mistho.io](http://www.mistho.io)



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