

Meeting Minutes

Meeting details

Meeting date: 23 May 2019

Meeting name

Implementation Entity Steering Group (IESG)

Meeting time

10.00 – 13.00

Meeting location

Etc. Venue, 8 Eastcheap (Monument), London

Scribe

Sally Chiwuzie

Classification

Public

Name		Role	Attendance
Alan Ainsworth	AA	OBIE – Head of Policy	Yes
Andrew Laidlow	AL	FCA	Yes
Bill Roberts	BR	CMA	Yes
Candy Ma	CMa	OBIE – Office of Trustee	Yes
Caroline Ambrose	CA	Barclays Bank	Yes
Daniel Ehreich	DE	Bank of Ireland	Yes
Daniel Globerson	DG	Royal Bank of Scotland	Yes
Ed Colley	EC	OBIE - Prog Director	Yes
Faith Reynolds	FR	Independent Consumer Representative	Yes
Gavin Littlejohn	GA	Fintech Representative	Yes
Hetal Popat	HP	HSBC	Yes
Huw Davies	HD	OBIE	Yes
Ian Cox	IC	OBIE – Head of Monitoring	Yes
Ian Major	IM	TPP Representative	Yes (Phone)
Imran Gulamhuseinwala	IG	OBIE – Trustee/Chair	Yes
Mark Chidley	MCH	Independent SME Representative	Yes
Matt Cox	MC	Nationwide	Yes
Phillip Mind	PM	UK Finance	Yes (Phone)
Richard Rous	RR	Lloyds Banking Group	Yes

Robert White	RW	Santander	Yes
Roy Hutton	RH	Allied Irish Bank	Yes (Phone)
Sally Chiwuzie	SC	OBIE IESG Secretariat	Yes
Thaer Sabri	TS	Electronic Money Association	Yes
Will Curley	WC	Tesco Bank	Yes (Phone)

Apologies

Name	Role	Delegate
Chris Michael	CM	OBIE – Technical Delivery
Doina Nicolici	(DN)	Stakeholder Engagement, Standards and Strategy
Laura Mountford	LM	HM Treasury
Paul Horlock	PH	Stakeholder Engagement, Standards and Strategy
Robert White	RW	Santander
Vicki Hassan	VH	Danske Bank

Eduardo Martinez Barros
(EMD)

Dave Scott **(DS)**

No. Agenda item

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

1.1. **IG** welcomed IESG members in the room and on the phone; thanking everyone for contributions on minutes, and stated that on the basis that comments have been settled, the minutes from the IESG meeting of 30 April 2019 are now signed off.

APPROVAL - IESG_APR_LOG_039 – Comments received and incorporated, IG approved the minutes from 30 April 2019.

1.2. **IG** commented that all AOB items requested have been incorporated into the pack. **GL** requested a discussion on the OBIE Roadmap – activity update sent out by **AA** on 22 May 2019, and asked if this could be included in the housekeeping section of the pack going forward. **IG** stated that the reason why it is not in the pack is because it was distributed out-of-cycle.

1.3. **IG** walked IESG members through the open actions, with updates provided where required (Note: This is attached on page four of the minutes, with more detailed highlights captured below).

1.4. **IG** stated that Action #172 on *Resilience* will remain open as it has to be presented at TDA first before IESG, IESG members should therefore expect to see an update in the June IESG pack. **FR** raised a point about the switch over in September for consumers and firms moving from screen scraping to the APIs, wanting to ensure that there is a strategy in place for conducting a risk assessment. **IG** suggested that the point, while valid, does not pertain to resilience and therefore could be covered instead as a standalone agenda item in AOB (*Please see discussions in AOB – Section 3a*).

- 1.5. On action #186 regarding the *transparency calendar*, **IG** advised that this action remained open as although the transparency calendar has been built and populated by the CMA9, the non-CMA9 have not populated it. **GL** stated that the issue for the UK, and more broadly, Europe is that there is a short period of time to do things and improved visibility is required, so it is important to find a centralised place where details such as security profile and standards being used by firms can be documented. **IG** suggested two things:
 - 1.5.1. Roll **GL**'s point into the conversation around resilience as redefined by **FR**; and
 - 1.5.2. Close this as an action for IESG.
- 1.6. **IG** stated that action #191 on v3.1 *MI* is on schedule. **EC** confirmed that the new MI has been received but did not make the pack because it is still going through the challenge process. This will be distributed out-of-cycle before the June IESG when it will be presented as a usual agenda item. **EC** added that this will come with a recommendation of what additional information can be shared internally and publically off the back of the new MI for the July IESG.
- 1.7. **IG** recommended that closure of action #196 - *Article 10 SCA issue for Open Banking AIS* should only happen when all the bilaterals have been completed. **IC** advised 6 out of 9 have been completed, with the remaining bilaterals scheduled within the next two weeks, after which a transparent view should be made available for presentation at the June IESG. **SW** wanted to know if the Open Banking view on Article 10 is in line with the FCA's view. **IG** commented that the role of Open Banking as a monitoring function is to establish a transparent view across the ecosystem as opposed to forming its own view. **SW** stated that the understanding from the FCA's bilateral is that they are looking into Article 10 and there might be further guidance published at a later date. **AL** commented that the topic was discussed at the last EBA API Working Group and it is a possibility, however, this is not certain. **HP** stated that the collective industries (TPPs and banks) agreed that the way Article 10 is written is restrictive and specific which is contrary to best customer outcomes and there were some side line discussions around whether the EBA would need something different to enable the use cases that people want. **IG** requested all banks should be as transparent as possible during the bilaterals with **IC** in order to close this issue appropriately. In response to **HP**'s question about whether this is linked in with action #186 (*transparency calendar*), **IG** stated that it is a specific element of #186, and that there ought to be no reason why the CMA9 would not be happy to have their interpretation of Article 10 on the transparency calendar.

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ACTIONS

Action Number	Date Raised	Owner	Description	Notes	Target Date	Status	Date Closed
IESG_2018_301_168	21/03/2019	IG	<p>CMA9 Attestation Process: With regards to the CMA9 attestation process, RH to provide thoughts on lessons learnt (communications before and after) ahead of the next release to IC.</p>	<p>Update 23/05 – This has gone through PMG and feedback has been captured. This can now be closed.</p> <p>Update 08/05 - The suggestion at PMG was to hold a post attestation wash up to capture the feedback so that there is a record of the lessons learnt captured for the future. RH is of the opinion that the value received from the pre and post attestations supplied should be looked at, including communication and timelines to ensure that the requests can be scheduled ahead of time. A wash up will be held with the CMA9, to improve the process for any future attestation event and on that basis, propose to close this action.</p> <p>Update 30/04 - IC to discuss with RH. C/F to May IESG.</p> <p>Update 08/05 - Comment from RH - The suggestion at PMG was to hold a post attestation wash up to capture the feedback so we have a record of the lessons we can take out of this attestation in the future. I think that should look at the value received from the pre and post attestations we supplied; it should look at the communication and timelines around same to ensure that the requests can be scheduled ahead of time. On that basis I am happy to close out this item on the basis that a wash up will be held with the CMA9, to improve the process for any future attestation event.</p> <p>Update 30/04 - IC to discuss with RH. Roll forward to May IESG.</p> <p>Update 10/04: Verbal Update to be provided by IC.</p>	<p>23/05/2019 30/04/2019</p>	Closed	23/05/2019

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Action Number	Date Raised	Owner	Description	Notes	Target Date	Status	Date Closed
IESG_2018_301_170	21/03/2019	EC	<p>RJID and App2App - EC to present this to PMG as a conversation with the CMA9 to see if a workshop can be arranged for anyone who is interested in seeing the results of how the RJID and app-to-app journeys work; especially for people who do not have access to the developer zone. EC to also consult with PMG re whether we would share videos of the RJID and app-to-app journey, including whether some or all would be shared on the OBIE website.</p>	<p>Update 29/05 - This has now been rescheduled for 20/06 from 2-5, after the IESG meeting.</p> <p>Update 20/05 - This workshop is currently being scheduled for 13/06 from 2 - 5pm. Facilitation of this is in progress.</p> <p>Update 15/05 - This is in progress. CM is organising.</p> <p>Update 02/05 - EC proposed demo / workshop should be held in the final week of May after LBG retail goes live.</p> <p>Update 30/04 - EC suggested that a demo is possible, however, only some of the CMA9's app-to-app journeys would be available in the short term. EC suggested that perhaps a subset of the CMA9 initially or if there is a request for a specific bank, this could be picked up in the bilaterals. . CM to provide a link in the certificates to videos through the certification process.</p> <p>Update 18/04 - A workshop is not feasible at this juncture but IESG members wishing to view CMA9 journeys should contact CMA9 reps bilaterally for demonstrations once App to App has been deployed, noting the Directions recently issued. Propose to close.</p>	<p>20/06/2019 23/05/2019 30/04/2019</p>	Open	
IESG_2018_301_171	21/03/2019	FR / IC	<p>Customer Numbers: FR to arrange a meeting with IC re how customer numbers are collected, and update to be included in May IESG.</p>	<p>Update 23/05 - IC taking comments from FR, IG and others on how to set this up for future proofing. This will return to the agenda in the July IESG.</p> <p>Update 01/05 - IC met with MCH and DJ (who updated FR) on 11/05. IC is concluding on a revised definition for PSU's to share with CMA9 and IESG. Once the revised definition is concluded, IC will collate PSU numbers using the revised definition and share with the IESG in July.</p>	<p>25/07/2019 20/06/2019 23/05/2019 30/04/2019</p>	Open	

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				<p>Update 30/04 - IG advised at IESG that there is still some ambiguity on this which the team are working through. C/F to May IESG.</p> <p>Update 23/04 - Meeting held on 11/04 with DJ/IC/MCH. Propose to close</p> <p>Update 09/04 - IC to meet with DJ on Thursday, 11/04. Further update to be provided after that.</p>			
IESG_2018_301_172	21/03/2019	CM	<p>Resilience - CM to take recommendation to TDA to address the issue of resilience and subsequently report back to IESG.</p>	<p>Update 23/05 – This will go to TDA first, and subsequently be presented at the June IESG.</p> <p>Update 30/04 - CM to discuss what levers are required to address the gaps at the next TDA. C/F to June IESG.</p> <p>Update 23/04 - CM advised that this is an on-going action. C/F until full update is available.</p>	20/06/2019 23/05/2019 30/04/2019	Open	
IESG_2018_301_173	21/03/2019	MCh	<p>NESTA - MCh and GL to meet with NESTA and CMA9, GL to explain how the Centre of Excellence Sandbox could work. Ideally, the session should be held before we progress with the new NESTA challenge.</p>	<p>Update 23/05 – This can now be closed.</p> <p>Update 15/05 - Deck for 16/05 meeting shared with attendees. GL to present deck and provide further update at May IESG. Propose to close.</p> <p>Update 10/04: Meeting set up for 16/05. Aiming to provide an update by May IESG.</p>	23/05/2019 30/04/2019	Closed	23/05/2019
IESG_2018_301_185	30/04/2019	EC	<p>Programme Update - Plan on a Page - EC to produce a one page document to include what will be delivered and when.</p>	<p>Update 23/05 - This was distributed to IESG members out-of-cycle. This can be closed.</p> <p>Update 20/05 - This will be distributed to IESG members before the May IESG. Propose to close.</p>	23/05/2019	Closed	23/05/2019

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IESG_2018_301_186	30/04/2019	EC	Transparency Calendar - EC to conduct a review of how well populated the transparency calendar is. This should be included in the housekeeping section of the agenda for May IESG.	Update 23/05 - Although the transparency calendar has been built and populated by the CMA9, some of the non-CMA9 have not populated it. This action can be closed from an IESG perspective. Update 15/05 - This information is improving but insufficient, out with OB participants.	23/05/2019	Closed	
IESG_2018_301_190	30/04/2019	EC	Programme Update - API Performance - EC to show the splits between the technical failures vs. business failures.	Update 23/05 – This can be closed. Update 15/05 - This is now reflected in the MI on the OB website. Propose to close.	23/05/2019	Closed	23/05/2019
IESG_2018_301_191	30/04/2019	EC	Programme Update - v3.1 MI - EC to take new MI feed to the PMG which is just after the IESG in May. The new MI will be published in the June IESG pack.	Update 23/05 - EC confirmed that the new MI has been received but did not make the pack because it is still going through the challenge process. This will be distributed out-of-cycle before the June IESG when it will be an agenda item. This will come with a recommendation of what can be shared internally and publically. EC added that this will come with a recommendation of what additional information can be shared internally and publically off the back of the new MI. Update 15/05 - MI now received from the CMA9. This is on schedule.	20/06/2019	Open	
IESG_2018_301_192	30/04/2019	EC	DMS - EC to restate the scope of work, including time lines and next steps. This will be included as an agenda item for May IESG.	Update 23/05 – This can now be closed. Update 15/05 - This is included in the May IESG pack. Propose to close.	23/05/2019	Closed	23/05/2019
IESG_2018_301_193	30/04/2019	HD	Premium API - Action on HD to make sure non-payment account screen saved products are prioritised.	Update 23/05 – This can be closed. Update 15/05 - This will be built as part of the prioritisation	23/05/2019	Closed	23/05/2019

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				criteria. Discussions in progress at the Standards Group. Propose to close.			
IESG_2018_301_194	30/04/2019	FR	Open Banking Consumer Strategy - IG approved the paper with the suggestion that FR gets feedback on the creation of evaluation framework outside of the IESG forum.	<p>Update 23/05 – SC to schedule meeting for AA and FR to update IESG members on the Consumer Strategy. Subsequent discussions will form part of a new action. This action can be closed.</p> <p>Update 15/05 - SC requested update from FR on 14/05.</p>	23/05/2019	Closed	23/05/2019
IESG_2018_301_196	30/04/2019	IC	Article 10 SCA issue for Open Banking AIS - IC to use the bilaterals to determine ASPSPs' interpretation of article 10.	Update 15/05 - This has been included in the bilaterals. Not all CMA9 bilaterals have completed this.	23/05/2019		

1.c PROGRAMME UPDATE

1.c.i OBIE STATUS REPORT

- 1.8. Before handing over to **EC**, **IG** reminded IESG that the usual API KPI Performance is absent for reasons discussed during the action updates – i.e. it is a new version of MI and it was a short period between April and May IESG.
- 1.9. **IG** opened discussions on the OBIE status report requesting highlights from **EC**. **EC** added that there will be transparency around the Trustee actions from various evaluations and the delivery of the Customer Evaluation Framework included in the next Status Report. **EC** stated that the ISO27001 Security Standard Certification was approved and is now valid for 12 months. In terms of non-CMA9 sign ups, **EC** stated that the number is increasing on an on-going basis. **IG** asked whether the entities would be sensitive to their sign ups being made more public; **EC** commented that these are driven largely by the FCA bilaterals, and firms that are signing up and delivering production API Endpoints are broadly targeting dates between now and the end of June, with a few slightly later.
- 1.10. **BR** asked if it is possible to quantify the percentage of the market that are non-CMA9 sign ups. **IG** stated that this is an analytical challenge in its own right and can be done on a 'best efforts' basis. **RR** asked whether the entities would mind their names being disclosed, to which **EC** stated that this is possible, but disclosure is usually around the PR associated with going into production, rather than generally making the information available. **RR** stated that if a bank is going for an exemption in September, it would seem consistent with their obligation to be widely available, widely used, widely tested, etc. for their names to be shared with the industry. **EC** stated that the directory sandboxes for those that are published are freely available and public. The associated production timelines having them available for wide usage is more sensitive. **IG** stated that it is worth asking the question to see if a record of these entity names can be tracked; it would be good to be more transparent on the non-CMA9 entities that are signing up and also to try and get a sense for indicative or coverage by market share of the products.

ACTION - IESG_2018_301_198 - OBIE Status Report - Non-CMA9 sign ups to OBIE - EC to investigate the possibility of the ecosystem seeing a record of non-CMA9 entities that are signing up to Open Banking.
Due Date - 20 June 2019

- 1.11. **FR** raised a point around TPP products and what they are delivering and / or offering the market, stating that more information around this would be helpful in order to monitor the progress of customers, in addition to the analysis already underway. **FR** added that the onward serving of other firms that are not on the AIS register (where AISP are working for others, for example, debt advice agencies using AISP facilities, but do not register as being part of Open Banking) is not available – methods of measuring this impact needs to be thought through. **IG** commented that this is a good point that covers not just disclosing entity names but asking TPPs to disclose their propriety models, including identity of their client – this requires careful consideration. **IG** suggested that this gets picked up in the consumer work that is going on because it is less MI and more consumer analysis.
- 1.12. **FR** asked, in terms of confirmation of payee and consumer representation, is the End User Advisory Council at Pay.UK providing input into the specifications. There should be consumer representation, so if the EUAC is not covering it for Pay.UK, then could it please be covered by the Delivery Working Group at OBIE. **PM** commented that there is an Industry Steering Group set up to consider Confirmation of Payee with representation from PISPs, including those who are mandated under the proposed directions to implement Confirmation of Payee and he is happy to consider consumer representation. This could be picked up bilaterally with **FR**. **FR** also suggested bringing this into DWG, to which **AA** requested an offline conversation to consider in more granular detail.

ACTION - IESG_2018_301_199 - Confirmation of payee and consumer representation - PM to consider consumer representation as an agenda item at the Industry Steering Group, which was set up by Pay UK to consider Confirmation of Payee.
Due Date – 20 June 2019

- 1.13. **IG** concluded by stating that IESG members should bear in mind that governance around this process is owned by Pay.UK and that OBIE provides support with regards to the technology only.

1.c.ii. CMA9 RELEASE SUMMARY

- 1.14. **IG** requested an overview from **EC** before going to queries from individual CMA9 members.
- 1.15. **EC** commented that R3.1.2 is red but that this is a reflection of the lack of detail on delivery, and once this is agreed, it will return to green. This should happen through the next round of bilateral conversations within the month. **IG** urged any CMA9 members who feel that they will not be in a position to declare their R3.1.2 timing by the next bilateral to indicate so. **MC** stated that Nationwide would not have the plan in place by the next bilateral. **MC** asked if it is right to track red status against deliverables that are yet to be completed in evaluation or clear on whether they are mandatory or optional. **EC** commented that no evaluation items are included in R3.1.2 as these are published standards only. **RH** stated that this is the same for AIB as the notification that these are mandatory does not give enough time to complete a plan.
- 1.16. **GL** commented that trying to understand what is currently in the market so far - what the TPPs are trying to build against an API right now vs. what they are going to get in June, September or beyond is difficult to navigate. **EC** used the R3.1 implementation as an example, stating that not all elements were delivered but all details were called out in the implementation plan that was published in the March IESG. In the context of whether they are fit for purpose and fully working, information is contained within the managed rolled out, which is transparent to all TPPs within the ecosystem through confluence and the development zone, including their functional and security conformance. **IG** agreed, adding that trying to represent all this information on one page will be difficult because the various bits like standards and whether it is fit for purpose, etc. sit across granular pieces of functionality within the ecosystem which developers have access to. **SW** stated that in order to transparently detail all aspects of the R3.1 implementation, for example, it would need several pages of tables to convey the message adequately. **CA** agreed, stating that it might be worth detailing when all the final functionality and product types are available. **GL** suggested that perhaps it might be easier to digest if there are ticks and crosses per bank detailing whether it is available in the market or not. **EC** stated that the transparency calendar covers this to an extent; it does not record each individual piece of functionality, but it does so at a standards level, then by brand. **EC** suggested that a Standards appendix that maps across all brands could be produced. **HP** commented that this is probably too low level detail for a Steering Group. **IG** suggested that as the transparency calendar has a lot of information, **GL** should meet with **EC** to determine what the gap is.

ACTION - IESG_2018_301_200 - Programme Update - CMA9 Release Summary - GL to meet with EC to determine what the gap is in the transparency calendar and how the Standards can be incorporated within this without going into low level detail.

Due Date – 14 June 2019

APPENDIX

- 1.17. **IG** suggested that this section should be walked through by exception – clarification points or questions on the funnel, or more broadly, on some of the social media analytics.
- 1.18. **IG** asked if the challenge process on the new MI is more complicated, to which **EC** informed IESG that the challenge process is working, however, the QA has generated rework. **EC** shared that the overall API calls rose from thirty eight million to circa forty nine million.

2.a VARIABLE RECURRING PAYMENTS (VRP) SANDBOX UPDATE

- 2.1. **IG** introduced the paper stating that it was scheduled to be a verbal update at the April IESG, but time constraints prevented the update. **HD** informed IESG that the FCA decision regarding cohort 5 of the sandbox (within which the VRP Sandbox was included) was published on 29 April 2019; after which the OBIE put out a press release.

- 2.2. In terms of process and timescales, **HD** explained that the FCA decision means that OBIE are now able to move into controlled testing around the VRP proposition – controlled sample sizes and in co-ordination with the FCA team. The process of testing in live with a limited sub set of participants (expected to grow) and limited and controlled volumes will take circa six months; this will be done in waves.
 - 2.2.1. The first wave has one ASPSP – Starling Bank, including a number of third parties with real use cases to test.
 - 2.2.2. The OBIE team will be working with Money Hub who will be testing a number of sweeping use case, avoiding unnecessary penalties and fees and supporting savings.
 - 2.2.3. Go cardless is also involved, including a number of use cases around subscriptions and bill payments.
 - 2.2.4. There are a number of PISPs who are playing an aggregator role who might bring in additional merchant use cases.
- 2.3. **HD** explained that additional ASPSPs are expected as there is appetite in the market and a demand from TPPs, the OBIE team will also be working with the FCA to review and manage the progress.
- 2.4. In terms of objectives, **HD** explained:
 - 2.4.1. The OBIE team are looking to prove a technical payments proposition – to create a proposition that adds value to the ecosystem and fills some of the gaps that are not adequately covered by some of the existing VRP methods in today's market.
 - 2.4.2. This also incorporates defining a hypothesis proposition to ensure that what is being put out into the market works for the end users, the banks and with TPPs leveraging this. Additionally, this is to ensure it has the right level of consumer protection with a supporting dispute management framework.
- 2.5. **IG** asked about next milestones and updates. **HD** advised that there are activities lined up between now and the next IESG in June.
 - 2.5.1. The first hypothesis – the main objective is for the first wave of participants to agree the 'rule book', which will be mutually signed to start off the proposition. This will be the first draft of the VRP – a simple technical spec but with framework around consumer protection as well. This will be completed within the next three weeks.
 - 2.5.2. Live testing - The next step will be live testing. There is mobilisation on the customer end, but the team are currently working with the TPPs to get that moving. This is likely to be in July.
- 2.6. **IG** suggested that an update should come to IESG when the framework for making this work is completed, including lessons learnt and observations.
- 2.7. **HP** asked about the possibility of an aspirational plan on a page to include a swim lane for the test environment and if this activity proves to be successful, there should be a tracker of what is deemed a reasonable time frame for the wider framework. **HD** agreed that this proposition is possible despite there being a number of dependencies on the outcomes and results of the sandbox. A broad consultation process is expected in parallel; however, an aspirational plan is possible. **IG** suggested a plan with scenarios and an 'intentions list'. **RR** requested an update by way of a WebEx session.
- 2.8. **FR** raised a concern around third party overdrafts and consumer representatives. **HD** responded by stating that there is a TPP who would like to participate, however, there is no overlap with the Starling client base. **GL** suggested that the outputs can be modelled with a different set of customer data. **HD** added that for the sandbox pilot, there will be a bilateral agreement between the bank and each of the TPPs because they will effectively be agreeing a framework by which they will not comply with in good faith during this test. Beyond the sandbox, if this proves to be an attractive proposition that is backed in the market, there may be a bigger framework built, however, the outcome should not be predicted. **EMD** added that it is prudent to consider all the elements relating to risks and the potential flaws that this exercise might bring as technology is faster than people; a risk assessment into the dynamics is recommended. **HD** agreed and **IG** added that the primary reason for using the sandbox is for protection as there were too many unknowns.

- 2.9. **IG** stated that the importance of the sweeping use case should not be overlooked. The comparison to be looked into (and represented back to the CMA) has to do with the structure of the product sweep that exists at the moment, which are: *customer present* and *single immediate payment* and whether these are sufficient to achieve the outcome the CMA are looking for in terms of sweeping. If they are not, VRP needs to be revisited. If it is decided to proceed with the App-to-App implementation of single immediate payments, then this will sit in the voluntary commercial space. **AL** commented that it is not the FCAs intention to test the commercial viability of the propositions, but it helps to develop the FCA policy, as this helps the industry. **AL** added that with regards to the point around offering the customer a service directly through the online interface, there is no analogy for these types of payments. **IG** stated that the FCA sandbox is an annual process and will take a considerable number of months before any of these milestones are hit.
- 2.10. **GL** asked about a discussion about the end to end PISP journey, looking at things like liability model, reverse payments, confirmation of payee, VRP – the full suite of things from customer journey through to customer or company risk. **GL** stated that he spoke to **TS** and decided to put a long list of things to work with the OBIE to develop a workshop divided into various points. VRP has a place in this discussion. **GL** added that this workshop is OBIE led but facilitated with FDATA. **IG** was supportive of the list, without an immediate commitment on how to tackle or solve problems. **AA** agreed that this is a good thing to do and with regards to the consumer framework, it will help to figure out what was anticipated by the CMA Order and PSD2 in terms of outcome. **IG** agreed and wanted to ensure that the working group being set up has the right level of consultation and participation from around the industry, including the CMA9 so that an exhaustive list is created.

***ACTION - IESG_2018_301_201 - VRP Sandbox Update - PISP Journey - HD to organise a session to walk through a more detailed update and discuss further engagement in the development of the VRP proposition.
Due Date – 14 June 2019***

***ACTION - IESG_2018_301_206 – PISP End to End Journey - HD to organise a walkthrough on the PISP end to end journey.
Due Date – 20 June 2019***

2.b TRUSTMARK UPDATE

- 2.11. **IG** informed IESG members of a meeting that took place on 04 June 2019 to consider the Trustmark proposition further. **EC** commented that with regards to the various views on scope, timings and impact on consumers, there is no progress so far due to a lack of consensus.
- 2.12. **SW** commented that the questionnaire posed questions that were black and white, which made it difficult to respond to and required consideration over a few weeks. **GL** agreed with this view and stated that the response from FDATA included an additional note to state that there were grey areas. **IG** stated this looks like there is appetite for it, however, only eight out of twenty possible responses have been received so far and urged IESG members to respond as a courtesy, even if the responses are seemingly unfavourable. **IG** concluded by stating that this cannot go ahead until there is a consensus and the team will now spend time taking stock of the current status.

2.c DISPUTE MANAGEMENT SYSTEM (DMS) OVERVIEW

- 2.13. **IG** introduced this paper for noting; stating that the context behind this paper is that some of the more near-term action of dealing with Resolver had not been reiterated sufficiently. **IG** invited **AA** to give highlights.
- 2.14. **AA** explained that the paper is trying to contextualise what DMS is, and what it is not. At the moment, this is unique to the market but does not solve for every future requirement, but it solves for better communication between actors in the ecosystem. **EC** added that as the workings of the ecosystem are being understood, other aspects need to be reviewed to ensure that they remain fit for purpose.

- 2.15. **MC** stated that the requirement of the Order is to have a customer redress mechanism. This exists technically, but wanted to understand the gap being solved for today vs. what this will provide, including the intended timeframe for migration to it. **IG** responded, stating that the technology in the market today is a non-automated workflow system. **MC** suggested that it is not manual, but a combination of tactical systems that work, albeit not as efficient as it could be in the future. **EC** added that having now seen a couple of examples going through, the ecosystem will struggle without the ability to pass information between parties in a secure manner.
- 2.16. **FR** asked if the manual process involves downloading a Word document online form. **EC** confirmed this. **MC** asked how much this is being used so far, what the forecast for uptake is and that perhaps, this should be about right sizing it for the right point. **FR** agreed, asking what level of trust needs to be built into the ecosystem as even if just one goes wrong, it takes a longer time to rebuild trust than it is to lose it. **CA** stated that this is not for the customer, but for the TPP and the bank. **IG** concluded, stating that the OBIE cannot make a representation to the CMA stating that a customer redress mechanism has been delivered for this ecosystem on the basis that it is Word documents as this does not stand up to scrutiny for a project of this nature. **MC** stated that a customer redress mechanism would consist of a framework of rules and policies through which these disputes would be handled effectively on behalf of the customer; the technical tool that sits beneath that is just one part.
- 2.17. **GL** commented that the customer redress mechanism, which is a requirement under the Order is broader than the Dispute Management System, on this basis, there is a need to re-engage people and get the risk scenarios understood. **IG** supported the idea of some intelligent thought going in, stating that the DMS needs to be fit for purpose.
- 2.18. **BR** commented that the conversations are repetitive of discussions from previous IESG meetings, adding that the DMS at the moment may not constitute all of the dispute redress mechanisms which IESG agreed was laid down in PSD2, adding however, that the DMS project needs to proceed. **BR** agreed that there may not be enough people using it at the moment, but did not think it should stop the process because it only takes one mistake without this in place for things to go wrong. **BR** stated that this is an obligation put on the Order and it has to be fulfilled.

2.d P14 AND P15

- 2.19. In terms of P14, **AA** commented that a key outcome of the previous evaluation was to have another look at a crucial question – why account comparison tools are not offered to current account customers (separating this evaluation into personal and business). This has kicked off and the paper includes an indicative time table for that.
- 2.20. With regards to P15 - consent dashboard, **AA** commented that when it was originally written, the language was not clear on certain aspects. **AA** commented that the indicative timetable of end of June recorded in the pack is ambitious and IESG members may be asked to grant an extension to this time.
- 2.21. **IG** asked about the reason for the delay on this, **AA** stated that the timing was overambitious, but also the process of consulting particularly on a potentially different type of standard will take a bit of time. **AA** added that there has been a lot of movement around access dashboards in the regulatory space and the EBA Guidelines, and the link to P2, including the extent to which that may or may not be required is being reviewed. **AA** commented that all of the above gives the topic a lot more complexity than when originally written. **IG** commented that there seems to be more complexity and variability around P15, while P14 is a clear requirement of the Order.
- 2.22. **BR** commented with regards to P14, that there are few use cases referenced in the market investigation report. **BR** added that it is perfectly plausible that as the UK system develops, then switching between banks may become less of an issue than anticipated at the time simply because people may be multi-banking more than they were back then, or using services on top of their base bank accounts provided by TPPs. **BR** commented that while this is fine, the reason why it is happening should be investigated. **AA** said that there would be a separate conversation with **BR** to ensure the CMA current thinking is captured.
- 2.23. **FR** commented that in terms of next steps, there are two actions that need to be looked into:

2.23.1. Understanding how to address onward sharing and onward provisioning as these are complex to work out in terms of options and impact on the dashboard. Onward provisioning is within the PSD2 perimeter and onward sharing is outside the PSD2 perimeter.

2.23.2. Codifying consent. What would that look like and how would that purpose be explored.

AA agreed with **FR**'s points, adding these actions are on the detailed plan. The codification of consent as well as onward provisioning, onward sharing, etc. are being discussed with the ICO as this might be out of scope.

2.24. **RR** asked why there is no engagement with Money Supermarket, to which **AA** stated that conversations are in progress. **RR** added that they are big brands with existing platforms and a lot of experience in this field.

2.25. **IG** concluded by stating that there is appetite to understand how the emerging thinking is coming together as various participants are talked to, and on that basis, encouraged **AA** as part of the plan to have an open workshop with the right participants to get input from around this group and broader.

ACTION - IESG_2018_301_202 - P14 and P15 - AA to organise an open workshop with relevant participants to get input from different perspectives. The aim of the workshop will be to discuss emerging hypothesis.

Due Date – 14 June 2019

2.e GLOBAL OPEN FINANCE CENTRE OF EXCELLENCE (GOFCoE) UPDATE

2.26. **IG** introduced this update, explaining that **GL** had a meeting with the CMA9 to discuss how the initiative at the University of Edinburgh could be of benefit. **GL** stated that it was a good meeting strengthened by the input of the CMA9 as it ensured that there was a better grasp of the 'how'.

2.27. **GL** explained that the stages in the roadmap unlocked various stages of value as perceived and actual risks were discussed with the starting position being that there is a capability in the GOFCoE with the ability for fintechs and banks to train and test their algorithms. **GL** stated that the other pillars – the economic model, the role of ethics, trapping discrimination and creating a library of best practice, APIs and security profiles for the market are not in the first layer, however, the P14, VRP, overall OUC2 capability could be reasonably put together with a data set to enable firms to model and test.

2.28. In terms of feedback from the meeting, **GL** stated that there is a requirement to explore potential benefits to the CMA9 as institutions in the long run, including what the data governance would look like, adding that there were further discussions about potentially repurposing the data for things like mental health, debt, regulatory, governmental economic research with the right rules in place. **GL** also mentioned that a balance would need to be found if the data was opened up to large banks or big techs that were not contributing - this would be restricted.

2.29. **GL** moved on to discuss next steps:

2.1.1. to organise workshops to look at types of data,

2.1.2. to consider whether anonymisation or pseudonymisation approach would work best,

2.1.3. to consider whether, in the second stage, there might be an ability to start linking identifiable facets across banks to enable fraud detection and tracking to take place,

2.1.4. to consider the overall governance of the organisation,

2.1.5. to reach clarity on the roadmap; and

2.1.6. to consider what is required in the short term to get OUC2 to function.

In terms of the workshops, **GL** confirmed that he would be co-ordinating in conjunction with the OBIE - **MCh**.

2.30. **IG** opened the floor to questions. **AL** asked about clarity on a point in the pack about the processing of the data. **GL** confirmed that the data could be used for scientific purposes. There were three models looked at.

2.1.7. The data comes out in raw form and then refined before presenting it

2.1.8. The top level data science capability is used to ensure the redaction of the process is applied consistently.

2.1.9. The banks do all their redaction processes and send the data over (there would be concerns over consistency with this option).

GL added that of the four delivery pillars, two are for scientific research:

2.6.4 The global economic model; and

2.6.5 The assessment of ethics and discrimination issues.

GL stated that collaboration had begun with the Centre for Innovation and Ethics and the FCA, the idea being that institutions such as the fintechs or large banks can enter into this without feeling like they are at risk.

2.31. **IG** asked about timescales, to which **GL** stated that the capabilities exist, but the challenge is with the legal and privacy work and not the equipment and scientific capability. **GL** added that in terms of funding, some of the CMA9 have indicated that they would be interested in putting in capital, there is also a government grant and some philanthropic contributions. **GL** stated that the capacity to support OUC2 depends on data governance, purpose, duration of availability and making sure that at a granular level, the right quality of data would have to be obtained. **GL** concluded by stating that encouragement from CMA9 and non-CMA9 was essential to the success of this initiative.

3.a AOB – UPDATE ON EUROPE

3.1 **IG** requested an update from **HP** as the paper was prepared jointly with **CM**.

3.2 **HP** stated that the general feedback from outside the UK is that Fintechs in the EBA WG are finding the APIs that have been made available in production by other firms are of poor quality, unstable and inconsistent.

3.2 **HP** added that TPPs in particular are predicting difficulties in September as the alternative to screen scraping in its current form has not been proven.

3.3 In terms of test facilities, **HP** commented that the feedback was not great and that there are functional requirements from the TPP that are required to make them useful.

3.4 **HP** stated also that as more firms are beginning to work through the implications of SCA (Article 10), more questions are being asked because PSD2 is ahead of its time and a recurring theme is that there are a number of interpretations leading to unintended consequences, for example, one factor authentication journey to access online banking service by HSBC vs. two factor authentication tokens which customers do not like is restricted to limited value by the Article 10 interpretation. The constraints of this nature were taken away as an action.

3.5 **IG** stated that the determination being sought is what changes might occur in Europe that could effect a change in the UK. **SW** stated that he does not think any banks can plan to achieve compliance by September as there is no capacity or capability to change anything. **HP** stated that this aligns with conversations at the EBA WG. **IG** commented that the thinking goes beyond 14 September 2019. **GL** gave a summary update on a presentation he delivered to the Eric Ducoyombier, Head of Retail Financial Services at the European Commission 23 April 2019 outlining material consumer and small business detriment that will ensue from issues in the RTS and its timetable. This generated various comments, and **IG** suggested that the outcome from **GL**'s upcoming meetings would be interesting to note, and in the meantime, he would share the paper with IESG members.

3.6 **IG** tied the discussions into **FR**'s point at the beginning of the meeting around understanding what the crossover would look like. **IG** suggested that there should be an action in IESG to do something similar or defer to the FCA for a steer as there is little effect the IESG can have at this point. **AL** stated that if the ask is some kind of forbearance, there needs to be a case made by the industry to facilitate this.

3.7 In wrapping the conversations up, **IG** stated that the question is whether the OBIE need to play a role in either gathering evidence, or in proposing potential solutions. **FR** added that she is interested in the impact for consumer as the risk to the consumer should be the priority. **AL** stated that this is a unique situation because normally a firm would approach the FCA to ask for forbearance or waivers when they could not comply with a rule, whereas the

problem here is when the firms are complying with the rules creating an impact to other firms. In **AL**'s view, the FCA would not be able to dictate who the solution should come from – the OBIE, UK Finance or a regulatory body.

- 3.8 **FR** stated that OBIE needs to action this because UK Finance is looking at cards and needs evidence, therefore it would be helpful for Open Banking to do something. **MCH** stated that OBIE presents a unique coalition of stakeholders, including consumers and the problem is that the combined impact of firms doing things that impact other firms has an onward impact on end users, whether they are individuals or small businesses. **BR** addressed **IG**'s specific question around what the OBIE need to do by first asking whether there is anything the CMA need to do, and whether there are obligations placed on the ecosystem by way of the Order that could compound the problem if they remain in place. If this is the case, the Order would then need to be amended. **IG** asked whether **BR** (from a CMA point of view) would be supportive if the OBIE did some evidence gathering which would overlap with **GL**'s work, but more specific to the Order in the UK. **BR** agreed on the basis that the CMA would not want to give green signals to a train that is going to crash. **CA** added that the answer would be to effect a delay as an industry in order to enable TPPs to migrate from screen scraping to the final good version of the APIs. **CA** also stated that she would be happy to write a paper on what the timelines look like, and what it would do from an FCA or consumer perspective. **IG** stated that there are two elements to this:

3.8.1 What do the OBIE need to do; and

3.8.2 How big a problem is this, and what evidence is required from a TPP and consumer point of view.

IG invited closing comments on OBIE performing an evidence gathering exercise without crossing boundaries with UK Finance or FDATA.

- 3.9 **HP** commented that OBIE was instituted to put in place and trigger an API ecosystem, but are not arguing for a delay, therefore the presentation of this should be thought through carefully and might be better coming from UK Finance. **AL** added that given the last two or three go-lives and with lessons learnt on board, having another one day where everything switches on and off raises similar concerns.

- 3.10 **IG** concluded as follows:

3.10.1 OBIE to have a conversation with UK Finance and circulate **GL**'s paper on unintended consequences of PSD2 RTS to IESG members; and

3.10.2 OBIE to conduct evidence based thinking around the CMA Order as the mandate for doing this comes from the order.

IG added that it is sensible to do some evidence gathering on technology that has taken up money and effort - developing and pushing, even if that means effecting a delay.

ACTION - IESG_2018_301_203 - Screen Scraping - AA / EC to conduct an evidence gathering exercise on unintended consequences of hard PSD2 deadlines.

Due date – 20 June 2019

ACTION - IESG_2018_301_204 - Screen Scraping - SC to share GL's paper on the unintended consequences of PSD2 to IESG members

Due Date – 31 May 2019

- 3.b **AOB – UPDATE ON P2, P8, P9**
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- 3.11 **IG** advised that an offline update would be provided by **AA**. **CA** stated that within Barclays there is confusion over what is mandatory and what is not, therefore, clarification would be helpful and requested a session on this. **IG** agreed to this. This would be a conference call open to anyone from IESG only.

ACTION – IESG_2018_301_205 – P2, P8, P9 - AA/SC to organise conference call for IESG members for an update. This will be rolled into the June IESG.

Due Date – 14 June 2019

- 3.c **AOB – FCA INPUT ON eIDAS**
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- 3.12 **IG** asked for contributions on eIDAS from the FCA. **AL** stated that there have been a few bilateral discussions with firms about different options – the use of the eIDAS vs. OBIE certificate, for example. **AL** stated that the view has been clarified bilaterally to a number of firms, which has in turn, generated questions. **AL** added that there is a concern around individual banks not being able to accept that eIDAS certificate directly when a TPP shows up. **MC** stated that the timeframe and pressure in which to accept the eIDAS certificate directly is significant. **MC** added that the reverse engineering that was scheduled to happen this year is significant in light of the guidance.
- 3.13 **IG** commented by stating that the OBIE try to be pragmatic by accepting the different positions that all the banks are in, and this issue will be co-ordinated in the bilaterals.
- 3.14 **IG** thanked everyone in the room and on the phone and closed the meeting.