

Consultation Questionnaire

This template is intended to help stakeholders respond to the questions set out in our consultation document and in its supporting papers.

Responses should be emailed to us at Forum@psr.org.uk in PDF format by no later than **22 September 2017**. Any questions about our consultation can also be sent to Forum@psr.org.uk

Whilst we welcome feedback from any participant on any question, not all questions in this consultation will be relevant to the wide range of stakeholders in the Payments Community. We have sign posted the questions to clarify which are most relevant for your organisations, and where we would most value your feedback.

Thank you in advance for your contribution to this consultation process.

Basic Details

Consultation title	NPA
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Responding to the consultation and publication of responses

Subject to express requests for confidentiality, please note that we will publish views or submissions in full or in part. In responding, we therefore ask you to minimise elements of your submissions which you want to be treated as confidential. Where you do submit both confidential and non-confidential material, you should submit a non-confidential version, which you consent for us to publish, marked 'for publication' and another version marked 'confidential'.

In responding to this consultation, you are sharing your response with the Forum secretariat (1). Confidential information provided in these circumstances is confidential within the meaning of FSBRA and it is a criminal offence to disclose it without requisite authority (2).

Notes:

- (1) The Forum secretariat work for the Payment Systems Regulator Limited, 'the PSR', and are considered primary recipients for the purposes of the Financial Services (Banking Reform) Act 2013 (FSBRA).
- (2) The PSR has the power to disclose confidential information in certain circumstances for the purposes of facilitating its functions and may impose conditions on the use of that information.

Declaration

'I confirm that our response supplied with this cover sheet is a formal consultation response that the Forum can publish, unless it is clearly marked 'confidential'.

Naomi McCombie

1.0 A New Payments Architecture

Question 1.1  Consumers  PSPs  Corporates  Govt.  Vendors

Do you agree with our recommendation to move towards a 'push' payment mechanism for all payment types?

Yes No

If not, please explain why.

We rely on having a regular income at regular intervals which allows us to predict our cashflow and budget going forward. I feel asking people to pay will not only impact our cashflow but our costs will increase as more staff will be required to manage this system, credit control and debt will also increase. Something a small SME like us can do without.

Question 1.2  PSPs  Vendors

In the proposed transition approach it is expected that Third Party Service Providers including current independent software providers, bureaux and gateway providers will update their systems to enable existing payment formats to continue to operate with no or limited negative impact on the current users of services such as Direct Debit.

As a PSP or TPSP, do you agree we have identified the implications of adopting a push model adequately?

Yes No

If not, please set out any additional impacts that need to be considered.

Question 1.3  Consumers  PSPs  Corporates  Govt.  Vendors  SMEs

As a potential vendor, participant or user of the NPA, are there any other design considerations that should be included in the NPA, especially with regards to considering the needs of end-users?

Yes No

If yes, please provide a description of those areas and why they are important to explore.

Rather than scrapping Directs Debits as we know it, look at streamlining that system rather than creating a whole new one that will impact small SME's and their cashflow.

Question 1.4



The nature of the layering approach enables new components to be added or updated with minimal impact on components in other layers. We believe this will support greater levels of competition and innovation especially in the upper layers of the NPA.

In your view, as a vendor or service provider, will layering the NPA in this way simplify access and improve your ability to compete in the UK payments market?

Yes No

If not, please explain why.

Question 1.5



With the recommended centralised clearing and settlement option, as a participant or vendor who is accessing or delivering the clearing and settlement service, do you think:

a. We have reached the right conclusion in recommending this option?

Yes No

If not, please explain why.

b. The right balance of managing risk versus competition has been achieved?

Yes No

If not, please explain why.

Question 1.6



Do you agree with our analysis of each of the clearing and settlement deployment approaches?

Yes No

Which is your preferred deployment approach?

Question 1.7



As a vendor of services in any layer of the NPA, do you think that more work is required to prove any of the main concepts of NPA before embarking on the procurement process?

Yes No

If so, please explain which areas and why.

2.0 Collaborative Requirements and Rules for the three End-User Solutions

Question 2.1



As a payee,

a. Does your organisation serve customers who experience challenges paying regular bills?

Yes No

b. Does your organisation experience unpaid direct debits?

Yes No

Please comment on the extent to which you experience this and any trends you see in this area.

We have not seen as significant changes in unpaid direct debits over the past 25yrs

Question 2.2



Request to Pay provides visibility to payees on the intentions of a payer. Would the increased visibility benefit your business?

Yes No

If so, how?

A signed DD mandate gives the payee visibility as does a BACS report. An ARUDDS also gives us visibility to what is not going to be paid. Why change something that has worked for many years? Our cashflow will be greatly affected by asking for a payer to approve a payment first and being allowed to choose when they pay.

Question 2.3

 Corporates

 Govt.

 SMEs

Request to Pay will result in increased communication between the payee and the payer. As a payee:

a. Would the increased communication present a challenge?

Yes No

If so, in what way?

Our costs will increase as we would need to employ someone to deal with system and the communications expected. People are already inundated with comms via email, social media etc. It will just be another email that will be ignored, sent to spam or blocked.

b. What benefits could you envisage from this increased communication?

None that I can think of, just more emails/paper being used and abused.

c. Do you see any additional potential benefits resulting from Request to Pay other than those described?

Yes No

If so, which ones?

Question 2.4

 Corporates

 Govt.

 SMEs

We have recommended the minimum information that should be contained in a Request to Pay message. As a payee:

a. With the exception of reference ID, are you able to provide other items of information with every payment request?

Yes No

b. Is there additional information, specific to your business, that you would have to provide to payers as part of the Request to Pay message?

Yes No

Question 2.5

 Corporates

 Govt.

 SMEs

We envisage payees stipulating a payment period during which the payer will be required to make the payment. As a payee, how do you think this payment period might be applied within your organisation?

As a members only club, payments are collected per calendar month in advance so the payment period would need to be very short. To prevent unpaid usage of our facilities.

Question 2.6

 Corporates

 Govt.

 SMEs

Request to Pay will offer payers flexibility over payment time as well as amount and method. As a payee:

a. Does your business model support offering payment plans and the ability for payers to spread their payments?

Yes No

If so, please provide more details as to how these plans are offered, their conditions and to which customers.

b. Do you have a predominant payment method used by your payers?

Yes No

If so, what percentage of customers use it?

90% are direct debit

c. Do you offer your payers a choice of payment methods?

Yes No

If yes, what determines how much choice you offer? If not, what are the barriers preventing you from doing this?

The choice is the members, either a Paid in Full Option (Cash or Card) or monthly Direct Debits. The cost of the collection determines our provision. Direct debit gives us a regular cashflow.

d. Are there any incentives to use one payment method over another?

Yes No

If so, what is the rationale?

Question 2.7

 Corporates

 Govt.

 SMEs

A minority of payers may not be able to pay within the payment period. Through Request to Pay they will be able to request an extension to the payment period. As a payee:

a. Do you currently offer your payers the capability to extend a payment period, request a payment holiday or make late payments?

Yes No

b. What are the conditions and eligibility criteria under which this is offered?

c. If you currently don't, what are the barriers preventing you from offering this capability?

We are a members only club, this would result in unpaid usage. It would also affect our cashflow.

Question 2.8

 Corporates

 Govt.

 SMEs

Request to Pay will offer payers the option to decline a request. The purpose of this option is to provide an immediate alert in case the request was received as an error or will be paid by other means. As a payee:

a. Would you find this information useful?

Yes No

b. Do you have any concerns about providing this capability?

Yes No

Direct debit is, for us, a cost effective method of monetary collections and a regular income source. Allowing a payer to decide that they wish to pay using another method or declining a request will see our costs rise as we deal with delayed payments, increased bad debt and our income fluctuate.

Question 2.9

 Consumers

 Corporates

 SMEs

Does the Request to Pay service as described address:

a. The detriments identified in our Strategy?

Yes No

b. The challenges experienced by your customers? Does it introduce any new challenges?

Yes No

Does it introduce any new challenges?

Question 2.10

 Corporates

 Govt.

 SMEs

As a payee, considering the information provided in this document,

a. What is the extent of change you think you will need to carry out internally to offer Request to Pay?

Massive change, we would need to review our business as a whole. Our whole internal structure would have to change. Something as an SME we could not afford.

b. What challenges do you see that might prevent your organisation adopting Request to Pay?

Cashflow impact, increased debt and costs associated.

c. What is the timeframe you think you will need to be able to offer Request to Pay?

Never, we will not survive as a business.

Question 2.11

 Corporates

 Govt.

 SMEs

What are the features or rules that could be built into Request to Pay that would make it more valuable to your organisation, or more likely for you to adopt it?

None that I can think of.

Question 2.12



We have highlighted several risks and considerations relevant to the delivery of Request to Pay. As an end-user of Request to Pay:

a. Are there any risks that we have not addressed or highlighted that would like to add?

Yes No

Already highlighted in my previous answers.

b. Are there additional unintended consequences that we should consider?

Yes No

The end of regular cashflow for SME's. This is all aimed at large companies with a large bank balances.

Question 2.13



We recognise that additional work needs to be done in identifying potential safeguards including liability considerations associated with Request to Pay. As an end-user of Request to Pay:

a. What are some of the potential liability concerns that you may have?

That payer can choose when and whether they want to pay us. We would have chase for payment increasing our costs and impacting our cashflow.

b. Would you be interested in working with the Forum to define, at a high level, the liability considerations for Request to Pay?

Yes No

If so, please contact us as soon as convenient through the Forum website so we can get you involved.

Question 2.14



As a PSP:

Do you currently offer real-time balance information to your clients?

Yes No

What information do you offer them? If not, what are the constraints?

As we collect our direct debits once a month, there is only ever 1 month of arrears.

Question 2.15



We have presented two CoP response approaches (Approach 1 and Approach 2).

a. As a payer, what would be your preferred approach? Why?

1 -simpler.

b. As a PSP, what would be your preferred approach? Why?

c. As a regulator,

I. What are applicable considerations that must be made for each approach?

II. What safeguards must be put in place for each approach?

Question 2.16 

As a PSP:

a. Would you be able to offer CoP as described to your customers?

Yes No

b. What is the extent of change that you would need to carry out internally to offer CoP?

Question 2.17 

The successful delivery of CoP is largely dependent on universal acceptance by all PSPs to provide payee information. As a PSP:

a. Would you participate in a CoP service?

Yes No

b. Are there any constraints that would hinder you providing this service?

Yes No

Question 2.18 

The NPA will fully support the functionality for PSPs to provide payment status and tracking.

a. As a PSP, what is the extent of change you think you will need to carry out internally to offer Payments Status Tracking?

b. What challenges do you see that might prevent your organisation adopting Payments Status Tracking?

Question 2.19

 Consumers  PSPs  Corporates  Govt.  SMEs

We have highlighted several considerations relevant to the delivery of Assurance Data. As an end-user of Assurance Data:

a. Are there any risks that we have not addressed or highlighted that you would like to add?

Yes No

b. Are there any unintended consequences that we should consider?

Yes No

Question 2.20

 Consumers  PSPs  Corporates  Govt.  SMEs

As a payer:

a. How would you use Enhanced Data?

No idea

b. What Enhanced Data would you add to payments?

Don't know

Question 2.21

 Corporates  Govt.  SMEs

As a payee:

a. How would you use Enhanced Data?

No idea

b. What Enhanced Data would you add to payments?

Don't know

Question 2.22

 Consumers

 PSPs

 Corporates

 Govt.

Does the Enhanced Data capability as described address the detriments identified in our Strategy?

Yes No

Question 2.23

 Consumers

 PSPs

 Corporates

 Govt.

Some changes will be required to enable the loading and retrieval of Enhanced Data. For example, corporates will need to modify their internal systems. As an end-user, what internal change will be needed to allow you to add and receive Enhanced Data through the NPA?

Not sure

Question 2.24

 Consumers

 PSPs

 Corporates

 Govt.

 SMEs

We have highlighted several considerations relevant to the delivery of Enhanced Data. As an end-user of Enhanced Data:

a. Are there any risks that we have not addressed or highlighted that you would like to add?

Yes No

b. Are there any unintended consequences that we should consider?

Yes No

Question 2.25



We recognise that additional work needs to be done in identifying safeguards including liability considerations associated with Enhanced Data. As an end-user of Enhanced Data:

a. What are some of the liability concerns that you may have?

Increased costs for us.

b. Would you be interested in working with the Forum to define, at a high-level, the various liability considerations required for Enhanced Data?

Yes No

If so, please contact us as soon as convenient through the Forum website so we can get you involved.

3.0 Implementation Plan

Question 3.1



Are there any additional principles you think we should add or significant amendments that should be made to those already stated?

Yes No

More thought about the damage these changes will make to SMEs and their reliance on regular cashflow via direct debit. It seems SMEs have been forgotten. Streamline the direct debit service rather than creating a whole new system.

Question 3.2



Are there any additional assumptions you think we should add or significant amendments that should be made to those already stated?

Yes No

That SMEs will not survive by removing the pull method of direct debit. Streamline the direct debit service rather than creating a whole new system

Question 3.3



Do you agree with the sequence of events laid out in the implementation plan?

Yes No

If not, what approach to sequencing would you suggest?

Greater consultation with SMEs and feedback from Chambers of Commerce, CBI etc.

Question 3.4



Do you agree with the high-level timetable laid out in the implementation plan?

Yes No

If not, what timing would you suggest?

Assumptions have been made that the 'one size fits all' approach is the way to go.

Question 3.5



Are there any significant potential risks that you think the implementation plan does not consider?

Yes No

If the answer is yes, then please provide input about what they are and how we can best address them.

The consultation period is too short and advertising of NPA lacking, surely every business who uses the pull method should have been consulted before the implementation phase was even considered. As I said before SMEs have been forgotten.

Question 3.6



Do you agree with our proposed transition approach?

Yes No

If not, please provide your reasoning.

Don't agree with this proposal.

4.0 Cost Benefit Analysis of the NPA

Question 4.1  PSPs  Corporates  Govt.  Vendors  SMEs  Investors

Are there any material quantifiable benefits that have not been included?

Yes No

If so, please provide details.

Question 4.2  PSPs  Corporates  Govt.  Vendors  SMEs  Investors

Do you agree with the cost assumptions with regards to the NPA and each of the overlay services (Request to Pay, Enhanced Data, Assurance Data)?

Yes No

If not, please state your reasons and, if possible, suggest alternatives analysis.

Cost assumptions for who?

Question 4.3  PSPs  Corporates  Govt.  Vendors  SMEs  Investors

Do you agree with our description of the alternative minimum upgrade?

Yes No

If not, please explain your reasoning.

Because I don't agree with this proposal.

5.0 NPA Commercial Approach and Economic Models

Question 5.1



Does our competition framework adequately capture the types of competition that may exist in payments?

Yes No

Please explain.

Question 5.2



Do you agree with the NPA competition categories described? If not, please explain why.

Yes No

Question 5.3



Does our framework capture the dynamic roles the NPSO may play in the market?

Yes No

Question 5.4



Are there any other important criteria that we should use to assess the funding options we have identified?

Yes No

Question 5.5  Investors

Do you agree with our NPA competition assessment? If not, please explain why.

Yes No

Question 5.6  PSPs  Vendors  Investors

Do you agree with our assessment of End-User Needs Solutions? If not, please explain why.

Yes No

Question 5.7  PSPs  Vendors  Investors

Do you agree with our list of funding stakeholders? If not, please explain why.

Yes No

Question 5.8  PSPs  Corporates  Vendors

Are there other significant sources of funding or types of funding instruments the NSPO could secure that have not been described? If not please explain why.

Yes No

6.0 Improving Trust in Payments

Question 6.1



Do you agree with the outlined participant categories identified for the Payments Transaction Data Sharing and Data Analytics strategic solution?

Yes No

Are there other categories that should be considered for inclusion?

Yes No

Please explain your response.

Question 6.2



What is your opinion on the role non-payments industry participants should have as part of the Payments Transaction Data Sharing and Data Analytics strategic solution? (This could include Government, Law Enforcement, or others). If appropriate, please outline usage of the system, provision of data to the system, and legal considerations for participation.

Question 6.3



Do you agree with the potential use cases outlined for the Payments Transaction Data Sharing and Data Analytics strategic solution?

Yes No

If not, please provide your reasoning. Please indicate if there are other potential uses for the system that should be considered.

Question 6.4



Do you agree with key principles we have outlined for the implementation of the Payments Transaction Data Sharing and Data Analytics strategic solution?

Question 6.5



Other than those already listed, what stakeholders should be consulted and engaged during the design and implementation of the Payments Transaction Data Sharing and Data Analytics Strategic Solution?

Question 6.6



Do you agree with the high-level timeline for the Payments Transaction Data Sharing and Data Analytics strategic solution?

Yes No

If not, what timing would you suggest and why?

Question 6.7



Do you agree with the establishment of the recommended framework for the sharing and exchanging of a core set of SME customer data overseen by a governance body?

Yes No

If not, please explain your reasoning.

Question 6.8



We are keen to get your input on the benefits provided by the framework.

a. Do you agree that the focus on sharing a core set of SME customer data is beneficial for the KYC processes in your organisation?

Yes No

If not, please explain your reasoning.

b. Which other business activities could be supported by / benefit from the described sharing and exchanging a core set of SME customer data?

Question 6.9



Do you agree that the topics covered by the standards will provide sufficient guidance in order to implement the data sharing framework without being too prescriptive?

Yes No

Are there additional topics you believe should be included?

Question 6.10



To engender trust in the sharing and exchanging of a core set of SME customer data, are there other responsibilities you would expect the governance body to have oversight over?

Question 6.11

 PSPs

 Corporates

 SMEs

 Vendors

In your view, do any existing bodies (industry or other), already perform this oversight role?

Yes No

If not, is there an existing body you believe should perform this role, or would you expect a new body to be established?

Question 6.12

 PSPs

 Vendors

Do you think a temporary testing environment as described is the right approach? If not, please explain your reasoning.

Yes No

Question 6.13

 PSPs

 Vendors

Are there any other key features you would expect in the temporary testing environment?

Yes No

Question 6.14

 Vendors

Do you agree that value-added service providers would benefit from the data sharing environment enabled by the framework?

Yes No

Question 6.15  

Are the arguments put forward compelling enough to encourage net data providers to engage?

Yes No

If not, please provide examples of what else would be required to make them participate.

Question 6.16  

Do you see other advantages or challenges for net data consumers that were not listed above?

Yes No

Please explain your answer.

Question 6.17    


Do you agree with the high-level implementation timeline for the Trusted KYC Data Sharing solution?

Yes No

If not, what timing would you suggest and why?

Question 6.18    

Are there other initiatives with a similar focus that should be considered in order to deliver the Trusted KYC Data Sharing solution?

 **Save Questionnaire***

* Please save your questionnaire and email to us at Forum@psr.org.uk in PDF format by no later than 22 September 2017.