



22nd September 2017

Dear David

Re: Payments Strategy Consultation

On behalf of Louise Baxter and I we would like to make the following observations on the consultation paper. The Questionnaire is obviously more relevant to the banking sector but we would be grateful if you would accept our feedback in this form.

Louise and I are both members of the Home Secretaries Joint Fraud Taskforce (JFT) Management Board and co-chair the JFT Victim and Susceptibility work stream.

- *We welcome greater sharing of customer information between banks to help reduce fraud however, we consider that this element should be implemented as a priority.*
- *We have a concern that the move from pull to push payment approach through the Request To Pay scheme could be open to fraudulent requests for payment and that there will need to be clear and articulated safeguards in place to protect customers.*
- *The consultation makes no mention of liability where a customer is socially engineered and tricked into making a push payment, this will be particularly relevant with the Request to Pay scheme as the protection of a Direct Debit set up with a known reputable company will no longer be available. It follows how will a customer know that a Request to Pay is genuine?*
- *There needs to be greater clarity around how it is envisaged, from a customer perspective, the transition from pull to push payment will be managed.*
- *The Enhanced Data proposals are welcome and it is suggested that information of the payee account (account number as well as name) should be included in order to aid identification of payments where fraud is believed to be involved and monies are identified for repatriation to the payee victim.*
- *The National Trading Standards Scams Team would be interested in working with you to discuss areas around liability as indicated in the consultation paper.*
- *The consultation paper tends assume that in the future customers will conduct their banking activity through on-line portals but many of the most vulnerable customers value the service they receive in branch or by telephone and are unlikely to move to on-line banking. Whilst the KYC issues is relevant in tailoring protection to those who are vulnerable per se there will be many others who through choice or circumstance favour traditional banking and therefore the paper needs to be more explicit of how the proposals will work, including mitigation strategies, where channels other than on-line banking are to be used.*

We would be happy to discuss.

Kind regards

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