

20 Nov 2017

Dear Paul,

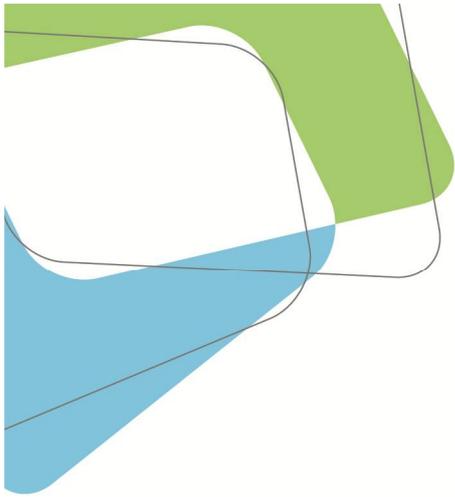
You will be aware that one of Forum's solutions which has been progressed by its Financial Crime Working Group, is 'Payments Transaction Data Sharing and Data Analytics'. This solution involves applying leading-edge data analytics to network-wide payment transaction data to help identify money mule accounts and the flow of funds related to fraudulent activity. It can help protect consumers against financial crime and should lead to a reduction in mule accounts, thereby making it harder for fraudsters to use them. It could also potentially be used for more efficient recovery of victims' funds (work is underway on this) after a scam occurs, and for real-time prediction of payments that may be fraudulent – which could help prevent financial crime in flight. This solution would also be beneficial for PSPs' wider financial crime prevention practices.

The implementation of this solution is comprised of two strands of activity:

Strand 1: Defining a set of messaging standards between all payment providers that allow analytics engines to gather information on payments history across all payment types. This will allow competing analytics providers to identify potential flows of criminal funds agnostic of the payment type and use this to provide real time alerts and identify new, emerging threats. We expect the rules and standards to be developed, defined and in place in 2018.

Strand 2: Incorporate into the NPA design and delivery plans the ability to connect with analytic providers using the message standards developed in strand 1. We expect the design and development to complete by the end of 2020 and competing transaction data analytics solutions to be available when the NPA is implemented in 2021.

There remain a number of areas where design development and proving is required on strand 1 working with a wide set of stakeholders. It is the view of the Forum that this solution offers a significant opportunity for the industry to improve how it detects and prevents financial crime and repatriates funds to victims. As you know, our work also closely aligns with the PSR's recent report and consultation on APP Scams.



The NPSO and existing PSO staff have been engaged in our work. I am keen to put this handover into effect by the 30th November. Could I therefore ask you and your Board could confirm ownership for this capability for tackling financial crime before that date.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ruth Evans'.

Ruth Evans - Chair, Payments Strategy Forum