

## 12 July Forum Minutes | DRAFT FOR SIGN OFF

Meeting: Payments Strategy Forum

Date / Time: 12 July 2017 | 14.30 to 17.30

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### **Ai.0 Welcome; objectives; apologies; conflicts of interest**

- Ruth Evans (RE), Chair, opened the meeting by welcoming all Forum members and thanking them for their hard work to date to prepare v2.0 of the consultation document.
- RE noted that Hillary Plattern (HP) and Catriona Whelan (CW) were attending to represent the views of Steven Cooper (SC) and Marion King (MK).
- RE advised that she had spoken offline to Carlos Sanchez (CS), James Emmett (JE), Russell Saunders (RS) and SC. RE advised each had confirmed their support for the robustness of the process followed and the content of the Consultation Document. Each was happy for it to be published for consultation.

### **Ai.1 Minutes and actions**

- The 22 June minutes will be amended to note Tony Shaw, Tesco was in attendance. Otherwise agreed.
- All outstanding actions were completed or in progress to the Forum's satisfaction.

### **Ai.2 Consultation document sign off**

- Paul Horlock (PH) presented the latest version of the NPA sections of the Consultation Document (v2.0). The Forum was advised it had been updated to reflect feedback from the 22<sup>nd</sup> June meeting and subsequent offline comments.
- Neil Lover (NL) presented an overview on the updates to the Financial Crime sections. Andrew Ducker (AD) advised that RS had been in discussion with the CEO of UK Finance regarding the handover of solutions. The Forum noted that although UK Finance was still in the process of establishing itself, it should be in a position to take on ownership.
- Otto Benz (OB) provided an update on the NPA design section. Ruth Wandhofer (RW) noted that the terminology on PSD2 needed to be clarified to avoid confusion. RW and David Bailey (DB) also noted that the section should provide more detail on how a push only rail can replicate the functionality of a pull rail and present the analysis as to why a push only rail is the preferred option.
- Mike Smith (MS) presented on the Cost Benefit Analysis section, noting that he had received considerable feedback on this since the last meeting. MS noted that the NPA would enable delivery of the three End User solutions. Under the counterfactual, the existing Bacs and FPS systems would be upgraded to ISO20022 but the End User solutions (and their associated quantitative benefits) would not be delivered. Therefore the NPA would have a significantly higher net benefit compared to the counterfactual. Faith Reynolds (FR) noted that other (qualitative) benefits of the NPA should be articulated, such as the positive effects of the layered architecture of on competition and innovation in the long term. Forum members agreed that the CBA should draw out the

catalysing and facilitating effects of the NPA on the industry rather than solely focusing on product development options.

- FR presented on the Commercial Approach and Economic Modeling section, noting that a suggestion that the NPSO could directly procure to catalyse the market had been removed, and that funding options had been re-drafted so as not to dictate a specific option.
- Sian Williams (SW) presented on the User Rules and Requirements section, noting that the risks for each solution had been identified, design had been linked to the detriments, solution benefits had been made clearer and liability issues had been articulated. PH noted that with Open Banking, much had been done on liability frameworks, and that the Hub will seek to align this work in the next phase of work.
- PH concluded the discussion on the document and noted that the final deadline for material feedback was COB 14 July. Hamish Thomas (HT) assured Forum members that the document was being designed so that it was accessible, both on screen and on paper. CW asked for a risk impact statement to be included in the appendix, which DG clarified was already planned, along with a section on next steps.
- All Forum members advised they were supportive of the final draft and the process that had been followed, and confirmed they supported its publication, subject to the agreed actions being completed.

**ACTION: NPA Design Hub to clarify PSD2 terminology in NPA design section**

**ACTION: NPA Design Hub to add further detail on the push rail functionality in NPA design section.**

**ACTION: WS3 to update CBA section to include more focus on qualitative benefits of the NPA.**

**ACTION: WS3 to provide further detail on implementation risks in a supporting document.**

### **Ai.3 Raising the Profile of the consultation**

- David McPhee (DMP), Forum Secretariat, presented on the activities to raise the profile of the consultation. HP asked if there were concerns about clashing with the Bacs Direct Debit consultation which is scheduled to be issued on the same day. DMP explained that Bacs intended to use responses to their consultation to inform their own response to the Forum's consultation, hence the timeframe. Bacs had confirmed they would clarify this in its communications and also use its external communications to advise its stakeholders of the Forum's consultation. The Forum supported this as Bacs had direct contact with a number of key stakeholder groups.
- RE updated the Forum on the media strategy, noting that the Secretariat would not be pursuing national media coverage for the consultation, instead focusing on trade press to help different sectors understand how the proposals will affect them and encourage organisations to respond.

**ACTION: All Forum members to promote the consultation through their own channels and organisations.**

**ACTION: Forum members to hold the 5<sup>th</sup> September consultation briefing event in their diaries.**

#### **Ai.4 H2 high-level programme plan**

- Andrew Wickham (AW) presented on the proposed high-level plan for H2. Forum Members made the following points:
  - DG noted that the handover to the NPSO should be in December, not November.
  - Rebecca Clements (RC) asked for an ‘implementation risk’ sub-group to be established in H2 which should include PSO risk professionals. Paul Smith (PS) noted that a proper risk-assessment should be undertaken before hand-over to the NPSO.
  - FR and DG noted that ‘handover’ should not just entail a consultation response document but a final and detailed NPA blueprint, that builds on the consultation responses and the further design work being undertaken in H2.

**ACTION: EY to correct NPSO handover date in H2 timeline.**

**ACTION: NPA Hub to establish an ‘implementation risk’ sub-group in H2 which will conduct full risk assessment before handover to the NPSO.**

**ACTION: EY to ensure that the final ‘handover’ deliverable is a final and detailed NPA blueprint**

#### **Ai.5 AOB**

- RE noted that AD would be leaving his role as Financial Crime Working Group support and joined the Forum in thanking him for all his work.

## **ANNEX 1 – Attendance List**

### **Apologies:**

Carlos Sanchez – CEO, Orwell Group  
James Emmett – Chief Operating Officer, HSBC  
Katherine Horrell - Centrica  
Marion King – Group Director of Payments, RBS  
Russell Saunders – Managing Director, Global Payments, Lloyds Banking Group  
Thaer Sabri – Chief Executive, Electronic Money Association  
Steven Cooper - CEO, Barclaycard Business Solutions

### **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  
Mark Lyonette – Chief Executive, Cornerstone Mutual Services  
Michael Maier – Chief Operating Officer, Fidor Bank  
Mike Smith – Commercial Director, Raphaels Bank  
Neil Lover – Head of Payments and Financial Crime, Coventry Building Society  
Neil Rowan - Head of Enterprise Billing and Global Sourcing, BT  
Otto Benz – Director, Strategic Payments, Virgin Money  
Paul Horlock – Head of Payments, Nationwide  
Ruth Wandhofer – Global Head for Regulatory and Market Strategy, Citi Bank  
Sian Williams – Head of Financial Inclusion, Toynbee Hall (dialling in)  
Tony Shaw - Head of Treasury, Cash and Banking, Tesco

#### *Observers*

David Bailey, Bank of England  
Dora Guzeleva, Payment Systems Regulator  
Paul Smith, Payment Systems Regulator  
Hillary Plattern, Barclays  
Catriona Wheelan, RBS

#### *Working Group Support*

Andrew Ducker, Lloyds Banking Group  
Jane Barber, RBS

#### *Secretariat*

David McPhee  
Michaela Costello

#### *PMO*

Hamish Thomas, EY (dialling in)  
Andrew Wickham, EY  
Meena Seeballack, EY