

Meeting Minutes

Meeting details

Meeting date: 29 April 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
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
Gavin Littlejohn	GL	Fintech Representative	Yes
Ghela Boskovich	GB	Fintech Representative	Yes
Hetal Popat	HP	HSBC	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
Vicki Hassan	VH	Danske Bank	Yes

Apologies

Name		Role	Delegate
Daniel Globerson	DG	Royal Bank of Scotland	Stephen Wright (SW)
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)
Gary Sheen	GS	Tesco Bank	N/A
Thear Sabri	TS	Electronic Money Association (EMA)	Ruth Mitchell (RM)

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. Having established quorum, **IG** advised IESG members on etiquette – mute when not speaking and use the side chat bar to request attention.
- 1.2. **IG** stated that the agenda has been sent round and is light because the Roadmap is in the final stages which means that a variety of things are on hold until this is completed.
- 1.3. **IG** opened requests for AOB. **FR** requested an update on the UK Finance report, **IG** confirmed that **PM** was present and would provide the update.
- 1.4. **IG** approved the minutes from the March IESG after confirming to IESG members that there was a minor one-word amendment request from **FR**.

APPROVAL – IESG_APR_LOG_072 – March IESG Minutes - IG approved the minutes from the March IESG.

- 1.5. **IG** moved on to actions on slide 26.

- 1.6. **IG** explained that action numbers #228 (*Programme Update – MI*) which is about improving the MI process and #330 (*P14 Evaluation of Efficacy of Account Comparison*) which is a P14 update are still dependent on the Roadmap (which has not been finalised). **IG** advised that this would be picked up in the May IESG.
- 1.7. With regards to action #446 (*Screen Scraping Migration*), **IG** advised that this would be discussed as part of agenda item 2.a in the pack, reminding IESG members that it is pertaining to the transitional period for screen scraping. On this basis, **IG** stated that the action could be closed.
- 1.8. With regards to action #447 (*Proposal for Consumer Risk Monitoring for Open Banking*), **IG** explained that this would be covered as agenda item 2.c in the pack, adding that a EURC meeting took place the day before (28 April 2020) and **AA** would be providing a verbal update on that.
- 1.9. With regards to action #448 (*Update on Roadmap*), **IG** explained that this was an action on **GL** as opposed to OBIE. **IG** confirmed with **GL** that the action could be closed.
- 1.10. With regards to action #449 (*Open Banking helping the Covid-19 situation*), **IG** advised IESG members that this would be picked up as part of agenda item 2.b. On this basis, **IG** agreed that it could be closed.
- 1.11. With regards to action #450 (*Policy Points*), **IG** reminded IESG members that this was about policy discussion with the consumer representatives. **IG** stated that this meeting had taken place and could be closed as an action point. **FR** stated that there are ongoing discussions about policy items that need further exposition and the proposal is to address this one agenda item at a time.

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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 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> <p>Update 18/10 - Memo re this action was sent to IESG members via the Secretariat with responses requested by 01/11.</p>	21/05/2020	Open	
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</p>		21/05/2020	Open	

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			<p>stakeholder representations to the Trustee, copying in Alan Ainsworth by 25/10.</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> <p>Update 11/11 - Review of the stakeholder representations is in progress. Carry forward to the December IESG.</p>			
IESG_2020_301_446	24/03/2020	EC	<p>Programme Update -</p> <p>a. OBIE to continue to support TPPs and ASPSPs on the migration (at least for another month);</p> <p>b. a further update (despite being beyond the deadline) to be presented at that next IESG on 29 April 2020;</p> <p>c. With regards to small businesses, reach out to SAGE, Intuit, Xero.</p>	<p>Update 29/04 – Closure agreed.</p> <p>Update 24/04 - This is an agenda item in the pack. Action complete. Propose to close.</p>	29/04/2020	Closed	29/04/2020

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IESG_2020_301_447	24/03/2020	AA	Proposal for Consumer Risk Monitoring for Open Banking - Nominations to create an end user committee to agree terms of reference and an initial view for escalation to IESG has been requested. AA to put forward all IESG member or deputies and set up a kick-off meeting ahead of the next IESG on 29/04.	<p>Update 29/04 – Closure agreed.</p> <p>Update 24/04 - The first End User Risk Committee (EURC) meeting has been scheduled for 28/04. Verbal update to be provided at IESG on 29/04. Propose to close.</p>	29/04/2020	Closed	29/04/2020
IESG_2020_301_448	24/03/2020	GL	Update on Roadmap - GL to write to BR on proposal regarding the Roadmap.	<p>Update 29/04 – Closure agreed.</p> <p>Update 24/04 - SC confirmed with GL that this was done. Action complete. Propose to close.</p>	29/04/2020	Closed	29/04/2020
IESG_2020_301_449	24/03/2020	AA	Open Banking helping the Covid-19 situation - The OBIE to aggregate innovative developments enabled by the Open Banking that can help the Covid-19 crisis and recovery phase.	<p>Update 29/04 – Closure agreed.</p> <p>Update 24/04 - AA/FR meeting held on 21/04. This will be approached one topic at a time starting with the issue of availability of balance. Propose to close.</p>	29/04/2020	Closed	29/04/2020
IESG_2020_301_450	24/03/2020	AA	Policy Points - FR / AA / IG to pick up on the policy point and possibly get people together to discuss.	<p>Update 29/04 – Closure agreed.</p> <p>Update 24/04 - AA/FR meeting held on 21/04. This will be approached one topic at a time starting with the issue of availability of balance. Propose to close.</p>	29/04/2020	Closed	29/04/2020

1.c PROGRAMME UPDATE

1.c.i OBIE STATUS REPORT

- 1.12. **IG** introduced the programme update on slide 29 and asked **EC** to provide high level comments after which IESG members would be invited to contribute by way of questions and clarifications.
- 1.13. **EC** explained that the OBIE status report is not dissimilar to the previous month (March 2020); it is still reporting Amber due to the pending final publication of the Roadmap. **EC** explained that since the last IESG, some of the CMA9 have achieved functional conformance, whilst others are just awaiting completion of the certification process. **EC** remarked that this is an improvement. On NESTA, **EC** informed IESG members that since the production of this slide, finalists have been concluded (**EC** requested confidentiality as they are not aware yet). **EC** added that the judging phase and some of the marketing activities planned will be moved to later in 2020 to enable consumers and finalists to be in a better position considering the crisis. **EC** explained that there are no additional costs and it is within the current expenditure. On the dependencies, **EC** explained that letters regarding process and information requests will be issued as part of the Performance Improvement Plans from the Office of the Trustee.
- 1.14. In terms of the note on the Customer Evaluation Framework (CEF), **FR** was unclear as to why it requires a refresh or further consultation. **FR** stated that the team created a working group (including some of the CMA9, TPPs and consumer organisations) to support the development of the CEF which went for consultation before Christmas of 2019 and received limited feedback. **FR** stated that this has led to a paper to consider next steps and was keen not to lose momentum; the status is revised to show what is happening within Open Banking as there are blockers, but progress has been made.
- 1.15. **IG** asked **EC** or **AA** to comment, adding that the CMA's decision notes on scope will be discussed as part of agenda item 2.e.
- 1.16. **AA** explained that **FR**'s positioning is right, as there is a useable framework; the next action is to ensure that this can be moved to BAU and then work can begin on populating the framework. **AA** added that there are not many additional signs offs to go through, but there is a need to ensure that everyone is comfortable so that this can move forward quickly.
- 1.17. **MC** asked if the headline in the detail of COP phase 2 could be expanded upon in terms of scope, forward planning and timing. **MC** noted ambiguity around what needs to be implemented and when.
- 1.18. **GL** could not find the piece of the update that dealt with the security profile testing and wanted to know if this had been rolled into functional testing. Additionally, with regards to DMS, **GL** asked for an update, stating that discussions have happened intermittently, however, it is not clear from the CMA9 what the positioning is and whether it is still live.
- 1.19. With regards to the security profile, **EC** stated that this is not reported specifically, but the position of the CMA9 could be included in future reports. **EC** added that a few of the CMA9 are progressing with FAPI certifications in addition to the OB certifications that were achieved some time ago. To re-emphasise to everyone, **EC** explained that the current status is always available through confluence and the Open Banking sites; information about both CMA9 and non-CMA9 is public and available.

***ACTION – IESG_2020_301_451 - Programme Update – OBIE Status Report – security profile testing to be included as part of the programme update going forward.
Due date – 21 May 2020***

- 1.20. With regards to DMS, **EC** explained that there are ongoing discussions with many firms to introduce the DMS solution and those involved in the VRP sandbox are live on the solution whilst others are going through various aspects as they start to contract and pick up licenses. As a project, **EC** stated that it is concluded and now includes more of the BAU activity of picking up participants and communicating within the overall network.

- 1.21. With regards to COP phase 2, **EC** explained that the scope of work for the OBIE (as opposed to Pay.UK) is to make some changes to the technical directory which enables the COP roles to be introduced in isolation and transition anybody using COP phase 1 capabilities to that solution. **EC** stated that the exact timing of that will be dependent on Pay.UK's plans with the directed 6, including any other participants that pick this up. **EC** added that OBIE will lay the foundations and the capabilities will be within the technical directory itself; upgrades are more than 75% complete and final activities pre-deployment activities are underway. **EC** explained that the second part of the COP phase 2 is in relation to CRM / Salesforce and enabling Pay.UK to authorise COP phase 2 participants who have signed terms and conditions.
- 1.22. To reiterate understanding, **MC** wanted confirmation that this is about putting the technical foundations in for different role types and allowing Pay.UK to onboard future participants beyond the 6; it is not yet considering any further functional scope for account and matching services that may not materialise downstream. **EC** confirmed, but added that the underlying changes to the directory will enable that and the changes that are being introduced are future proof.
- 1.23. **GL** asked if conformance testing can be measured and supplied in the pack going forward.
- 1.24. On DMS, **GL** explained that the project may be delivering, but not to the right target. **GL** wanted to know if the process set out has been met, adding that as a FinTech representative, he remains unconvinced that it is fit for purpose.
- 1.25. **IG** stated that he would think about putting an update on DMS as an agenda item at the next IESG on 21 May 2020 to see if some of these issues can be addressed. **GL** explained that the requirement under the Order is to develop a system of customer redress, DMS is part of that but because it does not do a wide array of things, nobody is paying any attention. **IG** stated that it was worth pulling some materials together to consider the issues.

ACTION – IESG_2020_301_452 - Programme Update – OBIE Status Report – DMS - IG / EC to consider including an update on DMS in the agenda for the May IESG.

Due date – 21 May 2020

1.c.ii CMA9 STATUS REPORT

- 1.26. **IG** moved on to slide 30, reminding IESG members that this contains representations from the CMA9. **IG** also stated that in many respects (especially with regards to the RAG statuses), a lot of things will become clearer upon the publication of the Roadmap. **IG** invited **EC** to give a high-level overview.
- 1.27. **EC** validated **IG**'s comments about the RAG statuses, adding that this is also owing to the current crisis. **EC** pointed out that in spite of the change freeze, there has been progress with Cater Allen (Santander) - their managed roll out for AIS services is now available to TPPs, though PIS remains outstanding and is next on the agenda. **EC** stated that not all customers have moved on to the new platforms due to the Covid19 impact.
- 1.28. **IG** opened the floor to comments, there were none. **IG** commented that this slide is still a work in progress and once the Roadmap is agreed and published, **EC** and the CMA9 will review the RAG statuses against that timeline. For the next IESG, **IG** thought that the content would be more robust.

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

- 1.29. **IG** moved on to the KPI's, stating that in terms of the volumes of API calls, the trends seem to be encouraging and seem to be moving in the right direction at an aggregate level.

- 1.30. **EC** stated the successful API calls have increased and if compared to before the lockdown commenced, they were increasing at a good trajectory, naturally, the volume increase slowed down, hence the meteoric ongoing successful increase in API rates might decrease.
- 1.31. **CA** stated that in terms of growth, Barclays noted a growth in screen scraping which has reflected in the API volumes; additionally, there are changes to pagination which means that API calls per customer will reduce even though the data being shared is the same. **CA** concluded that there is an expected reduction in API calls, but not a reduction in customers.
- 1.32. **EC** took **CA**'s point stating that this will be reflected more in agenda item 2.a - *Screen Scraping and SME impact on transition to APIs*, which will show that the take up is almost complete. **EC** stated that the growth in the short term will be dampened through the crisis, however with some of the propositions (such as NESTA finalist), there is growth potential coming through in their projections. In terms of customer numbers, **EC** stated that these are ultimately affected by the crisis, therefore a dampening of the increase will be experienced, however, there is underlying strong growth – the volume of PSUs actively using the solutions is north of 1.5million but this might be dampened over the next month or two.
- 1.33. **GL** stated that he was seeing a different picture, adding that there are several new propositions that have come to the market and as new services are being monitored, there is a flush of excitement about the potential that they will demonstrate some growth. On the other hand, **GL** thought that the 90-day re-authorisation is like trying to fill a leaking bucket as many of the firms that are trying to transition from screen scraping have only managed to transition a lower percentage and attrition rates are around 40 – 50%. **GL** added that this includes the people who come back between 90 and 180 days to re-authenticate. **GL** added that there is also a group within this cohort that cannot reconnect for technical issues. **GL** reiterated widespread discussions within TPP communities on how to sustain their business, with a CEO having to consider returning capital to shareholders, adding that the rate of attrition affecting them is running through the system. From an AIS perspective, **GL** stated that it is pointless to try and build a business in the current environment.
- 1.34. **IG** stated that **GL** has made good representations to the CMA and the Trustee around 90-day re-authorisation and it is being investigated. **IG** explained that the point around the MI that is collected now is that it does not exactly give information about the degree of 90-day re-authorisation and is a standing number of PSUs. **IG** stated that there is some information which can be inferred from this which **EC** has been doing some background work on; however, there are moving parts within the number. **IG** asked **EC** to comment on the gross numbers. **IG** added that it is important to manage the messaging around PSU numbers carefully as there are a lot of nuances around the definition; at this stage, the OBIE is not in a position (especially during the crisis) to report on numbers, albeit it being a good idea to report periodically – not monthly. **IG** reminded IESG members that the last PSU number report was presented at the beginning of the year (2020) and the OBIE and CMA are in discussions about when next to report. **IG** stated that indicatively, the figure is north of 1.5 million, approaching 2 million. **IG** added that **CA** is right about the fact that there are many moving parts to this – *is it because of the crisis period? Is it because of the transition process?* **IG** stated as the answer is not certain, it is a good idea to manage the messaging until it is clearer.
- 1.35. In terms of growth, **IG** turned to **EC** for comments – gross vs. net. In terms of PSUs, **EC** stated that the number is approaching 2.5 million but if a PSU uses a service (for example, a lending proposition) which is not an ongoing recurring consent or comes back later with another iteration or another proposition, the impact of that in terms of duplication would not be significant. In terms of re-authentication, the data does not allow drilling into; new PSUs can be identified but in terms of re-authentication drop out, as long lived consents is relative to in-month usage, it is impossible to determine what the headline numbers are on re-authentication on a macro level. **EC** stated that this is being investigated.
- 1.36. For overall closing comments, **EC** stated that although the average API availability was slightly up, some firms were in fact down, but the expectation is that availability through April will be on the upward trajectory largely due to

the COVID-19 change control environment now in place within the banks. In terms of API response times, this has improved but needs HSBC to focus on M and S and Business brands.

- 1.37. **CA** stated that Barclays availability during March was lower than ideal, adding that for context, this was due to outages across all channels and not just Open Banking – mobile and phone channels. **CA** added that the changes were due to changes required for regulations (High Cost of Credit being the main one). **CA** expected April MI to show that they are back up to 99% as this was a one-off.
- 1.38. **HP** stated that the response time issue was temporary and is being addressed quickly. **HP** explained that for release 4, the new infrastructure stack was brought into live and PSD2 compliance would have been put the live services at risk. **HP** added that HSBC is re-living the 2018 moment where defects in new sets of APIs were being discovered, and as TPPs are adopting the new stacks, the defects are being flushed out. **HP** stated that both defect identification and resolution for March 2020 were the highest recorded so far and HSBC is working to resolve these so that the benefits of the new stack can become obvious.
- 1.39. **IG** commented on the good working relationship within the bilaterals, stating that OBIE will continue to work with HSBC whilst the issues are being dealt with.

2.a IESG SCREEN SCRAPING MIGRATION AND SME IMPACT ON TRANSITION TO APIS

- 2.1. **IG** introduced this as probably the last update into this pack on the screen scraping migration and SME impact on transition to APIs. **IG** asked **EC** to provide overarching comments and then move on to questions and clarifications.
- 2.2. **EC** explained that across the board, the application of SCA by the CMA9 and non-CMA9 has curtailed some of the previous live market screen scraping activities. **EC** stated that there are only a few TPPs with customers remaining to complete their migration. **EC** added that the overall position is good and in terms of the remaining TPPs, there is only one across most of the CMA9 outstanding.
- 2.3. In wrapping up, **EC** explained that the OBIE team will continue to report to PMG and if IESG members request, the discussions can be continued at IESG. **IG** agreed that this should go to PMG after which a decision can be made on whether this should be brought back to IESG.
- 2.4. **IG** opened the floor to comments; there were none.
- 2.5. With regards to the SME impact on transition to APIs, **EC** explained that the OBIE team did some research – reaching out to Cloud Accounting and Lending firms to answer questions around estimating how many SME's are getting service through the Open Banking APIs and to understand whether there were any impediments to growth. **EC** referred to agenda item 2.a.ii which gave a good indication of the feedback from 6 of the firms that responded. **EC** added that this means that north of 400 thousand SMEs have their accounts connected and accessible through Open Banking APIs (around 7.5% of the estimated SME's in the UK today). As soon as the other firms are in, **EC** stated that this should be closer to 10%. With regards to growth, **EC** explained that a few of the firms cited API performance of the bank's APIs (they meant availability and reliability) as a factor that was preventing greater take-up of the API services. **EC** stated that a number are utilising direct data transfer services with the banks directly and with the customers, and so may not move across. **EC** added that there is a general reticence of some TPPs clients to using new technology, but this is not a reflection of Open Banking. **EC** thought that the user pattern of the use cases should be researched and reported on a quarterly basis.
- 2.6. **MCH** went back to items 2.6 and 2.9 of the March minutes to see if it reflects his actual ask, stating that what he is trying to unpick is the extent to which this migration has led to loss or degradation of services as along the way there has been collateral damage. **MCH** stated that this takes the form of a total loss of service or degradation of the service as it leads to information not being current which could affect the businesses significantly. **MCH's** concern was around using the positive side of this (number of successful migration) for any promotional contexts

when the negative impact is not fully understood. **EC** explained that getting a concrete answer on how they are affected by the connectivity of the bank relative to the crisis now is quite hard.

- 2.7. **MCH** stated that the service providers must know if numbers and service provided are greater or less pre than post screen scraping migration. **MCH** did not think that the agenda item should be closed off yet. **MCH** could not evidence the loss of services but was sure of it. In conclusion, **MCH** wanted OBIE to research more about attrition and degradation.
- 2.8. **IG** asked **EC** if there is any reason why the OBIE team could not ask the broader question – the *before* and *after* question. **EC** stated that the question could be asked, however, there may be a reluctance to respond with numbers of customers as the loss may be down to reasons other than APIs.
- 2.9. **GL** informed IESG members that he had been speaking to the accounting platforms once or twice a week since the start of the economic meltdown caused by the pandemic. **GL** stated that he had also been in touch with various businesses about the propensity to use accounting platforms. **GL** added that the SME representatives at the Federation of Small Businesses and Association of Private Businesses think that the penetration of cloud-based accounting platforms serviced by Open Banking is a lot higher than the figures that is being presented due to dormancy within the 5.6 million. **GL** stated that clients connected to Open Banking would be shy of 2 million SMEs in terms of cloud-based accountancy firms, some of which are companies and others are sole traders; this creates challenges in creating clear metrics. In terms of the ability to sustain through the crisis, **GL** stated that within some small businesses, there is an account owner (owner director) who has ownership of the accounts but a bookkeeper who has access to the accounting files so in updating, it is a struggle. **GL** also stated that people involved in the finance function are being furloughed and the ability to prepare applications for CBILS has been hindered by lack of resources. **GL** explained that there is a raft of issues affecting this; some are related to the technical issues of transition and others are sustaining the connections with 90 day and onboarding. **GL** added that the ability to get clarity has been muddled somewhat by the economic crisis that has been unfolding.
- 2.10. **IG** thanked **MCH** and **GL** for their contributions and asked **EC** about coming back with the SME piece by way of quarterly reviews (suggestion). **IG** thought that it would be a good idea for OBIE to get together to determine the best way to bring this back to this forum. **IG** thought the commentary was valid, especially about talking up the benefits of Open Banking only for it to backfire.
- 2.11. **EC** clarified that he was never proposing to publicise these figures. **IG** acknowledged the risk and proposed to understand the full picture, stating that clarity would be provided in due course.
- 2.12. **IG** addressed **FR**'s question - *Do we have a breakdown of connections / PSUs comparing migrations / firms that were grandfathered in and new providers?* **IG** stated that the simple answer is *no*, adding that a lot of effort around the migration piece has been due to the good will of participants; the Order does not require or mandate this information.

ACTION – Screen Scraping Migration and SME impact on Transition to APIs

- i. **OBIE to reach out to Service Providers to determine attrition and degradation of service as an impact of the transition to APIs**
- ii. **In terms of continuing to report on SME impact on Transition to APIs, OBIE to discuss and determine the appropriate frequency for presenting updates back to IESG.**

Due date – 21 May 2020

2.b COVID-19 ACTION PLAN

- 2.13. **IG** introduced this paper, which stemmed from ecosystem participants thinking that perhaps they could use Open Banking to mitigate the crisis. **AA** referred IESG members to slide 66, which brings to life the campaign, the power of the network.

- 2.14. **AA** explained that as the crisis evolved towards the end of March 2020, it became apparent that there were stories of Open Banking participants and their ability to make an impact or difference, accessing government schemes or working with banks and separately to help individuals / small businesses. **AA** stated that all these have been brought together to create the three C's campaign - **Compile :: Connect :: Catalyse**
- 2.15. **AA** stated that compiling was a relatively easy task because either the ecosystem participants informed Open Banking or Open Banking picked up stories on LinkedIn resulting in some good use cases and ideas; the power of the network shines light on this. **AA** stated that this as explained to members of the select committee, HMT, government departments, this could help to bring some of these organisations (FinTech's and TPPs) together to bring about more change. **AA** explained further that the challenge is not to overstate what the ecosystem can do, but to accurately state where it can make a difference and where there may be something the government can change to enable that difference to benefit the economy. **AA** stated that this is the reason why Open Banking is ensuring that participants are not exaggerating what they can do. **AA** explained that Open Banking is spending time trying to get underneath the skin of some of the press releases, so that what the public hears is grounded in evidence and facts. **AA** concluded by stating that the intent is to concentrate on a small number of use cases as opposed to the large number on the presentation deck.
- 2.16. **IG** stated that the extent of work being done by the OBIE is limited and there are no technical resources allocated to this; the phone rings and because many of the TPPs come to OBIE to amplify what they are doing, the OBIE makes a note of the information.
- 2.17. **MCH** stated that they are keen to talk about CIBILs representation; SME representations are indicating that there is an emergence of people approaching as brokers to get money and charging a fee (like the PPI schemes). **MCH** stated that there is a need to have a verification process to ensure that Open Banking does not unintentionally endorse unlawful behaviour.
- 2.18. **AA** agreed with **MCH** and hoped that in his in initial comments, his explanation was clear - OBIE is adopting a clear approach as the intent is not to bother the government with things that cannot be delivered so if OBIE suggests anything to the government it has to stand up to scrutiny and integrity.
- 2.19. **IG** added that the entities that OBIE are dealing with are authorised, therefore, this provides some comfort, but the effort and appetite is not present to diligence any of this. **IG** stated that it will be put on a list that is publicised on social media and does not extend beyond the ecosystem and is primarily for the government.
- 2.20. **CN** thought it would be helpful to pick up on a couple of the points, explaining that the government policies are being made in unprecedented times so the right people who are thinking about things like CBILs and self-employed support and there is a role for Open Banking. **CN** explained that the priority is delivering solutions as efficiently and quickly as possible. From an HMT point of view, **CN** pointed out two things:
- 2.20.1. How the current schemes that have been announced is working – the main one being CBILs. It is also about understanding how alternative providers are accessing the process being run by the British banks. **CN** stated that once there is evidence and feedback on how the process can be improved, this can be fed to the decision-making process and wider making decision policies. **CN** added that it would be good to understand from firms if there are things HMT should be aware of.
- 2.20.2. HMT want to make sure that the UK Open Banking ecosystem and its value is recognised. **CN** stated that it would be useful to understand how solutions will be delivered and whether there is a role for government in there. **CN** said it would be good to understand if there are tweaks that can be made to things that are lacking.
- 2.21. **IG** stated that the point around the ask is crystal clear. **IG** added that this is very much based on TPPs and what they are doing; some answer to government and others answer to ASPSPs. **IG** asked **AA** to think about providing insight on if there is a role for banks and whether they can contribute in any way.
- 2.22. **FR** reported back to IESG members that there was a consumer forum looking at the impact of Covid19 and there was some useful insight provided by different participant. **FR** stated that they heard from TPPs and some of the initiatives they have underway. **FR** thought it would be good to share a few insights to bring people up to date on

things that have been circulating. **FR** thought IESG members would not be surprised to hear that low wage earners are disproportionately affected – self-employed and women. **FR** added that there is an ONS survey that indicates that 30% of people said their finance has been affected and 63% said that their wellbeing was affected. **FR** stated that for those talking about financial and economic impact, 32% were currently using savings to cover living costs, 22% were struggling to pay bills. **FR** stated that the research done last year (Consumer Priorities for Open Banking 2019) showed that 18% of people were already on the edge, therefore this is having a significant impact. **FR** advised further that the key areas of impact are people living in rented accommodation and people who are self-employed. **FR** added that for people who are furloughed and others, there is a struggle to understand the position with regards to payment freeze options, debt and getting help. **FR** added that some people are not getting access to the help they need – DWP is overwhelmed. In terms of being able to get through to creditors, **FR** stated that there is anxiety and concern. **FR** added that people are welcoming of the government support, but the time gap with when that help comes is a burden for people whose lives have fallen apart. **FR** concluded by informing IESG members of a conversation with someone who works in disaster recovery, stating that the key thing is that people who are most vulnerable are least likely to be heard. **FR** stated that this is something to bear in mind in terms of articulating responses.

- 2.23. **FR** informed IESG members that a follow-up on a session they had with a well-known TPP was published on LinkedIn; this attracted a social enterpriser who was interested in the consumer representatives talking about the work they do and upon further investigation, it turned out that they are a third party not providing AIS, relying on the service of TPPs and not an agent. **FR** stated that a lot of people are using Open Banking services are not seen as they are not agents, but the positive from this is that Open Banking will be shining a spotlight on some of the social enterprises and charities that are using Open Banking who do not hit the radar. **FR** recognised that there are negatives where people are using credit brokers that charge a fee and take their data at the same time. **FR** thought that there was a question of how to map the broader ecosystem and work with the TPPs to understand how the data is being used by Third Parties Not Providing AIS. **FR** stated that she had talked to **AA** about writing a paper on useful insights to highlight some of the gaps and identify where FinTech's could be providing solutions.
- 2.24. **IG** thought this was a good insight into how consumers are affected during the crisis, with the idea about FinTech's being one that may be worth thinking about. **IG** was sure that more could be done to connect the insight that **FR** and **MCH** have to the FinTech's to direct them to the right places.
- 2.25. **GL** gave an overview of the GOFCoE COVID-19 response. **GL** explained that from March 2020, the GOFCoE team had focused on delivering the Global Economic Observatory, adding that from April 2020, various UK government departments and regulatory authorities had formed a GOFCoE Special Working Group to facilitate the provision to UK government of near real time data insights drawn from the banking and TPP communities. **GL** explained that the initial focus is to help assess solvency risk and funding requirements in the SME market and analyse consumer vulnerability.
- 2.26. **GL** explained that in the process of executing this, a common measurement across 30 metrics, 30 rows of data going back 13 weeks to pre-crisis and where available, the same 13 weeks in the previous year will be stitched together to measure things like 30, 60, 90 day overdue accounts, aged creditor and debtor, time to pay suppliers, net cash flow, turn over and whether staff have been furloughed. **GL** stated that many of these firms are have been ingesting data from Open Banking to keep it current, which has been helpful. **GL** stated that a working group was formed, including members from HMT, Bank of England, FCA, BEIS and ICO to help to facilitate the flow of data, the group is currently orchestrating the information shared with government and providing a letter to be used with the FinTech community on supply. **GL** expected this to be available by COB today (29 April 2020). On the consumer side, **GL** stated that the working group is looking at vulnerability – 6 common metrics mostly based on the FCA's measurement of income and expense, but the main things being looked at are: cash at bank, available cash, income – consistency, frequency and source; checking if people have been furloughed and the impact of that; looking at the distribution of debt across credit agreements in force, the distribution to economic needs, wants and savings. In terms of terminology, **GL** explained further that the FCA's more nuanced design looks at essential living and quality of life. **GL** added that there is a cross relationship between SMEs and consumers given the huge number of the population that are employed by SMEs (half the population).

- 2.27. Going back to CBILs, **GL** explained that the key metric being sought is to be able to accurately size the number of firms that would be eligible for the scheme, work out the cash flow and the speed at which entities are running out of money and the other side of this is restoring confidence. **GL** was happy to take questions on that, adding that there are between 30 and 40 companies – banks (ASPPs) and building societies with the lion share of that being FinTech's connected to Open Banking.
- 2.28. **IG** thanked **GL** for the contribution, stating that there are great strides being made here with clear and succinct asks of government which is why progress is being made.
- 2.29. **MCH** stated that a lot of the points made by **FR** emerged in the Covid19 focused forum were echoed at an SME forum of Wednesday 22 April 2020. **MCH** stated that someone from an SME representative organisation talked about government help and how they were being managed.
- 2.29.1. Grants – this is subject to interaction with government authority.
- 2.29.2. Furlough – early days but so far so good.
- 2.29.3. CBILs – bad failure and the process is not manageable for small businesses. **MCH** stated that this leads to the unintended consequence of brokers emerging and the behaviour described earlier. **MCH** stated that he was happy to pick up with HMT and put her in touch with some of the organisations, adding that the way CBILs is structured means there is too much emphasis on who bears the loss – the bank or government, which in turn leads to delay and therefore failure of small businesses who cannot manage in the interim period.
- 2.30. **IG** thanked **MCH** for the contribution, stating that this was good context on some of the challenges being felt by end users.
- 2.31. **AA** wrapped up by firstly advising about the role of banks. **AA** stated that the banks are under immense pressure to deliver many of these government schemes; the government work thus far has been responsive to banks' feedback and to address some of the issues that **MCH** and team have identified. As far as the power of the network has been TPP focussed, **AA** stated that there is scope to add propositions where there is work, either by the banks using Open Banking or the banks working with TPPs to make things easier and get the government schemes to people more quickly to customers and end consumers. **AA** added that anything that the banks can do to shine the light on the power of the network would be helpful. **AA** encouraged banks to come forward as this is about the entire ecosystem and not just third parties working on their own. **AA** stated that some of the things that have been heard from TPPs focus on things like onboarding – with CBILs there are issues around the funnel into banks, disbursement of funds, verification of income, credit assessments, etc. **AA** agreed that this document may not fully shine the light on these.
- 2.32. By way of summing up, **AA** recognised great work had been done so far, including a lot of propositions, referring to **FR**'s comments as sobering. **AA** stated that this asks the questions of whether the ecosystem can help to solve these problems. **AA** acknowledged that there is a lot of work to be done to make a difference. **AA** reiterated encouragement for IESG members to reach out to see how the ecosystem can make a difference.
- 2.33. **IG** encouraged **AA** to reach out to the *Fintech for Good* programme being run by Nationwide to avoid duplication of effort if they are doing some work to alleviate the effects of the crisis.

ACTION – IESG_2020_301_453 - 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.

Due date – 21 May 2020

2.c PROPOSAL FOR CONSUMER RISK MONITORING FOR OPEN BANKING

- 2.34. **IG** introduced the agenda item, stating that it is about the End User Risk Committee (EURC) meeting held on 28 April 2020.
- 2.35. **AA** explained that the EURC was responding to several questions on whether there is a risk log of things that are not being delivered for customers as well as Open Banking ought or where there are unintended consequences. **AA** explained that the first meeting was about the process of identifying and logging risks. **AA** explained further that the end result of the processes will be a short report to IESG every month where IESG will be appraised of 2 – 3 material risks which IESG should be discussing.
- 2.36. **AA** advised that the activity of the EURC will be to fine tune the risk log to ensure that there is a collection of material risks that represent a consensual view across the forum.
- 2.37. **AA** advised further of next steps – to frame a few questions within the TOR which will button down things like scope, impact, probability and then to create a confluence page so that members can propose risks with as much evidence as possible.
- 2.38. **AA** added that the action is on IESG to nominate individuals from their group to join on an ongoing basis.
- 2.39. **IG** thanked **AA** for the update and asked that the EURC adheres to risk assurance as a subcommittee, adding that this is a good model. **IG** asked for clarification that official membership is still in progress. **AA** confirmed and asked IESG members to volunteer delegates should they feel that they are not best placed to attend.
- 2.40. **FR** stated that there was a good turn out to the meeting which was encouraging. **FR** thanked IESG members for support.
- 2.41. **IG** requested a short verbal update at the next IESG on 21 May 2020, adding that after that, it should become a regular update.

***ACTION – IESG_2020_301_454 - End User Risk Committee – IESG members to nominate members from their respective groups to join the EURC. AA to provide verbal update at the May IESG.
Due date – 21 May 2020***

2.d REVISED ROADMAP – CONSULTATION UPDATE

- 2.42. **IG** thought this agenda item was a good opportunity to discuss the update on the important notice – the decision that was published by the CMA on 07 April 2020. **IG** explained that this talked about the **what** and the **when** of the revised Roadmap, adding that whilst the **when** is an ongoing discussion, the **what** was addressed. **IG** stated that the document was sent round to IESG members with an introductory note from the Trustee to Adam Land of the CMA.
- 2.43. **IG** paused to remind IESG members that this is an open forum for all to register their points of view and ask questions. Before opening the floor to questions, **IG** handed over to **BR** to discuss the decision document and / or process.
- 2.44. **BR** explained that the CMA published a decision as regards the **what**. Between the Trustee's submission and the CMA taking that decision, **BR** stated that things have changed with Covid19, hence the CMA has asked the Trustee for revised timings for the next stages of the Roadmap. **BR** explained that there have been ongoing discussions with the Trustee over the last several weeks, and although the detail cannot be completely disclosed, **BR** thought it would be helpful to talk about some of the principles that guide the Roadmap, which he described as twofold:
- 2.44.1. Firstly, considering the current crisis and uncertainty, the CMA opted to have a plan that can be deviated from if required. There will be a plan with extendable timelines because of the Covid19 crisis.

2.44.2. The CMA recognise that not all banks will be able to move at the same pace, so consistent with the process thus far, there will be room for banks to defer deadlines if they cannot meet them.

As the crisis period is unknown, **BR** stated that the next three months will be difficult, so when the plan is shared, it will detail the period of maximum impact (the working hypothesis is end of June). There will be a period where more flexibility will be required and the CMA is assuming that challenges on the bank will be the greatest, therefore during that period, no new implementations will be requested and for existing implementations, there will be room for deferment.

- 2.45. **BR** stated that this will be published in a matter of days, apologising for the delay. **BR** mentioned a question raised by **PM** about the consultation over the timetable, stating that the CMA is not intending to run a full consultation process at this stage as there were a lot of consultations with extended timings. **BR** explained that the CMA is intending to conduct a status review not sooner than 3 months after the document is published - this goes up to 07 July 2020.
- 2.46. **IG** opened the floor for comments.
- 2.47. **PM** was pleased that the CMA took representations from UK Finance on board. In trying to understand **BR**'s remarks on timing, **PM** played it back for understanding – *'the CMA will publish the document shortly giving a set of timings that will apply to all the CMA9 and will be subject to review on 07 July 2020'*.
- 2.48. **BR** explained that upon release, the Roadmap will contain dates for deliverables; then the CMA will take stock in June 2020. **BR** advised that at that stage, the status of the crisis would be better understood.
- 2.49. **IG** explained that he sits on several boards and no-one is saying it is a good idea to create a budget or forecast for the year as things need to be flexible. **IG** added that this is not an argument not to create a budget or forecast but there is an argument to sensitively create staging posts. **IG** referred **PM** and IESG members to the CMA document which talks about 3 months from the publication (which is 07 July – a sensible date). **IG** added that this coincides with discussions held with all the CMA9 as to when they felt the immediate consequences of the crisis would have played out. **IG** encouraged members of CMA9 to make use of the opportunity to ask him or **BR** any questions or points of clarification on the decision, documents or process. **IG** encourage IESG members to have conversations in an open and transparent way, to air any comments or concerns.
- 2.50. **MC** asked **BR** to elaborate on the position with regards to P2, particularly the GDPR issue and the need to engage with Pay.UK on all the scheme aspects of payments. In the document issued on P7, **MC** stated that there was a specific ask for the Trustee to engage with the ICO to ensure that the GDPR aspects have been addressed, but also to directly engage with Pay.UK.uk to define bank to bank payment.
- 2.51. **BR** stated that the CMA want to engage with the ICO because concerns were raised about some of the options that were chosen for reverse payments. **BR** was hoping to hear back from the ICO from a GDPR point of view about the integrity of the scheme chosen.
- 2.52. On that point specifically, **MC** stated that the challenge which has been raised at bilaterals is that the particular piece of development is very well advanced and Nationwide is reluctant to commit to the detail of the design in the absence of knowing the ICO's point of view as this creates risk.
- 2.53. **IG** broke this down thus – in the CMA decision, there was a requirement of the Trustee to ascertain, in parallel to the ongoing implementation of reverse payments, a couple of items relating to the integrity and best practices of the approach with the ICO. Just to be clear to IESG members, **IG** explained that the OBIE and CMA are confident that the approach that has been determined for reverse payments is GDPR compliant, the standards and use of legitimate interest as the lawful basis are good and GDPR complaint ways of undertaking refunds. **IG** did not want stakeholders to be of the view that this has not been discussed with or had a steer from the ICO as it has been an ongoing discussion for many months. **IG** stated that the requirement from **BR** and the Trustee should be viewed as a process step, the ICO is fully engaged and will confirm this. **IG** stated that this approach will not be reversed.

- 2.54. **IG** added that there are some other requirements placed on OBIE, not specifically to do with reverse payments, but Payment Initiation Services - to sit with various participants and closely with the PSR to make sure that any concerns are tabled and discussed and could feed into future iterations of the standards. **IG** advised that this will happen in parallel and will fit into the various future iterations of the standards as appropriate.
- 2.55. With regards to Pay.UK, **IG** stated that this sits as a different item and is not to do with reverse payments but with COP and CRM - the requirement to have bespoke journeys designed for PISP that will incorporate COP and CRM. **IG** hoped this was clear, adding that the paperwork in terms of the Roadmap and ICO's response is underway.
- 2.56. **MC** explained that the point was not to pause for the reality that the design will change, but the reality is that the legal team is stating that this cannot be implemented until confirmation from the ICO came through. **MC** was after clarity on timelines which is now established.
- 2.57. **IG** stated that on the basis of the standards which was signed off in November 2019, the comfort that the ICO has been fully engaged, the approach thus far, but also that written confirmation will be obtained from the ICO ahead of release, then Nationwide and others can proceed.
- 2.58. **JVD** reassured IESG members that this is being worked on as quickly as possible and will be confirmed shortly.
- 2.59. **FR** was glad to see the CMA notes and decision but had a few alarm bells to discuss – data security. **FR** referred to the title for the paragraph, stating that the issue is not compliance with GDPR, but whether merchants have enough security in place to manage that data. **FR** stated that from Covid19, it has been seen that there is a lot of phishing attempts to get that data so that hackers can launch an attack. **FR** stated that the concern is that merchants have nothing other than the generalities of GDPR to direct their activities with regards to that data. **FR** added that account number and sort code is not a protective form of data. **FR** explained that the second part of the CMA notice talks about a group being set up to consider how other elements of the Roadmap such as TPP code and the CEG can be strengthened with regards to that aspect of payments. **FR** was keen to understand whether this is a good bet for consumers and TPPs. **FR** thought that an ICO backed code would be good as this will strengthen provisions in GDPR. **FR** also added that a lot of thought is put into refunds in cards and the thinking was not to change the map but create a burden for merchants to think about who they pass the data on to and how that data is made secure.
- 2.60. **IG** clarified the approach so far, stating that the response to **MC**'s question was around implementation of P2 reverse payments and the discussion was to lay out the practicalities of how this will be achieved over the next few months. With regards to reverse payments, there is a requirement of the OBIE to put together a working group which would discuss a CEG and TPP code. **IG** stated that **FR**'s highlighted issues would be wrapped up in that activity. **IG** stated that the request to the ICO is twofold:
- 2.60.1. To help with the confirmation of the ICO views on confirmation of payments; and
- 2.60.2. A request to join this working group.
- IG** stated that there is a further request to understand PIS and some of its requirements more broadly and to co-chair a body to work with the PSR to ensure that these points are fed into any future activities as they relate to these discussion points.
- 2.61. **BR** stated that there is a specific to **FR**'s question about the privacy security side on P7. **BR** referred to 2 requests to the Trustee.
- 2.61.1. The first relates to compliance issues; and
- 2.61.2. The CEG or TPP code.
- BR** stated that there is a time bound request in the document that the Trustee convenes or chairs a group that comes back with recommendations in the report by the end of June that detail an interim request.
- 2.62. **IG** opened this up to the floor, encouraging any of the institutions that have requested clarifications bilaterally to use this opportunity to seek them. **IG** stated that in the interest of transparency, an open forum is better than bilaterally.

- 2.63. **PM** sought a direct clarification - confirmation that this is the final Roadmap.
- 2.64. **BR** hoped that this would be the final Roadmap as regards implementation, however, implementation does not mean the end of Open Banking – the hope is that it will develop in the future. **BR** reminded IESG members that this is a period of uncertainty and if the environment becomes more hostile, there may be extensions to the timetable, but if everything in the Roadmap is implemented, this should mark the end of the implementation phase.
- 2.65. **IG** added that while this is the CMA's decision, when the Trustee representation was made in February 2020, a case was put forward that this proposed Roadmap would satisfy all the elements of the Order, but this is a matter of the CMA.
- 2.66. **PM** stated that this clarifies things.
- 2.67. **SW** asked about a process for deferring delivery of outcome(s) on the roadmap – what would this look like?
- 2.68. **BR** explained that as this is a period of uncertainty, therefore, the letter that Adam Land sent to the Trustee emphasised the need to stay flexible. Where individual banks have been unable to deliver to the timetable set out, **BR** reiterated that there was provision for the Trustee to allow leeway. As with all cases, **BR** stated that this process would be dealt with bilaterally.
- 2.69. **IG** referred IESG members to clause 17a (and part of b and c) in the CMA's decision document which is trying to figure out how to operationalise and establish process. **IG** stated that this would become clear in the response provided to **BR** which is a matter of days. Broadly speaking, **IG** stated that it will be using the existing framework at bilaterals followed by representations from the banks. **IG** added that it is a new deferral mechanic subject to meeting some of the parameters that are incorporated in clause 17a.
- 2.70. **GL** stated that he was referring to the earlier point made on customer redress, it was laid out in the earlier Order that the delivery by the OBIE to offer a system of customer redress has not happened. **GL** added that FDATA made written representations to the OBIE and CMA, but this has not yet been addressed, and wanted to know whether it was the intention to produce a system of redress or whether it is in the Order.
- 2.71. **FR** agreed with **GL**, adding that it would be helpful to hear from the ICO on this as there is a connection there. In terms of the CEG, **FR** stated that there are releases of CEGs and firms ought to have implemented these within 6 months and therefore wanted to understand whether there are records of implementations and how these are dealt with by the Office of the Trustee.
- 2.72. On the point on the CEG, **IG** stated that it is a requirement on the CMA9 to be conformant. **IG** added that there was an initiative undertaken by the OBIE with each of the banks in order to do the fact find of the CEG which largely concluded over the course of January / February 2020; the outcome of which is that there is a good understanding of where the individual banks are and are in discussion to rectify any issues of adherence to the CEG. **IG** explained that the public enforcement of the CEG is still pending the finalisation of the Roadmap. **IG** wrapped this up by stating that:
- 2.72.1. The OBIE knows where there are non-conformances to the CEG,
 - 2.72.2. where it is material and where it is not,
 - 2.72.3. there are activities to undertake in order to rectify conformance have been agreed.
- For those areas where they are not rectified, the next step is enforcement, but this will only happen when the Roadmap is concluded and as advised within the Roadmap itself.
- 2.73. With regards to DMS, **IG** stated that this has been the solution to the requirement for a customer redress mechanism (CRM) and whilst aware of representations made by **GL**, **IG** stated that he was not yet formally of the view that the DMS does not meet the requirements of the CRM. **IG** explained that it was not picked up on the status report but recognising that it had not been concluded by then, let alone rolled out, this is understandable. **IG** stated that he would like to pick this up with the CMA but of the opinion that it is satisfied.

- 2.74. **GL** and **FR** agreed that it does not deal with consumer redress in the event of a data breach, it only deals to the extent of PSD2 and does not deal with authorised push payment scam, data loss or report a liability through the chain where there are other actors involved. **FR** thought this piece of work should involve the ICO.
- 2.75. **BR** wondered if this could be part of the group being formed with the PSR and representatives of the ICO which **IG** would chair or co-chair. **IG** thought that this warrants a further conversation, and whilst it would be a sensible steer, architectural decisions made earlier on should not be questioned. **IG** added that one of the reasons for the decision to interpret the customer redress mechanism as a dispute management system is the limited contacts that OBIE has with end users; there are models that exist within schemes that deal with these areas instead.
- 2.76. **GL** stated that the OBIE has been technically led as it predominantly relates to the development of technical apparatus and standards, it has not properly developed an understanding of the market requirements – *if you are a hammer, every problem is a nail*. **GL** stated that it has failed because a straight technical system is being sought, whereby the entire journey of what may impact the customer and the gaps is what needs to be researched so that a blend of technology can be implemented – for example, how to work better with regulatory authorities, the FOS, how disputes are managed, what happens with the cyber risks or PSD2 insurance.
- 2.77. **FR** stated that she has been involved in writing a report on the issue of liability for BEIS and will be able to share that soon. **FR** added that it begins to explore the issues that occur in the context of data sharing. **FR** stated that because the focus has been on unauthorised payments, DMS works well, it is tangible and easy to address, but wider issues of data have not been investigated. **FR** thought that this should sit with the ICO as opposed to the PSR. **FR** added that the FCA, FOS and HMT might want to be involved.
- 2.78. **IG** proposed to move on from this topic, stating that he takes it that participants are satisfied with the CMAs decision. **IG** hoped to respond as quickly as possible and get to the point of a published Roadmap out in a matter of days.

3.a. AOB – UK FINANCE FUTURE OF OPEN BANKING

- 3.1. **IG** introduced the first AOB item from **FR** regarding the UK Finance future of Open Banking.
- 3.2. **FR** stated that she wanted to ascertain the status of this report, adding that she is providing feedback on 30 April 2020 but stated that it is being presented as a whole of industry position which she did not think was correct. **FR** also thought that it does not reflect some of the contributions made by the consumer and SME representatives. **FR** wanted to know if it will be published and whether it is still in draft.
- 3.3. **IG** handed over to **PM** to give a broad status overview of the future of Open Banking.
- 3.4. **PM** recapped – Accenture was invited to work with an external steering group to provide a draft report on the future state operating model for Open Banking, adding that broadly speaking, the ask has been completed, however the crisis happened. **PM** informed IESG members that there has been a dilemma as people's attention has been diverted to dealing with the crisis. **PM** stated that UK Finance circulated the draft Accenture report and invited feedback by the end of this month. **PM** stated that upon receipt of the feedback, the body will be able to determine the status of the document and where it should sit (with UK Finance members or whether broader support is required). **PM** stated that feedback will be aggregated and communicated back to the steering committee which should be able to answer **FR** and **GL**'s questions. In terms of publication, **PM** stated that this will follow, UK Finance was always clear with **BR** that the revised Roadmap should be published first, adding that it will be published sometime next month (May 2020), after it goes through UK Finance internal governance system for branding and communications. **PM** reiterated that the crisis might impact timescales for publishing the report.
- 3.5. **IG** opened the floor to questions. **FR** stated that she would follow up with an offline conversation with **PM** and other stakeholders.

- 3.6 **IG** understood the dilemma - *how do you pause or put something on ice that leaves people comfortable and not trying to conclude it?*

3.b. AOB – SME FORUM UPDATE

- 3.7 **IG** introduced the final AOB item from **MCH** – an SME forum update.
- 3.8 **MCH** explained that subsequent to the CBILs point earlier, this is the area of main concern for those that represent small businesses. **MCH** stated that the British business bank has identified 52 providers of that scheme and as at the last IESG in March 2020, the response was that most CMA9 were seeing requests from existing customers and so Open Banking is less likely to play a part. **MCH** explained further that if a small business owner with a BCA from a CMA9 member was intending to access the scheme by one of the 52 providers, they will need information and data to comply with KYC. **MCH** thought that Open Banking ought to be useful from that point of view, but it may be that it is not catering for everything that providers need. In that context, **MCH** wondered if there was a role for Open Banking to play in opening up CBILs for people who are seeking loans other than from their BCA provider. **MCH** was not sure who should take this forward but was aware that the clock is ticking. **MCH** stated that the ecosystem hears about significant take up from UK Finance, but anecdotally the number of applications is vastly larger than those being discussed by UK Finance. **MCH** also stated that the feedback from small business representatives is that this is a tricky procedure and these loans are not being made available to people in need. **MCH** wondered if Open Banking should be talking to some alternative providers, and wondered whether alternatively, this is a job for British Banks. **MCH** was worried that CBILs will not deliver unless it is investigated.
- 3.9 **BR** stated that the CMA stands on the periphery of the domain dealing with this and went back to what was found in the original CMA report - well over 90% of SMEs who wanted an unsecured business loan never thought about going anywhere other than the banks they had their BCA with. Going back to the SME Enterprise, Employment Act and designated finance platforms, **BR** stated that the bank referral scheme states that if the bank does not grant a loan with the consent of the SME, that loan could be forwarded to one of the 3 designated platforms. **BR** explained that CBILs is part of that, therefore this would be forwarded to one of the designated finance platforms if declined and that could be the route through to the lenders (including alternative lenders). **BR** stated that some of these would be approved as lenders under the CBILs scheme. **BR** commented that this does not alleviate problems where they may not be eligible, and where there are other financing options other than debt that may help solve the problem. In terms of KYC and AML, **BR** stated that there are proposals that have been put to HMT as a way of solving these problems. **BR** agreed that there is a role for Open Banking while the original roles of the CBILs schemes are being applied; though the bounce back loans that have been announced recently are much simpler, with fewer issues to deal with whilst guaranteeing the risk appetite of the banks.
- 3.10 **CN** clarified that there has been a lot of representation from the industry on the referral schemes and these are being considered, however, there is a lack of clarity around how this will be delivered and whether this is the role of the British bank or government. **CN** requested an offline conversation with **MCH**. **MCH** was happy with this approach.
- 3.11 **IG** thought this was a good idea and encouraged **MCH** to also speak to David Beardmore who is helping to co-ordinate the Power of the Network proposal that was discussed earlier. **MCH** stated that he was in touch with David Beardmore and others who have been mentioned.

ACTION - IESG_2020_301_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.
Due date – 21 May 2020

- 3.11 **IG** thanked everyone for the time dedicated to this. **IG** felt that this meeting was leisurely and hoped that at the next IESG on 21 May 2020, there would be a published Roadmap to enable discussions about the final stages of the implementation. **IG** asked everyone to stay safe and healthy.
- 3.26. **IG** closed the meeting.