

Case study

LCH.Clearnet SA

Leading clearing house gets secure group member access

When two organisations joined forces to create LCH.Clearnet SA, it presented Michel Touzeau with a triple challenge: knit myriad systems together to work as one worldwide; tackle the extra traffic; and beat off the competition.

BT Radianz provided the answer. Now, a Shared Market Infrastructure safely and securely connects everyone everywhere. LCH.Clearnet members like it because it's specially designed for the financial services sector. So using it is second nature. And Michel likes it because it cuts costs as well as speeding transactions.

“The BT Radianz solution helped harmonise and enhance our technical infrastructure, providing encrypted connectivity and an end-to-end secure managed IP network between our data centres and members' sites.”

Michel Touzeau, Director Business and Technology Watch, Customer and Market Management
LCH.Clearnet SA



“The GMA model we designed with BT has proved to be the right answer to meet our customers’ expectations, both from the commercial and technical standpoints. It was implemented quickly thanks to the combined efforts of our teams and BT teams throughout Europe.”

Pierre-Dominique Renard, Director, Customer, Market & Infrastructure
LCH.Clearnet SA

LCH.Clearnet SA replaces legacy networks with BT Radianz Shared Market Infrastructure for resilient and cost effective connectivity

Challenge

LCH.Clearnet SA evolved from a merger of the London Clearing House and Clearnet SA. Serving major international exchanges and platforms – as well as a range of OTC markets – the Group clears a broad range of asset classes. These include securities, exchange traded derivatives, energy, freight, interbank interest rate swaps, credit default swaps, and euro and sterling denominated bonds and repos.

Like many organisations after a merger, LCH.Clearnet SA faced the inevitable challenge of integrating disparate networks. Pierre-Dominique Renard, Director, Customer, Market & Infrastructure, explains: “Our customers expected consolidated and simpler access to our clearing solutions. The challenge for us was to design and implement a robust and highly secure network for all users.”

Added to this was the need for high performance – as huge amounts of data are transferred at peak times – and global reach. Growing competition in European financial markets, and the perpetual quest for cost effectiveness, were other key drivers in the planned transition.

Solution

After a careful selection process, LCH.Clearnet chose a BT Radianz Shared Market Infrastructure solution. This meant – for the first time in its history – it was able to offer a unified group member access (GMA) platform to members and partners, providing standardised secure access to its applications and services.

The BT Radianz Shared Market Infrastructure is also designed and managed exclusively for the financial services community. Michel Touzeau, Director Business and Technology Watch, Customer and Market Management at LCH.Clearnet, comments: “Many of our members already use the BT Radianz Shared Market Infrastructure. Employing the same service to reach them therefore carries significant cost and efficiency benefits.”

The BT Radianz solution consolidates all external connectivity onto optical fibre, with dual access and diverse routing available for optimal resilience. Offering virtually limitless scalability, it gives access to pre-trade, trade, post-trade, and cross-asset clearing and settlement applications over the entire electronic trade cycle.

An additional benefit of the BT Radianz Shared Market Infrastructure is that LCH.Clearnet SA can offer its members and partners flexibility both in terms of service and resilience levels (Bronze, Silver, Gold, or Platinum) and choice of country for support.

With pre-existing LCH.Clearnet SA network contracts coming up for renewal – and the prospect of costly penalty payments if the project could not be completed in time – a smooth and rapid transition to the new infrastructure was critical. “One of the main reasons for choosing BT was its strong track record in network migration projects around the world,” says Pierre-Dominique Renard.

The implementation plan drawn up between LCH.Clearnet SA and BT included a series of validation and testing stages involving key users. The fact that so many of its customers and partners were already using the BT Radianz Shared Market Infrastructure eased the rollout considerably. The migration was seamlessly completed in a matter of months thanks to the availability, flexibility, and spirit of partnership between LCH.Clearnet SA and BT teams.

Value

The BT Radianz Shared Market Infrastructure is expected to reduce network charges to deliver the desired cost effectiveness. It also enables LCH.Clearnet SA to offer unified pricing to its members and partners.

Pierre-Dominique Renard sums up: “The GMA model we designed with BT has proved to be the right answer to meet our customers’ expectations, both from the commercial and technical standpoints. It was implemented quickly thanks to the combined efforts of our teams and BT teams throughout Europe. That strong collaboration was one of the secrets of our success.”

With so many potential customers also using the BT Radianz platform, LCH.Clearnet SA is highly attractive to new members, who can be connected more easily and more quickly than before. Finally, the relationship between LCH.Clearnet SA and BT is moving to a new level, with discussions in progress around the potential adoption of the BT managed secure messaging service.

Core services

- BT Radianz Shared Market Infrastructure



Offices worldwide

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