**VRP Working Group Meeting Minutes and Actions**

*Minutes*

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| **Meeting Date:** 8 August 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** |
| Ramjit Lal | NatWest |
| Serena Cole | Yapily |
| Amber Boodt | Nationwide |
| Lynsey Hunt | NatWest |
| Toby Jennings | Modulr Finance |
| Mike Banyard | Ordo |
| Jan Van Vonno | Tink |
| Archi Shrimpton | Lloyds |
| Andrew Neeson | Visa |
| Assia Felemenkdjian | Go Cardless |
| Rob Jones | Lloyds |
| Sandra Beisley | Nationwide |
| Wayne Jones | Go Cardless |
| Jana Reid | Truelayer |
| Chris Owen | BRC |
| Nicole Green | Yapily |
| Tim Birts | Nationwide |
| Callam Flaherty | Barclays |
| Martijn Bos | Plaid |
| Charles Damen | Token |
| Jack Wilson | Truelayer |
| Brianne Evans | Truelayer |
| James Hickman | Trustly |
| Nisha Rajasingham | NatWest |
| Richard Ibell | NatWest |
| Dominic Lindley | Independent Consumer Representative |
| David Bailey | Santander |
| Robert Sullivan | Token |
| Shrey Agarwal | Revolut |
| Adam Gagen | Revolut |
| Jonathan Leslie | Natwest |

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| **Chair and Secretariat Attendees** | **Organisation** |
| Euan Ballantyne | VRPWG Co-Chair |
| Luke Ryder | VRPWG Co-Chair |
| Henk Van Hulle | VRPWG Secretariat |
| Dane Budden | VRPWG Secretariat |
| Danh Nguyen | VRPWG Secretariat |
| Gloria Dsouza | VRPWG Secretariat |
| Keith Milburn | VRPWG Secretariat |
| Praveen Ponnumony | VRPWG Secretariat |
| Lorna Suffield | VRPWG Secretariat |
| Khishi Ganbold | VRPWG Secretariat |
| Jo Ainsley | VRPWG Secretariat |
| Mark Jones | VRPWG Secretariat |
| Thomas Waterfield | VRPWG Secretariat |
| Dane Budden | VRPWG Secretariat |
| John Crossley | VRPWG Secretariat |
| Nick Davey | VRPWG Secretariat |
| Richard Koch | VRPWG Secretariat |

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| **Observers** | **Organisation** |
| Ann Okubadejo | FCA |
| Peter Cornforth | FCA |
| Zeinab Cooper-Shaikh | PSR |
| Nick Blayney | PSR |

**ACTIONS**

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| **Action** | **Owner** | **Origin** | **Due Date** | | **Status** |
| 010: Participants to provide comments on the latest version of the ToRs | Participants | 8 Aug WG | | 12 Aug | In progress |
| 011: Participants to provide comments on the wave 1 sectors and use case proposals | Participants | 8 Aug WG | | 22 Aug | In progress |
| 012: Participants to provide comments on the updated dispute evaluation criteria | Participants | 8 Aug WG | | 14 Aug | In progress |
| 013: Hold seminar to provide more detail to participants on the dispute mechanism options | OBL | 8 Aug WG | | Before 22 Aug | In progress |
| 014: Participants to provide comments on the MLA fraud gap proposals | Participants | 8 Aug WG | | 22 Aug | 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 | | 8 Aug WG | In progress |
| 006: Secretariat to consider level of engagement with UK Finance during analysis of Model Clauses | Secretariat | 25 July WG | | 8 Aug WG | In progress |
| 007: Secretariat to seek clarification from PSR re timelines for announcements | Secretariat | 25 July WG | | 8 Aug WG | In progress |
| 008: Secretariat to review the API standards to assess their suitability for MI provision for ASPSPs | Secretariat | 25 July WG | | 22 August | In progress |
| 009: Participants to provide feedback regarding the questions raised in the MLA presentation | Participants | 25 July WG | | 8 August | Complete |

**INTRODUCTION**

EB as the chair provided an introduction to the meeting and provided an outline of the agenda.

**PREVIOUS MINUTES**

No comments were made on the minutes of the previous meeting and hence were approved.

**TERMS OF REFERENCE**

RK thanked all participants for their feedback to date and confirmed that the ToRs have been updated in light of this. Participants are asked to provide further comments by 12th August ahead of final sign-off by JROC.

The involvement of the Trade Associations is still being discussed with JROC and is not yet fully resolved. Participants will be informed when the final decision has been made.

There was a question relating to the direction of travel on trade association participation. RK said that there are pros and cons for both sides of the discussion and is in part dependant on the PSR consultation response.

**WAVE 1 SECTORS AND USE CASES**

ND and MJ provided an overview of the proposal and requested comments on the proposals by 22 August.

The following comments and questions were raised:

* With regard to principle 4, what is the approach if the biller includes services/goods which are not regulated in one combined bill?
  + ND suggested that we will need to take a view on primary billing reason but acknowledged that this does create a risk that needs to be considered. MJ highlighted that the principles will act as a guide and will require some judgement on what can be included.
* What are the savings to consumer and merchant? Pointing out that we will need to show an economic upside to convince the merchants to be involved.
  + EB explained that this approach is focused on the use cases rather than the commercial model. ND explained that the commercial model is being picked up separately and acknowledged that it needs to be competitive with other payment systems, which includes a broader set of benefits including immediate fund transfer and reconciliation benefits.
  + At this point one participant expressed concerns that the discussion was straying into sensitive competition issues and was uncomfortable with this. At this point EB brought this topic to a close.
* One participant highlighted that there will be some acceptance of risk, however there is no clear articulation of risk and who is accepting it. It was asked for more clarity on what the risks are and who are accepting, managing, etc.
  + EB explained that the measures all about consumer risk and fair customer outcomes, rather than risk to others in the value chain, but agreeing that there needs to be some way of articulating this. ND explained that principle 3 helps here as the use cases for wave 1 should have the appropriate consumer protections already in place.
* It was asked what the principles are being used for? Are they being used to police the merchants being included or setting out specific use cases?
  + ND explained that for wave 1 we are trying to set out the use cases/sectors. He then went onto provide more detail on the proposals and requested feedback from firms by 22 August.
* One firm commented that it is difficult to reconcile the inclusion of some regulated sectors but then excluding ATOL/ABTA regulated firms.
  + ND outlined that some travel providers have these protections, but others don’t hence it is not clear to consumers. It will therefore be difficult for PISPs to know when they can offer service which creates operational difficulties for PISPs. The overriding aim is to keep things as simple as possible for wave 1.
* One firm asked when waves 2 and 3 are to be launched?
  + EB explained that we need to look at wave 1 use cases in isolation as don't know exact dates for wave 2+.
* It was asked whether TFL included? Also, if museums are included would their retail offerings also be included?
  + EB noted this point.
* The consumer rep noted that the regulator needs to do a risk assessment of biller insolvency, which was an action from blueprint and if this has not yet been done it should be.
* EB drew this part of the meeting to a close and asked for written comments by 22 August.

**DISUPTE EVALUATION CRITERIA**

DB provided an overview of the further work that has been on the dispute evaluation criteria. He thanked firms for their feedback. We have taken this feedback and updated the business requirements and evaluation criteria in light of this. DB provided an overview of the updated position which is included in the paper.

DB noted that we are aiming to provide the actual evaluation to the VRP WG on 22 August.

He noted that we are seeking comments from firms by 14 August to allow the evaluation to commence.

The following comments and questions were raised:

* A firm asked how it is intended to manage conflicts of interest in this process? How will they be flagged up in the selection process?
  + RK said that we are setting out the evaluation criteria to create objectivity in the process. The paper to JROC will be very clear on the evaluation criteria. Participants in the VRPWG will have full sight of the evaluation and will be consulted.
* One firm asked if there was a summary of the feedback?
  + DB said that was included in the appendix of the paper and includes a summary of our response to the feedback.
* One firm asked if any shortlisting had been done yet?
  + DB explained that we are refining the criteria at this stage and the evaluation will be at the next stage.
* One firm asked what the scope of the dispute process is? Does it include refunds and where does a dispute end?
  + DB explained that the policy and scope will be captured in the framework. At this stage we are just looking at the dispute mechanism.
* One firm raised the need to consider how complaints will be handled. Will the commercial framework/billing mechanism include a reimbursement function?
  + RK explained that we anticipate that we consider that a billing engine will be needed to sit alongside the disputes mechanism for the management of charges between participants. We need to understand the PSR’s pricing approach to fully assess the requirements before we can define what functionality this needs to include.
* Firms agreed that a seminar to discuss the disputes mechanism options would be useful. This will be held ahead of the next VRP WG.

**MLA PROPOSITION – FRAUD GAP**

At the last meeting an overview of the propositional gaps for the MLA was discussed. This highlighted four themed gaps. The first of these themes was around fraud. ND provided a summary of a paper which provides more detail on how this gap could be addressed.

Comments from firms were requested by 22 August.

The following comments and questions were raised:

* A firm asked where the feed from the ultimate beneficiary would come from?
  + ND explained this was needed to help reduce the fraud risk and clarify the situation for each transaction for ASPSPs and consumers. MJ clarified that there was still analysis to be done to clarify exactly how this would work.
* A firm followed this by requesting more detail on the ultimate beneficiary - who actual is this? How are will this be made mandatory?
  + ND explained that we would be using existing legalisation to define this and would make it binding via the MLA.
* A firm asked if we had a date for clarity from the PSR?
  + EB said that we are expecting this in near future and agreed that it will be useful to have this clarity.

**AOB**

No items of AOB were received.

The next meeting of the VRP Working Group is scheduled for Thursday 22nd August.