Meeting Minutes

OPEN BANKING

Meeting details		**Meeting name**
Meeting date: 21 March 2019		Implementation Entity Steering Group (IESG)
Meeting time		**Meeting location**
10.00 – 13.00		Etc. Venue, 8 Fenchurch Place, London
Scribe		**Classification**
Sally Chiwuzie		Public

Name		Role	
Alan Ainsworth	**AA**	OBIE – Head of Policy	Yes
Andrew Laidlaw	**AL**	FCA	Yes
Bill Roberts	**BR**	CMA	Yes
Candy Ma	**CMa**	OBIE – Office of Trustee	Yes
Caroline Ambrose	**CA**	Barclays Bank	Apologies
Chris Michael	**CM**	OBIE – Technical Delivery	Yes
Daniel Ehreich	**DE**	Bank of Ireland	Apologies
Daniel Globerson	**DG**	Royal Bank of Scotland	Apologies
Daniel Jenkinson	**DJ**	Senior Manager for Consumer/SME representatives	Yes
Doina Nicolici	**DN**	Pay.UK	Yes
Ed Colley	**EC**	OBIE - Prog Director	Yes
Faith Reynolds	**FR**	Independent Consumer Representative	Yes
Gavin Littlejohn	**GA**	Fintech Representative	Phone
Hetal Popat	**HP**	HSBC	Yes
Ian Cox	**IC**	OBIE – Head of Monitoring	Apologies
Ian Major	**IM**	TPP Representative	Apologies
Imran Gulamhuseinwala	**IG**	OBIE – Trustee/Chair	Yes
John Hutton	**JH**	Nationwide	Apologies
Judith Crawford	**JC**	EMA – Delegate for TS	Yes

Laura Mountford	**LM**	HM Treasury	Yes
Mark Chidley	**MCH**	Independent SME Representative	Yes
Matt Cox	**MCX**	Nationwide – Delegate for JH	Yes
Miles Cheetham	**MCh**	OBIE	Yes
Oonagh Koeppern	**OK**	Bank of Ireland – Delegate	Yes
Paul Horlock	**PH**	Pay.UK	Yes
Phillip Mind	**PM**	UK Finance	Yes
Richard Rous	**RR**	Lloyds Banking Group	Yes
Robert White	**RW**	Santander	Yes
Roy Hutton	**RH**	Allied Irish Bank	Yes
Sally Chiwuzie	**SC**	OBIE IESG Secretariat	Yes
Stephen Wright	**SW**	Royal Bank of Scotland – Delegate for DG	Yes
Thaer Sabri	**TS**	Electronic Money Association	Apologies
Vicki Hassan	**VH**	Danske Bank	Phone
Will Curley	**WC**	Tesco Bank	Yes

| No. | Agenda item |

1.a – 1.b HOUSEKEEPING: MINUTES AND ACTION LOG

1.1. **IG** opened the meeting and started by addressing the minutes, advising that the OB team did not receive any comments to the minutes which were circulated as part of tranche 1 and proposed that they are signed off as is. He advised, instead (addressing **FR** who had a comment) that comments should be sent through to the secretariat offline. He reminded members that the sessions are recorded for everyone's comfort and the team would make best endeavours to clear up misunderstandings.

APPROVAL: IESG_APR_LOG_036 – February Minutes signed off by IG with caveat that any amends will be taken and reconciled, where applicable, offline.

ACTION: IESG_2018_301_167 – Comments to be taken offline and amended where appropriate.
Due Date: 30 April 2019

1.2. **IG** discussed the action log and amendments were made accordingly as shown below.

1.3. With regards to Fingleton/ODI, **IG** advised that **AA** was leading on this discussion. **AA** and **PM** agreed to pick up on the brief offline. **IG** asked that further discussions on this, if any, should be in AOB. **FR** commented that she has handed over leadership of the Code of Conduct Collaboration to develop the Open Banking Code of Conduct to the LSB, and she continues to be a member of that working group, therefore it has formally transitioned. **IG** to invite **FR** to the next OBIE / LSB Liaison Meeting.

ACTION: IESG_2018_301_180 – 180 – IG to invite FR to the next LSB Meeting.
Due Date: 30 April 2019

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ACTIONS

Action Number	Date Raised	Owner	Description	Notes	Target Date	Status	Date Closed
IESG_2018_301_150	31/01/2019	IG	**Articulating Success: IG/FR** to figure out the next steps – working with **AA**, craft a memo how to do this, what is going to be addressed and obtain feedback.	**Update 21/03 -** This is being progressed, C/F to April as an agenda item Update 06/03: Fingleton/ODI paper being commissioned and broader plan from ecosystem commissioned and un-commissioned research to follow at April IESG. C/F Update 06/03: **AA/FR** to schedule time to discuss and update ahead of IESG Update 20/02: Further discussion and work required on this item. Item rolled and **AA** to follow up for March IESG.	30/04/2019 ~~28/02/2019~~ ~~21/03/2019~~	Open	
IESG_2018_301_151	31/01/2019	EC	**Working Group Rationalisation**: **FR** to have offline discussion with **AA/EC** around consumer representation within working group set up.	**Update 21/03 -** This can now be closed. Conversations have taken place Update 06/03: FR and EC discussed the working group rationalisation and also representation in commercial API space after IESG so this action is now complete Update 20/02: discussion still required. Item rolled to March.	~~28/02/2019~~ 21/03/2019	Closed	21/03/2019
IESG_2018_301_154	28/02/2019	FR	**Consumer Code of Conduct**: **FR** to distribute an update on the code of conduct and her research (Lending Standards Board - LSB) to IESG members.	**Update 21/03 -** Follow up meeting in which LSB will formulate their thoughts about how to take this forward. This will be in the next fortnight. This action can be closed Update 06/03: **IG** to organise meeting with CEO of LSB Update 05/03: This has been sent and SC has updated IESG Update 04/03: SC sent email to **FR** re this action, awaiting response.	21/03/2019	Closed	21/03/2019

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Action Number	Date Raised	Owner	Description	Notes	Target Date	Status	Date Closed
IESG_2018_301_157	28/02/2019	EC	**Deprecation of version 1: EC** to present criteria for CMA9 to deprecate version 1.	**Update 21/03: EC** has agreed criteria with PMG. This was discussed in OBIE update section of IESG. Further actions will be marked as new. This can be closed **Update 12/03:** There are two parts to this: 1. IC is discussing the timing of deprecation of V1 with each individual CM9 in our bilaterals. 2. Ed tasked **CM** with defining generic criteria for deprecation to go into the operational guidelines. **Update 05/03: EC** advised this is in hand with Ian Cox. It is going on the agenda for the bilateral meetings. Meetings have been held with HSBC and AIB so far	21/03/2019	Closed	21/03/2019
IESG_2018_301_158	28/02/2019	CM	**Operational Guidelines**: Update Operational Guidelines regarding deprecation of previous versions	**Update 21/03:** This will remain open until updates are received in April **Update 04/03:** Reminder sent to **CM** on this	30/04/2019 ~~21/03/2019~~	Open	
IESG_2018_301_161	28/02/2019	AA	**P7**: **AA** to provide paper for March, refresh required	**Update:** This was included as an agenda item for March IESG. This action can now be closed. **Update 12/03:** SC chased **AA**. Draft in progress **Update 06/03:** Draft in progress **Update 04/03:** SC to check with **AA** if paper to be provided for March IESG	21/03/2019	Closed	21/03/2019
IESG_2018_301_162	28/02/2019	EC	**EC** to meet with the FCA / UK Fin to discuss proposals on how to encourage and incentivise ASPSPs to update the calendar	**Update 21/03 - EC** has spoken to both the FCA and UK Finance and they are working out how to best promote this. This can be closed for the purpose of this list **Update 13/03 -** SC to discuss with Ed	13/03/2019	Closed	21/03/2019

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Action Number	Date Raised	Owner	Description	Notes	Target Date	Status	Date Closed
IESG_2018_301_164	28/02/2019	SC	**Master Card DMS:** Collate information on CMA 9 use of the OB DMS process and who will be attending the Master Card Consultation	**Update 21/03:** This has been received and collated. Agenda item for next IESG in April with a memo provided by the OBIE. Close as an action. Update 05/03: Email has gone out requesting confirmation that a. CMA9 members are using OB DMS process and b. asking if any of the CMA9 is attending the MasterCard Consultation. Leave open to collate responses	21/03/2019	Closed	21/03/2019

1.c	**PROGRAMME UPDATE**

1.c.i   *OBIE STATUS REPORT*

1.3.   **IG** stated that there has been a lot going on with Release 3 over the last week - activities undertaken by both the CMA9   and the Programme as it relates to the directory. **IG** invited **EC** to update further.

1.4.   **EC** highlighted that from an OBIE point of view, the core directory was upgraded to the same version that had been in the directory sandbox for some time. In the context of the directory build, it should be recognised that it was a bigger upgrade than the first launch in January 2018, so it was a big lift and thus far, no tickets coming out of it.

1.5.   With regards to the 1.1 deprecation, **EC** commented on the managed conversion programme which will run over the next 12 weeks, majority of which would be proving of the end points.

1.6.   **IG** was satisfied that the deprecation criteria seemed fairly balanced, with broad agreement from ASPSPs and TPPs that this is a sensible position to take.

1.7.   **EC** gave an update on the implementations of Release 3. In the context of managed rollouts, there are 5 TPPs that are signed up to go through, validating the actual version 3 end points. For App2App, there are 10 TPPs that are signed up to do the same and once we get through that period, across the ecosystem, there are further 70 that have agreed to take part in the wide usage validation, both in testing facilities and in production. The ecosystem is behind getting a. the CMA9   through this managed roll out period; and b. making sure that the wider test cases are accepted.

1.8.   Test and production facilities – **EC** gave an update stating that all of the CMA9 have now provided their test facilities. With the exception of 1, all of the other CMA9 are in production with version 3. In the non CMA 9 world, there are 16 test facilities that are now hooked up to the sandbox and going through test processes, while 2 are actually at production end points.

1.9.   **IG** commented that the OBIE team were busy trying to roll out elements of Release 3 and invited questions from IESG members, though some items would be covered later in the pack.

1.10.   **RW** appreciated the point that deprecating the older versions will impact the TPPs that have signed up, so asked if there is a broader communication of these expectations to the market (so that any TPP can see which versions are being deprecated and when). **EC** advised – yes, there will be communication around deprecating the older versions where TPPs have previously enrolled (regardless of whether they have yet been authorised), and will advise new TPPs now joining the ecosystem to use release 2 or 3. There is a growing view of the TPPs moving into production in the next 6 months, but in the context of version 1, these new TPPs are expected to launch with either version 2 or 3.

1.11.   **IG** added that there is a broader question about how we communicate to the ecosystem in terms of what is happening and when, not just around deprecation, but also around drops by CMA9 and upgrades to the directory, for example. This dovetails with the point by **GL** about having a simple calendar which provides a schedule. A draft of this is expected today, 21 March. This is designed to help ASPSPs and TPPs to understand what is happening between now and September but also the work being undertaken with the CMA9 around issuing directions for those that were unable to meet the deadline – a digestible way of communicating to the technical specialists within the community, but also more broadly. This will be added to the comms package over the course of the next week as part of the directions effort.

1.12.   **CM** mentioned conformance certification around CMA9 and non CMA9. A couple of workshops are being organised on 03 April 2019 and 10 April 2019 – these are aimed at CMA9 initially. The workshop on 03 April is aimed at getting CMA9 more comfortable with using the functional performance suites to test their APIs, while the workshop of 10 April will attempt to certify those in attendance. There is also the intent to offer this to as many non CMA9 as are interested. **CM** stressed the importance of this and reiterated that it was also mentioned in

conversations held with the EBA. The process is refined and offered to as many non CMA9 as possible as the likelihood of TPPs testing and non CMA9's being able to prove wide usage is extremely low, unless they are certified. TPPs do not have the bandwidth to test against things that are not quite working. The appetite for doing that against small ASPSPs is very low; this is therefore an opportunity to make sure there have been best endeavours over the next few months.

1.13.   **IG** added that anything that can be done to mitigate difficulties that parties have connecting should be done. **IG** noted that it was unsurprising that the EBA picked this up as a valuable asset. For awareness of IESG members, **IG** and **CM** stated that this forms part of the CMA9 attestation process.

1.14.   **RH** stated that as the attestation process would be done for the next release, lessons learnt from the previous process in terms of communications before and after should be taken on board to form part of a better process. **IG** requested **RH** to feed any thoughts through to **IC.**

ACTION: IESG_2018_301_168 – With regards to the CM9 attestation process, RH to provide thoughts on lessons learnt (communications before and after) ahead of the next release to IC.
Due Date: 30 April 2019

1.c.ii.   **CMA9** *UPDATE*

1.15.   **IG** stated that as a precursor to pages 26 and 27, the presentation of this information – in particular the elements of release, followed by a gap before the elements of performance - could be better articulated. **IG** informed IESG members of the intention to restructure part of the pack. Going forward there will be a page each for release and performance respectively. The rest of the supporting materials will be moved to an appendix at the end of the housekeeping section. The changes should be implemented in the April IESG pack.

ACTION: IESG_2018_301_169 – Action on EC / SC to restructure the programme update – A one pager for Release, followed by a one pager on Performance Reporting. Other supporting materials will be moved to an appendix at the end of the housekeeping section. This will be reflected in April IESG.
Due Date: 30 April 2019

1.16.   **IG** proposed that CMA9 would not be asked to talk through their individual positions, it would be better to offer some comments vis-à-vis the release element and then move to the performance element later - RJID is not in a bad place, with compliance in check across the board. With regards to release 3.1 and App2App, there are varying degrees of compliance and the CMA is working with the OBIE to provide certainty to the CMA9 that may or may not be having directions over the course of this week; also making issuances over the course of the following weeks.

1.17.   **IG** added that given some of the complexities over the last couple of weeks, it became important to send a letter to the CMA9 which covered off 3 points with regards to release and performance. This is being shared with IESG members, so that all non CMA9 and TPP stakeholder representatives will be able to feedback to their stakeholder groups. The letter covered:

a.   When a CMA9 makes a release, it needs to be stable within a fortnight. While there are glitches that need to be worked out, the grace period of a fortnight feels right. This is partly to mitigate situations where it would appear that testing was insufficient owing to a deadline.

b.   The second point is changes in core hours will not be accepted, except to fix emergency problems or breaking issues

c.   We are unhappy when we see cases where existing TPP consents have been broken as part of technical upgrades or releases and are looking for prior warning where any of these cases are likely, including mitigating actions to be discussed on a case by case basis.

1.18.   **IG** stressed that this letter is a reaction to some of the activities that have happened over the last few weeks. **IG** opened the floor to questions from the CMA9 or others with regards to this letter or more generally the releases.

1.19. **FR** commented that she had no questions with regards to the letters written. The question was relating to the fact that none of the RJID information is particularly visible. **FR** requested the opportunity for a presentation by the CMA9s to show the updated journeys and an App2App progression. This could be as part of an IESG update or a smaller meeting on a consumer basis. **IG** deferred to **EC** stating that this was similar to a comment made by **GL** a couple of IESG meetings prior and wanted to know how it was addressed then and if it would cater for this instance. **EC** responded by stating that it was specific to the RJID, and it was set up in the developer zone – access to which is not open to non-enrolled TPP participants. In the context of an actual demonstrator, **EC** offered to take this back to PMG to speak amongst the CMA9 to request a workshop for anyone who is interested in seeing the results of how the journey works in relation to RJID and App2App. **CM** commented that videos of customer journeys were part of the attestation process to demonstrate CEG performance. **EC** agreed but proposed it would be more helpful if it is interactive. **FR** indicated more of an interest in the actual journey than screen shots. **CM** reiterated that part of the attestation process / certification process for the CEGs is through the use of such videos.

ACTION: IESG_2018_301_170 - EC present this to PMG as a conversation with the CMA9 to see if a workshop can be arranged for anyone who is interested in seeing the results of how the RJID and App2App journeys work; especially for people who do not have access to the developer zone.
Due Date: 30 April 2019

1.20. **BR** suggested that when videos are collated, these could be posted on the website so that people can see evidence of the journey in practical terms, this could send a positive message. **IG** suggested that a package could include a case study showing where we are now as some of these are creeping out on social media; this could proffer the opportunity to take control of what information is out there.

ACTION: IESG_2018_301_184 - RJID and App2App - EC to ask at PMG how the videos collated through the attestation process could be posted on the OB website.
Due Date: 30 April 2019

1.21. In terms of breaking of consents, **IG** mentioned that it is something that has been discussed at, and should be reiterated at TDA to ensure CMA9   are aware. **IG** expressed keenness to hear any mitigating actions that could be taken with regards to this. **IG** opened the floor to questions.

1.22. **GL** observed that regarding pages 26 and 27, there was no input from Barclays. **CMa** advised that **CA** of Barclays is on holiday. **IG** asked **EC** to offer a few words. **EC** stated that in the context of RJID, there were some final pieces that ought to have been implemented within release 3. Evidence of RJID and release 3 journeys are going through the customer experience evaluation to ensure they are consistent. Release 3 was deployed, in terms of the upgrade of apps, the android apps are delivered and for about 40% of digital customers, IOS is en route. App2App has been delivered. **IG** commented that this has to be kept at a high level due to Barclays' absence, adding that it has teething problems and the OBIE team is working with the TPPs to iron out the issues.

1.c.ii   TPP FUNNEL

1.23. **IG** indicated that IESG members would hear about performance shortly, but before that, in terms of pages 30 and 31 which would soon be appendix materials, the number of live production TPPs (17 on AISP and 3 on PISP) and the number of non CMA9 that have signed up to terms and conditions. **IG** requested a brief update from **EC.** In the context of TPP growth in the ecosystem, **EC** indicated that this has been significant in the ecosystem in the last couple of months. In terms of production activities, 17 AISP and 3 PISP remains consistent; however, further TPP propositions are now beginning to get ready to deploy. Many in the 36 list represent those that have propositions that are close to production within the next 3-6 months. With regards to PISP, this will bleed into performance conversation but its growth is being hampered by the availability TPPs experience with PISP endpoints. In terms of non CMA9 sign ups to terms and conditions, in the last 3 weeks, it has grown to 8 and hopeful that there will be more sign ups shortly.

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1.c.iii   API KPI

1.24.   **IG** proposed to move on to performance. One perspective is that it is not good enough. Another perspective is that due to the influx of change, the trend in numbers may not be a true representation of progress. Many PISPs do not believe that the level of performance, especially to do with availability is anywhere near good enough for payment related activities. This is something that needs improvement and continuous monitoring. **IG** commented that we are getting better at determining this information and going through the challenge process, there is therefore comfort that this data is correct. **IG** reminded IESG members that at the previous meeting, there was a request for CMA9 to indicate where they felt that the KPIs were not sufficiently reflecting what their availability and response times were. There was only one objection which was worked through as it was a simple miscategorisation. **IG** suggested agreement that these numbers reflect where the ASPSPs are. The OBIE team will continue to work with TPP solutions in the market to ensure both perspectives are captured. **IG** commented that over the next few months, performance metrics will be reviewed and any lack of performance will be looked into bilaterally. This may come in the form of improvement plans issued as Directions from either the Trustee or the CMA itself. At the moment, the focus is on release delivery but in the near to medium term, performance will be looked into. **IG** opened the floor to questions either on the materials or anything else within this context.

1.25.   **AL** suggested that there might be an increase in discrepancies of data and perhaps there ought to be an agreement over how this data is collated. **IG** replied stating that the process of definitions has now been understood over the last 2 -3 months. In terms of methodology, **IG** stated that this is in a good place. **IG** commented that the process probably needs more work, albeit it not affecting the quantitative level of the numbers. The outstanding objection from the last IESG pack was owing to a fact that in the JIRA ticketing system, a box was being used that indicated down time but the ASPSP marking it did not understand that it was part of the process. Is it 100% perfect, no, but issues are reducing. It is a moving objective but there is confidence that CMA9 are not objecting to the numbers they are seeing here.

1.26.   **AL** commented that the issue of unavailability, especially when it comes to PIS will increase over the next few months and that everyone needs to be on the same page with regards to understanding the data.

1.27.   **IG** added that most of the focus has been on AIS, but hopefully with the advent of more propositions in the market, we can bring those in.

1.28.   **SW** indicated that there is no quick fix to PISP availability. With the sheer amount of PISP drops in functionality that will happen over the next few months, even if done in non-core time, these will be taken out for approximately 6 hours. Taking something out for 5-6 hours in a month affects the data. It would therefore be 3-4 months before stability is established because of all the changes going in.

1.29.   **AL** stated that being able to distinguish between planned outages and steady state is important. Changes and upgrades are being made with little or no notice communicated to TPPs at the last minute. There is a range of the actual availability and what it will look like when it is down. Will it be good enough to give PIS businesses confidence? Secondly, how is the process of upgrades and planned outages being managed?

1.30.   **SW** stated that it may not currently be possible for the APIs to give a PISP the same availability that is seen with credit and debit cards. There are schemes and fall back solutions and things in place that continue the service 24/7 even if an update is being done. However, an API may need to be taken down at the weekend to make that change. It is rare to have cards knocked down because there are standing facilities that maintains that constant service.

1.31.   **SW** suggested that this is tabled back into TDA because it is a technical decision. **IG** disagreed with this point stating that clarity is required regarding what the problem is. Is it the API availability to the PIS, (which is fine), or the availability of the transaction being released immediately? It is the end to end performance that needs to be questioned. The scheme availability, Faster Payments (FP) and overall card schemes is different, therefore the consistency in journey needs to be considered, and hopefully does not happen very often. **IG** was reluctant to go into definitions re the technical processes at this forum because of the complexities.

1.32. **PM** stated that increasing availability makes it more attractive and stable for future activity, but comparing the API's availability to the card schemes requires caution because it is different. From an FP perspective, there is no standard, but from a technical standards perspective, people take them out before they do upgrades, or they build in dual capability to upgrade one when the other is still running and then they switch. **PM** added that in the world of APIs, standards are not set. Therefore, unique standards have to be set to build dual capability to make upgrades without taking it down and that will be crucial.

1.33. **EC** suggested that this is the reason why this should be taken to TDA so that changes to the payment journey are decided. **EC** added that technical issues need to be figured out and resolutions proffered accordingly.

1.34. **IG** stated that in the past, a technical solution has been created before figuring out what the problem is and this seems like it is the wrong way round, but he is leaving this to **EC** and **PM**. **IG** invited one closing comment from **MCH** before moving on to the next agenda item.

1.35. **MCH** stated that his comment was broader than the API availability issue and related more to performance. **IG** added that before things moved on, 'core' vs. 'noncore' and 'planned' vs. 'unplanned' needs to be reflected in the data. **EC** stated that the data is available, but would be more transparent and easier once version 3 MI becomes available in May. **IG** suggested that no hard and fast rules should be established at the moment, especially with regards to PIS as this is work in progress.

1.36. **MCH** referred to adoption from a consumer point of view, stating that the interest in this is that we have got the CMA9, we are increasing the number of ASPSPs and TPPs – when will we be able to see unique end users of services and how will we start to see the achievements? **IG** stated that in terms of customer numbers, we are trying to get hold of that information. There has been one submission by the CMA9, but it is similar maturity to when we began to obtain KPI information 6 months ago. We are trying to ensure that there is a rigorous process for getting accurate data. **MCH** asked whether there was a plan to formally drive the process to that point rather than the data just emerging. **IG** commented that the mandate comes directly from the CMA Order and this has been presented to, and accepted by the banks. **IG** stated that he was not yet satisfied to share the numbers publicly to prevent having to retract. **IG** could not put a time frame to this but suggested 2-3 months. **IG** also referred to the words by **MCH**, 'Unique Users' which will always be incredibly difficult to ascertain. There is no solution proposed yet for this. **MCH** appreciated that the MI could be controversial, but accepted the 2-3 month time frame. **IG** suggested that a publication to the IESG members on this matter could be done at the May IESG. **FR** suggested an offline meeting with **IC** to understand the customer numbers.

ACTION: IESG_2018_301_171 - FR to arrange a meeting with IC re how customer numbers are collected, and update to be included in May IESG.
23 May 2019

1.37. **RH** asked if there was a way for information on the customer numbers to be provided by the TPP. There seems to be a one way flow of information. **IG** stated that it is not a one way flow of information but that there is a discrepancy between the numbers provided by the CMA9 and what the TPPs are informally declaring. There is also no mandate to ask for this information from the TPPs, but this is being worked through. The media will consume that declared number so there is no room for error.

1.38. **AL** stated that he was trying to check what would be received in the annual report, although it would be high level. Sometimes it is customer numbers and sometimes it is transactions with payment services. Off the back of that, we could consider making some of that available, although a more detailed report might be required. **IG** agreed that there would be no way of knowing if this is an Open Banking API or not.

1.39. **WC** asked about resilience – is there an action that will be revisited as there was no answer to the question about the resilience challenge with PIS and there are some challenges in the measurements? **IG** stated that there is a constant evolution that sits with the KPIs. Do we need an additional action point to crystallise the PIS? **WC** reiterated that there is data and a resilience point of view. **EC** commented from a data point of view, with the

version 3 MI, this is covered. From a resilience point of view, this is separate and requires a proper problem statement at TDA. **IG** agreed that there was a need to record an action to take this to the TDA and report back to IESG members.

ACTION: IESG_2018_301_172 – CM to take recommendation to TDA to address the issue of resilience and subsequently report back to IESG.
30 April 2019

2.a   DETAILED PROPOSAL FOR THE NEW NESTA OPEN UP CHALLENGE

2.1.   **IG** introduced this topic by stating that the OBIE team produced a detailed proposal in the pack which they have worked through with NESTA to try and take on the learning's from the Open Up Challenge 1, and make sure they are built into the Open Up Challenge 2. The steer that was given is that is that Open Up Challenge 2 is meant to be shorter, sharper and cheaper and focussed on consumers as opposed to SME. The proposal in the pack has been agreed with NESTA and OBIE team is looking to press go on it. This is the final opportunity for IESG to give a steer on this. **IG** noted that he has focussed around eligibility – what kind of participants can enter the open up challenge? Timing – making sure that it works in a relatively short time but still sufficient to get a good challenge up and running; also the link to the Nationwide's Open Banking for Good, and a link to the sandbox.

2.2.   **BR** made a point that this initiative is not mandated under the Order. Some of it is talked about in the original market enquiry report; however, the CMA thinks it is a good idea to do it. Congruent bits are the PCA comparison issues and whether it is a good idea to have quotas or not. The scope of this is very wide, given that that PCA comparison was a big issue in the CMA report, and given what is going on with P14, it would be good to have a quota for that because it is something the CMA is supportive of. **BR** added that given the qualification of entry, there is less pressure to create the sandbox which was needed the first time around in NESTA. **BR** stated that he was unclear of the commitment required for the short term and long term. It needs to be clear that if people agreed to this proposal today, then there is goodwill towards the longer term issue as well, if not commitment.

2.3.   **IG** advised **MCh** that two things to consider are:
2.3.1. the quotas for use cases associated with the comparison, and
2.3.2. the sandbox.

2.4.   **MCh** took on board the comments on the price comparison websites and stated that he was looking at P14 at the moment, he noticed some synergies there. The sandbox issue is one that has been discussed in detail. For the entrance into this new challenge, there would be a more mature set of organisations and there will be production APIs and regulatory testing facilities from the CMA9, however, the question is what is the regulatory requirement and what does good look like. It was suggested that we support an independent sandbox with longevity as this would be a good way for providing access to the TPPs for the future. **MCh** advised that he had been working on this with **GL** who is involved with creation of the Global Open Finance Centre of Excellence in Edinburgh (GOFCE). To be clear, the success and ability to implement the open up challenge does not depend on having this independent sandbox, but it is nonetheless a valuable resource to have if it can be achieved in a timescale that would be useful to OUC2 entrants and **MCh** recommended that IESG members endorse this.

2.5.   **SW** commented on the sandbox stating that the information is high level. To make a commitment to provide 100,000 anonymised customer accounts without doing an impact assessment to understand the detailed requirements means that the detail required to be able to make a commitment is lacking. To work alongside **MCh** to build this seems fair, but to agree to it, is a challenge. **IG** acknowledged this point but would like consensus that the NESTA challenge can be decoupled from the sandbox discussion. **IG** endorsed BR's ambition to get an 'in principle' commitment from the CMA9, as although there is no mandate in the order; it would be a helpful decision. **SW** stated that the most that can be asked for is a decision in principle.

2.6.   **GL** gave a quick background on GOFCE – there is going to be an upgrade to the National Computing Service. The new machine computes at 5 million transactions per second. It hosts a data safe haven for the UK; the capability will be there for data to be provided into the safe haven if required and then have the data scientists at the

university do the job for the banks on the anonymisation work. The banks would then sign off on this. The tool set would not just be in the long term for the TPPs, it could be for all of the ASPSPs. It would be a perpetual facility with world class science. A number of the banks in the room have worked with this team to develop things. It would create a perpetual resource for FinTechs and banks to check their algorithms before release to the market and prove to the regulators that what they are doing make sense. **GL** stated that he would be happy to have conversations with any banks that want to get involved. The centre is through to the second stage of a £22 million central government funding bid.

2.7. **IG** stated that it sounds like a fascinating, albeit bold initiative and one that stretches beyond Open Banking and data from the CMA9 which is why we wanted to decouple it from the NESTA piece; however NESTA could help seed this. It is not just about banking data, it could extend to things like health records, but we do not want it to hold up the work on the NESTA piece.

2.8. **HP** stated that he was part of the NESTA prize committee as part of HSBC, HSBC are supportive and echo **IG**'s thoughts in that **GL**'s proposal is ambitious and not a short term solution to the problem which is that we need to drive adoption and help address the specific CMA9 problems. There is a risk that wider PSD2 will be successful and generate a lot of user cases, but none of those address the particular points highlighted by CMA in their report. It may be prudent to use this opportunity and the mandate to address the concerns raised in the report and then as an ecosystem, to look at addressing potential future benefit. It makes sense to align ourselves to where this all comes from. Real customer data is extremely contentious. The anonymisation process destroyed most of the real value and wasted many months in protracted arguments due to running into direct legal obligations on the institutions. **HP** strongly counselled the members not to go down that route. Up until the anonymisation, it looks good and then ends up looking like a fabricated set of data. **HP** added that the aim should be to address the issues raised in the reports speedily and rapidly get to data that is useful for software engineers to run through, test and validate their applications and get that in place for the prize process which encourages innovation, specifically targeting those issues. **HP** said that felt like a well thought through objective to aim for.

2.9. **FR** commented that there is merit in looking at how to make this work. In terms of the challenges mentioned by **HP**, these need to be managed overall as managers of data in the UK. It would be good to bite the bullet and go with the suggestion. Some of the timelines may be challenging, but there is real merit in getting over these challenges so that we can do this well. Part of the reason for setting up the centre is to address the challenges. **FR** offered her support to what **MCh** is suggesting, but also encouraged members not to be held back by some of the challenges.

2.10. **RR** commented that he had spoken to **GL** and was sympathetic to the paper on price comparison websites. **RR** felt that we would struggle with algorithms when data is not available, and though he is supportive in principle of finding some way to get data that is useful and valuable, but that the challenge is getting over the hurdles to be able to share data that is useable, getting our fraud, risk, legal teams happy with the proposal. **RR** said it is a great idea, but would not want that to be a promise. **RR** commented that price comparison websites struggling to meet the testing is a barrier to participation of the ecosystem. Having said that, **RR** referred a question to **BR** – the CMA decided not to do NESTA for consumer when the order was written, what changed? There is a vast amount going on, is this the right thing at this time? We came away from the CMA enquiry assuming there was money in personal current accounts; surely this is a tree that is leaning with fruit that people are desperate to pick.

2.11. **BR** replied, stating that the report was a 'chicken and egg' problem which was thought to only exist in the case of the adoption of BCA comparison towards price comparison websites. With regards to the adoption of BCA comparison towards price comparison websites, submissions were heard but the volumes of people switching were low. It was therefore not commercially viable as there was insufficient information for the price comparison websites to enter that area. **BR** stated that we tried to break out of it with the NESTA challenge prize and the result is maybe a commission based price comparison service does not work, but if offered as a white label product to people who are offering other services as an add on, then maybe that could work – not based on commission. We had not anticipated that a similar problem would exist for personal current accounts because there was already services available making use of bespoke data. **BR** stated that it was a surprise to find out that no price comparison websites are using open data and that is why P14 is a good idea to figure out whether the problem is incentive,

ability or both. **BR** added that should the project go ahead, other solutions might be found, but to **RR**'s question specifically, this was not anticipated, otherwise more action would have been mandated to this.

2.12.   **IG** commented that it was time to draw a line under the topic, stating that there was broad agreement that this proposal is a good idea. **IG** took **HP**'s point with regards to the complexities of data and may not be able to fix this immediately, however, the Edinburgh initiative might be able to fix. **IG** suggested that the NESTA proposal proceeds. **IG** proposed that **MCh** continues with NESTA in the way that the proposal has been presented to this group. It should be an open process and any contributions from around the table should be taken on board. With regards to the sandbox, **IG** commented that **BR** is looking for a decision in principle. Suggestion was for **MCh** to meet with **GL**, NESTA, CMA9 – the onus being on **GL** to explain how GOFCE could work and mitigate issues that could be encountered, but have a good information sharing

2.13.   **RH** commented that he would struggle to buy into this as there is nearly an inference that we are agreeing to the data sharing, but in terms of GDPR and Cambridge Analytics, his internal stakeholders would be shocked. **RH** stated he agrees with the principle, however, sharing and anonymising data when there is the consumer piece around who controls the data is very difficult. Therefore, even if there was a workshop, it can go to the premise that the proposal is heard as opposed to committed to. **RH** stated that in terms of expectations, he is happy to support but it has to be light touch. **IG** responded by stressing that the intention is not to secure commitment, but if the CMA9 could sit as a group and explore the possibility of workable solutions.

2.14.   **RW** stated that if the ask is to sit and understand what is being discussed, and to relate some of the concerns around the data being anonymised or not, that would be ok but cannot agree to what the paper says – 'we will *agree to giving anonymised data*'. **IG** deferred to **MCh** on the point of anonymised data, **MCh** stated that the wording could be changed. **RW** added that the costing element needs to be addressed. **IG** stated that this was discussed in the January IESG and the numbers have not changed. The paper should also be amended to restate the comment on anonymisation – '*we will investigate further, the ability to provide anonymised transactional data in the way that has been discussed*'. **IG** added that financing is not a topic which is discussed at the IESG forum as it is a matter for the Heads of Retail, but invited an offline conversation on this if required. **IG** concluded that the numbers and the intent have not changed.

2.15.   **IG** stated that it is critical to have the session between **MCh**, **GL**, CMA9 and NESTA as soon as possible, ideally before pressing go on this proposal, **IG** added that it is unfortunate that NESTA is not present as it might be the case that they say that this will not work if no data is available. There are two different issues here – anonymised data and sandbox, both of which should be covered. **IG** handed over to GL for the last word on this topic.

2.16.   **GL** stated that the path of anonymising data can be tricky and inconsistent when provided by different institutions. Task 1. is that the bank does the expensive job of anonymising the data to an acceptable standard. Task 2. is that the data is supplied without being anonymised to the data safe haven where the anonymisation task is completed. This would be done without the bank bearing the expense themselves, but with the right skillset available to do this. The capability and equipment required for this is already up and running.

ACTION: IESG_2018_301_173 – MCh and GL to meet with NESTA and CMA9, GL to explain how the Centre of Excellence Sandbox could work.
Due Date: 23 May 2019

ACTION: IESG_2018_301_174 - MCh to update the document to provide clarity on the sandbox requirement decoupling CMA9 commitment to providing this any anonymised data from NESTA challenge itself.
Due Date: 23 May 2019

APPROVAL: IESG_APR_LOG_037 - Detailed Proposal for the new Nesta Open Up Challenge - Approval to proceed as proposed, with caveat that CMA9 to commit to investigate further the ability to provide anonymised PCA transactional data to be hosted in an independent long-term data sandbox facility, while noting that such a sandbox facility is not required for the successful execution of OUC2.

2.b	THE OBIE STANDARD DOCUMENTATION

2.17. **IG** stated that this document is an FYI – relatively straightforward. The team were asked to make sure that the standards and checklists were being presented to the outside world in a more digestible and accessible manner. **IG** was receiving incoming queries from members of the ecosystem who are not privy to the process. This is why this document has been created – an umbrella document – nothing new, just better signposting for the standards. **CM** added that it will not be a PDF document, but rather, a living, breathing and interactive website, which is what TPPs and non CMA9 and ASPSPs are looking for.

2.18. **FR** commented that the language used on page 73 – the customer experience guidelines checklist - needs to be highlighted in a more positive light, not just TPPs but allowing the industry to go over and beyond the regulatory requirement to ensure the customer experience is as good as it can be. There is a little bit of marketing required here like highlighting the fact that it makes the experience better for the customer. **IG** was fine with this, but reiterated not to change the obligations and substances. **FR** added that it is significant to see how far things have progressed in the last 18 months – 2 years. **FR** commented that this needs to be acknowledged and thought the OBIE team deserved acknowledgment for this. **IG** agreed stating that it is important to acknowledge how much work has gone into this. **HP** agreed, stating that he was at the EBA working group of 19 March 2019, which was a clear indicator of how far ahead the UK is ahead, thanks to the work of the OBIE and CMA Order. There were stats around wider usage and testing provided by other large groups in the room which brings to light how far we have come. All the big 6 GB banks are ahead of that now. Deutsche Bank – 40 TPPs in their sandbox, 3 TPPs in live, no user numbers quoted but presumably very low. BNP Paribas – 15 TPPs in their sandbox, 900 users in live. ING, despite their success in this market as a TPP, 30 TPPs in their sandbox, no users yet in live, no production services in their own market. So we are way ahead and sets us up well for where we are trying to get to.

2.19. **AL** echoed **HP**'s words but wanted to give a comment on the website. The customer experience guidelines checklist is something that actually needs to be given to us as part of the exemption process. It could be used to support a request for exemption. **IG** agreed, stating that this has not gone live yet and that the action here is that any specific comments on copy should be provided to **AA**. **IG** added that **CM** would provide an overview of the EBA meeting in AOB if there is time.

ACTION: IESG_2018_301_175 - Any specific comments on copy to be provided to AA, a memo of changes made to be circulated with a revised copy.
Due Date: 30 April 2019

APPROVAL: IESG_APR_LOG_038 – The OBIE Standard Documentation was approved with a request for any specific comments on copy to be provided to AA.

2.c	P7 UPDATE

2.20. **IG** stated that this paper is an update paper. There is no further work that has gone into this, but just an update as to where we were at the end of the P7 conversation. **AA** agreed and stated that this was off the back of a question from **FR** about where we got to with the legitimate interest assessment and so, we explained in the paper that there were options considered by the DWG and they said that there is an argument that there is a legitimate interest. We cannot provide legal advice but there is an argument. The bit that we were not asked about was to suggest a point in time where we would review whether we recommend that any work be done around future standards development because of the evolution of the market, though early stages. There is a line in the sand regarding numbers which will be reviewed when the time comes. There is no visibility on what sort of PISP transactions would be the type of transaction that will require some form of refund.

2.21. **FR** wanted to clarify the reason this was brought back is that the perceived inability for a PISP to do a refund of a redirection journey guides the design of a PIS journey. In theory, the view is the redirection journey is the most secure journey of the consumer; therefore, anything beyond having to share ones account number and sort code is less than the redirection journey. Because of the lack of refund on the redirection journey, it means that PISPs will design to other journeys. **FR** stated that because we think it is possible to provide the account number under

legitimate interest, which this would therefore enable a PISP to design around a redirection journey and still be afforded refund capability assuming banks want to allow that in terms of their legitimate interest.

2.22. **AA** supported this view, but stated that at the moment there is already functionality available over one PIS journey, which is where the PISP sees the account number and sort code. There are other journeys where they do not see that. What we are saying therefore is that there is a journey where the PISP can see that information today. The question is whether we should be designing the ability to make that request. There is nothing in principle that stops that request, but that is not something mandated in the standard. The question we have not got an answer to is whether there is a need to develop that and whether there is a demand for it. The idea, therefore, is to understand how the market develops and if there is that demand at some point in time from active PISPs, (this will depend on the kind of user cases that get developed), we will have a better understanding of whether we should be exploring this anew.

2.23. **FR** sought to clarify – she mentioned 'redirection', but should have in fact said 'account selection at the ASPSP level'. They are both redirection, but to clarify, the reference is to where the account selection is at the ASPSP and not the TPP. **FR** added that there was a comment made earlier around PISPs looking for more functionality and more endpoints than were being made available, and wanted to know if refunds came up as an issue there?

2.24. **IG** agreed and stated that there are a number of large payment companies beta testing products in the market, given the limitation around 'reverse payments' (P7). The issues they raise are mostly solved by App2App. That was the workable solution that was desired in the market. Next on the list is things like reverse payments, however, there is a legal solution that works, and therefore, sufficient for them to put products into the market, get some baseline numbers going through to see how some of these refunds work, and then figure out if there is a possible bottleneck.

2.25. **AA** agreed and added that at the same time as looking at P7, P9 was considered. There was the same principle of revisiting at some point in the future. From the EBA conversations, it was mentioned that status of payments have come up more than once, and if re-written, the suggestion would be the same sort of process should apply to P9 – looking at numbers and review whether a further review is required. The two are aligned in terms of what functionality is needed to enable PIS solutions to work.

2.26. **FR** stated that people come into the market and the only way they get to do reverse payments is around the consumer selecting the account number and sort code in their domain, so there may never be a bottleneck but there may never be the option for a consumer to select the account in the ASPSP domain. It is not about a bottleneck, it is about the design and the type of product in the market. The question is: do we want to only end up with account selection happening at the PISP or account selection should be available at the ASPSP, if that is the model we want to promote with equal emphasis, then the reverse payment should be enabled.

2.27. **AA** agreed. However, the aim of this paper is not to revisit the evaluation. **FR** stated that that aspect of the discussion was not fully covered. RH added that design is covered, and rather than having a theoretical conversation, what the paper is saying is to see how it works. A number of organisations have been approached, therefore payments will start to come through and until then, the issues will not be identified. **RR** added that the people who end up driving this might end up being merchants, which is correct.

2.28. **FR** asked whether in going back to the principles of design – do we want the PISP journey to always really be account number and sort code selection at the PISP? If so, this paper is fine. If a variation is required where account numbers will also be offered at ASPSP, then the paper needs to be revisited. It is a design question and not a bottleneck.

2.29. **IG** thought this was a valid point and we are shaping something in the way that may not be done in the future. The balance or trade-off is that all of this costs money and time, there is a tight release schedule. **IG** would like empirical evidence before requesting CMA9 to build complexities. When there is a proper flow in the market, stock can then be taken and a full on evaluation can be run at that point. If new functionality is then created, there is a possibility that the market would adopt it and whether account number is chosen on the PISP or ASPSP side will

change again. These numbers seem large from where we sit; however, the UK is not married to a particular way of doing things even though we make a change at this stage.

2.30. **MCH** questioned - with regards to thresholds quoted in the last paragraph on page 82, what does 20 million API calls mean? Is that a monthly total? Precision is required. **AA** stated that this is meant to be per month and the assumption is roughly 4 API calls per payment, which roughly gets to 5 million payments. This is a relatively low number. **MCH** stated that he is unable to appreciate the relativity as to whether that is a high or low number. One needs numbers that are not so low that it does not give an evidence base to go at, but by the same token, we do not want to wait forever to do things which are potentially quite important.

2.31. **IG** commented that the team discussed the numbers before including into the paper and that it was a difficult discussion because there is no right answer. There are two ways to look at this – firstly, when you get to 5 million PISP transactions, there is a meaningful number for the requirement of reverse payments. On the flip side, if there is something fundamentally wrong with the journey, we may never get to 5 million, in which case we would have to revisit the journey. **IG** added that if a quantitative discussion is required, one would say that we would review when it gets to 5 million transactions, alternatively, when we get to February 2020, whichever is sooner. The threshold could be backstopped with a time period.

2.32. **JC** asked if any remodelling had been done or if there was an idea of when the thresholds might be met. **AA** responded that the numbers are roughly the same as the monthly AISP transactions being seen at the moment, therefore, if we get to a level of PIS numbers which is roughly the same as AIS numbers, it has to be marked as moving. The backstop concept, therefore, makes sense. **IG** suggested that this is incredibly arbitrary; however, no later than 6 months, there should be a review the threshold concept.

2.33. **AL** stated that he is conscious that there are a lot of issues around PIS that are looked at in isolation. Status of payments are constantly coming up in the EBA discussions, therefore, he is keen that we are aligned to where retailers and PISPs are seeing genuine blockers, whether that means they become requirements or things that ASPSPs like to provide on a commercial basis. When it comes to the PISP model, there are a number of aspects that will impact on the success of this. It is impossible to build and predict and provide for every business model we might see, however, there might be a few things like merchants wanting to refund customers and to see whether the money has actually gone that will be common to all of them.

2.34. **IG** stated that perhaps from a housekeeping perspective today, as a minimum, make a consistent threshold and backstop concept across P7 and P9 so that we are not doing it at a piecemeal review pace. **IG** suggested that what **AL** might be asking a deeper question - at what point do we look back at the PIS suite of functionality to check that it actually works. **IG** suggested this should be taken offline as to when appropriate timing might be and bring in the CMA as well.

2.35. **EC** looked at the volume forecasts purely around PISPs. In broad terms, it is about a 20 million number towards the end of this year. **EC** suggested that it seems like a good review point and of course, it might not work out that way, but how the PISPs come into the market and usage can be monitored. **IG** stated that the 6 month period seemed like a sensible time frame, **IG** asked the OBIE team to take this away – cross check with forecasts and see what the proposal is as an update to both the P7 and P9 document, with the view to present to IESG.

ACTION: IESG_2018_301_183 - Volume forecasts around PISPs – AA/IG/CMA to discuss offline about when might be a good point to take a formal look back to the PIS suite of functionality to check that it actually works. AA to cross check forecasts and update the P7 and P9 document, with a view to present back to IESG.
Due Date: 23 May 2019

BREAK

2.d   P14 AND P15

2.36.   **IG** introduced another process point – the finalisation of the P14 and P15 process, which had taken some time to land. **IG** explained that the reason for the lag is that having got to the end of the process, neither the OBIE nor the CMA felt the evaluation had sufficiently answered the exam question in relation to P14 in particular. It was now a point of process to write the trustee action letter to Adam Land at the CMA.

2.37.   **IG** stated that this was shared at the last IESG meeting, and prior to sending to the CMA to give one final additional opportunity for comments. There were only two comments received, one of the CMA9 and the other from consumer representatives and **IG** did not believe these were contentious and have now been reflected sufficiently within this letter. A signed version of the letter has been sent to the CMA as a final part of the process. The letter creates a number of actions which are then for the OBIE to take away and create a plan.

2.38.   **IG** stated, therefore, that this is not an agenda item for approval, but for FYI. Any specific comments or questions around it could be tabled now. Given how much time has been spent, it may be that we are unable to answer, but could possibly pick up offline.

2.39.   **AL** made a general point that we should get away from the idea of moving consents around as the customer gives the consent to the AISP; it is unhelpful to give the impression that that consent can suddenly be shifted around between firms. **AL** commented that in terms of the language sometimes, in this case – *'make it easier for customers to move their consent…'* – **AA** defended this by stating that it is a language problem, the context is different when content is read in entirety. **AL** accepted. **IG** understood the point being made, however, added that the content of the letter could not be changed, but noted for future. **AL** acknowledged **IG**'s comment.

2.40.   **FR** wanted to know from a governance point of view whether this paper would be presented at the enhanced Working Group. **AA** replied, stating that everything that is still on the road map will go to the new Working Group which will be set up shortly. **AA** used the opportunity to remind IESG members who had not yet responded with nominees for the new Delivery Working Group to please do so.

2.e   VRP SANDBOX

2.41.   **IG** advised that finally there has been progress around the VRP Sandbox, starting with formal acceptance into the FCA's Regulatory Sandbox initiative. **IG** introduced a one pager written by **AA**, stating that progress would not be made by going into too much detail on this, however, it is good to update.

2.42.   **AA** updated by stating that there is a lot of interest in this. What we are thinking about is how we ensure that there are a group of (co)participants – ASPSPs offering the API and TPPs who have PISP permission and are able to provide this in production. This is the context of the sandbox**. AA** recognised that there would be people in the wider group who would be interested in participating and will consider how to maintain engagement

2.43.   **IG** invited queries and questions.

2.44.   **DN** recollected that this was the old P5b and was discussed at the Delivery Working Group. **DN**'s recollection was that there were discussions around variable recurring payments, liability and issues with tokenisation, at which point it was parked, with a plan to revisit these issues. How did we get from the old Delivery Working Group (DWG) discussions to discussions around Sandbox without addressing the other issues that were mentioned?

2.45.   **AA** responded by stating that he was not present when the P5 discussions were held, but the categorisation of the issues were, firstly, whether and to what extent these conversations were covered in PSD2. Linked to that is a conversation around how the consumer is protected against the different types of risks that are associated with this type of proposition. This had to be done in a way that would give consumers, regulators and ASPSPs comfort in terms of liability. **AA** stated that these were difficult to deal with at a DWG level and believed that the best approach was to work through a sandbox. Effectively, that is the ambitious objective of this process, but with the

support of the participants and the FCA, there is the potential for a lot of learnings which could be delivered to a DWG. **AA** stated that he is unsure of what the learnings will be as this is unexplored territory.

2.46. **RW** asked that of the 2 ASPSPs and 6 TPPs, are there any members of the CMA9? **AA** responded – no. The 2 ASPSPs are Metro and Starling. **AA** added that their capability within the rules of the sandbox to do this is still in review. **RW** asked from a consumer protection point of view, how the sandbox would help liability when 4th, 5th and 6th party layers are looked at. **AA** responded by stating that these are some of the questions that are still being worked through at the moment.

2.47. **IG** gave his perspective stating that one important aspect to note is that formal engagement with the FCA team who have experience of running the Regulatory Sandbox in the last 3 years has only just happened. The engagement includes understanding what is in the path of the achievable aims, what kind of questions make sense to try and answer within a regulatory sandbox construct, and then empirically, how does one test? **IG** advised that the OBIE team are going through a discovery process with them, which will turn from what is currently a 7 paged application form to a detailed test plan. At the moment, that is being written up amidst a ton of unanswered questions and this should be determined within the next 3 – 4 weeks.

2.48. **RW** understood that test scripts would be run which would answer questions that we could probably guess now in terms of how the process would work. Also we are concentrating effort to fill in a 7 page application form. **AL** stated that he is struggling with the benefits of doing this if questions raised in P5b would not be answered.

2.49. **FR** suggested the following: The understanding of the sandbox process is that there is still consumer protection, so to run a live sandbox with the FCA, the questions have to be answered. **FR** stated that there was faith in the FCA to be able to work with a different team to answer the questions that have previously been unanswered. **FR** suggested that we could then provide our input as we go along, but until there is a protection framework, the FCA would not allow the testing to be done practically.

2.50. **AA** stated that he was quietly confident. The test plan has not been put together yet. **AA** stated that we have the right people with the right skills, the right engagement with the TPPs, but in terms of answering all the questions being asked, this is work in progress.

2.51. **IG** stated that in working with participants of the regulatory sandbox, they all have these views as to what the risks are and the regulatory sandbox actually flushes out more risks that they had no idea about, however, this is iterative. These are only learnt when they are being tested in the sandbox. There are no guarantees around this process and there is no set way of doing this, which is why there is a level of ambiguity around this. Getting in was an important milestone, the test plan is another obvious milestone. This will set the direction, rather than provide the scope for the work. **IG** suggested that assuming the test plan is formulated; it would be a good idea to provide an update to this group again.

2.52. **FR** commented that in the process of going through this, it would be helpful to involve Kathryn Hardy of the PSR as she has been running the authorised push payments scams code. This covers what requirements there should be on PISPs for authorised push payments scams code, but would not cover cases where legitimate merchants do not deliver or go bust, etc. **FR** stated that her desire would be for some coherence and connectivity across the different pieces, so we do not end up trying to solve problems in different places. **FR** stated that she would welcome relevant people from the PSR as it can get quite loaded on the VRPs to the exclusion of the rest of the landscape. There needs to be a connection across the rest of the areas that connect to payments and consumer protection.

2.53. **AA** agreed with this suggestion, and reiterated that we need to make sure the risk that we are trying to solve for includes all the other unforeseen risks.

2.54. **RW** requested that the test plan should encompass a heavy emphasis on all the areas that we are struggling to comprehend at the moment.

Meeting Minutes

OPEN BANKING

ACTION: IESG_2018_301_176 – With regards to the VRP Sandbox, the Test Plan is being drawn up within the next 3-4 weeks. AA will present this back to the April IESG.
Due Date: 30 April 2019

ACTION: IESG_2018_301_177 – FR suggested AA to pull in Kathryn Hardy of the PSR into these conversations to ensure coherence and connectivity.
Due Date: 30 April 2019

2.f   BREXIT UPDATE

2.55.   **IG** moved the agenda along stating that IESG had asked for an update vis-à-vis Brexit previously and a short memo had been written identifying some of the risks. **IG** stated that **AA** requested to give a verbal update due to the changing situations which **IG** was sympathetic to.

2.56.   **AA** advised that a bunch of risks were presented in a paper a month ago, and that nothing has changed. **AA** deemed it important that the ecosystem considers these – is there anything that we should be aware of? Is there a discussion around Open Banking and its ecosystem that we are not having? We have written down what we think are the risks, including what we think a no-deal Brexit would look like, but comments and questions are welcome.

2.57.   **IG** asked if **AA** could remind IESG members of the categories of risks involved.

2.58.   **AA** stated that there were things around the UK RTS and what they are going to say, certificates in the eIDAS and a lot of issues around data – passporting as well. Some of these have regulatory solutions, e.g. around statutory instruments that are around being able to accept foreign eIDAS certificates. We know that RTS will be brought into UK law and some of the risks around data have been mentioned, the permissions coming out of the FCA as well. Is there anything that we do not know that we should be doing or anything we have missed?

2.59.   **IG** commented that it should be noted that some of the CMA9 have approached the OBIE to say that there may be change freezes. **AA** asked if there are any change freezes that the CMA9 have been asked to do, or are doing of its own volition.

2.60.   **LM** commented first on the legislation point. The relevant legislation has all been onshored. Where there was EU law, but it is being written to apply on a UK only basis. So in terms of the law that would be relevant to Open Banking, this has been written and taken through Parliament. The follow on exercise from that is the different RTS standards which are in progress. **LM** asked if **AL** could give an update on that.

2.61.   **AL** stated that in a general sense, the one question that keeps cropping up is around the GDPR space and what data is going where, what could go to 3rd countries. There is no specific issue here, but it seems to be a recurring question. In terms of the RTS standards, if there is a no deal hard Brexit, we will be in a position to make a decision. This has not gone to any board yet, but **AL** stated that he is not in a position to speak authoritatively but consistency with what is in the existing RTS would be key. There were some questions around eIDAS, whether these would work and the certificates would be available, however, this has not gone to a board yet so nothing can be stated officially. There are some additional RTS that have now been published in the official journal over the last few days.

2.62.   **AA** asked in terms of RTS, are there any others? **AL** stated that two came out recently. If there is a hard stop on 29 March, these can be ignored. If there is an extension, we might have to make rules to disallow those pieces of regulations so that the EBA register items do not happen anymore.

2.63.   **HP** asked about the EBA register. If there is a hard Brexit, would the UK continue to be a part of that EBA register, or otherwise, do we have answers to that? **AL**'s assumption is that if we have a hard Brexit, then no. If there is a further deal, then potentially they could remain. The register will include EEA members so we don't necessarily have to be a member state. The register is still being updated with some data particularly around agents. The EBA has dedicated IT resource over the next week or two. Any issues / comments should be fed back to **AL** even if it is

presentational, because the dedicated resource can make changes for a short time, after which it would be difficult to do.

2.64. **RR** asked if he could pick this up with **AL** after the meeting as assessments on data quality have already been made. There are a number of gaps from the initial registers. A discussion would be welcome around collaboration.

2.65. **HP** referred a question to **EC**. Do you know if the OBIE had to respond to the various scenarios? For example, in the event of a hard Brexit, do we have to stop European entities to passport in to access customer accounts from outside the UK? Are there rules ready?

2.66. **EC** responded that for those firms that have been authorised by another NCA, these would continue to be supported from a passporting point of view.

2.67. **IG** suggested that **AL** discusses temporary permissions regime.

2.68. **AL** stated that if there is a hard exit, a firm is only allowed to continue operating in the UK under a passport if it has notified us under the temporary permissions regime. **IG** questioned the timeline for the temporary regimes and **AL** confirmed that it is roughly around 2 years.

2.69. **AA** made an assumption that we need to make sure those entities passporting in have got those temporary permissions regime so that anything that needs to be cut off can be.

2.70. **IG** commented that there has not been any discussions or formal representations made around a change freeze.

2.71. **RR** suggested that we are working on the basis that regardless of what happens; the TPPs that are live continue to stay live.

3.a **AOB – UPDATE FROM EBA API WORKING GROUP WHICH WILL INCLUDE P9**

3.1 **IG** moved the agenda on to updates from the EBA API Working Group by **CM**.

3.2 **CM** split the update into 3 areas. Firstly, the general theme of the day was around implementation issues. There were questions around the availability of eIDAS certificates. There were also challenges around availability and performance, how these should be measured, and how to compare with existing customer interfaces. There were questions and challenges around testing and wide usage, specifically how (especially smaller) ASPSPs could demonstrate wide usage and timings of that. There were questions from some ASPSPs around whether it is possible to use your demonstration of wide usage from one market in another market. That led into discussions around the exemption process in general and majority of people in the room had not been focussing on contingency methods – they had been focussing on APIs. There was a lack of clarity as to what contingency mechanisms might be. What was key and was pointed out several times is that some of the things we have been doing in the UK, some of the tools and services that we built to help address some of these issues have been shared now by the EBA across all of the people in the room – including a shared GitHub repository with information about availability of QTSP services that we are trying to encourage collaboration on, and our open source conformance testing tools. We would like to see a more standardised usage of these tools across UK to improve the level of conformance and testing.

3.3 The second point **CM** made was around the EBA register. This is designed to be a central point of truth about the TPP authorisation statuses, including passporting. There are still some open questions, but this is intended to negate the need for people to have to go to specific NCA registers. However, it does not provide all of the services that the OBIE directory provide and it certainly does not negate the need for ASPSPs to rely on any TPP's eIDAS certificate for identification.

3.4   **CM** stated that the third point was around next steps. There is another meeting next month and there was a call for issues to be raised. There are existing issues and there is a call for new issues. There was no commitment from the EBA about which issues are going to be responded to, but there is a window opened for new issues.

3.5   **IG** thanked **CM** for the update stating that it looks like we are ahead; however, it seems that changes to functionality should be expected. **CM** commented that there are likely to be 'clarifications', as opposed to changes.

3.6   **AL** added that EBA are trying to respond to issues as quickly as they can, bearing in mind that it is being co-ordinated with 20-30 odd NCA's. **AL** said that the one issue that did not come back was around status of payments. This is something that needs to be monitored.

3.7   **IG** invited one last comment from **FR**, asking if this could segway into the final AOB piece around articulating success of customers.

3.8   **FR** reminded IESG members that at the last meeting, she raised her concerns about industry lobbying in Europe where they were suggesting that even listing the permissions that a consumer had given to an ASPSP was anti-competitive. There is room to manoeuvre around P2, but the particular issue is that some firms in Europe do not want consumers to be able to see their list of permissions in the ASPSP. **FR** commented that at the last minute, members were aligned with the fact that this was not right. **FR** wanted to ask:
1. whether there has been a discussion on this. **FR**'s concern was that there is a lack of strong representation from the UK on this; and
2. as there was agreement in the room on this issue, would anybody be willing to join in to write a letter to clarify this point

3.9   **HP** commented that this issue did not come up and that it did not come up at the last working group either. **HP** added that EBA pronouncements of the Q & A tool are not legally binding. The only thing binding is the transposition of the text and the RTS linked to that text. Everything else is interpretation and guidance. Firms are allowed to take their own interpretations as long as they can justify that to their local NCA. Hopefully they can support transparency for customers. **HP** also added that the Q & A on that wording was incorrectly written, it was discussed at the last meeting that authority for the customer to share their data is something that is legitimate. However, it is better to agree via the OBIE on a common UK account that the customer outcome we are trying to get to is achievable and this is the right way to achieve it, this is how it should be framed without infringing people's right.

3.10   **FR** commented that it might be useful to have a contingency letter so that we are ready in the event that something comes up, so that there is something to use as a response.

3.11   **HP** stated that many of the TPPs do not want firms to get the fall back exemption. Some of the biggest TPPs in Europe want screen scraping with the certificate in the header to be the permanent state. They distrust the API's being provided by ASPSPS. This needs to be side stepped so that the UK open banking participants do not get drawn into it.

3.b   AOB – ARTICULATING SUCCESS FOR CUSTOMERS

3.12   **IG** requested a short update on articulating success for customers.

3.13   **AA** stated that he had been working on the consumer outcomes piece with **FR**. The interest is in understanding the extent to which the OB ecosystem is facilitating a wide range of user cases for consumers. The NESTA challenge is part of this process. There are a number of moving parts, including some work being undertaken with Fingleton Associates and ODI to help to understand this better.

3.14   **FR** stated that Fingleton and ODI have been in discussions. **EC** and **FR** have also been trying to bring the initiatives across Open Banking together to understand how the overall picture maps out with consumer initiatives being the

centre of it. There is a report - a summer time deliverable which is being worked on to make sure it has some practical impact for Open Banking, but the hope is that the report will be robust with benefits externally, but also to add value internally.

3.15   **IG** stated that it would be best to bring this back as an agenda item because there were several elements to this that need to be captured in a consistent way.

ACTION: IESG_2018_301_178 – Articulating Success for Customers to be presented at the next IESG, including the Fingleton proposal.
Due Date: 30 April 2019

3.16   **RW** raised an AOB point about RTS – Article 10; the question is around clarity on what OBIE thinks the 90 day consent is.

3.17   **CM** commented that there is a paper coming out in the next few days. It is one of the things that was raised by the EBA, but was not addressed

3.18   **RW** requested that if the paper is not ready before the next IESG meeting, it should be covered as an agenda item.

ACTION: IESG_2018_301_181 - Article 10 SCA issue for Open Banking AIS - If CM update is not published before the April IESG, RW requested that this should be an agenda item.
Due Date: 30 April 2019

3.19   **IG** thanked IESG members in the room and on the phone for attending; **IG** closed the meeting.