

Meeting Minutes

Meeting details

Meeting date: 25 February 2021

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
Anoushka Thompson	AT	OBIE – Head of Monitoring	Yes
Bill Roberts	BR	Competition and Markets Authority (CMA)	Yes
Caroline Ambrose	CA	Barclays Bank	Yes
Chris Michael	CM	OBIE – Head of Technology	Yes
Daniel Ehreich	DE	Bank of Ireland	Yes
Ed Colley	EC	OBIE – Programme Director	Yes

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Emma Lovell	EL	Learning Standards Board	Yes
Faith Reynolds	FR	Independent Consumer Representative	Yes
Gary Sheen	GS	Tesco Bank	Yes
Gavin Littlejohn	GL	Fintech Representative	Yes
Ghela Boskovich	GB	Fintech Representative	Yes
Helene Oger-Zaher	HOZ	Financial Conduct Authority	Yes
Hetal Popat	HP	HSBC	Yes
Hilary Plattern	HPL	PSR	Yes
Ian Major	IM	TPP Representative	Yes
Imran Gulamhuseinwala	IG	OBIE – Trustee/Chair	Yes
Jesper Akesson	JA	Guest	Yes
John Gathergood	JG	Guest	Yes
Mark Chidley	MCH	Independent SME Representative	Yes
Matt Cox	MC	Nationwide	Yes
Nicola Patricia McCleery	NPM	Danske Bank	Yes
Phillip Mind	PM	UK Finance	Yes
Richard Koch	RK	OBIE (Guest)	Yes
Richard Mould	RM	OBIE (Guest)	Yes
Richard Newman	RN	OBIE – Chief of Staff	Yes

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Robert White	RW	Santander	Yes
Roy Hutton	RH	Allied Irish Bank	Yes
Sally Chiwuzie	SC	OBIE IESG Secretariat	Yes
Thaer Sabri	TS	Electronic Money Association	Yes

Apologies

Name	Role	Delegate	
Carly Nimmo	CN	HMT	N/A
Daniel Globerson	DG	NatWest Group	Stephen Wright (SW)
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.
- 1.2. **IG** asked to swap agenda item 2.d (*CRM / CoP Deep Dive*) to bring forward to accommodate external guests. **IG** introduced a new addition to IESG, Fiona Hamilton, who will join at the next IESG meeting in March 2021 as the Head of Standards.
- 1.3. **IG** informed IESG members that there was a problem with the recording last month, hence minutes were circulated earlier than usual to give everyone an opportunity to feedback any amends. **IG** advised that in future, the meetings will be double recorded to avoid this happening and appreciated IESG members' understanding. **IG** added that feedback was received by **FR** on the minutes, and revisions have been incorporated. On this basis, **IG** approved the minutes for the January IESG.

APPROVAL – IESG_APR_LOG_092 – January IESG Minutes - IG approved the minutes from the January IESG.

- 1.4. **IG** referred IESG members to the open actions on slide 15.
- 1.5. With regard to action #478 (*KPI Dashboards – The various ways of measuring API availability to be discussed internally within OBIE, taken to PMG and brought back to IESG in January 2021*), **IG** advised that this is in the pack for discussion and on that basis, closure is agreed.
- 1.6. With regard to action #479 (*A2(c)(ii) Timely-Provision/High-Frequency MI Requirements for ASPSPs – A cost impact analysis to be prepared by the CMA9 detailing the complications of the architecture and resources required. An agenda item detailing a cost impact of the as-is state MI to be added to the December bilaterals. This should be brought back to IESG in December 2020 or January 2021.*), **IG** advised that this has been superseded by #483 and therefore can be closed.
- 1.7. **IG** advised that #583 subsumes the action on high frequency MI, the evaluation is ongoing and will be brought to the March IESG.
- 1.8. With regard to action #484 (*ASPSP MI Specification - CM to clarify the template specification and revert.*), **IG** advised that communications have been sent out as required and it can therefore be closed.
- 1.9. **IG** advised that action #485 (*ASPSP MI Specification – CM to confirm IESG approvals with regard to the enhanced solution design*) was a request for a letter confirming what previous actions were approved and this went out early February. On this basis, **IG** agreed closure.

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ACTIONS

Action Number	Date Raised	Owner	Description	Notes	Target Date	Status	Date Closed
IESG_2020_301_478	25/11/2020	EC	KPI Dashboards – The various ways of measuring API availability to be discussed internally within OBIE, taken to PMG and brought back to IESG in January 2021.	<p>Update 25/02 – Closure agreed.</p> <p>Update 17/02 - This is included in the pack as agenda item 2.a. Propose to close.</p> <p>Update 19/01 - An internal document has been drafted and will be shared with PMG and TDA, after which it will be brought to IESG in Feb 2021. Carry forward.</p> <p>Update 09/12 - carry forward to the January IESG.</p>	24/02/2021	Closed	25/02/2021
IESG_2020_301_479	25/11/2020	EC / DF	A2(c)(ii) Timely-Provision/High-Frequency MI Requirements for ASPSPs – A cost impact analysis to be prepared by the CMA9 detailing the complications of the architecture and resources required. An agenda item detailing a cost impact of the as-is state MI to be added to the December bilaterals. This should be brought back to IESG in December 2020 or January 2021.	<p>Update 25/02 – Closure agreed.</p> <p>Update 10/02 - See action #483 below. Propose to close.</p> <p>Update 19/01 – Impact Assessments have been completed by the CMA9 and on this basis, and further feedback, IG has written to the CMA9 to confirm requirements. OBIE is progressing with the evaluation of a range of options to be brought to IESG in March 2021</p> <p>Update 14/12 - Carry forward to January IESG.</p>	25/03/2021	Closed	25/02/2021

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				Update 11/12 - OBIE expecting further information during the bilaterals. Verbal update to be provided at IESG. Propose to close.			
IESG_2020_301_483	27/01/2021	CM	A2(c)(ii) Timely-Provision/High-Frequency MI Requirements for ASPSPs - CM to clarify the scope of high frequency MI.	Update 10/02 – Based on the IA from action #479 and further feedback, IG has written to the CMA9 to confirm the requirements. OBIE is now progressing with the evaluation of a range of options to be brought to IESG in March 2021. Carry forward.	25/03/2021	Open	
IESG_2020_301_484	27/01/2021	CM	ASPSP MI Specification - CM to clarify the template specification and revert.	Update 25/02 – Closure agreed. Update 12/02 – The final version of the MI specs (including the template) has been published and comms sent out to all stakeholders. Propose to close.	25/02/2021	Closed	25/02/2021
IESG_2020_301_485	27/01/2021	CM	ASPSP MI Specification – CM to confirm IESG approvals with regard to the enhanced solution design.	Update 25/02 – Closure agreed. Update 05/02 – This was confirmed in the letter from IG to CMA9 on 05/02. Propose to close.	25/02/2021	Closed	25/02/2021

1.c PROGRAMME UPDATE

1.c.i OBIE STATUS REPORT

- 1.10. **IG** moved IESG members on to the programme update on slide 17 and handed this over to **EC**.
- 1.11. **EC** asked IESG members to note a slight change to the current and forecast dates for some workstreams. **EC** stated that the CEF and the actual report will be issued in the near future, hence the forecast is green.
- 1.12. **EC** stated that the Standards has slipped to red. **EC** wanted to make a point that there are things that are beyond the OBIEs direct control which influence this – work on P15 is dependent on the FCA consultation conclusion. In terms of the slippage around the CRM / CoP, **EC** stated that these are heavily influenced by external factors – LSB, Pay.UK and the PSR. **EC** stated that progress is being made on those aspects and indeed on the customer protection working group influences the timing around the final report and recommendations out of sweeping. **EC** was pleased to announce that all the impact assessments have been received from the CMA9 and other recommendations will be ready going forward.
- 1.13. **EC** paused for questions.
- 1.14. **IG** stated that for a decent period of time, the status update has been green and amber; and whilst it has gone red in some situations (external factors and dependencies and some internal), **IG** has asked for a best estimate of where the Roadmap items are as there is a sense from the RAG status but not a full forecast. **IG** stated that he would like to share this with IESG once the team has had a chance to refine that.

***ACTION - IESG_2020_301_486 - OBIE Status Report - The trustee has requested that EC should produce an up to date / latest view against the current plan on a page. This will then be shared with IESG members.
Due Date – 25 March 2021.***

- 1.15. **SW** requested an update on a change request that was raised by NatWest; this is pertaining to an API feed for contact information at the directory. **SW** explained that NatWest has struggled with participant contacts in the ecosystem, adding that it has not appeared at TDA just yet.
- 1.16. **EC** stated that the change request will go through the PMG process and will not be applicable to TDA yet, the CMA9 would need to opine on that Change Request and whether they support it. **EC** stated that there will be technical and GDPR work to do on this. **EC** added that the process for the Change Request will run its course as normally does through PMG and this would then be factored into the plan should all the CMA9 support it.
- 1.17. **SW** explained that this is a prerequisite for a successful and functioning ecosystem. **IG** stated that the process is laid out and asked **EC** for assurance that it will be dealt with. **EC** said may not be decided at the next PMG but will be discussed and decided upon at the following one.

***ACTION – IESG_2020_301_487 - EC to check the status of the change request pertaining to an API feed for contact information put in by NatWest Groups and update SW.
Due Date – 25 March 2021.***

- 1.18. **MCH** stated specifically in relation to the OBIE status update that he has been thinking about the definition of implementation and plainly, one component of implementation is completion of all the items on the Roadmap. **MCH** was conscious that there appears to be a lot of intense activity in preparation for 31 March 2021 and wanted to ensure that there is an appropriate linkage between an implementation by route and an implementation to bring about the efficacy of open banking as contained in the CMA Order. **MCH** wanted to note that the team are here to bring about the implementation of an Order which is looking to bring about a particular set of outcomes, not just an exercise in doing certain things; **MCH** worried about a disconnect which leads to the uncertainty of the transition of the OBIE. **IG** thought this was a fair point, stating hence needing the latest estimate of the items and when these will be delivered.

1.19. **MC** thought it was understandable why some of these elements have gone red and there is congestion. **MC** wondered if there is a need to prioritise the phases in a collaborative way as Nationwide has similar concerns about what the next few months look like. **IG** thought this approach sensible, stating that there is an element of everyone scrambling to meet deadlines which will not make for quality delivery and the first stage is to get a good understanding of current status. **IG** stated that at that point there will be a reflection and way forward will be determined.

1.c.ii CMA9 IMPLEMENTATION UPDATE

1.20. **IG** moved IESG members on to the implementation summary on slide 18, the CMA9 implementation update.

1.21. **EC** did not have a lot to report. The key things to draw out – 3.1.7 plans are beginning to come in, these are not complete yet, but the organisations that have not are well on track to firm those up. **EC** stated that the long standing on RJID with Barclays has gone green with a completion date in April.

1.22. **AT** explained that the OBIE continue to work closely with the firm who are carrying out wider communications at the moment. **CA** was invited to comment but had nothing else to add.

1.c.iii CMA9 CERTIFICATION UPDATE

1.23. **IG** moved on to the conformance dashboard on slide 19 and invited **AT** to give an update.

1.24. **IG** stated that over the course of February and March, there's a chance that other firms are going to go from green to blue.

1.25. **AT** was pleased to see continuing progress with the CMA 9 on certification, for example LBG are on track for delivering the additional payment types for refund functionality which will allow conformance to the latest spec 3.1.6. FAPI deployment is also now live and they are continuing their work with TPPs to ensure they are moved across to FAPI compliant APIs.

1.26. **AT** explained that for NatWest, as of this week (w/c 22 March), they have delivered their uplift to 3.1.6. and looking forward to verifying their results in due course.

1.27. With regard to HSBC, **AT** explained that they have moved from green to blue for HSBC business CEG, as evidence has been provided and reviewed.

1.28. **AT** stated that Nationwide's FAPI forbearance request has been agreed for the end of May (from the end of March) to allow in better support for the TPPs.

1.29. **AT** was expecting the remainder over the coming weeks.

1.30. **GL** expressed curiosity about the LBG research on customer experience.

1.31. **AT** referred to a meeting the next day (26 March 2021) and was happy to pick up with **GL** then. For transparency, **IG** stated that LBG is undertaking some research on PISP flows to see if there are mechanics that improve customer satisfaction and efficiency / conversion, and this is being worked through with the OBIE sitting to review. Depending on the outcome, **IG** stated that this would be shared with the wider environment.

1.32. **GL** asked if the research finds improved methods, whether this would be added to the guidelines. **IG** explained that if the research shows that there is a better outcome possible, then it may well be that it is a requirement to do further research as at the moment it is relatively high level.

1.33. **GL** asked whether in the interim they will comply with the current guidelines. **IG** stated that they will adhere to most of the current guidelines. **RR** offered to take this offline. **FR** stated that this is a request that has been made

some time ago and would like to open up the issue for further debate. **FR** had asked for this for a few years as a consumer representative.

- 1.34. **IG** stated that this is the PISP transaction discussion – seeing their balance before executing the PISP transaction. **IG** explained that the team is trying to ensure that there is a good evidence base and an empirical assessment that is undertaken which LBG have sought to do in the first stage. **IG** stated that the outcome of that will determine if this warrants further discussion, and if so, then there is a basis for discussing it and basis for a CR. **IG** apologised if this is coming across as cryptic, it is just that there is a period of time for the research with LBG is undertaking by themselves.
- 1.35. **GL** stated that there is no requirement for an ASPSP to provide this data for PISP, but they do for AISP. **IG** explained that at the moment, the regulations and CEG do not allow customer balance to be shown in the process of the PISP transaction.
- 1.36. **CM** there are two points – what the PISP is allowed to have access to and whether or not displaying a screen with balance is considered an obstacle to PSD2 on RTS. **CM** added that the outcome of the research will be useful, but the FCA would need to be aligned.
- 1.37. **FR** has written a paper on this which she will ask **SC** to circulate. **FR** was not completely convinced that parity is clear. **FR** stated that this has been raised as a risk escalated to IESG - digital payments are not being adopted by people because they want more control. **FR** stated that this is a real opportunity for Open Banking to offer something unique to the payer and think that balance in a merchant journey would be useful.
- 1.38. **IG** there are valid perspectives on all sides of the arguments and regulatory frameworks and restrictions that need to be worked within. Combining with **MCs** comments, **IG** stated that there is so much change and there is a collective need to be efficient as to how these knotty problems are addressed. **IG** added that LBGs research is independent and most welcome; **IG** did not want to have half a debate because no bandwidth to deal with that at the moment and there is no need for debate driven by opinions, instead empirical or analytical backdrop. On that basis, **IG** was happy for IESG members to discuss amongst each other but not to address as a topic.

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

- 1.39. **IG** moved on to slide 20
- 1.40. **AT** explained the main callout is Marks and Spencer PIS response times which has now been closed post the three-month monitoring period as these have been within tolerance.
- 1.41. **AT** stated that there are more items in blue where actions have been completed and are now entering a period of monitoring for 3 months – none of these have moved since Jan - meeting with no other new actions having been completed. However, the remaining actions remain on track to be delivered over the coming months.
- 1.42. **AT** stated that the clock has been reset the clock for AIB, Nationwide and HSBC.
- 1.43. **IG** was pleased with progress.

1.c.v KPI DASHBOARD

- 1.44. **IG** moved the agenda on to the KPI dashboard on slide 21, inviting **EC** to comment.
- 1.45. In terms of availability, average response times and the ratio of successful API calls, **EC** asked IESG members to note a minor deterioration which relates to coming out of the protection period.

- 1.46. **EC** stated that although there has been growth, a number of high volume TPPs are beginning to optimise their journeys with the ratio and nature of API calls and so these will naturally be optimised over time which will be seeing in February and March results. **EC** stated that this is good for the CMA9 and also for the TPPs.
- 1.47. **MC** stated that optimisation has significant and positive implications for a bunch of scaling activity which needs to be done across infrastructure. **MC** asked if there is any aggregate opportunity that can be fed into those plans. For example, if there was a 10% efficiency gain across the TPPs in reducing number of calls, flattening of peaks, etc that would have a significant impact. **EC** thought this was nuanced to individual TPPs and there are no guidelines that is uniform to all. **EC** was happy to share thoughts through PMG or bring back to IESG as a paper. **IG** thought this was a sensible suggestion and worth thinking about.
- 1.48. **EC** stated that there are a number of TPP propositions which are going to drive growth in the short – medium term which will create proof points for the use of payments and there are a number of TPPs with similar propositions. From a forecast point of view, **EC** compared this to a hockey stick moment and in the context of 3 – 5 years, there will be significant growth and this year will be seen as a baseline.
- 1.49. **IG** asked **EC** how this request would be shared with IESG and potentially putting it through the dashboards – reporting payments growth. **EC** suggested that this is taken through PMG with the CMA9 and bring back as a proposal to IESG.

ACTION – IESG_2020_301_488 EC to think about how payment growth can be reported (potentially through the reporting dashboards). This will be taken through PMG, discussed with the CMA9 and brought back as a proposal to IESG.

Due Date – 25 March 2021.

2.a Availability measure and reporting in KPI Dashboard

- 2.1. **IG** turned to 2.a on slide 22 stating that the topic of availability and definition has gone back and forth for a while, the strict definition on the MI has been fixed but the topic has been discussed and it is an opportunity to bring this to IESG. **IG** stated that it has been discussed at TDA and there have been discussions on whether it should go to PMG.
- 2.2. **CM** stated that the way availability has been calculated has remained static. Information from the CMA9 has been obtained on a monthly basis. This aligns to how firms are expected to report in terms of the RTS PSD2. **CM** stated that a change request has been received from HSBC based on low usage endpoint. **CM** added that an analysis has been ongoing since September 2020 and there was one month where figures were skewed, however, there is little difference in the stats.
- 2.3. **CM** stated that a couple of options were tabled based on the volume of APIs per endpoint – normal vs weighted and the preference from the TDA upon a vote was to keep the existing calculations as they are – if there are specific outline endpoints that have a low availability, this might bring it down.
- 2.4. **CM** stated that the recommendation is to keep the way availability is measured as is and then keep a watching brief and in the event of an unfair measurement, it can be brought back for review.
- 2.5. **IG** stated that the team have quantified, and it is in the spirit of trying to prioritise and address the relevant things, the conclusion is to leave as is but continue to monitor.
- 2.6. **IG** stated that this has not been tabled as a decision to be made but was keen to hear from participants. **IG** did not think the OBIEs position was contentious.
- 2.7. **SW** wanted to explore the weighted average a little bit more offline. **SW** stated that customers do not use corporate banking services at the weekend. This impacts availability figures when one looks at the weighted

average (planned and non-planned). **CM** asked if **SW** currently reports stats on availability by endpoints, separating corporate vs non corporate. **CM** thought this would give a clearer picture.

- 2.8. **MC** wanted to start with the definition of weighted average as it creates a bigger difference than the data showed. **MC** stated that the PSD2 definition is more in line with the weighted average which needs to be revisited. **MC** emphasised the need for one version before further discussions around this continue. **MC** stated that it should be one definition that everyone recognises and signs up to.
- 2.9. **CM** stated that the request from OBIE is on a per endpoint basis. **MC** stated that the CMA9 are reporting two periods of availability and there should be one measure of availability. **IG** stated that there is not one unique measure of availability. **MC** stated that it is more aligned to weighted average and this is specifically because PSD2 requires a measurement of parity and this is the closest way. **MC** wanted a single metrics of availability and wanted to understand the FCAs opinion on this, adding that the Roadmap calls for consistency.
- 2.10. **RR** did not think it is helpful to report different things to different agencies. **RR** stated that availability is being recorded regarded which gives a false sense of parity and noting unavailability when it is planned unavailability is not a fair representation.
- 2.11. **HP** stated that the Roadmap item requires a consistent availability measurement.
- 2.12. **GL** had sympathy for the ASPSP views shared here and was keen to see either a levelling up or levelling down. **GL** was not sure of the right answer is for where the two benchmarks from PSD2 an Open Banking are in terms of reporting, but having inconsistency is not ideal.
- 2.13. **IG** stated that in an ideal world, there would be consistency, but the concern is that metrics does not allow for consistency on measuring availability. **IG** stated that there might be a public version of what availability means. **IG** thought that there might be a case for highlighting high volume endpoints that are crucial to customer journeys even though they are not high-volume endpoints. While this is not published on the website, **IG** thought this could become something that the OBIE requests from the CMA9 on an ongoing basis.
- 2.14. **GL** suggested that the FCA need to be consulted on this, preferably with a unified view from other stakeholders. **GL** added that creating one set of metrics for any entity goes up because of having to add multiple and complex entities is more expensive. If there was a way to get this sorted out to the benefit of all parties.
- 2.15. **IG** was clear that this needs to be brought back to IESG.
- 2.16. **IG** asked **CM** to include an FCA view of availability when bringing the paper back.

***ACTION – IESG_2020_301_489 - Availability measure and reporting in KPI Dashboard – CM to investigate the discrepancy between measurement according to the FCA as opposed to the OBIE.
Due Date – 25 March 2021***

2.b Customer Evaluation Framework Report & Forward Plan

- 2.17. **IG** introduced slide 35 describing it as a light update.
- 2.18. **AA** explained that an expert advisory group meeting was held in order to put the draft CEF report together and it has now been finalised. **AA** stated that the big question is for IESG to approve the next steps. **AA** stated that the first phase has limited information, whereas the next will include some awareness research.
- 2.19. **MCH** wanted to remind everyone of the importance of this as a Roadmap item. **MCH** was happy to see a time plan. **MCH** stated that it needs to ensure that the things that go to the efficacy of the remedy do not drop off and to ensure that this delivers better outcomes.

- 2.20. **BR** noted that the point is noted and precisely what the CMA would be aiming to pick up in the consultation.
- 2.21. **IG** there is a pack to be distributed to IESG members in the next week or two as opposed to waiting for the next IESG.

2.c **A7 RCA on Consent Success – plan to end of Roadmap item**

- 2.22. **AA** introduced slide 37 – A7 Root Cause Analysis.
- 2.23. **AA** did not have much on this, stating that the draft report came to the last IESG and is being finalised with the aim of distributing this by the end of the week. **AA** stated that whilst the timetable says that this Roadmap item will complete at the end of this month, not all the actions will.
- 2.24. **IG** confirmed that this plan should be published on Friday. **IG** asked people to get recommendations back in accordance with the time set out.

2.d **A2(d) - Open Banking Standards Relating to Confirmation of Payee (CoP) and the Contingent Reimbursement Model Code (CRM)**

- 2.25. **AA** introduced the Open Banking Standards relating to CoP and CRM on slide 38, stating that this is an item to understand the position of Open Banking PISPs in relation to CoP and CRM. **AA** stated that the difference between this Roadmap and others (as discussed in EAG) is that it may result in a change to the Standards or recommendations to LSB. **AA** stated that this is in consultation at the moment.
- 2.26. **RK** took over, stating that the consultation is ongoing and due to close on 01 March at 5pm, there is an online survey available to get feedback. **RK** advised that collation of feedback is in progress; the intention is to come back to IESG in March with some observations, conclusions and draft recommendations – these will comprise of recommendations to Pay.UK and LSB) and proposals to develop draft standards to support the implementation of CoP and CRM.
- 2.27. **RK** stated that the full recommendations will be presented to IESG in April with an informed view of what the standards should look like. This will be subject to further consultation processes.
- 2.28. **AA** opened the floor to questions.
- 2.29. **HP** asked how user experience and what is best for user flow for CoP and liability framework discussions.
- 2.30. **AA** stated that this is one question that the EAG is discussing. Possible customer journeys were put to EAG and some would require liability acceptance which might involve rules. **AA** stated that it is not yet clear the extent to which this may be necessary. **AA** added that there are different user cases and journeys around CoP – if the payee is known to the PISP, it may be that the immutable payee details reduces the likelihood of a mismatch in CoP because the merchant facing PISP knows the details so there should be a match. **AA** agreed that there are idiosyncrasies, but if this is accepted, then the demand for a PISP will be involved which will reduce liability and so the EAG is trying to explore this. **HP** stated that the hypothesis is that this is necessary, adding that there is a need to be agile and addressing the risks. **RK** stated that in terms of resolving some of these issues, there is an emerging thought that the sharing of data between the PISP and AISP poses a risk. In terms of CoP, **RK** stated that the onboarding and validation of the payee acts as an alternative to CoP. **RK** stated that some of these are covered in the research that has been done.
- 2.31. **IG** asked **RK** to introduce the guests. **Jesper Akesson, John Gathergood** and **Emma Lovell** of the LSB also joined.

- 2.32. **Jesper Akesson (JA)** presented – ‘Using behavioural insights and experimentation to prevent APP Fraud’. **JA** explained that a more detailed deck was shared previously on findings and messages used for this experiment. **JA** stated that two experiments were conducted on reducing the prevalence of App fraud – the first focussed on how changes can be made to mobile banking journeys to reduce App fraud without causing side effects, while the second focussed on how to use CoP/CRM warnings. Both experiments were designed in similar ways using an online survey with hypothetical scenarios. Some scenarios were fraudulent and others not and experimenters were sent to an app to try to cancel the payments with incentives comparable to real life scenario using money rewards.
- 2.33. **JA** shared detailed results of the experiments. *(Note – an analysis of the results can be found in the deck. Please reach out to SC to obtain a copy).*
- 2.34. **IG** thanked **JA** for the presentation. **IG** thought the analysis was rigorous, comprehensive and appreciated the academic effort that went into this work. **IG** stated that the wider document has not been shared with IESG and asked people to approach **RK** and **AA** for that directly. **IG** thought that this would provide food for thought for questions.
- 2.35. **RK** invited **John Gathergood (JG)** to give a perspective on how this fit in with other similar pieces of work that he has conducted. For the attendees on the call, **IG** asked if they could put their questions forward.
- 2.36. **JG** thought it was interesting to see innovative work in this space as the standard scenario in the market takes time to achieve optimisation. **JG** stated that this shows the power of using behaviours for this activity.
- 2.37. **GL** enjoyed the presentation and wondered who the presentation had been made available to vis a vis other partners – LSB, Pay.UK or just Open Banking. **GL** wondered if this evidence had been relayed to a wider cohort. **RK** worked closely with the Pay.UK and it is particularly relevant to the LSB (**Emma Lovells (EL)** team). **RK** stated that an extended piece of analysis conducted jointly will be circulated in due course.
- 2.38. **TS** stated that this is lovely piece of work and intuitive. **TS** wanted to understand the limitations of the process and to repeat the general point – a wider policy issue. **TS** stated that on limitations, it assumes that the person has some doubt about the transaction. In terms of **TS**’s question on inherent limitations, **JA** explained that there will be different types of people upon exposure to fraudulent behaviours. **JA** stated that some are convinced sufficiently to go through with a fraudulent transaction but with a small prompt, might change their minds so whilst it cannot be completely stop, it might eliminate some of it. **RK** stated that the experts described that the fraudsters use behavioural processes to put people under pressure and so the calls to actions was not to cancel the payment but to save the payment details. The suggestion that further checks should be made to the individuals is an effective intervention.
- 2.39. **FR** found the research very helpful and was pleased to see the call to action.
- 2.40. **EL** echoed the comments from earlier, stating that it is an excellent research and from the LSB’s point of view, it aligns to the work being done on CRM / CoP principles. With regard to warnings, the design was explored in detail. **EL** stated that the findings will be built into the LSB codes because it is a question that they keep getting asked and looking forward to much more work being done. **IG** thanked **EL** for the collaboration, stating that once the determination of what CRM should look like, OBIE will be incorporating it.
- 2.41. **GB** returned to **HPs** points on the PIS merchant use case. CoP is not particularly relevant for this use case but for pure to pure, it becomes a relevant thing for TPPs to use. **GB** stated that there is an appetite for a CoP API. **GB** reiterated an agreement for merchant use case.
- 2.42. **AA** thanked the guests for the research and asked **RK** to give a status update on emerging themes so far, including questions for the group.
- 2.43. **RK** stated that the validation of payee accounts acts as the mitigant and reduces the incident of mismatch when the account has been set up correctly. To avoid process point, **RK** stated that the group wants the appropriate tagging of those warnings that are risk related. **RK** stated that the research highlights the importance of a more

targeted approach which feeds into designing better processes as to when and how the effective warnings are presented.

- 2.44. **GL** stated that the work that has been done on CoP is a massive step in the right direction but it is not the whole solution, adding that the end solution will be when digital identity is sorted and the end customer is brought into the framework.
- 2.45. **MC** thought the question is – in the middle of all the prioritisation, where does clarity fall? **MC** was in favour of focussing on something precise and specific or pressing the pause button. **AA** took this on board.
- 2.46. **IG** thought that this is getting to a stage where there is sufficient information to put the bare bones of what should be seen in a CRM / CoP situation together.
- 2.47. **HP** stated that HSBC would like the ability to affect the ability to implement customer warnings and CoP. The timescales need to be taken into consideration. **HP** was keen to see the CEG and standards work progress, hence time is of the essence.
- 2.48. **SW** was in the same position as **HP**. **SW** would like to see all their channels up to the same level when it comes to warnings and confirmation of payee.
- 2.49. **IG** found this useful and was happy to continue to take views.

2e End User Risk Committee (EURC) Update

- 2.50. **IG** introduced EURC update paper on slide 40 and handed over to **AA** and **RM**. **AA** explained that this is an extract of the last register and in this session, the biggest risk is around the consumer protection for which an EAG has been set up.
- 2.51. **RM** introduced the three key areas for discussion – process update, a key risk and a governance update .
- 2.52. In terms of process, **RM** stated that 7 risks were raised, 2 were issues and the issues were around exclusion (not risks that OBIE can manage) and if the group wants EURC to continue and if there are any points for improvement. **RM** stated that the key issue is around consumer protection – the potential gap that financial services provider is giving a level of protection. **RM** explained that the consumer protection EAG consists of a wide range of stakeholders – FCA, LSB, FCA, participants in the ecosystem – PISPs, merchants, etc.
- 2.53. On process, **RM** stated that an approach to dealing with the risks has been identified. **RM** stated that the next challenge is how to orchestrate the next environment so that these activities can take place.
- 2.54. On governance, **RM** stated that the EURC had no specific asks because this is a key risk and there is no process to manage it and now that all the risks have been identified, a summary report is being produced. **RM** explained that the key question is whether this forum should continue.
- 2.55. **IG** summarised – one important risk raised has been raised which is being dealt with by the Consumer protection working group. In terms of timelines, **IG** stated that the EAG will meet twice more and then a report will have to be written by himself and Chris Hemsley at the end of it. The moment that the group is comfortable that they have landed some concrete views, it will be shared with IESG. On the governance, **IG** stated that a view should be taken on what is the requirement of the EURC – what next?
- 2.56. **MCH** wanted to unpick the relationship between EURC on the one hand and the consumer protection working group. **MCH** stated that the EURC has been set up to identify any conceivable risks with some useful debates. 34 risks have been worked through. This is a novel project where the impact on consumer outcomes are only emerging as we go along. Some of the work on naming and terminology have emerged through that committee and have

been valuable to the entire project. **MCH** said it is a strong and important aspect of governance. The value justifies whatever cost it might be collating.

2.57. **IG** asked if there is an argument that frequency can be reduced. **MCH** did not think so.

2.58. **IG** said that it could be argued that risks have been identified and dealt with.

2.59. **GL** stated that the backdrop to this is a new ecosystem. The history of financial services to date have been linear. There are many elements of this to consider and sits outside the regulated actor. **GL** was not certain that there is a good grasp on frequency.

2.60. **IG** the steer is to continue with it. Will have discussion with the team to discuss intensity and frequency.

ACTION – IESG_2020_301_490 - AA to advise on appropriateness of the frequency of the End User Risk Committee (EURC)
Due Date – 25 March 2021

3.a AOB

3.1 There were none.

4 CONCLUSION

4.1 **IG** thanked all for time and ongoing contribution, particularly to the RCA paper which will be published imminently.

4.2 **IG** closed the meeting.