

June Forum Minutes | DRAFT FOR SIGN OFF

Meeting: Payments Strategy Forum

Date / Time: 06th June 2017 | 14.30 to 17.30

Ai.0 Welcomes; objectives; apologies; conflicts of interest

- Ruth Evans (RE), Chair, opened meeting and welcomed two new members of the Forum:
 - Steven Cooper, CEO, Barclaycard Business Solutions, replacing Philip McHugh.
 - Neil Rowan, Head of Enterprise Billing and Global Sourcing, BT, replacing Alan Smith and representing the CBI.
- RE announced that Carl Pheasey (CP) was stepping down from the Forum following a new role away from the Money Advice Service.
- RE announced that Carlos Sanchez (CS) had volunteered to step down as Chair of WS2, due to a potential conflict of interest. Otto Benz (OB) is now leading on WS2 and Paul Horlock (PH) has taken sole responsibility for the NPA Design Hub.

Ai.1 Minutes and actions

- Bank of England Observer, Andrew Hauser (AH), noted an error in the PSODG update where CHAPS was named as part of PSO Consolidation instead of the Cheque and Credit Clearing Company. Minutes of March meeting agreed subject to this amendment.
- All outstanding actions completed or in progress.

Ai.2 NPA Design Hub

- Before the NPA Design Hub update, Steven Cooper (SC) sought clarity about the recent funding request from Payments UK Board to support the work of the Forum. RE reminded the Forum that following the initial pressure applied to the third party consultant to ensure VFM it has been agreed that the Forum (including secretariat and Chair) will no longer be involved in funding issues. RE reiterated that the Forum will not be taking on an additional governance or approval role but asked if an appropriate update could be provided to the next Forum meeting.
- PH and OB noted that there was a detailed breakdown of the costs available which they were happy to share and discuss offline. PH agreed to present an update on the new costs at the next meeting.

ACTION: PH to provide an update on programme costs and funding arrangements at the 22nd June Forum meeting

- PH presented an overview of the progress and content produced by the NPA Design Hub, handing over the Workstream Chairs to discuss their workstream. The presenters were seeking specific feedback on their draft consultation questions.
- Sian Williams (SW) presented an overview of the progress of WS1. Forum members raised the following points:

- Several Members agreed that activity to drive adoption should not only be limited to branding, and that the WS should consider lessons learned from other product launches in the past.
- Faith Reynolds (FR) noted that there was an overlap in language and content with the Open Banking API Implementation Entity, which needed to be clarified with PH.
- Neil Rowan (NR) raised concerns about the additional work Request to Pay could create for corporates. SW offered to meet him offline to discuss.
- SC noted that there were outstanding questions about liability and forbearance for RtP. SW confirmed that WS1 were considering these as part of their unintended consequences work and a question would be included in the consultation to help shape further thinking.
- AH noted that CHAPS had been included as in scope for Confirmation of Payee. AH advised that if CHAPS is expected to be in scope for any of the three end user solutions then WS1 should discuss with the Bank before this is included in the consultation.
- Thayer Sabri (TS) asked for non-banks to be included in briefings about the design requirements for the end-user solutions.

ACTION: WS1 to consider approaches to ensure that competitive Request to Pay solutions meets the minimum requirements agreed by the Forum. This could include discussions on accreditation; branding etc.

ACTION: FR and PH to discuss the overlap between Open Banking and the New Payments Architecture and submit their recommendations on standardising definitions and language to WS1

ACTION: SW to brief Neil Rowan (BT) on the Request to Pay solution and discuss the view of corporates

ACTION: WS1 to meet with the Bank of England to discuss the design requirements of the three end user-need solutions and any potential impacts on the Bank

ACTION: WS1 to organise a briefing session on the three end user solutions for non-banks with Thayer Sabri.

- OB presented an overview of WS2. Forum Members raised the following points:
 - AH noted that the documentation needed to be much clearer in reflecting the various options under consideration during consultation, with particular reference to the decision on whether bulk file transfers would operate as an overlay service or via an additional 'pull rail'. AH also noted that these various models will need to be signed off from a stability perspective by the BoE and that further consultation with the BoE on settlement for the various options was required.
 - Brendan Peilow (BP) noted that in order to achieve maximum engagement through the consultation, the document should clearly describe the consequence of the Forum's proposals and the questions should be marked as relevant for specific types of stakeholders.

ACTION: WS2 to clarify and further detail the exact options for NPA design that they are consulting on and what consequences each model will have in terms of change and risk

ACTION: WS2 to engage with the Bank of England on the proposed multi-vendor models ahead of the NPA Blueprint being published for Consultation

ACTION: WS2 ensure that the Consultation document is clear on the proposed transition plan / arrangements from existing systems to the NPA

ACTION: EY to ensure that the Consultation document is written in an easily accessible manner and consider targeting questions in the consultation to relevant groups of stakeholders.

- Becky Clements (BC) and Mike Smith (MS) presented an overview of WS3. Forum Members raised the following points:
 - Dora Guzeleva (DG) noted that the proposed IMR remedies had been designed in such a way to align with the work of the Forum by allowing the Bacs and Faster Payments Schemes to apply for an extension to the timing of those remedies and by not requiring the procurement of 'like for like' systems, which should be taken into account for implementation planning.
 - MS advised that as part of their planning work the WS had determined that proposed counterfactual of upgrading the existing Bacs and Faster Payments systems to ISO20022 was not practical, and that realistically meeting the various industry drivers would require a new system. Therefore, the CBA being prepared for the consultation will not reflect a counterfactual position.
 - TS asked if non-banks would need to become indirect participants of the NPA to compete. PH assured him that this was not the case and offered to brief him offline.

ACTION: PH to brief Thaeer Sabri on nature and proposed design of NPA overlay services as they pertain to non-banks

- FR presented an overview of WS4. Forum members discussed the role of the NPSO as a 'market catalyst' and agreed that more work was needed to ensure that the NPSO was focused on enabling competition in the market and that any market making by the NPSO did not become a barrier to competition.

Ai.3 Financial Crime, Security and Data

- Andrew Ducker (AD) presented an update on the Financial Crime, Security and Data Working Group. Forum Members raised the following points:
 - On the 'Transaction Data Sharing and Analytics' solution, TS asked for it to made explicit in the consultation that this was a tactical solution for the immediate term, and to use the consultation to propose a wider strategic solution that acknowledges the need for transaction data sharing and analytics outside of the three main payment systems and large banks – e.g. card schemes and other non-banks. AD confirmed this would be the case.
 - On the Transaction Data Sharing and Analytics' tactical solution, DG raised concerns that the Forum cannot have an active role in proposing a particular

- supplier to implement this as this is a competitive issue. The Forum should restrict itself to propose the collaborative industry requirements for this solution and then leave to industry to determine how best to meet these. This was agreed by the Forum. AD to ensure this is clear in any communications.
- TS also asked the FCWG to consider recommending that the outcome of any transaction data analysis is shared with non-banks to prevent fraud migrating to other payment types.
 - TS also noted that four solutions were being handed over to UK Finance, which did not have sufficient non-bank participation. FCWG to consider this and present their rationale to the next Forum meeting for agreement.

ACTION: FSWG to recommend transaction data analysis is shared with non-banks as part of the Transaction Data Sharing and Analytics solution

ACTION: FSWG to ensure that they restrict themselves to designing the collaborative industry requirements for the Transaction Data Sharing and Analytics' tactical solution

ACTION: FSWG to present at the 22nd June Forum their rationale for handover to UK Finance for Forum agreement

Ai.4 AOB

- RE advised she was pleased with the level of content presented. She further advised that EY they were now responsible for producing a consultation document that well drafted, accessible and standalone from the Forum's final strategy document.

ANNEX 1 – Attendance List

Apologies:

Carlos Sanchez – CEO, Orwell Group
James Emmett – Chief Operating Officer, HSBC
Marion King – Group Director of Payments, RBS
Michael Maier – Chief Operating Officer, Fidor Bank
Neil Lover – Head of Payments and Financial Crime, Coventry Building Society
Russell Saunders – Managing Director, Global Payments, Lloyds Banking Group
Ruth Wandhofer – Global Head for Regulatory and Market Strategy, Citi Bank
Observer, Financial Conduct Authority

Attending:

Members

Ruth Evans - Chair, Payments Strategy Forum
Becky Clements – Head of Payment Operations, Metro Bank
Brendan Peilow - Crown Representative (Banking and Payments), Cabinet Office
Faith Reynolds – Member, Financial Services Consumer Panel
Katherine Horrell – Group Treasurer, Centrica
Mark Lyonette – Chief Executive, Cornerstone Mutual Services
Mike Smith – Commercial Director, Raphaels Bank
Neil Rowan - Head of Enterprise Billing and Global Sourcing, BT
Otto Benz – Director, Strategic Payments, Virgin Money
Paul Horlock – Head of Payments, Nationwide
Sian Williams – Head of Financial Inclusion, Toynbee Hall
Steven Cooper, CEO, Barclaycard Business Solutions
Thaer Sabri – Chief Executive, Electronic Money Association

Observers

Andrew Hauser, Bank of England
Dora Guzeleva, Payment Systems Regulator

Working Group Support

Jane Barber, RBS
Andrew Ducker, Lloyds Banking Group (Ai.4 onwards)

Secretariat

David McPhee
Michaela Costello

PMO

Hamish Thomas, EY