**VRP Working Group Meeting Minutes and Actions**

*Minutes*

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| **Meeting Date:** 5 September 2024 | **Meeting Time:** 10:00 – 11:30 |
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| **Meeting Location:** Microsoft Teams | **Chair:** Euan Ballantyne |
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|  | **Secretariat:** OBL & Pay.UK |

**ATTENDEES**

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| **Participants** | **Organisation** |
| Andrew Neeson | Tink |
| Archi Shrimpton | Lloyds |
| Brianne Evans | Truelayer |
| Callum Flaherty | Barclays |
| Catherine Berda | Monzo |
| Chris Harris | Global Payments |
| David Bailey | Santander |
| Dharmesh Akotiya | Mastercard |
| Dominic Lindley | Independent Consumer Representative |
| Fliss Berridge | Ordo |
| Gary Aydon | Santander |
| Jack Wilson | Truelayer |
| James Hickman | Ecospend |
| Jon Greenall | Wise |
| Jonathan Glover | Bank of Ireland |
| Louise Beaumont | Mastercard |
| Martijn Bos | Plaid |
| Mike Banyard | Ordo |
| Nicole Green | Yapily |
| Nisha Rajasingham | NatWest |
| Paul Foster | Go Cardless |
| Ramjit Lal | NatWest |
| Rob Jones | Lloyds |
| Robert Sullivan | Token |
| Serenna Cole | Yapily |
| Sharon Hetherington | American Express |
| Tim Birts | Nationwide |
| Toby Jennings | Modulr |
| Tom Trundle-Martin | TrueLayer |
| Wayne Jones | Go Cardless |

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| **Chair and Secretariat Attendees** | **Organisation** |
| Euan Ballantyne | VRPWG Co-Chair |
| Luke Ryder (apologies) | VRPWG Co-Chair |
| Richard Koch | VRPWG Secretariat |
| Christian Delesalle | VRPWG Secretariat |
| Dane Budden | VRPWG Secretariat |
| Daniel Jenkinson | VRPWG Secretariat |
| Deborah Horton | VRPWG Secretariat |
| Elizabeth Darkens | VRPWG Secretariat |
| Keith Milburn | VRPWG Secretariat |
| Lorna Suffield | VRPWG Secretariat |
| Khishi Ganbold | VRPWG Secretariat |
| Jo Ainsley | VRPWG Secretariat |
| John Crossley | VRPWG Secretariat |
| Nick Davey | VRPWG Secretariat |
| Matthew Wallace | VRPWG Secretariat |

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| **Observers** | **Organisation** |
| Ann Okubadejo | FCA |
| Peter Cornforth | FCA |
| Ian Ellis | PSR |
| Zeinab Cooper-Shaikh | PSR |

**ACTIONS**

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| **Action** | **Owner** | **Origin** | **Due Date** | | **Status** |
| 019: Secretariat to consider edits to the governance model to improve ease of understanding | Secretariat | 5 Sept WG | | 19 Sept | In Progress |
| 020: Secretariat to send WG the JROC paper on the dispute system recommendation | Secretariat | 5 Sept WG | | 13 Sept | Complete |
| 021: Secretariat to send participants the paper on the MLA Operator Evaluation Criteria by close 5 or 6 September | Secretariat | 5 Sept WG | | 6 Sept WG | Complete |
| 022: Participants to provide feedback on MLA consumer understanding proposals | Participants | 5 Sept WG | | 19 Sept | In Progress |
| 023: Participants to provide feedback on MLA Operator Evaluation Criteria | Participants | 5 Sept WG | | 19 Sept | In Progress |

**PREVIOUS ACTIONS**

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| **Action** | **Owner** | **Origin** | **Due Date** | | **Status** |
| 001: Participants to provide feedback on the proposed Terms of Reference | Participants | Email of 10 July and 12 July WG | | 19 July | Complete |
| 002: Participants to provide feedback regarding the proposed approach to disputes using the template or via email | Participants | Email of 10 July & 12 July WG | | 26 July | Complete |
| 004: Secretariat to re-issue previously shared organisational charts for the Programme Implementation Group  VRP WG ToR – re-issue next version in time for next WG | Secretariat | 25 July PWG | | 8 Aug WG | Complete |
| 005: Secretariat to consider the inclusion of Trade Associations at VRP working group | Secretariat | 25 July WG | | 28 Aug | Complete |
| 006: Secretariat to consider level of engagement with UK Finance during analysis of Model Clauses | Secretariat | 25 July WG | | 28 Aug | Complete |
| 007: Secretariat to seek clarification from PSR re timelines for announcements | Secretariat | 25 July WG | | 8 Aug WG | Complete |
| 008: Secretariat to review the API standards to assess their suitability for MI provision for ASPSPs | Secretariat | 25 July WG | | 28 August | Complete |
| 009: Participants to provide feedback regarding the questions raised in the MLA presentation | Participants | 25 July WG | | 8 August | Complete |
| 010: Participants to provide comments on the latest version of the ToRs | Participants | 8 Aug WG | | 12 Aug | Complete |
| 011: Participants to provide comments on the wave 1 sectors and use case proposals | Participants | 8 Aug WG | | 22 Aug | Complete |
| 012: Participants to provide comments on the updated dispute evaluation criteria | Participants | 8 Aug WG | | 14 Aug | Complete |
| 013: Hold seminar to provide more detail to participants on the dispute mechanism options | OBL | 8 Aug WG | | Before 22 Aug | Complete |
| 014: Participants to provide comments on the MLA fraud gap proposals | Participants | 8 Aug WG | | 22 Aug | Complete |
| 015: PSR & FCA to provide an update on the use case research & the outcome of any risk assessment relating to biller insolvency as suggested in the VRP Blueprint | Participants | 8 Aug WG | | 3 Sept | In Progress |
| 016: Participants to provide feedback on the scoring and recommendation for the Dispute System | Participants | 22 Aug WG | | 3 Sep | Complete |
| 017: Participants to provide any written feedback on Operational Requirements for the MLA | Participants | 22 Aug WG | | 5 Sept | Complete |
| 018: Participants to provide any written feedback on the proposed Success Criteria for Wave 1 | Participants | 22 Aug WG | | 5 Sept | Complete |

**INTRODUCTION**

EB as chair provided an introduction to the meeting and provided an outline of the agenda. EB provided a reminder of competition law considerations.

**PREVIOUS MINUTES & ACTIONS**

The minutes of the previous meeting were approved with no changes required.

Secretariat provided an update on the previous actions:

* 005 – discussed with the IG on 28 August. Current attendance agreed with regulators. Proposed to close.
* 006 – attendance agreed with IG on 28 August. Will be taken back to the IG in October for further consideration. Proposed to close.
* 008 – captured via the MLA operational requirements. Action closed.
* 014 – Feedback received. Action closed.
* 015 –PSR and FCA are still to provide update on use case research and the outcome of any risk assessment relating to biller insolvency as suggested in the VRP Blueprint.
* 016 – Feedback received. Action closed.
* 017 & 018 – Feedback due by end of 5 September. Action since closed.

Regarding action 006, a participant queried why UKF were not more involved in the process. RK provided clarity that this was taken to the implementation group (IG), and the view was that the WG already represented a broad range of views. RK noted this point would be brought back to the IG in October.

A participant asked if the governance model could be re-issued with edits to improve ease of understanding. Action taken for the Secretariat to consider.

**DISPUTES MODELLING**

DJ presented the modelling for disputes volumes, raised the limitations to the assumptions used in the modelling, and noted that the Pay.UK information shared was not for further distribution.

A participant queried what month 1 was referring to. DJ clarified that month 1 was the date at which the ecosystem will go live.

A participant appreciated the modelling and agreed with the assumptions. They challenged the assumption for the comparison against the direct debit guarantee. They noted that due to this being a new payment type, there would be more disputes than for direct debit.

DJ outlined that the paper was provided for information only. However, if there was additional feedback on the modelling, DJ requested participants to raise points in response to the paper.

**DISPUTES SYSTEM EVALUATION**

DJ presented the summary of feedback and next steps. Noted the strongest challenges raised were regarding the proposed disputes system, and noted other feedback provided in support.

Noted the majority of feedback was regarding the process undertaken, not the recommended solution itself. Noted that dissenting voices, criticism of the process, as well as the support received will be provided to JROC to represent the range of feedback received.

A participant noted that it would be helpful if they could have sight of the paper sent to JROC. RK confirmed that this would be provided to the WG.

A participant queried whether anonymised feedback would be provided verbatim or if we would summarise it to JROC. RK noted that we would summarise, but by sharing with JROC and the WG, if we have misrepresented the feedback they have the opportunity to comment.

A participant noted our statement that it would be inefficient to re-visit the decision made on the disputes mechanism. Outlined the view that it is unrealistic to provide this comment as we advance through the process. DJ noted that the system is a bridging solution, and we will be monitoring it closely to determine at what point it is necessary for the follow up solution to be considered and implemented.

**WAVE 1 SECTOR DEFINITIONS**

ND thanked participants for their feedback and noted we have considered the feedback and now we are presenting our (almost) final proposals for the Wave 1 use cases. ND talked through the principles to select the use cases and the feedback received, noting updates to the principles based on feedback. ND outlined the (almost) final proposals, noting we will come back again regarding the rail use case.

ND provided our view that no changes to the original proposal were required for the electricity, gas and water sectors.

ND outlined the feedback regarding the telecoms sector, and proposed changes. A participant questioned what is a non-protected good. ND clarified that they are goods that are not subject to statutory or regulated protections, such as phone cases.

RK noted that we are defining the business requirements for legal drafting, and these proposals would be developed further and in greater detail through the process of legal drafting.

A participant asked about examples for what is in scope and out of scope. ND confirmed that we would be providing lists of examples at a later date to ensure that it is as clear as possible what is in scope and out of scope.

A participant asked about bundling services such as subscriptions, and whether they were in scope. ND clarified that subscription services and bundling would be out of scope.

A participant queried about vehicle charging being in scope. ND clarified that vehicle charging was out of scope. The feedback was quite uniform that this would be out of scope irrespective of who supplies it.

A participant queried the practicality of rollout if some things in an industry are in scope and some things are out of scope – it may get difficult to track and implement correctly. ND noted that anything that requires purchase protection is left out of Wave 1. Recognised that this does get complicated for particular sectors.

A participant questioned whether VRP on SME and business accounts is in scope. Another participant built on this question, seeking clarity whether utility bill payments from business accounts are in scope. ND noted yes that is our view but will confirm.

A participant noted the difficulty and complexity with the telecoms industry, raised concerns regarding scope creep. They also questioned how transactions were to be managed to control the scope. On the second point, EB noted that we are very much conscious of this and are picking this up in the MLA work.

ND noted the updates to the financial services scope and thanked participants for feedback. ND also summarised the feedback on government scope.

ND noted more work is needed on the rail use case, outlined some of the considerations needed and summarised whether the other sectors are in or out of scope. ND sought feedback on chargebacks and whether they are problematic.

A participant questioned if there is a scenario that doesn't meet the requirements is there possibility for bilateral contracting. ND confirmed that bilateral contracting is possible, but they would not have access to the disputes system and other systems for the MLA. Clarified that the dispute process would be between the two parties.

A participant asked if we have made a decision about payments to insurance in financial services, payment liability, and consumer credit. ND confirmed consumer credit is not included and liability is picked up under the MLA requirements. Insurance will be covered in greater detail, alongside rail, at a future WG.

A participant raised a question regarding the rail use case - queried whether that is actually e-commerce. ND confirmed that e-commerce (the payment for goods online) is out of scope. ND outlined that, for example, payments to charities are in scope, but going to a charitable store and buying goods are out of scope.

A participant challenged the inclusion of train tickets and noted similarities to e-commerce. ND clarified the reason we are looking to include this is because there are existing protections for rail tickets, and this is regulated. ND also noted we have not reached a final recommendation regarding rail tickets.

A participant asked if rail would be presented to JROC as a stretch use case. ND clarified that it would be presented as either in scope or out of scope based on the principles, and we would present feedback received from the working group.

A participant queried whether rail ticket purchases are more suitable for wallet solutions, not VRP. They also asked if we are considering the additional technical requirements that might need to be built for these use cases prior to go live. ND noted that we are considering what is needed for technical rollout, including timeframes for implementation. ND noted that there are a number of tickets that people buy on a weekly or monthly basis, which we are considering as potential use cases for VRP.

A participant queried the definition for the government use case, and raised a specific question on scope. ND clarified that examples such as payments to national galleries for clothes would be excluded.

**MLA OPERATOR EVALUATION CRITERIA**

JC presented on the MLA Operator decision approach. Noted the purpose of the session was to outline the options we are looking to evaluate, and the criteria we are looking to use to evaluate the options.

JC outlined the timeline and key governance dates throughout the process to get to a decision on the MLA Operator.

JC outlined the 5 options for the Operator of the MLA, and noted we will provide a more detailed paper of the options and evaluation criteria by either close 5 or 6 September. EB outlined the differences between a new company and an SPV, noting the new company would provide more separation, but brings the greatest complexity to deliver.

A participant sought more detail to differentiate between the SPV and new company options. They noted a preference to be pragmatic about the approach, and outlined that a new company or SPV would be more complicated and time consuming. JC noted that if we set up the SPV or a new company, staff may be procured from OBL and Pay.UK as required.

JC outlined the proposed evaluation criteria and rationale for each. Noted the point around management of liabilities as we move forward, alongside the other 7 proposed evaluation criteria. JC sought feedback on the criteria by 19 September.

A participant raised a question about the governance for the MLA operator and how it will relate to BAU requirements. They noted the view that the standards should be separate and not governed by the MLA Operator. JC noted that is a key consideration of the evaluation moving forward.

A participant noted the difficulty in managing what is best for Wave 1 whilst balancing what works best for Wave 2. JC noted we don't want to rollout anything in Wave 1 that prohibits progressing onto future Waves. We are reflecting this in the evaluation criteria, and will need to make sure we strike the right balance in considering both.

**MLA FRAUD REQUIREMENTS**

DB presented on the final proposal for fraud requirements. Noted the feedback from participants and presented our final recommendation. Clarified that for error messages, we propose to include it in the MLA as a requirement, but we will implement waivers as required.

A participant outlined the need to ensure clarity between the timeline of implementation of V4.0 of the Standard and the timelines and requirements under the MLA. It was noted that there were different delivery times and requirements between the MLA and v4.0 delivery but sequencing could be undertaken if required.

A participant noted that some of the proposals will require significant time to implement, which needs consideration. DJ noted that our proposals here are only to mandate existing optional elements of V4.0 of the Standard, we are not proposing to introduce new requirements, or new TRIs, but recognise the time needed to implement.

A participant suggested that technical workshops may be needed to understand delivery timelines. DJ noted that we will consider technical workshops moving forward and schedule them if required.

**RECAP OF ASK DEADLINES**

* 19th September – Feedback on MLA consumer understanding proposals
* 19th September – Feedback on Operator Evaluation Criteria

**FINAL COMMENTS AND CLOSE**A participant asked if they could receive a forward schedule of the workplan for September and October. RK confirmed it would be circulated in the slide deck following the meeting.

The Chair thanked participants and closed the meeting.

The next meeting of the VRP Working Group is scheduled for Thursday 19th September.