Meeting Minutes

OPEN BANKING

Meeting details Meeting date: 27 October 2020	**Meeting name** Implementation Entity Steering Group (IESG)
Meeting time 10.00 – 13.00	**Meeting location** Microsoft Teams Virtual Video Conference
Scribe Sally Chiwuzie	**Classification** Public

Name		Role	Attendance
Alan Ainsworth	**AA**	OBIE – Head of Policy	Yes
Bill Roberts	**BR**	Competition and Markets Authority (CMA)	Yes
Candy Ma	**CMa**	OBIE – Office of Trustee	Yes
Caroline Ambrose	**CA**	Barclays Bank	Yes
Chris Michael	**CM**	OBIE – Head of Technology	Yes
Daniel Ehreich	**DE**	Bank of Ireland	Yes
David Fineberg	**DF**	OBIE – Head of Monitoring	Yes
Ed Colley	**EC**	OBIE – Programme Director	Yes
Faith Reynolds	**FR**	Independent Consumer Representative	Yes
Gary Sheen	**GS**	Tesco Bank	Yes
Gavin Littlejohn	**GL**	Fintech Representative	Yes
Ghela Boskovich	**GB**	Fintech Representative	Yes
Helene Oger-Zaher	**HOZ**	Financial Conduct Authority	Yes
Hetal Popat	**HP**	HSBC	Yes
Ian Major	**IM**	TPP Representative	Yes
Imran Gulamhuseinwala	**IG**	OBIE – Trustee/Chair	Yes
Mark Chidley	**MCH**	Independent SME Representative	Yes
Matt Cox	**MC**	Nationwide	Yes

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Nicola Patricia McCleery	**NPM**	Danske Bank	Yes
Phillip Mind	**PM**	UK Finance	Yes
Richard Mould	**RM**	OBIE (Guest)	Yes
Roy Hutton	**RH**	Allied Irish Bank	Yes
Sally Chiwuzie	**SC**	OBIE IESG Secretariat	Yes

Apologies

Name		Role	Delegate
Carly Nimmo	**CN**	HMT	Laura Mountford **(LM)**
Daniel Globerson	**DG**	Royal Bank of Scotland	Stephen Wright **(SW)**
Genevieve Marjoribanks	**GM**	PSR	N/A
Robert White	**RW**	Santander	David Bailey **(DB)**
Simon McDougall	**SMD**	Information Commissioners Office	Jenny Vega Destello **(JVD)**
Stephen Smith	**SS**	Lloyds Banking Group	Richard Rous **(RR)**
Thaer Sabri	**TS**	Electronic Money Association	Ruth Mitchell **(RM)**

No.	Agenda item

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

1.1. **IG** welcomed IESG members to the Microsoft Teams virtual video conference. **IG** explained that this month's agenda is light because last month, the entire Roadmap was reviewed.

1.2. **IG** stated that there have been no AOB requests, but there might be matters arising out of the action points.

1.3. Re etiquette, **IG** reminded IESG members to go on mute if not speaking and **SC** and himself will be monitoring the chat so that people can get their points across.

1.4. **IG** informed IESG members that there was no feedback on the minutes, no revisions made. On this basis, **IG** approved the minutes.

   APPROVAL – IESG_APR_LOG_084 – September IESG Minutes - IG approved the minutes from the September IESG.

1.5. **IG** moved the agenda along to the actions on slide 20.

1.6. In terms of action #467 *(Certification Dashboard – OBIE to consider capturing the certification page publicly)*, **IG** explained that this relates to the information provided on the certification dashboard. **DF** added that that internal conversations has been held and that **GL** is now welcome to publicise that the transparency calendar is now up to date and the 3 links are now available. **IG** agreed closure of this action, there were no objections.

1.7. For action #468 *(Performance Improvement Plans - SW / EC to discuss the measurement of confirmation of funds in more detail)*, **IG** explained that this was a point of clarity on the PIPs which has now been discussed and closed.

1.8. **IG** moved on to discuss action #469 *(Programme Update - OBIE to review the programme update section of the pack. IESG members to feedback contributions via email)*, **IG** reminded IESG members that this relates to a change in format of the programme pack, particularly in things relating to funnel and KPIs. **IG** stated that this is included in the pack and this action can be closed.

1.9. On action #470 *(PSD2 Liability Framework – AA / IG / GL (and interested parties) to have a meeting to discuss this in further detail)*, **IG** reminded IESG members that GL requested this item, a meeting did happen and **AA** is sending out the action items. **IG** stated that any new actions will be picked up at the next IESG. **IG** opened to **AA** and **GL** to give an opinion. **AA** explained that there were four follow-ups:

   1.9.1. The FCA to check in on legal liability and where it is mentioned in PSD2.

   1.9.2. A bigger conversation with a wider range of actors – meeting to be scheduled with more time for people to attend.

   1.9.3. A meeting in the New Year to understand how a breach will be reacted to (including crisis communications).

   1.9.4. Some work to be done on false adjudications where data has leaked.

   GL stated that these were the actions agreed. **IG** asked **SC** to mark this action as closed.

1.10. With regards to action #471 *(Roadmap items - Customer Evaluation Framework (CEF) - AA to take the determination of what a periodic review of the Customer Evaluation Framework (CEF) looks like as an agenda item at the next EAG)*, **IG** stated that this will be tabled at the EAG in November and then will come back to IESG. **IG** suggested leaving the action open until EAG and then return to IESG.

1.11. **IG** moved on to action #472 *(Roadmap items - TPP side customer protection - MCH and FR to articulate what practical activities they would seek to undertake in order to assess the possibility and appropriateness of creating a code)*, **IG** reminded IESG members that this was an action for **MCH** and **FR** to articulate what they would look for in determining whether a code for TPPs would make sense. **IG** was pleased to say a well written proposal was received. **IG** stated that this could be discussed in more detail as an AOB item. On this basis, **IG** agreed closure.

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ACTIONS

Action Number	Date Raised	Owner	Description	Notes	Target Date	Status	Date Closed
IESG_2020_301_467	30/09/2020	**EC/DF**	**Certification Dashboard** – OBIE to consider capturing the certification page publicly.	**Update 27/10** – Closure agreed. **Update 22/10** - The front page of the transparency calendar has been updated to now include 3 links to the following areas of conformance: - functional conformance - FAPI security conformance - Customer Experience Guidelines (CEG) conformance. Propose to close.	27/10/2020	Closed	27/10/2020
IESG_2020_301_468	30/09/2020	**DF**	**Performance Improvement Plans** - SW / EC to discuss the measurement of confirmation of funds in more detail.	**Update 27/10** – Closure agreed. **Update 13/10** - Discussion held at bilateral. SW acknowledged that there are live CoF consents and traffic. The monitoring team assured SW that the data is produced directly from NatWest's submitted MI, which includes CoF albeit low volumes. Propose to close. **Update 30/09** - DF to take this to the bilaterals.	27/10/2020	Closed	27/10/2020
IESG_2020_301_469	30/09/2020	**IG / EC**	**Programme Update** - OBIE to review the programme update section of the pack. IESG members to feedback contributions via email.	**Update 27/10** – Closure agreed. **Update 20/10** - Programme update pack has been redesigned and now included in the October IESG pack. Propose to close.	27/10/2020	Closed	27/10/2020
IESG_2020_301_470	30/09/2020	**AA**	**PSD2 Liability Framework** - AA / IG / GL (and interested parties) to have a meeting to discuss this in further detail.	**Update 27/10** – Closure agreed. **Update 23/10** - Meeting held 23/10. Propose to close.	27/10/2020	Closed	27/10/2020

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IESG_2020_301_471	30/09/2020	AA	**Roadmap items** - Customer Evaluation Framework (CEF) - AA to take the determination of what a periodic review of the Customer Evaluation Framework (CEF) looks like as an agenda item at the next EAG**.**	**Update 23/10** - This is to be discussed at the next EAG. Carry forward to the November IESG.	25/11/2020	Open	
IESG_2020_301_472	30/09/2020	MCH / FR	**Roadmap items** - TPP side customer protection - MCH and FR to articulate what practical activities they would seek to undertake in order to assess the possibility and appropriateness of creating a code.	**Update 27/10 –** closure agreed. **Update 23/10** - Written proposal received. Verbal update to be provided at the October IESG. Propose to close.	27/10/2020	Closed	27/10/2020

1.c PROGRAMME UPDATE

1.c.i   OBIE STATUS REPORT

1.12.   **IG** moved IESG members on to the programme update on slide 22, requesting **EC** to give highlights from the status of the OBIE. **IG** noted more ambers as compared to the September IESG asking why that is the case and what the mitigating actions are being undertaken.

1.13.   **EC** recapped on the month before, stating that the amber status was owing to the slippage around the CoP / CRM. **EC** stated that this remains the reason for the amber status this month, although there are some additional areas of risk. **EC** explained that there the TPP side customer protection consultation still needs to be completed and there is a concern regarding the risk of not having a full consultation given the state of economy. **EC** stated that the new item called out in the pack is the is the directory support for the new UK RTS as a result of the EBA eIDAS decision. **EC** added that work is progressing to plan on the build, however, there is a risk until the publication of the outcome of the FCA consultation. **EC** believed the FCA would conclude (at least on certificates) in the early November 2020, at that point the risk will be realised or there will be confirmation that there is no further risk to delivery.

1.14.   **EC** informed IESG members that the MI consultation for the ASPSP side (mainly the CMA9) is concluding this week (w/c 26 October 2020) and workshops are being arranged to that effect. EC stated that it would be possible to give a full update at the next IESG. **EC** paused for questions.

1.15.   **MC** stated that at the last IESG, he raised a concern about complexity of the requirements on the data on MI - near real time provision of data. **MC** explained that there are significant concerns by his team about the fact that it is a significant piece of development work. **MC** wanted a view as to whether the other ASPSPs feel the same.

1.16.   **CA** felt that Barclays would be in a similar position in terms of the work and the complexity on first review.

1.17.   **RR** echoed the same comments – complexity, time, lack of clarity about the benefit of providing real time data feeds.

1.18.   **EC** explained that the two technical sessions being arranged have a lot to do with discussing the details.

1.19.   **CM** stated that the deadline for feedback is end of play on 30 October 2020. **CM** stated that there are two areas where challenges have been noted - some elements of the data are proving challenging for ASPSPs to provide, the team would like to understand more about this difficulty. Secondly, **CM** stated that the frequency of the requirement is causing some challenges which the team is trying to understand. Upon receipt of feedback, **CM** explained that the team will analyse.

1.20.   **IG** stated that nothing has been concluded and there are limitations to what can be concluded at IESG, but information is being gathered.

1.21.   **SW** stated that firstly, this is technically because MI has been built and the team is being asked to reverse that. **SW** wanted the complexity revisited. Secondly, SW wanted the issue of availability to be thought through a bit more.

1.22.   **RH** echoed everyone else's comments – significant cost, time and asked whether the problem statement is right as everyone reports to regulators about downtime and so real time request does not seem right. **RH** could not see the business case and did not accept the logic around spending so much on something that has so little impact on the end users.

1.23.   **GL** sympathised with the comments and agreed with **CM** – the speed to respond to issues arising is important as opposed to waiting for regularised periodic reporting. **GL** wondered which technical builds are worth having a centralised measuring tool and which will require re-engineering by the ASPSPs. **GL** wanted to see a framework for analysis that itemises those points and what can and cannot be done.

1.24. **RR** agreed with **RH** in response to **CM**'s observations. **RR** thought it should be up to the business to decide to invest in such capabilities. **RR** stated that sometimes money gets lost, questions of costs and proportionality are not considered. **RR** stated that this needs more detailed analysis is required as he is not buying into the business case.

1.25. **IG** thought it was helpful to hear everyone air concerns, stating that this is still inflight consultation. IG reminded IESG members of the powers accorded to him as Trustee to enable monitoring, but he understood the need for proportionality. IG stated that there is an important requirement to go through this is a considerate fashion, adding that it would be important for him to understand how hard this activity is. **IG** understood that a minor change in an MI requirement can turn from easy to difficult, especially when it has to do with complicated architecture. **IG** hoped that this consultation would be helpful to the CMA9. **IG** also encouraged the OBIE team managing the consultation to have a framework to allow this to be investigated. **IG** concluded – this is an ongoing consultation, feedback should be constructive, no decisions have been made and if extra time required, that can be done.

1.26. **FR** responded to **RR**'s point, understanding the complexity and proportionality query, but encouraged RR to look at how this opens up other doors; this is a good pilot for considering other approaches to open finance and regulatory technology, an opportunity to innovate and think in slightly broader contexts.

1.c.ii   CMA9 IMPLEMENTATION UPDATE

1.27. **IG** moved IESG members on to the implementation summary on slide 23. **EC** explained that some changes have been made by the CMA9 during the last month and all deliverables are moving ahead in the right direction. **EC** called out Cater Allen at the bottom of the slide, asking IESG to recall that they had been on long term directions to bring across their legacy platform to a new platform in order to allow open banking to their entire customer base. **EC** stated that the migration has now been concluded and it should be interesting to watch this unfold over the coming months.

1.28. **IG** paused for comment.

1.c.iii CMA9 CERTIFICATION UPDATE

1.29. **IG** moved on to the conformance dashboard on slide 24. **IG** noted more improvements – more greens turning to blue. **EC** stated that through this reporting cycle, the level of the standard that should have been implemented has moved to 3.1.5 and some of the CMA9 have completed some of the certifications against the 3.1.5 standards - Danske and Barclays, others are close and going through the process of proving whether they are certified or not. EC hoped to see more greens and blues in the November IESG.

1.c.iv. Performance Improvement Plans (PIPs) Dashboard

1.30. **IG** noted that this seems to be moving according to plan, though there has not been much change.

1.31. **DF** stated that a few more ambers are on the plan, the team is awaiting a number of (draft) plans. **DF** explained that Nationwide are now in the monitoring phase to check and confirm that the PIS response times remains within the agreed parameters over a sustained period. **DF** expected that by the next IESG there will be more changes once the plans come in.

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1.c.v KPI DASHBOARD

1.32. **IG** moved the agenda on to KPIs dashboard which is new – slide 26. Following the broad view that this information was drowning in numbers, **IG** stated that the slide is trying to introduce the pertinent KPIs to a single page. **IG** stated that the old information still exists, but it is has been relegated to the back of the pack. **IG** stated that this is a moving feast and feedback is welcome. **IG** stated that the top right of the page is the key information on the funnel, and it helped to solve some questions that were being asked a few years ago in terms of where TPPs were coming from.

1.33. **MCH** mentioned in the side chat:

   [27/10 10:46] Mark Chidley
   On KPI Dashboard helpful to see prior month and trends. A small step in the right direction IMO.

1.34. On availability, **EC** explained that this took a slight downturn over the month but was optimistic that this would improve over the next cycle. **EC** related this to change activity and the result of some difficult implementations. **EC** stated that the CMA9 will commit to continue to look at the way they implement change, adding that despite the drop, response times have remained within the Operational Guidelines. On successful API calls, **EC** explained that this was up in prior months (approaching 7 million); upon a month on month comparison (especially because there are fewer days in September), then that represents 5% increase in volume. **EC** added that there has been an uptake in payments (5k+), therefore there has been improvement around those.

1.35. **FR** wondered how important it is to see PSU adoption numbers on this slide. **IG** explained that the PSU numbers need to go through a lot of challenge with each of the banks before publishing, therefore, the comfortable approach is to talk about them at points in time where it makes sense – possibly quarterly. As the numbers are volatile, **IG** stated that the team has had to make estimates in the past and for this reason, **IG** was wary of putting changing numbers on a dashboard.

1.36. **FR** asked for the slide on PSU adoption to be improved, adding that she has requested this via email a few times. **FR** explained that because of the nature of the data (and its interpretation), it is important that it is shared. **FR** explained that if estimates are being made, transparency on this is important so that a consensus can be developed around the interpretation of this data. **FR** went on to discuss accountability, stating that as a consumer representative, she has no visibility on PSU numbers to know how individuals and SMEs are adopting open banking. **FR** explained that transparency of this data will allow for visibility on market and media spend. **FR** was concerned that as an advisor, she needs to see the PSU numbers.

1.37. **IG** stated that **FR** makes a strong case which he was sympathetic to and this indicates that at some point there should be an assessment of PSUs. **IG** stated that the case is not a monthly full assessment of data. **FR** thought that quarterly at the least with a breakdown is necessary. **FR** gave the example of the 2 million announcements, explaining that this should have been brought to IESG.

1.38. **IG** stated that there is a good argument to have a session on PSU numbers, however, **IG** did not agree that there is a case for a dashboard.

1.39. **GL** was curious about the process that Open Banking is going through regarding deciding that the numbers are good enough to release. **GL** wondered if it would be helpful for the process should be evaluated. **IG** explained that it is a simple case of there being no margin for error.

1.40. **MCH** explained that IESG gets into granular detail on the activities being undertaken by the CMA9 have to do to comply with the Order but the whole purpose of the Order is to see open banking propositions adopted by consumers because in the absence of that, **MCH** stated that there will have to be a market investigation. **IG** explained that the point of the Customer Evaluation Framework is to assess whether or not the outcomes envisaged by the CMA in the investigations and the Order have been met and only so far that the OBIE can go in terms of the implementation of this, adding that there is a discussion on this later in the meeting. **IG** expressed a

frustration about not understating the purpose of a dashboard which is to monitor the PSUs. **IG** stated that this is not a dashboard point, there will be a session on PSU's in upcoming months. **IG** added that there are a lot of companies with different perspectives on this and there is a need to be sensitive.

1.41. **MCH** was happy to hear this, adding that he would love to understand more about why this is so difficult as the ultimate purpose is to drive adoption. **IG** clarified the purpose of right-hand side is ecosystem engagement and not consumer adoption.

1.42. **FR** wanted to be clear – on a principle basis, she disagreed. She noted that there was an outstanding practical aspect there is an unclear slide on PSU adoption. **FR** stated that she has been asking for this to be improved, the current slide is not even properly labelled.

1.43. **IG** stated that there has been a call for feedback over the months and was willing to take comments from IESG members on whether this can be improved (and how) or removed.

2.a END USER RISK COMMITTEE (EURC) UPDATE

2.1. **IG** turned to slide 27, inviting **AA** and **RM** (who part of the policy team and secretariat for EURC) to give an update.

2.2. **RM** started by reiterating the background - **EURC** was set up to enable risks of consumer harm to be raised, and more pertinent risks are brought to IESG. RM reminded IESG members that so far data risks were brought to this forum and there were debates about these, last month, risks of customer harm was discussed. RM explained that 10 risks were discussed, of which 5 were worth of note to bring to this forum and of those 5, 3 are matters and issues that have been debated a lot, with activities in place to address those risks – some are activities in the revised Roadmap. RM added that there are two risks that have had less discussion and there has been a decision to bring these to IESG.

2.3. **RM** introduced the first risk - *Lack of agreed language causes consumer confusion*. **RM** explained that within Open Banking, there is a tendency to use technical language which may impede customers confidence and willingness to participate and use the system. RM added that technical terms are used, but a lot of these are widely adopted and understood, however, within Open Banking, technical terms are used but there is some inconsistency on how they are used. **RM** stated that these issues have been raised in the SME think tank and regularly brought up in consumer organisations.

2.4. **IG** opened the floor for clarifications. **IG** asked if this is a risk of customer detriment or lack of adoption.

2.5. **RR** was interested in what TPPs think about common language because the first point of contact with the TPP.

2.6. **CA** was interested to understand what evidence there is to support the fact that this risk must be solved for and if it is impacting on consumers.

2.7. **FR** explained that language comes up regularly in terms of how consumers engage within financial services; there is no specific evidence in relation to Open Banking that consumers struggle. FR thought that PIS (as an example) is not a big seller in terms of its other connotations. There is precedence that consumers find jargon off-putting and as a result may make uninformed decisions (e.g. work in pensions). FR thought that some basic terms (to cover at least payments) would be beneficial. **FR** sat in an interview on 26 October and there was a question asked by a participant that suggests that consistency is needed.

2.8. **JVD** wanted to back up the fact that language has been a big issue not just for consumers but around legal meanings. **JVD** explained that some work was done with the OBIE around the term 'consent' due to various connotations. **JVD** stated a need to ensure that terms are not being recycled or reused.

2.9. **RM** explained that CA's question has been answered by FR and JVD. Regarding RR's question, GL will comment later. In terms of detriment vs adoption, **RM** stated that detriment has always been concentrated on, but the

detriment is the fact that portions of the population that will be excluded from the benefits of Open Banking – more of egocentric harm than direct harm.

2.10.   **IG** asked if this is meant to be a recommendation at this stage. **AA** stated that the EURC have decided that needs to be brought to the attention of IESG, therefore, it needs to be decided if there is work to be done and the appropriate time to trigger it.

2.11.   On this basis, **IG** asked if this is the kind of risk that merits action, and if so, what is the action?

2.12.   **GL** explained that even amongst financial services and technological industries, PSD2 sets a new bar and even though he has been in IESG from the beginning, he only understands half the terms. **GL** thought that clear and accessible ways of deciding meanings would be beneficial.

2.13.   **IG** stated that if there is a consensus around this, then **AA** should take this away and come back with recommendations for consideration at the next IESG.

2.14.   **NMc** acknowledged that this is a risk and was happy to work on solutions.

2.15.   **GS** was supportive of trying to find some consistency as an ecosystem.

2.16.   **IG** explained that one of the challenges is that even when there is consistency of language, getting everyone to adopt it is another challenge.

2.17.   **DB** was sure that there are things that could be done to make it easier and agreed with all the other perspectives. **DB** thought that it could be made 80% better without too much effort and was happy to supportive.

2.18.   **MC** was supportive but wanted to be clear who this is solving for. RR explained that there are certain terms that some consumers do not know, nor do they need to know. MC thought that solving for the consumer is the right thing to do, but not for the people who have jobs in the industry.

2.19.   **RH** built on **MC**'s points. As far as customer is concerned, a faster payment means that the money will be available in two hours, for example.

2.20.   **FR** did not think she had ever seen a merchant offer 'faster payment' as a payment option and was happy with the support, but the question is '*who should do this work?*'

2.21.   **IG** stated that there is no individual sees Open Banking in isolation, because it sits on other things - citizens and small businesses. **IG** stated that there are many ways to approach this, asking **AA** to think expansively of different ways of approaching this, including engaging PM at UK Finance, explaining that it should not be a monopoly for Open Banking.

2.22.   **IG** moved on to the second risk.

2.23.   **RM** introduced the second risk - *Consumers cannot easily control their spending because balance is not visible at point of payment*. **RM** stated that there were several debates around this risk – there was consensus that this should be raised at IESG, but there were 3 mini risks that arose out of this.
        1.43.1.   There is a clear customer need for this, the evidence to support that need is the payment strategy forum and groups that are excluded because they want to use cash;
        1.43.2.   The balance is widely available, but in different channels and the evidence to support that is the use of the banking app – there are consumers who check their balance multiple times a day;
        1.43.3.   Balance is not preventing customer adoption and the evidence to support this is in the cards world which has grown consistently over time.

RM flagged that there are constraints – the regulatory framework does not include balance for the PISP and there are obligations not to create obstacles.

2.24. **IG** explained that this is quite complex with different viewpoints, some of which converge, and others diverge. From **IG**'s perspective, going back to the point on production detriment, he wanted to know whether it is that customers want it and if they get it, they will adopt and if they do not have it, then they are suffering a detriment. **IG** also wanted thoughts reflective of the EURC, particularly leveraging the experience of cards.

2.25. **IG** opened the floor to comments.

2.26. **AA** clarified that some journeys enable balance to be shared, some journeys where account is selected at the ASPSP will show the balance on those individual accounts. AA explained that this risk is referring to where the account selection is made at the PISP end to make a quicker journey.

2.27. **IG** asked if there is any analysis to show that this causes detriment. **AA** explained that a lot of users will use journeys where account is selected at the ASPSPs.

2.28. **IG** opened the floor to clarification questions?

2.29. **GL** wondered about the comments made on the similarity of the adoption of card payments – did anyone consider the role of innovation?

2.30. **RM** explained that there is an emerging concern around these journeys that will be adopted in the future that will not have this available, this is the risk. **RM** added that there is an underlying concern that is not fully understood as opposed to the level of evidence regarding what was driving the adoption of cards and factors preventing that. **RM** added that this is the art form of risk management as opposed to the science point.

2.31. **GL** stated that to say that something has been adopted and therefore, something else is not needed misses the point of innovation. **GL** stated that he had personally been in a shop where his card declined, and he could not make a payment which he described as embarrassment and an unpleasant experience. GL stated that being able to understand balance at point of payment is a technical change that would be beneficial to the human experience. GL stated that evidence is a limited way of thinking of innovation, Open Banking and PSD2 are 3 principle drivers – improvement of enjoyment and less risky.

2.32. **HP** explained that **GL**'s point is fair, however, the problem statement at EURC was '*has PIS failed to take off because of this potential gap and is that harming adoption? The feature is not available in cards.*'

2.33. **HP** added that there is a role for innovation outside of the regulatory space as there is nothing stopping the implementation in TPP journeys. **IG** thought this was an interesting perspective. **IG** had always assumed that a lot of the payment wallets that are on mobile phones (apple pay) where people are paying by debit cards do not have open banking included.

2.34. **RR** stated that the group has talked about how some people prefer to use cash for budgetary reasons (this might be the poorer and more vulnerable people). RR added that cards comes with additional protection as if there is an impulse buy or a customer feels like it was the wrong purchase, they are entitled to a charge back. **RR** stated also that in this TPP journey, the PISP is working for the merchant and at worst, has an incentive to speed the customer through. If the customer changes their mind, **RR** explained that it is a good outcome compared to the merchant. **RR** thought it was necessary to weigh the detriment to the merchant against the detriment to the customer, adding the LBG is poised to explore both questions. **RR** proposed that next step is to bring this back for further consideration.

2.35. **IG** agreed that this warrants further information.

2.36. **FR** wanted to be clear that the vanilla redirection journey (where you select at the ASPSP) allows consumers to see their balance. However, not all CMA9 offer this facility in their journeys. **FR** explained that in a retail journey where a merchant or PISP wants to improve the customer journey, they will ask the consumer to select the for account number and sort code in the PISP domain so the PIS can save it and provide for a slicker journey. **FR** stated that this is the journey that does not show balance and it is not a recommendation in the CEG to show balance. **FR** wanted to hear from the FCA whether screen showing balance before authentication or balance on the same page is an obstacle. In terms of thinking about the work going forward, **FR** thought that it would be important to review the CEG and see where this can be improved.

2.37. **IG** concluded that around the table, there is appetite to try and push this further. **IG** requested that AA should bring back a range of different actions in order to make further progress on this.

ACTION - IESG_2020_301_473 - EURC - AA / RM presented the following risks:
a. Lack of agreed language causes consumer confusion; and
b. Customers can come to harm because the balance is not visible at the point of payment and specifically the harm is that customers are unable to control their spending.
Following on from the presentation of these risks to IESG members, AA to bring back potential solutions to the next IESG meeting.
Due Date – 25 November 2020

2.b   A2(b)iii DASHBOARD REVIEW – MINOR ADJUSTMENT TO SCHEDULE

2.38. **IG** introduced slide 34 – a paper for approval, inviting **AA** to update IESG members.

2.39. **AA** explained that the industry consultation is scheduled to complete by November, however, it will not be discussed at IESG meeting in December which is slightly out of schedule. AA stated that this is solvable by reducing the consultation periods for future consultations.

2.40. **IG** opened the floor to concerns and / or questions around the table.

2.41. **CA** wondered if **AA** could share the customer information on the dashboard. AA was happy to do that upon sharing with EAG in the first instance. CA was happy with this.

2.42. **IG** thought that this was a practical and logistical matter and was happy to proceed with that.

APPROVAL - A2(b)iii DASHBOARD REVIEW – MINOR ADJUSTMENT TO SCHEDULE - The OBIE requests approval from IESG for a minor change to the timetable for this Roadmap item. The final report and recommendations will be delayed from the planned end November deadline to the December IESG.

2.c   INDUSTRY CONSULTATION APPROACH FOR A2 (b)(i) VARIABLE RECURRING PAYMENTS AND A10 SWEEPING EVALUATION

2.43. **IG** introduced slide 35 – an update on VRP and sweeping.

2.44. **CM** explained that there are two elements to the Roadmap items. **CM** explained that firstly, the paper looks at the VRP standards and the other is sweeping. **CM** explained that these two items will be running in parallel for the first round of industry consultations during November and December. Unlike the previous consultations, **CM** explained that he was conscious of people's time; on this basis, there will also be a series of workshops. **CM** stated that the first of these is on 11 December.

2.45. **CM** stated that feedback for the first round will be due on 04 December to allow analysis, assimilation and presentation to IESG on 17 December. **CM** stated that following on from this, the various elements will be updated

accordingly and that will go into the second consultations. **CM** concluded by stating that there will be a series of workshops throughout.

2.46. **RR** stated that given this has been going on for a long time, there is a lot of work that is not visible right now and wanted to get more comfortable on the governance that has been ongoing, particularly highlighting that the CMA report stated that these two things should happen separately and on merit.

2.47. **CM** explained that there is a potential interlink but separate streams, though they are being managed in parallel. **CM** stated that the papers are separate papers - VRP is proposition and various elements of a standard and the sweeping evaluation is a definition of what is considered sweeping and then a comparison for consideration of payment methods. **CM** stated that there is some hypothesis about certain aspects and a lot of work has been done. As per the CMA Order and Roadmap, **CM** stated that this is being done in a way that it allows for review and the plan is to put this out for consultation in November.

2.48. In terms of questions on specification, **RH** wanted to ask for indications on the technical uplifts; the pipes are built for one TPP instruction to another account. RH wanted to understand the complexity. In terms of the analysis of the unexpected risks for liability, **RH** wanted to know if this had been considered.

2.49. **CM** explained that the proposition covers a number of different use cases and looks at regulatory considerations and liability and offers some suggestions for how different use cases and liabilities can be mitigated. With regards to implementation, **CM** explained that this is an extension of the design pattern in existence.

2.50. **IG** explained that the VRP piece is just the creation of the standard and that has a technical component to it but has liability attached to it. **IG** added that the Roadmap has required the OBIE to create a standard for VRP (there is no mandatory element to it). **IG** stated that this applies also to sweeping which has various ways of doing this, VRP is just one.

2.51. **PM** had an observation – there is a growing interest in Open Banking payments with various pieces of work taking place in the policy space (work with PSR) and features strongly in the HMT payments landscapes. **PM** stated that this will be of real interest beyond the Open Banking space. **PM** wondered whether **CM** could step into a wider engagement to explain the consultation to UK Finance.

2.52. **FR** was pleased with engagement with the team so far on VRPs. **FR** was slightly concerned about the fact that the team are looking at VRP and sweeping separately – VRP standard is being put into the market (which will facilitate sweeping and looking at potentially mandating this) but stating that alternative uses for VRP is fine but outside of the Open Banking remit. **FR** understood that the logic enables Open Banking to do some assessment of VRPs and risk but does not solve for the challenge around VRPs being used for the merchants. **FR** wanted to know if OBIE is looking at the risk associated with merchants using alternative methods beyond sweeping and how does this fit into the Roadmap; and if it is not within the OBIE remit, how is the ecosystem dealing with this?

2.53. **CM** explained that the team are looking at a number of use cases, potential liabilities, defining what needs to be in place to mitigate the risks and calling out some options (potential new regulation, scheme, bilateral contracts and / or a combination of all these). **CM** explained that the standard is meant to be an enabler.

2.54. **IG** stated that under the Roadmap, the team is required to build a standard. **IG** explained that nothing stops any participant from building a VRP functionality outside of VRP and the Order. **IG** stated that the question would be to establish where supervision or mandating of this would sit. IG concluded by stating that OBIE has neither the mandate nor the funding for this. IG stated that the consultations would be carried out in a visible and transparent way. **FR** asked if **HOZ** could comment.

2.55. **HOZ** explained that the FCA has been liaising closely with OBIE in the context of VRP and sweeping – testing in the context of testing that is being undertaking in the sandbox and the broader question of VRP processes. **HOZ** stated that there have been discussions about whether VRPs are allowed in other regulations or not. **HOZ** stated that the

draft report will address this. **HOZ** agreed that there are questions that need to be answered but stated that often this is on a case by case basis. **HOZ** was yet to review the draft the report and a lot is in process, but assured collaboration.

2.56. **MC** thought that the   process could cater for explicit consideration of those risks. **MC** stated that there is a resilience question around any proposition that is mandated to a scale that might lead to an uplift in small value / high frequency payments of a certain type. Given that the scale is high, **MC** wondered if it would be important to conduct a risk analysis.

2.57. **CM** felt that these have been raised and invited feedback into the consultations. **MC** explained that considering the stakes of this one, it be prudent to have an indication of the shared recognition of risks before standard that leads to implementation is signed off on. **IG** explained that the team have done is to describe what sweeping is and the risks associated with that, adding that the process is about those risks. To the question of ensuring engagement with stakeholders, **IG** stated that some representative from the BoE will see it.

2.58. **MC** explained that if expressive provision for recognition of those risks are not made, it would be easy to get lost.

2.59. **IG** stated that it helps that UK Finance and HMT as examples are well engaged.

2.60. **GL** shared a reminder - the OECD and Basel committee looked at this and wanted the team to take that into consideration. **IG** handed that over to **CM**.

3.a   AOB – A12

3.1 **IG** reminded IESG members that this was around a code for TPPs – the request was put back to **MCH** and **FR** as to what action they would like the OBIE to undertake. **IG** asked for a summary of what next steps are.

3.2 **AA** explained that there is work being done on A12 and the consultation on the draft guide will be released shortly. **AA** explained further that this covers customer redress and complaints, purpose of consent, guidance on fraud and security. With regards to one of the items of the Roadmap becoming a code, AA stated that the question is what is the OBIE doing about it. **AA** stated that the consultation is asking high level questions about whether the A12 content is appropriate and welcome, whether there is additional content that the ecosystem would like to see. AA stated that it has always been about balancing adherence to the code and appetite.

3.3 By way of a reminder, **FR** stated that there is a Roadmap requirement to consider if a code, supported by the ICO is appropriate and she wanted Open Banking to consider it. **FR** was concerned that Open Banking provides wealth guidelines for ASPSPs, but these are optional for TPPs – TPPs are engaging on a limited basis because there is no traction. **FR** explained that traction is important and wanted to ensure that there was a high standard of execution across TPPs, that these are being applied and the ecosystem is mitigating some of those risks that have been identified as a group. FR stated that a code could help – this could be accredited or recognised by the ICO even if not voluntary. FR thought it would be good to expand the EAG to include the relevant bodies – the ICO, FCA and the LSSB. **FR** stated that the key aspect of this group should be to set out what the purpose of such a code would be. **FR** concluded by stating that this to consider whether a code would be the way to get more TPP engagement in the guidelines, including adherence to those guidelines.

3.4 **IG** asked if **AA** feels that consultation being envisaged will sufficiently be able to answer the question as to whether it is feasible to produce a code or has **FR** raised some actions that means that the course needs to be changed.

3.5 **GL** agreed that this is tricky to unpack as he has not recently consulted with the TPP community on this. **GL** stated that by history, things happen when things are mandated and personally agreed with the sentiment. **GL** was concerned that the outcome being sought, and the method were not reconcilable. GL stated that regulation in the UK is the gold standard and anything that sits below that does not work. **GL** thought that a set of recommendations

might get some momentum by having mandated qualities rather than codes and Trustmark because all stakeholders will be held to the same standards.

3.6   **FR** agreed, stating that there are areas where the FCA works with codes to promote more than the more detailed conduct – e.g. lending or mistreatment through forbearance.

3.7   **IG** asked **AA** if the approach changes, and if so, how? AA thought that it would be worth bringing this back to IESG subject to responses received from the consultation.

ACTION - IESG_2020_301_474 - A12 - Furnished with the results of the upcoming consultations, AA to bring back to the November IESG a proposal on what the approach regarding the possibility and appropriateness of a code should look like.

Due Date – 25 November 2020

3.8   **IG** feels like whether there is a code or legislation, it starts with a request from a regulator or legislation and while Open Banking is not able to make that, Open Banking is in a position to make recommendations.

3.9   **MCH** had a point of clarification with **AA**. **MCH** wanted to know whether this will be looking at the possibility or appropriateness of a code? AA explained that the results of the consultation and responses will form the basis of what will be presented to IESG and will determine what the appropriate response is, including whether to set up a 5th bucket and determine how that piece of work looks like.

3.10 **RH** explained that there are media releases about engagement with government departments on the wider use of infrastructure. **RH** wanted some indication of what these are. **RH** also had a technical question about organisations that are not being SCA regulated. **IG** asked if this was about HMRC's tender for PIS or RTI. **RH** stated that he has seen things online that there is work being done with the government bodies.

ACTION - IESG_2020_301_475 - AOB – Offline conversation to be held between RH and IG to talk about including government bodies as an agenda item for the next IESG in November.
Due Date – 25 November 2020

CONCLUSION

3.11 **IG** thanked all for dedicating time to attend.

3.12 **IG** closed the meeting.