

Meeting Minutes

Meeting details

Meeting date: 21 May 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
Carly Nimmo	CN	HMT	Yes
Caroline Ambrose	CA	Barclays Bank	Yes
Chris Michael	CM	OBIE – Head of Technology	Yes
Daniel Ehreich	DE	Bank of Ireland	Yes
Daniel Globerson	DG	Royal Bank of Scotland	Yes
David Bailey	DB	Santander	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
Ian Major	IM	TPP Representative	Yes
Imran Gulamhuseinwala	IG	OBIE – Trustee/Chair	Yes

Mark Chidley	MCH	Independent SME Representative	Yes
Matt Cox	MC	Nationwide Bank	Yes
Phillip Mind	PM	UK Finance	Yes
Roy Hutton	RH	Allied Irish Bank	Yes
Sally Chiwuzie	SC	OBIE IESG Secretariat	Yes
Stephen Wright	SW	Royal Bank of Scotland	Yes
Thear Sabri	TS	Electronic Money Association	Yes
Vicki Hassan	VH	Danske Bank	Yes

Apologies

Name		Role	Delegate
Hetal Popat	HP	HSBC	N/A
Paul Horlock	PH	Stakeholder Engagement, Standards and Strategy	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)

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, hoping that everyone had remained safe and personally unaffected by the crisis. **IG** reminded IESG members of housekeeping rules – use the chat where required and either **IG** or **SC** would pick up as often as possible.
- 1.2. In terms of the agenda, **IG** stated that it is light, the difference between this and the last IESG is the fact that the Roadmap had not been published by the last IESG which took place on 29 April 2020. **IG** stated that there would be time dedicated to discussing the published Roadmap, including airing clarifications and viewpoints. **IG** requested that IESG members take advantage of this public forum and that he might request individual contributions if necessary.
- 1.3. **IG** informed IESG members of two suggested AOB items –**GL** had requested to provide IESG members with an update on GOFCCOE activities and **MCH** wanted to give an SME update. **IG** stated that he would be happy to take further requests in the chat.
- 1.4. In terms of the minutes from the IESG of May 2020, **IG** mentioned that **BR** identified an error – *agenda item 2.d – Revised Roadmap – Consultation Update - '07 June'* should have been *'07 July'* as contained within 2.45, 2.46 and 2.47. **IG** informed IESG members that this would be rectified ahead of publication. **SC** added that there has been a sentence change requested by **HP** which has been accepted as noncontentious. **MCH** stated that he would send his amendments offline. **IG** approved the minutes with the caveat that **SC** accepts noncontentious amendments, non-contentious amendments should be brought forward for discussion before accepting.

APPROVAL – IESG_APR_LOG_073 – April IESG Minutes - IG approved the minutes from the April IESG.

- 1.5. **IG** kicked off the discussions about open actions on slide 25 with the following two actions:
 - 1.5.1. #228 (*Programme Update - MI - Improving the MI process and information quality, including eliminating synthetic authentication requests whilst providing TPPs and TSPs with critical real time information on aspects such as availability, performance and quality to be presented as an agenda item at the next IESG (19 November 2019) with all suggestions from IESG members to be sent through to EC by 01/11*); and
 - 1.5.2. #330 (*P14 Evaluation of Efficacy of Account Comparison - As discussed at IESG on 17 October 2019, IESG members to provide stakeholder representations to the Trustee, copying in AA by 25 /10.*)**IG** stated that these actions are now included within, and would be picked up as part of the relevant Roadmap workstreams. On that basis, **IG** agreed action closure.
- 1.6. **IG** advised IESG members that the following two actions would be addressed by **EC** as part of the programme update section of the pack – agenda item 1.c.
 - 1.6.1. #451 (*Programme Update – OBIE Status Report – security profile testing to be included as part of the programme update going forward*).
 - 1.6.2. #452 (*Programme Update – OBIE Status Report – DMS - IG / EC to consider including an update on DMS in the agenda for the May IESG*)
- 1.7. With regards to action #453 (*Covid19 Action Plan*), **IG** confirmed that this discussion forms part of agenda item 2.a.
- 1.8. With regards to #454 (*End User Risk Committee – Action on IESG members to nominate members from their respective groups to join the EURC. AA to provide verbal update at the May IESG*), **IG** stated that he had initially wanted to cover it as part of AOB, but thought it best to close it off at this point. **AA** advised that the EURC confluence page has been set up for risk submissions and a meeting has been scheduled to hold on 07 June 2020. **AA** stated that this will allow enough time to analyse the risks and put a submission together for the IESG meeting scheduled to hold on 24 June 2020.
- 1.9. **IG** advised IESG members that the following two actions will be covered by **AA** and **MCH** respectively as verbal updates in AOB.
 - 1.9.1. #455 (*Customer Redress and 90-reauthorisation - OBIE to meet with GL in relation to customer redress and 90-day re-authentication issues*).
 - 1.9.2. #456 (*CBILS – Following MCH’s request for this to be investigated further, action on MCH to have offline conversations with CN, TPPs who are involved in this scheme and David Beardmore who is leading the Covid-19 action plan from an OBIE perspective. MCH to provide update at the May IESG*).
- 1.10. **IG** paused for questions or comments on any of these actions, explaining that any actions arising out of these would be recorded as new actions. There were no questions or comments.
- 1.11. **IG** went on to inform IESG members that **VH** is moving on to a new role within Danske Bank. **IG** thanked **VH** for her contributions as one of the longest standing members of the group and stated that he was looking forward to welcoming her replacement.

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ACTIONS

Action Number	Date Raised	Owner	Description	Notes	Target Date	Status	Date Closed
IESG_2019_301_228	17/10/2019	EC	<p>Programme Update - MI - Improving the MI process and information quality, including eliminating synthetic authentication requests whilst providing TPPs and TSPs with critical real time information on aspects such as availability, performance and quality to be presented as an agenda item at the next IESG (19 November 2019) with all suggestions from IESG members to be sent through to EC by 01/11.</p>	<p>Update 21/05 - Closure agreed.</p> <p>Update 14/05- This has been subsumed into the MI workstream that is now being prepared in readiness for consultation post the CIP. Propose to close.</p> <p>Update 24/04 - This has been incorporated into the revised Roadmap and will remain open. Carry forward to the May IESG.</p> <p>Update 24/03 – This has been incorporated into the revised Roadmap and would therefore remain open. Carry forward to the April IESG.</p> <p>Update 26/02 – This has been incorporated into the revised Roadmap and would therefore remain open. Carry forward to the March IESG.</p> <p>Update 16/01 - This has been incorporated into the revised Roadmap and would therefore remain open. Carry forward to February IESG.</p> <p>Update 08/01 - Action to remain open during consultation on the roadmap. Carry over to February IESG.</p> <p>Update 17/12 – This was discussed as part of the roadmap consultation; agenda item 2.e. Action to remain open during the consultation.</p> <p>Update 07/11 - This will be incorporated as part of the revised roadmap proposal and consulted upon.</p>	21/05/2020	Closed	21/05/2020

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				<p>Update 18/10 - Memo re this action was sent to IESG members via the Secretariat with responses requested by 01/11.</p>			
IESG_2019_301_330	17/11/2019	AA	<p>P14 Evaluation of Efficacy of Account Comparison - As discussed at IESG on 17 October 2019, IESG members to provide stakeholder representations to the Trustee, copying in Alan Ainsworth by 25/10.</p>	<p>Update 14/05 - The work on P14 is now included in the Revised Roadmap as part of item A2 (c) (iii) - Customer Evaluation Framework. Propose to close.</p> <p>Update 24/04 - This has been incorporated into the revised Roadmap and will remain open. Carry forward to the May IESG.</p> <p>Update 24/04 - This has been incorporated into the revised Roadmap and will remain open. Carry forward to the May IESG.</p> <p>Update 24/03 – This has been incorporated into the revised Roadmap and would therefore remain open. Carry forward to the April IESG.</p> <p>Update 26/02 – This is awaiting completion of the Roadmap consultation to proceed. Carry forward to the March IESG.</p> <p>Update 08/01 - Awaiting completion of roadmap consultation to proceed. Carry forward to February IESG.</p> <p>Update 17/12 - IG stated that a letter has been prepared by the OBIE team, but discussions were being finalised and this would therefore be carried forward to the IESG meeting on 16 January 2020. Carry forward.</p> <p>Update 19/11 – At the November IESG, AA stated that four representations have been thus far received and there appears to be a level of consistency to these representations, there would be an update at the next IESG of 17 December 2019. Although the deadline for representations was 25 October 2019, late submissions would be accepted.</p>	21/05/2020	Closed	21/05/2020

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				Update 11/11 - Review of the stakeholder representations is in progress. Carry forward to the December IESG.			
IESG_2020_301_451	29/04/2020	EC	Programme Update – OBIE Status Report – security profile testing to be included as part of the programme update going forward.	Update 21/05 - Closure agreed. Update 14/05 - This has been reflected in the pack. Propose to close.	21/05/2020	Closed	21/05/2020
IESG_2020_301_452	29/04/2020	IG/EC	Programme Update – OBIE Status Report – DMS - IG / EC to consider including an update on DMS in the agenda for the May IESG.	Update 21/05 - Closure agreed. Update 14/05 - This will be covered by EC during the programme update. Propose to close.	21/05/2020	Closed	21/05/2020
IESG_2020_301_453	29/04/2020	EC	Covid19 Action Plan – i. Request from HMT (CN) to understand how the current schemes that have been announced are working, how alternative providers are accessing the schemes run by the banks; to understand how the solutions will be delivered and whether there is a role for the government to play in this, and if so, what? ii. Request from AA to IESG members to feedback in with suggestions / requests.	Update 21/05 - Closure agreed. Update 14/05 - This is covered as agenda item 2.a in the pack. Propose to close.	21/05/2020	Closed	21/05/2020
IESG_2020_301_454	29/04/2020	AA	End User Risk Committee – Action on IESG members to nominate members from their respective groups to join the EURC. AA to provide verbal update at the May IESG.	Update 21/05 - Closure agreed. Update 14/05 - Verbal update to be provided at the May IESG. Propose to close.	21/05/2020	Closed	21/05/2020
IESG_2020_301_455	29/04/2020	AA	Customer Redress and 90-reauthorisation - OBIE to meet with GL in relation to customer redress and 90-reauthentication issues.	Update 21/05 - Closure agreed. Update 14/05 - AA/ GL meeting took place on 15/05, meeting with wider stakeholders scheduled for 29/05. Verbal update to be provided at IESG. Propose to close.	21/05/2020	Closed	21/05/2020

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IESG_2020_301_456	29/04/2020	MCH	CBILS – Following MCH’s request for this to be investigated further, action on MCH to have offline conversations with CN, TPPs who are involved in this scheme and David Beardmore who is leading the Covid-19 action plan from an OBIE perspective. MCH to provide update at the May IESG.	Update 21/05 - Closure agreed. Update 18/05 - MCH / CN discussed issues in relation to CBILS identified by SME representative organisations. MCH has also contacted the British Business Bank about the interaction between CBILS/BBLS and their loan referral scheme. MCH has put SME representative organisations in touch with the new FCA Small Business Unit. As a Financial Services Consumer Panel SME lead MCH now participates in fortnightly calls with that FCA team. Further verbal update to be provided at IESG on 21/05. Propose to close.	21/05/2020	Closed	21/05/2020
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1.c PROGRAMME UPDATE

1.c.i OBIE STATUS REPORT

- 1.12. **IG** introduced the programme update on slide 28 and asked **EC** to provide high level comments, adding that this has been adjusted after the publication of the Roadmap. **IG** was keen to understand if there are any issues that IESG members need to be aware of, considering how long it took for the publication of the Roadmap.
- 1.13. **EC** explained that the OBIE report has certainly moved to a healthier status and continues to forecast that. In terms of the delay to the publication of the RoadMap, **EC** stated that notwithstanding any other impacts which might arise as a result of the Covid19 crisis, activities which are progressing within the OBIE remain on track with no impact expected.
- 1.14. In terms of highlights, **EC** stated that a number of activities have commenced on some of the Roadmap items, for example, kicking off the MI piece with engagements on the TPP side. **EC** explained that whilst this is still in the early days, progress is being made. **EC** stated that the consultation on the CASS standard – P15 and the relationship between dashboard and notifying TPPs if and when an account is switched is out in circulation. From a DMS point of view, **EC** stated that the final variation has been distributed across the banks and a number of the TPPs are beginning to go through the final processes of contracting.
- 1.15. On COP phase 2, **EC** stated that since the last discussion in the IESG meeting of 29 April 2020 - the statement of work has been signed (**EC** reminded IESG members that this is not a Roadmap item).
- 1.16. **EC** paused for questions. **FR** was pleased to see that the Customer Evaluation Framework (CEF) is on the Road Map. **FR** wondered when the next advisory group is meeting as she thought it was meant to be before Easter 2020. **EC** asked **AA** to respond but caveated by stating that the timelines need to be consistent.
- 1.17. **AA** stated that there is nothing planned until after the Industry Consultation Period outlined in the Roadmap takes place, and this will not happen until after the Crisis Impact Period; therefore, this is aiming to continue in July 2020. In terms of responses to the consultation, **FR** wondered if (considering the challenges in getting participants involved in responding) it is worthwhile to socialise, take early thoughts on it, update ahead of getting the consultation out. **FR** added that the objective of the advisory group is to try and create some more engagement on this item, adding that if the plan is to wait until July, it might not hit industry radar particularly. **FR** offered help to develop the piece for consultation. **AA** was happy to have an offline conversation about raising awareness and updating.
- 1.18. **IG** commented by stating that this could be picked up offline as its crucial to stay true to the principles of the Roadmap design – one of which is to limit any material consultation until after the crisis period. **IG** stated on this basis that there should be no obligation on any organisations to commit to this when resources are being used to fight the crisis. **IG** stated that this should remain an update in the housekeeping section of the pack.
- 1.19. **GL** asked about further details on conformance testing. **EC** stated that this is in the pack on slide 30.

1.c.ii CMA9 STATUS REPORT

- 1.20. **IG** thought this was a decent segue to slide 29. **EC** stated that in spite of the crisis restrictions, the CMA9 have edged forward with some implementations and defect fixes / resolving issues with participants. **EC** added that some are still at risk, however, it is expected that following this meeting, deferrals (once completed) will change the status of a these workstreams. **IG** asked to keep any discussions on the practicalities of the deferrals until agenda item 2.c. (*Revised Roadmap Discussion*).

- 1.21. **MC** agreed with the assessment of positive progress, adding that with regards to the activities within delivery control, Nationwide is running 10-20% behind on the previous plans. **MC** stated that the ambiguity is around getting change implemented which remains a fluid situation subject to change at late notice.

1.c.iii CMA9 STATUS REPORT

- 1.22. **EC** moved on to conformance, introducing a new dashboard which **EC** advised would evolve over the course of the next few IESG meetings. **EC** stated that there is functional conformance and customer experience with associated commentary across the CMA9. **EC** explained that since the last IESG in April 2020, a number of functional conformances have been passed. **EC** referred IESG members to the blue, green, yellow and red statuses, stating that the key here was to ensure that the functional conformance at the 3.1.X's have been achieved and as further dot releases continue across further agendas, this will be made transparent as well. **EC** confirmed that the green dashboard means that there is a confirmed planned date and red means that there is no planned date for achieving the functional conformance or FAPI profile, which does not necessarily mean that the banks are not committed to achieving this..
- 1.23. **EC** asked IESG members (and **GL** in particular) to note two things:
- 1.23.1. The OB security profile and where that was passed;
 - 1.23.2. These are not dates for delivering FAPI security, but dates for certification. The green dates are the dates that the CMA9 are committing to go
- 1.24. On the final point, **IG** stated that it is important that he works with **SC** to update the slides to show that these are the points of conformance and not the point where security or (any other) standards are implemented.

ACTION – IESG_2020_301_457 - EC / SC to update the new Conformance slide to indicate that these are the points of conformance as opposed to the point at which security (or any other) standards are being implemented. Due Date – 24 June 2020

- 1.25. **CA** stated that Barclays has been through FAPI conformance test and have a few things to do to enable them to pass the test. **CA** stated that the change would mean that a number of TPPs would have services impacted. **CA** added that all stakeholders need to be sure that TPPs do not suffer the knock-on effect of FAPI conformance.
- 1.26. **CM** stated that this was discussed with the Barclays team on 20 May 2020 and there is an agreed plan; adding that this will be addressed in the Implementation Standards Forum later on 21 May 2020. **CM** reiterated that this is the approved standard and has been for some time. **CM** stated that there are a number of ASPSPs who are FAPI certified and the market has moved towards that – there is a dual system in place. **CM** explained that the issue here is not whether it should be done or not, but instead about giving enough notice and allowing enough testing. **CM** reminded IESG members that there are clear requirements in PSD2 around the timings of that. **CM** stated further that there will be a testing working group set up to ensure everyone is aware of what is happening and when. **CM** added that this is a migration over the next few months and individual TPPs can raise concerns with OBIE and the issue will be triaged.
- 1.27. **CA** agreed that Open Banking has been supportive, however, reiterated a need to ensure that stakeholders are aware, 3rd parties are not impacted, therefore protecting the ecosystem.
- 1.28. On the topic of FAPI, **RH** asked what kind of overarching engagement exists between OBIE and FAPI, stating that in trying to resolve some of the issues, the FAPI organisation is asking for copies of AIB production logs which will cause internal issues that will delay some of the work. **RH** wondered if there is anything that can be done as a group to support the individual banks in achieving this.
- 1.29. **CM** stated that there is no specific overarching agreement, but when an application for certification is put through the Open ID foundation, there is a well-documented process, including how to deal with sensitive information. **CM** added that this is not a different code base (slight additional requirements), but the same software and process.

- 1.30. **IG** stated that he is keen to understand more from **RH** and requested an email or phone call, adding that there is a relationship between Open Banking and the FAPI organisation and if there are things that OBIE can reference in the open dialogues with ODF he would be happy to do so.
- 1.31. **GL** was happy with the conformance slide and thanked the team for pulling it together. **GL** wanted to ensure that he was reading the chart correctly, stating that the first column from left reads 'OB security' which goes back to things that were completed around autumn of 2017; the next column after that reads 'FAPI security' and indicates that only one the CMA9 – a Santander brand (Cater Allen) has passed FAPI. **GL** asked if it is correct that none of the others has passed (even a previous version). **EC** stated that it is correct. **EC** clarified that FAPI certification is different from FAPI compliance. **GL** explained that they may or not be FAPI compliant, but unless certified, one would not know.
- 1.32. **CM** explained that whilst FAPI conformance was introduced two years ago, it did not form part of the standards until last year (2019). **CM** confirmed that Cater Allen is the only one brand that has passed. **EC** added that at least one of the non -CMA9 brands has also passed.
- 1.33. **IG** asked **GL** to clarify whether the concern is that FAPI is impossible to pass. **GL** asked IESG members to recall that in the autumn of 2017 (the go-live) there were a raft of firms in the CMA9 who had to sign off that they conformed to the specifications and this went in writing to the government agencies. **GL** added that it was then discovered that the difference between standards and specification were not the same and that the time taken from an engineering overhead perspective for the ASPSP and the TPP to deal with the delta between a standard and specification was a tough nut to crack; therefore, the thought that people are working a way to specifications but have not proved conformance means that they may not have built the same thing. **GL** stated that it reduces costs and risks for both sides to conform to the standards and it is a false economy not to go through the standardisation process because what is not dealt with in the upfront will be dealt with in the backend.
- 1.34. **IG** agreed with **GL** stating that there can be arguments over progress or speed, but the understanding is that the CMA9 are embracing this and are providing dates for completion, it is more to do with complexities with stacks and suppliers, but there is overall agreement on this.
- 1.35. **GL** stated that if the FAPI specification has been introduced and everyone thinks they have done what is entailed, including adopting the standards introduced by **CM**'s team, then everyone should run the test and see if they have met the standard and if not, and take quicker action if not. **CM** explained that the starting point is that if a firm is not certified, it is because they have not done it yet; however the reason for the delay has a lot to do with significant vendor upgrades or replacements, therefore it is a timing issue as opposed to disagreement with doing it.
- 1.36. **EC** agreed with everything **CM** said, adding that some of the changes are closing gaps that are relatively small to the previously certified OB security profile. To reassure stakeholders, **EC** stated that where security profile was signed up at OB level, the pending resolutions are not that significant. **EC** stated that the important thing to discuss is the process of recertification. **EC** stated that it is fine to get to FAPI certification, but over time, stacks change, and standards might change, and it would be important to ensure that firms maintain their consistent certification and adherence to the standard. **EC** stated that it is relatively easy to make small changes to stacks to then find that the FAPI conformance has been undone. **EC** proposed that after going to PMG and TDA, a thought process on how certification is maintained as a community should be brought back to IESG. **IG** added that this is a process under the Roadmap where the ongoing conformance is called out. **IG** assured IESG members that this is a priority for the OBIE, and materiality of gaps and blockers are being investigated, including reasonable deadlines and milestones to get the banks there.

ACTION – IESG_2020_301_458 - FAPI recertification – OBIE (DF) to provide an update to IESG covering frequency and triggers for security, functional and CEG re-certification
Due Date – 24 June 2020.

- 1.37. **GL** requested a discussion on the CEG. **IG** stated that a lot of work was done with each of the banks individually and alongside the CMA. **IG** stated that there has been significant effort from many parties to finalise the Roadmap and it is now time to update the assessment of banks CEG conformance against the latest version of the CEG. **IG** stated that relatively minor updates were applied and there is agreement that updates based on that status will be made to the transparency calendar. In parallel, **IG** stated that this is now being picked up with the CMA.
- 1.38. **EC** added that a lot of work had been done on any variations to the CEG and reassessment will be a relatively light lift in terms of confirming conformance. **EC** stated that the difference between the previous CEG and the latest which is 3.1.3 is relatively minor and nuanced dependent on whether the bank / firm needed to implement those changes or not. **EC** was expecting the work to be quickly achieved to ensure a clear path to closure of any items that can be agreed with the bank. **GL** asked for clarification on whether the bits which are under discussion / future date declared are for institutions which have previously complied with the CEGs of an earlier version or have never complied with the CEGs. **EC** stated that it is not that they did not comply with the CEGs, but there are issues with a number of the journeys and those under these discussions have never complied.
- 1.39. **FR** asked whether it will now become clearer what the dates are for when firms are supposed to comply with implementations. **EC** stated that is clear in the Roadmap as it determines the conformance points. In terms of the embedding of 3.1.5 or 3.1.6, **FR** wanted to know if these dates were available somewhere. **EC** stated that dates and variations will be included in the transparency calendar to make it obvious to the (especially to the FinTech) community, especially to show when the experiences are changing.
- 1.40. **IG** paused for comments on conformance, challenges or otherwise, timelines. There were none.

1.c.iii KEY PERFORMANCE INDICATORS (KPI's)

- 1.41. **IG** moved on to KPIs, asking **EC** to give highlights on performance and the success of the APIs over the last period.
- 1.42. In terms of availability and response times, **EC** stated that there has been a minor deterioration. **EC** was not concerned with response times mainly because most of the CMA9 still have performance improvements being made, some of which have happened and others are planned; therefore the trajectory around performance is in the right direction. From an Operational Guidelines perspective though, **EC** stated that it is below expectation. **EC** explained that availability dipped below 99% largely due to unplanned outages (HSBC had a number).
- 1.43. In terms of the API performance, **EC** stated that the successful APIs did tail off as predicted at the last IESG – the total was down but interestingly the actual success rates of the APIs has improved and is above 98.5% for the first time in a long while. **EC** stated that this is reducing the number of technical failures that interfere with the consumers journeys.
- 1.44. **EC** stated that it was worthwhile pointing out is that in the last period, the first climb in terms of actual payments being made was seen – north of 200,000 in April, a lot of which has to do with charity activities.
- 1.45. In looking at the volume of successful payment-based API calls, **EC** explained that it still represents under half a percent of the total API traffic, therefore AIS is massively dominating the landscape.
- 1.46. **SW** asked **EC** if the summary availability figure on slide 33 of 98.6% for average availability was weighted based on volume of API calls. **EC** stated that it is not. **SW** wondered if it is worth consideration as it is a better reflection of where the industry is (especially for the TPP). **IG** thought that it would be helpful to see the weighted averages, particularly as the CMA9 begin to see Open Banking volume more reflective of their market share type volume. **IG** wanted it to be a proper weighted number and not weighted based on current accounts. **IG** explained that some banks need to do more work as all the information needs to be provided in a consistent way.

- 1.47. Looking at the funnel, **IG** expressed surprise at getting new enrolments coming through. **EC** was also surprised by the fact that continuous enrolment activities from the FinTech community are being recorded, adding that there was a periods where there was a lull, however, the interest in Open Banking solutions and driving that, enrolling to the testing environment continues and remains unabated. **EC** added that some of those firms will never make it through the authorisation process, nor have an interest in doing so; instead they are after an understanding how to use some of the other regulated actors to deliver services – the interest in making and innovating continues week on week. **IG** found this encouraging.
- 1.48. **GL** noted that the number of successful API calls on slide 34 have gone down for the first time and presumed that it was owing to the 90-day re-authorisation. **EC** disagreed stating that it was more to do with the Covid crisis, without suggesting that 90-day re-authorisation does not have an impact. **GL** stated that he hears that firms have seen an uptake in their demand because of the Covid crisis. **GL** stated that TPPs are having more business come their way as a result of that, adding that further analysis would be useful.
- 1.49. **FR** was concerned about the issue of 90-day re-authorisation and wondered if there is the potential for Open Banking to do an analysis to understand what the issue of people dropping off is. **FR** stated that there are some numbers obtained from FDATA but would like to get a robust analysis from Open Banking to show times of drop off, the rates and why. **FR** stated that consumer demand for product (especially those who operate in the background) may not be daily, therefore they want up-to-date data for the times when they do have a look. **FR** was interested in knowing whether there is any potential to look at the dynamics of re-authorisation, to understand it from a consumer and TPP point of view and to understand across different products whether there is variation on re-authorisation.
- 1.50. **IG** stated that it is very much a live topic, especially as Open Banking is at a stage where there is an element of maturity; whilst not at the full potential, there is emerging statistical /empirical evidence that can be used. **IG** added that PSD2 is categoric that 90-day re-authorisation is required so there is nothing that Open Banking can do. **IG** stated that this is not to say that an analysis should be ruled out. **IG** added that FDATA has undertaken an analysis and corresponded directly with the CMA and Open Banking. **IG** reiterated that this is bigger than Open Banking as it is hard wired into European Legislation, adding that many of the ASPSPs are valid sources of this analysis.
- 1.51. **FR** asked if this could be shaped so that there is an element of research that makes it more Open Banking angled, which will enable Open Banking to look at it in more detail. **FR** stated that this could be combined with consideration about whether there is better practice for TPPs in terms of some of the agent and third parties not providing AIS journeys because consumers are not just being redirected once and some of these journeys are clunky. **FR** stated that the FinTech (an agent) she spoke to recently was concerned about the drop offs because of the actual journey itself, therefore it may be useful to provide some good practice on how to help firms to look at what a good consumer journey looks like. **IG** thought that this is good consideration for discussion with the CMA.
- 1.52. In response to **GL**'s comment on the 90-day re-authentication data relative to the API volumes, **EC** explained that this has been a problem for some time as the underlying trend has been moving, hence the comment being specific to Covid19.
- 1.53. **SW** explained that there is a lot of variability on the customer volumes which is customer and TPP proposition driven behaviour that is being observed. **SW** stated that a lot more detail is required.
- 1.54. **GL** stated that the FDATA analysis concurs with **SW**'s analysis that it depends on the different types of TPPs and what the proposition is. **GL** added that a lot of people are coming back within 90 and 180 days to re-consent when they have clearly had a break in their customer experience. **GL** was more worried about those who have logged into applications by expressing a desire to use it but are finding the journey to reconnect too technically challenging, and therefore decide not to go through the process of going around the different bodies to reconnect. **GL** stated that there is a rich variety of different situations.

- 1.55. **RR** wanted a copy of the FDATA research. **RR** added that what has been described is people re-authenticating and finding it hard to proceed, however, these are people who managed to authenticate prior. **GL** stated that these are people who have been logging into the application between 0 and 180 days and had a break in service or gone back to use it, but have found it too difficult. **GL** stated that there is a level of friction created in the system which has overwhelmed demand.
- 1.56. **FR** agreed with **GL** stating that 90 is an arbitrary number of days and customers are being asked to match that, and on this basis, this deserves more consideration. **FR** stated that Open Banking can influence at the European level and, as at no point in the setting of the 90 day re-authorisation was consideration given to consumer behaviour, security risks on apps, whether people should be encouraged to re-authenticate more often on certain kinds of services over others. **FR** stated that even if it all works well, it is still clunky because there are multiple levels of authorisations at varying levels; **FR** was not convinced that 90-day re-authentication is the right tool and was keen to see some analysis done on this.
- 1.57. **TS** stated that he would lend support to both **FR** and **GL** and would be interested in joining any analysis, stating that there is influence at the European level (even if it is for a few more months). **TS** was not aware of any research being done on this and encouraged the idea.
- 1.58. **IG** stated that everyone is sympathetic to the points being raised albeit coming from different ends of the telescope. **IG** was not yet at the point of suggesting that the OBIE undertakes research, adding that some of the Trade Associations and ASPSPs are doing some good and high-quality research and there is the possibility of aggregating that research. **IG** asked for **BR**'s permission to discuss with the FCA and HMT.
- 1.59. In terms of clarity on responsibilities. **BR** stated that the 90 day re-authorisation has nothing to do with the CMA Order, nonetheless, if there is convincing evidence that it is hindering or preventing the effectiveness of the Order, then there is legitimate interest even though the CMA itself would not be able to do anything about it. In terms of who can do something about it with the European commission, **BR** stated that this would more likely lie with HMT. **BR** stated that they would be interested in seeing evidence from participants around the table as the facts will help to put a case together.
- 1.60. **HOZ** stated that the FCA is considering whether there are any changes they could and should make in this space, adding that a possible avenue may be by making changes to the SCA-RTS post-the transitional period. **BR** wondered if this could be dealt with at a European level or UK only. **HOZ** stated that the influence could possibly be both, however, this is not confirmation.
- 1.61. **IG** found the overall discussions helpful. **IG** stated that it would be good for Open Banking / CMA/ HMT to discuss with a view to understanding if there anything the OBIE can or should do.
- 1.62. **CM** stated that this has been addressed as much as possible in the Standards, stating that the capability for an AISP to assert to the ASPSP that the customer has undergone strong customer authentication at the AISP was referred to. **CM** explained that the TPP being able to confirm to the ASPSP that the customer has been authenticated (this could be every day or every 90 days, etc. – this is open ended) addresses the core underlying policy intent behind 90 day re-authorisation, i.e. to ensure that the customer is still using the service. **CM** stated that the challenge is that the ASPSP would have to have some sort of contract with the TPP. **CM** stated that even though this is ambiguous in the Standards, it does address it. **IG** thought this explanation was helpful, explaining that this is one of the optional elements of the standard and as this might require contract between ASPSPs and TPPs, it might fall under premium API's. **IG** did not want to discuss this, suffice to say that there is flexibility in the standard should participants choose to use it.
- 1.63. **RH** asked under what mandate the money for developing this has come from. **IG** stated that he would have to check the minutes, however, **IG** stated that this has been transparent. **RH** stated that given that it goes against what PSD2 does, he would like to know. **IG** stated that he would come back on this offline.

ACTION – IESG_2020_301_459 - 90-day re-authorisation - OB to meet with the FCA and HMT to consider if there is anything the OBIE can and / or should be considering to make this process easier.

Due Date – 24 June 2020

ACTION – IESG_2020_301_460 - 90-day re-authorisation – IG to confirm to RH (offline) where the mandate for the development of 90-day re-authorisation comes from.

Due Date – 24 June 2020

2.a COVID-19 ACTION PLAN

- 2.1. **IG** introduced a quick update on the Covid-19 related activities. **EC** referred IESG members to the slide with the groupings, stating that the TPP contribution to supporting consumers, businesses, charities and key workers has grown and the number of propositions continue to grow. **EC** added that this could also be seen on the Open Banking website through the Power of the Network activity which deals with these propositions.
- 2.2. **IG** stated that it was encouraging to see this, and asked participants to register their ideas. **IG** added that this is on the website and will remain on the website whilst being updated on a regular basis.

2.b PROPOSAL FOR CONSUMER RISK MONITORING FOR OPEN BANKING

- 2.3. **IG** stated that this was covered as part of the actions. **IG** asked if there was anything else to add to this. **AA** confirmed that there was nothing more to add.

2.c REVISED ROADMAP – CONSULTATION UPDATE

- 2.4. **IG** introduced the agenda item stating that the journey to create the Roadmap is a significant one, not least of which is the fact that the team has been trying to ensure that this is the last Roadmap. **IG** stated that the team would be talking through the Roadmap, following on from which it would be great to get observations, reflections, clarification points or otherwise from around the table. **IG** added that if the CMA9 can successfully complete what is on the RoadMap, then the implementation requirements of the Order would be fulfilled. **IG** stated that the intention was also to ensure that it is fully comprehensive and that it reflects the Covid-19 crisis. **IG** was pleased to announce that the CMA accepted the proposals and made some requirements on the Trustee which was reflected in the published Roadmap.
- 2.5. **IG** stated that the headline with respect to the crisis is that the team created the construct called the *Crisis Impact Period (CIP)*. **IG** explained that this was important to provide some cover to the ASPSPs and TPPs, ensuring that they can prioritise necessary activities to manage and deal with the crisis; some of these principles are articulated in item b.
- 2.6. To reiterate, **IG** stated that there will be no new implementations commenced during the CIP and where possible, not for a decent period thereafter.
- 2.7. **IG** informed IESG members of a new mechanism (the deferral process) that would allow CMA9 members (where there is just cause) to defer items marked as implementation activities during the CIP.
- 2.8. Having listened to some of the challenges and constraints that the CMA9 were under, **IG** stated that the idea was to ensure that participants were not burdened with consultation activities during the CIP. **IG** stated that anything that was considered material was pushed out, and the idea was to make the whole process a lot more efficient for the participants to engage in for the modus operandi for the rest of the Roadmap.

- 2.9. **IG** paused for high level comments or thoughts, following on from which **IG** invited **AA** to say a few words about the process and **EC** to talk about conformance with **DF** supporting and finally, expanding the conversation on the deferral process.
- 2.10. **AA** referred IESG members to section C where the proposal for the consultation has been outlined. **AA** emphasised to IESG members that this is a proposal, therefore, feedback is welcome. **AA** stated that the approach must be different because of the way the Roadmap has been constructed by separating out the OBIE preparatory activity from the consultation. **AA** added that the effect is that the collaborative Working Group structure clearly will not work and trying to restrict the time commitment of members means that the proposal had to be more constructive. On this basis, **AA** stated that the process is that the OBIE does the preparatory work and has an open and expert advisory group which is specific to each of the major consultation items. **AA** advised that whilst previously the Working Group had only 2 CMA9 members, this will be opened to any CMA9 member who wants to join, including appropriate expert representation from other groups from the constituents. **AA** stated that there will not be lots of advisory groups working in parallel – the max will be 3 but in most cases there are 2 – the only change will be sweeping and the VRP links to sweeping where there will be a more open and wider consultation to ensure a wider range of opinions. **AA** paused for questions on this approach.
- 2.11. **FR** welcomed this approach, stating that as a consumer representative, she had found it difficult to engage in some of these issues previously because there had been no convening and no conduit to do so and so it is helpful to have discussions with other IESG members.
- 2.12. **IG** moved on to the next piece on conformance and performance improvements, inviting **DF** and **EC** to give highlights on this.
- 2.13. **DF** stated that most of the CMA9 will know from the bilaterals held this month (May), that there are slight modifications to the structure of the performance improvement process. **DF** stated that the scope of the process remains unchanged from the paper that was presented earlier on in March, however, the mechanics and process has been modified slightly in that the team is working with CMA9 via the bilaterals to explore and understand areas where performance improvements can be made (slide 62). **DF** added that invitations have been sent out to the CMA9 to submit a bilateral plan which is being discussed on a case by case basis. **DF** explained that the continuing plan will be the ongoing monitoring in phase II of MI and reassessing the progress in a few months' time, including looking at the existing parity data published in line with PSD2 requirements. Following on from this, **DF** explained that he would be discussing with **EC** and then making recommendations to **IG** in the summer. **DF** added that the overall aim is to work with the CMA9 to get performance to a level that is appropriate and sustainable and not resort to the PIP letters being issued in August.
- 2.14. Regarding **GL**'s question on conformance, **DF** explained that slide 63 shows that functional and security conformance will be wrapped into this process and this is being followed up bilaterally as well, adding that as **IG** mentioned, v3.1.3 of the CEG standards is being updated to cover the gaps. **DF** invited **EC** to comment.
- 2.15. **EC** added a point on the ongoing CEG and conformance – this will be looking at the risk and journey level associated with the changes (as per 3.1.4, 3.1.5 and if there are any running in 3.1.6) this will also apply. **EC** added that the team will not be asking for the same level of evidence as done in the past, it will be specific pieces of evidence associated with the changes and deltas in the standards – a light weigh process as opposed to the heavy weight process involving the benchmarking of the customer experience journeys.
- 2.16. **IG** stated that the emphasis has been on designing a process that is efficient for all participants and holds to the milestones determined in the Roadmap, the issuance of PIPs where relevant (hopefully they will not be) and hitting the milestones in the conformance swim lane.
- 2.17. **IG** turned to **EC** to discuss the deferral process. **EC** explained that a number of items that are subject to deferral based on the impact of the crisis period; there will be a process communicated to the PMG representations for each of the CMA9 to request submission; this submission will include evidence of the change in their milestone deliveries. **EC** stated that this will be input to the monitoring function of the Office of the Trustee. Upon being assessed and confirmed, **EC** stated that these will be updated to the transparency calendar to ensure that there is

transparency for the TPP community. **EC** reminded IESG members that he had referenced this as a mechanism for removing adverse Red RAG statuses in the CMA9 reporting.

- 2.18. **IG** stated that everyone must calibrate on what evidence is required and requested that the CMA9 think about this and provide the evidence to ensure that this is as efficient as possible. **IG** reminded IESG members that Clause 17 of the CMA decision notice is the governance evidence for this. **IG** urged the CMA9 who may be looking for deferrals to reference this as it will form the basis for the considerations that the Trustee would have to take to grant these.
- 2.19. **IG** invited the CMA9 to make comments. There were none.
- 2.20. **IG** sought to lead general discussions and turned to **PM**, stating that as he played a role in inputting to the consultation, he wondered if he had any feedback or questions.
- 2.21. **PM** appreciated the work of the team and the CMA in considering representations made by UKF on deferrals in relation to the Roadmap. **PM** explained that he was yet to look closely at the proposals in terms of the process going forward but was sure the CMA9 colleagues would feedback; other than that, **PM** had nothing else to add.
- 2.22. **IG** thanked **PM** stating that it is a sign of confidence and hoped that representations were suitably addressed. **IG** asked if there were any other considerations from around the table. **IG** turned to **GL**, **IM** and **TS** share thoughts on how the revised Roadmap is being received by members of their communities.
- 2.23. **GL** explained that there is concern about the time taken to do things of course as it is natural to want more functionality, services and standards delivery as early as possible for self-evident reasons. **GL** stated that it is good to see the CEF in there, hoping that this evaluation does not prove to be a long or convoluted process. **GL** reminded IESG members of his consistent views on customer protection and liability, stating that A12 mentions that – **GL** was not sure that this is what was highlighted as missing from the Roadmap. From a technology and functionality perspective, **GL** stated that there is a lot in the Roadmap for TPPs and the concern is for speed of execution and quality of delivery.
- 2.24. **IG** was grateful for the input stating that the team had worked to get a balance. **IG** was aware of the 'All Hands' meeting being scheduled to discuss this and the Customer Redress Mechanism (CRM), adding that he was looking forward to participating in that.
- 2.25. **IG** invited the CMA9 to make comments. There were none.
- 2.26. From a consumer representative point of view, **FR** stated that it would be good to hear from some of the other industry representatives as this is an opportunity to gauge positions on some of the issues and a lack of contribution makes it hard to make up her mind on what is going on as she has to go with feedback from OBIE. **FR** clarified that she was referring to the CMA9.
- 2.27. **TS** stated that there are a couple of issues which the EMA team are concerned with – VRP, RCA and the way forward for expert working groups. **TS** stated that they are looking forward to that and making sure there are tools to make effective product propositions is key.
- 2.28. **IG** hoped that the appropriate level of significance has been attached to those as they are important to the objectives; performance is needed to enable payment solutions and therefore, there is alignment.
- 2.29. **IG** echoed **FR**'s comments that this is the opportunity for everyone around the table to give their opinion.
- 2.30. Purely due to the configuration of Microsoft Team's algorithms, **IG** could see, and therefore encouraged **SW** to make a comment on behalf of RBS. **SW** stated that RBS thinks it's a good outcome, both in terms of the consideration of impact of Covid19 and their ability to develop and respond to consultations. **SW** stated also that

they are currently working through the second half of the year, adding that there is a commitment to P2 and P7 up to the end of June and the focus now is the second half of the year.

- 2.31. **IG** invited **RR** to make a comment on the Roadmap on behalf of LBG. Just like RBS, **RR** explained that LBG will work through delivery plans for the rest of the year, adding that they are struggling to keep the lights on design and build across all channels (open and direct channels). **RR** stated that this has been discussed in bilaterals. **RR** added that P2 is in a good place with aggregated polling being launched imminently, adding that there are some challenges with P7 which would be discussed at the bilaterals, making use of the deferral process.
- 2.32. **IG** thanked **RR** for the contribution and moved on to **DB**. On the Roadmap itself, **DB** stated that the Covid19 challenges mean that Santander has had to refocus the team back to planning mode to consider how the new Roadmap delivery will be met. **DB** added that there is a pretty good plan in place which they would be sharing with Open Banking on 22 May 2020. **DB** stated that the worry is with regards to P7, stating that the consultation and deferral process seems sensible as that was one of the questions, they were waiting on to see what the solution would be.
- 2.33. **IG** found this helpful and encouraging as the team tried to address the points that are being made. **IG** stated that **VH, RH** or **DE** were free to make comments if they wished.
- 2.34. **RH** stated that there will be challenges with delivery as the impact of Covid19 may be longer than most people expect - 3-6 months of people working outside of their offices has its impact. **RH** stated that there are challenges in terms of getting some of the work done. **RH** called out reverse payments stating that the way the document is written suggests the expectation of reverse payments on things other than faster payments and was not sure what the point of that was but was looking forward to discussing this later.
- 2.35. **IG** wondered if **GS** from Tesco had any comments with regards to the Roadmap. **GS** stated that he was eager to understand how the Roadmap applies to non-CMA9 members, especially where they are optional and mandatory. **GS** stated that there might be the risk of a two-tier ecosystem where the CMA were supporting certain functionalities, and a longer tail of institutions were not. **GS** stated that the concern is still present but wanted to thank the Open Banking team for helping Tesco understand how to navigate these choices for themselves. **GS** added that the process and model for the Roadmap would need to be replicated across the non-CMA9 banks, for example, when the new version of the Standard is received, there is a process to determine what the requirements are and the build should be which is having to be modified to consider these as discretionary. **GS** stated that he is responsible for payment strategy and a particular area of interest is the reverse payment functionality. **GS** stated that it would be great to get some assurance that the functionality will be adopted across the board. **GS** concluded by stating that he is keen to participate in any industry wide discussions on VRP, including what experiences that could support.
- 2.36. **IG** thanked **GS** for the contribution. On the two-tier point, **IG** stated that an offline conversation on that would be useful to delve into that in more detail. **IG** added that the plan is not to create a two-tier market but any non-CMA9 ASPSP can exercise discretion as to what functionality they want to use because the standards are open.

ACTION – IESG_2020_301_461 - Revised Roadmap Consultation Update – IG / GS to have an offline discussion regarding the risk of creating a two-tier market.
Due Date – 24 June 2020

- 2.37. **IG** stated that the IESG members he picked on were completely at random and opened the floor to anyone else who wanted to make a comment.
- 2.38. **MCH** stated firstly, that it is good to hear from the CMA9 because in recent IESG meetings, conversations have been limited, adding that perhaps this might coincide with remote working and consultations on the Roadmap. **MCH** thought that maybe a physical meeting makes it easier to interact, but that the issue of the Roadmap is pertinent to a meaningful governance entity. **MCH** applauded contributions so far and encouraged the CMA9 to

be more active, especially as in the absence of opinions, the general feeling is that discussions happen bilaterally and the governance entity (IESG) does not know what is going on.

- 2.39. With regards to the revised Roadmap, **MCH** stated that himself and **FR** engaged extensively with the two consultations carried out by both OBIE and the CMA and was pleased to see that the list of priorities identified have been carried through to the Roadmap. **MCH** echoed the point that **TS** and **GL** made – the ecosystem is aware of everything going on in the wider world but that everything should not grind to a halt, and therefore was keen to see re-engagement and progress made against the CMA’s ultimate aim of ensuring that competition is improved in the interest of the consumer.
- 2.40. **MCH** wanted to pick up on a couple of points, both of which coincidentally appear on the Roadmap commentary in relation to reverse payments under ancillary activities. **MCH** was keen to see that the two working groups on Data Privacy and Security and PIS were being progressed and to ensure that there is full engagement from a wide range of stakeholders.
- 2.41. **IG** thanked **MCH** and agreed to direct a portion of the agenda to the mentioned items during reverse payments discussions. **IG** stated that he would continue to call out members of the CMA9 to ensure that this is as two-way as possible.
- 2.42. **RR** wanted to understand a bit more on the deferral process, explaining that this has been discussed at PMG and he understood that there would be a template to fill out. **RR** asked:
 - 2.42.1. How quickly will this get turned around? The LBG team are struggling with planning under these circumstances.
 - 2.42.2. On the CIP, the outline was 3 months with a possibility of extension. Will this be extended; and is there a plan in place for that?
- 2.43. With regards to the deferral process, **EC** stated that this would be covered before the end of the week (w/e 22 May 2020); it will articulate the process outlined in this deck and include the template. In terms submissions that will enable **IG** to sign off on the deferrals, the key is to ensure that the responses give enough information in terms of depth to drive a ratified decision. **EC** added that the template includes the milestone level, transparency, justification and the criteria around the enablement of resource in the broadest sense. **EC** stated that the process should be relatively quick, the caveat being that the completion of the template will determine the number of conversations between the monitoring team and the CMA9 member ahead of approval.
- 2.44. **IG** referred **RR** to clause 17, stating that the determination is: *‘...resource was and needs to be used for Open Banking implementation is either diverted or depleted; can you demonstrate that to us?’*
- 2.45. With regards to **RR**’s question on the extension of the deferral period, **IG** explained that upon discussion with the banks and stakeholders, there was a base case view that the CIP would impact the ability to deliver until the end of June 2020, although this was uncertain. **IG** stated that, on that basis, the pressing objective of the Roadmap is to try and create something that allowed flexibility without having to re-run another 9-month consultation. **IG** stated that the approach was to put a base case so that if things change, it could be extended. **IG** added that the approach being worked towards is that the crisis would be discussed at the June IESG with representations from interested parties taken, following on from which there will be a discussion between **IG** and the CMA. **IG** stated that this discussion will not happen before 07 July at that point it will be clear.
- 2.46. **RR** likened this to a moving goal post, stating that it does not help LBG with regards to planning and allocation of resources appropriately. **IG** assured **RR** that the intention is not to create an opaque process and there will be updates when events change. **IG** concluded by stating that this is a difficult scenario and there is a need to accept that there is no crystal ball – somewhere in-between there is a happy medium.
- 2.47. In terms of information flow on the impact on the crisis on the industry, **PM** asked **IG** and **EC** if he could take this away and discuss with UK Finance as there might be some colleagues who can help.

- 2.48. **IG** appreciated the kind offer as the OBIE is relying predominantly on the bilaterals and government bodies who have information from proprietary channels, adding that the ultimate decision will be made by the CMA and he would support. **IG** stated that any information would be helpful. **IG** asked **PM** to have a consideration and let **IG** know how he thinks he could help (this does not necessarily need to be formal).
- 2.49. **IG** thought it would be helpful to spend a few moments on reverse payments. **IG** began by stating that it has been brought up at IESG on a few occasions and one of the reasons is that it is one of the biggest near term deliveries and is therefore on top of the list for the CMA9 and for the non CMA9, it is a critical component of functionality, whilst for others, it unlocks PIS.
- 2.50. **IG** agreed that when it comes to payment, the idea is to get the whole of market (or as close to) solutions to gain critical mass. Given the constraints of the crisis, **IG** stated that Open Banking is trying to keep everyone as lockstep as possible and will make allowances by way of deferrals.
- 2.51. **IG** stated that some IESG members have commented on the fact that there is now a phase 1 (due at the end of June) and phase 2 when it comes to reverse payments, stating that this will further the required work. **IG** explained that the thought was that reverse payments (like all payment initiation services) would be applicable to all payment types, however, as a result of discussions with some institutions there was the realisation that undue emphasis was being placed on payment types that were not material drivers of volume, therefore resulting in less focus and delays on the basic method of payment (FPS). **IG** created that Phase 2 was created to put back some of the other payment types.
- 2.52. **IG** referred to **CA**'s parting comment:
- '...one point under the Roadmap for me is the potential suggestion that the roadmap item for refunds extends to international payments, which we do not believe was covered in the original intent / use case for introducing refunds - as well as being incredibly complex to ensure fair and accurate customer outcomes. Happy to discuss offline but wanted to share as a question. Thanks, Caroline'*
- IG** stated that **CA** was concerned that international payments was in phase 2. **IG** stated that at the moment, phase 2 is for all payment types; this would be clarified and brought back to IESG members as it is a valuable point for consideration.
- 2.53. In terms of the CMA document, **IG** stated that the CMA placed some obligations relating to reverse payments as follows: *the ICO provides a response with regards to the integrity of the approach for reverse payment which should be provided prior to launch*. **IG** stated that this is in train but noted that some stakeholders are looking for confirmation ASAP. **IG** was sympathetic to the constraints being worked under and assured IESG members that this is being expedited. **IG** stated that this has been in progress for a couple of weeks as the ICO, like every other organisation is dealing with crisis related activities and it is hard at the moment.
- 2.54. **IG** wanted to clarify – from the perspective of the Order, consent is not considered lawful basis for reverse payments. **IG** added that legitimate interest is appropriate, so is legal obligation and there is a choice of lawful basis and some are suited more broadly than others.
- 2.55. **IG** stated that it is crucial not to create customer journeys that make it harder for customers to receive refunds. **IG** stated that this is not in the interest of customers, nor does it run with the principles of the Order of GDPR.
- 2.56. **IG** stated that the standards does not allow for any extra consent steps and this can be found in the CEG. **IG** asked that documentations are read correctly by the banks to ensure that any alternative interpretations are done at the banks own risk.
- 2.57. **IG** made another point around privacy notices. **IG** stated that privacy notices are good places for controllers to meet their transparency requirements under GDPR and can best fit under the Order and PSD2. **IG** asked that these factors should be taken into consideration. **IG** stated that everyone should be trying not to include any customer

friction beyond what is necessary as it really is in the customer interest that they are able to receive refunds. **IG** stated that this is being discussed because in a few bilaterals, consent was being talked about as additional steps in the process and Open Banking has queried whether these are necessary in order to meet best interest of the customer and all the regulatory requirements around.

- 2.58. For clarity, **IG** talked about other obligations placed on Trustee by the CMA document.
 - 2.58.1. There is a requirement to set up a working group that will consider (for future updates of the standards) any modifications the OBIE team wants to make to improve and increase upon customer protection as relates to TPPs and the ICO have indicated that they are happy to join that working group.
 - 2.58.2. The other obligation is more to do with PIS. The obligation is to work with the PSR in order to form a working group that will consider customer protections more broadly in PIS and the OBIE would co-chair. Preliminary discussions have been held, scope is yet to be determined but progress has been made. One of the reasons for its complexity is that PSR have their own requirements with regards to furthering customer protection in inter- bank payments and the team are trying to figure out how to mesh those with the requirements under Open Banking which is a subset of all activities that are inter-bank payments.
- 2.59. **IG** stated that he is happy to answer questions.
- 2.60. **DG** asked about the logistics of trying to get the P8 release out for reverse payments by June 2020. **DG** stated that in the absence of clarity from the ICO, it will be hard to sign this off into production.
- 2.61. **IG** agreed that this may not have been fully through, and the bilateral conversations have been filtered up to him. **IG** reassured that he was working on this.
- 2.62. **FR** wanted to an update on how Open Banking is thinking about other Roadmap items around TPP Guidelines / Protection which appear later in the Roadmap. **FR** wanted confirmation that **IG** would be looking at things (consumer protection on PIS, data security, the comment about the potential for a code, a line on TPP protection and the potential for a code) holistically so that there will be a clear sense of what might be needed for AIS and PIS, so as to leverage them for a code.
- 2.63. **IG** thought this was a fair point, adding that from a practical point of view, it will not be that challenging to get the timelines for what looks like these different activities to occur at the same time, the time it takes to set up some working groups will coincide.
- 2.64. **AA** agreed with **IG**'s comments, adding that the same people are working on this so that will ensure that the dots are joined. **AA** added that there are two swim lanes in the plan being put together – PIS (the work being on the PSR) and AIS (the consumer protection piece on the Roadmap).
- 2.65. In setting expectations, **IG** affirmed the need to be respectful about the PSRs requirements with regards to the working group. **IG** stated that this is something that they are driving and upon clarity received regarding their timelines, the whole piece will make more sense.
- 2.66. **FR** had a question for **JVD** from an ICO point of view – considering the crisis, will the ICO be able to think about / commit time to thinking about when sector codes (starting with Open Banking) might be introduced. **JVD** stated that given the current situation, even though she does not work in that sector, as far as she is aware this is not a priority at the moment. **FR** asked how this leaves the ecosystem in terms of the Roadmap. **FR** wondered how this would be taken forward. **JVD** was open to someone reaching out to the ICO formally if definite answer is required, but she does not have the information to hand.
- 2.67. **AA** explained that there is no assumption in the Roadmap that it has to be an ICO code. It states that '*...maybe some kind of code may be appropriate (which might be an OBIE code) which the TPPs can sign up to.* **IG** stated that even if there is no ICO engagement to the level required, it does not have to be an ICO code – this sits outside of the Roadmap.

- 2.68. **FR** explained that it is useful to have accreditation from the ICO. **FR** added that the FCA recognises codes and keen to ensure that the team is looking holistically at the potential for a code as a lever for some of the issues around data protection and security; and also to make sure that there are resources in place to ensure that there is no hinderance. **FR** stated that sometimes momentum is lost, therefore it would be good to ensure all options are exhausted.
- 2.69. **IG** paused for comments.
IG referred to **DE**'s comment – *'I tried to ask during the Irish Banks section, but you could not hear me. Can you comment on VRPs, the consideration that is being given to consumer protection within the FCA sandbox, and whether the CMA9 and other stakeholders are contributing to this?'*
- 2.70. **EC** stated that consumer protections were part of the sandbox activity under the FCA sandbox. **EC** added that evidence will be fully collated and discussed more broadly with stakeholders. **IG** stated that the participants in the FCA sandbox are participating from a technical point of view and so are building propositions based on VRP. **IG** added that this consists of approximately five participants (more participants may be welcome), adding that if any of the IESG members want to participate in that sandbox, they are welcome to do so, following on from which it will move on to the consultation part of the Roadmap.
- 2.71. **EC** explained two sides to this.
2.71.1. Contributions in the sandbox are not limited to technical implementations and evaluations from a customer operations point of view, a lot of input from the participants in the evaluation is hard data from parallel implementations around consumer protections.
2.71.2. More input into the process is always welcome, including more data in terms of the way consumers interact and how consumers get challenged on the back of those solutions.
- 2.72. **FR** asked if it possible to get an information session around issues arising on consumer protection. **FR** stated that verbal updates at IESG are helpful but feels like she is missing some of the journey. **FR** asked if the FCA could help.
- 2.73. **CM** stated that at the moment, it is early stages in terms of the propositions that are being tested and the idea is not to raise theoretical issues or risks that have no basis, but to surface real issues in live. **CM** stated that there are mitigations in the design that might reduce potential issues. **CM** added that at some stage between now and October 2020, engagement will be wider when there are more use cases and when there are data points to share.
- 2.74. **IG** invited **FR** to reach out to the team for a discussion, adding that this invitation is open to all IESG members. **CM** added that his team would be reaching out to **FR** and **MCH** on consumer issues and protection side of things before October 2020.
- 2.75. **IG** turned to **MC** for the sake of inclusion, inviting him to make comments. **MC** echoed points made so far - for the items that were well advanced in build and test, good progress is being made despite the crisis and there are a number of challenges for the next 3 – 6 – 9 months. When looking at changes to authentication, VRP and even re-evaluations of P2, **MC** stated that these are extremely complicated, therefore an early understanding of how to demonstrate the value against the cost and complexity is important. **MC** stated that while the crisis is one thing, a new economic reality looms and the pressures of that is starting to bear down on all organisations. **MC** stated that this means he must be careful with allocation of the resources at his disposal.
- 2.76. **IG** stated that this is a helpful point as it has not been raised before. **IG** stated that one of the things that the CMA and the Trustee were keen to build into the Roadmap is explicit references to assessing proportionality with regards to specific items where they could potentially become big lifts. From memory, **IG** stated that this is a key area associated with some of them, particularly RCA. If there is anything material to do with the RCA, **IG** stated that it would not be for this Roadmap let alone an automatic Roadmap item.

3.a AOB - SME UPDATE

- 3.1 **MCH** explained that when he raised the relevance to Open Banking (in particular, CBILS), CMA9 representatives stated that most applications come from existing customers (which is plausible), however, information which arises from time to time from UK Finance and HMT at the point where the chancellor was talking about extending the furlough scheme indicates that for applications under CBILS, only 50% result in a loan. **MCH** stated that these businesses either fail or seek funding elsewhere to try and tide over the emergency into a survival period. In looking elsewhere, **MCH** stated that they can avail themselves of the British Banks Referral Scheme. **MCH** reiterated the need to be conscious of unintended consequences – a lot of people who fail under CBILS apply under the bounce back loan scheme and are successful. **MCH** posed the example of a small business who needs £100K and gets £50K, stating that when the business inevitably goes bust, the government will never recover the £50K. **MCH** stated that it is difficult to understand what happens to people who need this funding but cannot access it in the way envisaged by CBILS. **MCH** called on CMA9 members who have contacts that he could be introduced to. **RH** was happy to share contacts and asked **MCH** to get in touch offline.

3.b. AOB – GOFCoE UPDATE

- 3.2 **GL** reminded IESG members that at the last IESG, he updated on the economic work being undertaken by GOFCoE, adding that since then, letters have been received from BEIS, HMT and FCA encouraging firms to help to provide near real-time data economic analysis to help the key decision makers in government. **GL** added that this is progressing well with a range of banks and TPPs who are going through the process. **GL** added that some have signed the data access agreement, while others are working on the funnel.
- 3.3 **GL** stated that they are engaging more closely with UK Finance on co-ordination.
- 3.4 **IG** was pleased to hear of the progress being made.

CONCLUSION

- 3.5 On this note, **IG** thanked all for attending the May IESG, stating that it was important as there were discussions resulting in clarity on what is going to happen in the short – medium term on the Roadmap.
- 3.6 **IG** raised on final point – it happened by chance that the only IESG still scheduled in the diaries is June and **SC** will put in monthly IESG's over the course of this year. **IG** stated that it may well be the case that not all of them are used but would appreciate acceptances. **IG** looked forward to meeting with IESG members on 24 June 2020 for the next IESG, adding that he was sure to meet with some members in-between.
- 3.7 **IG** closed the meeting.