**VRP Working Group Meeting Minutes and Actions**

*Minutes*

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| **Meeting Date:** 17 October 2024 | **Meeting Time:** 10:00 – 11:30 |
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| **Meeting Location:** Microsoft Teams | **Chair:** Luke Ryder |
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|  | **Secretariat:** OBL & Pay.UK |

**ATTENDEES**

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| **Participants** | **Organisation** |
| Andrew Neeson | Tink |
| Assia Felemenkdjian | Go Cardless |
| Archie Shrimpton | Lloyds |
| Callum Flaherty | Barclays |
| Callum Lee | AG |
| Chris Jones |  |
| Chris Owen | BRC |
| David Bailey | Santander |
| Dominic Lindley | Independent Consumer Representative |
| Fliss Berridge | Ordo |
| Gary Aydon | Santander |
| Georgios Miltiadous | HSBC |
| Jan Van Vonno | Tink |
| John Raynor | Mastercard |
| Jon Greenall | Wise |
| Jonathan Glover | Bank of Ireland |
| Martijn Bos | Plaid |
| Mike Banyard | Ordo |
| Ramjit Lal | NatWest |
| Rebecca Hickman | AG |
| Richard Ibell | NatWest |
| Rob Jones | Lloyds |
| Robert Sullivan | Token |
| Sandra Beisly | Nationwide |
| Serenna Cole | Yapily |
| Sharon Hetherington | American Express |
| Shrey Agarwal | Revolut |
| Tom Trundle-Martin | TrueLayer |
| Wayne Jones | Go Cardless |

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| **Chair and Secretariat Attendees** | **Organisation** |
| Euan Ballantyne | VRPWG Co-Chair |
| Luke Ryder | VRPWG Co-Chair |
| Christian Delesalle | VRPWG Secretariat |
| Daniel Jenkinson | VRPWG Secretariat |
| Dane Budden | VRPWG Secretariat |
| Deborah Horton | VRPWG Secretariat |
| Gloria Dsouza | VRPWG Secretariat |
| Richard Koch | VRPWG Secretariat |
| Aneet Morar | VRPWG Secretariat |
| Elizabeth Darkens | VRPWG Secretariat |
| Keith Milburn | VRPWG Secretariat |
| Lorna Suffield | VRPWG Secretariat |
| Khishi Ganbold | VRPWG Secretariat |
| John Crossley | VRPWG Secretariat |
| Mark Jones | VRPWG Secretariat |
| Nick Davey | VRPWG Secretariat |
| Matthew Wallace | VRPWG Secretariat |
| Russell Hazell | VRPWG Secretariat |

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| **Observers** | **Organisation** |
| Ann Okubadejo | FCA |
| Richard Martin | PSR |
| Ketul Patel | PSR |

**ACTIONS**

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| --- | --- | --- | --- | --- | --- |
| **Action** | **Owner** | **Origin** | **Due Date** | | **Status** |
| Participants to provide feedback on MLA Operator – MLA – Access and Participation | Participants | 17th Oct – VRP WG | | 1st Nov | In progress |
| Participants to provide feedback on MLA Operator Risk Mitigation (paper to follow) | Participants | 17th Oct – VRP WG | | 1st Nov | In progress |

**PREVIOUS ACTIONS**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Action** | | **Owner** | | **Origin** | **Due Date** | | | | **Status** | |
| 001: Participants to provide feedback on the proposed Terms of Reference | | Participants | | Email of 10 July and 12 July WG | | | 19 July | | Complete | |
| 002: Participants to provide feedback regarding the proposed approach to disputes using the template or via email | | Participants | | Email of 10 July & 12 July WG | | | 26 July | | Complete | |
| 004: Secretariat to re-issue previously shared organisational charts for the Programme Implementation Group  VRP WG ToR – re-issue next version in time for next WG | | Secretariat | | 25 July PWG | | | 8 Aug WG | | Complete | |
| 005: Secretariat to consider the inclusion of Trade Associations at VRP working group | | Secretariat | | 25 July WG | | | 28 Aug | | Complete | |
| 006: Secretariat to consider level of engagement with UK Finance during analysis of Model Clauses | | Secretariat | | 25 July WG | | | 28 Aug | | Complete | |
| 007: Secretariat to seek clarification from PSR re timelines for announcements | | Secretariat | | 25 July WG | | | 8 Aug WG | | Complete | |
| 008: Secretariat to review the API standards to assess their suitability for MI provision for ASPSPs | | Secretariat | | 25 July WG | | | 28 August | | Complete | |
| 009: Participants to provide feedback regarding the questions raised in the MLA presentation | | Participants | | 25 July WG | | | 8 August | | Complete | |
| 010: Participants to provide comments on the latest version of the ToRs | | Participants | | 8 Aug WG | | | 12 Aug | | Complete | |
| 011: Participants to provide comments on the wave 1 sectors and use case proposals | | Participants | | 8 Aug WG | | | 22 Aug | | Complete | |
| 012: Participants to provide comments on the updated dispute evaluation criteria | | Participants | | 8 Aug WG | | | 14 Aug | | Complete | |
| 013: Hold seminar to provide more detail to participants on the dispute mechanism options | | OBL | | 8 Aug WG | | | Before 22 Aug | | Complete | |
| 014: Participants to provide comments on the MLA fraud gap proposals | | Participants | | 8 Aug WG | | | 22 Aug | | Complete | |
| 015: PSR & FCA to provide an update on the use case research & the outcome of any risk assessment relating to biller insolvency as suggested in the VRP Blueprint | | Participants | | 8 Aug WG | | | 3 Sept | | In Progress | |
| 016: Participants to provide feedback on the scoring and recommendation for the Dispute System | | Participants | | 22 Aug WG | | | 3 Sep | | Complete | |
| 017: Participants to provide any written feedback on Operational Requirements for the MLA | | Participants | | 22 Aug WG | | | 5 Sept | | Complete | |
| 018: Participants to provide any written feedback on the proposed Success Criteria for Wave 1 | | Participants | | 22 Aug WG | | | 5 Sept | | Complete | |
| 019: Secretariat to consider edits to the governance model to improve ease of understanding | | Secretariat | | 5 Sept WG | | | 19 Sept | | In Progress | |
| 020: Secretariat to send WG the JROC paper on the dispute system recommendation | | Secretariat | | 5 Sept WG | | | 13 Sept | | Complete | |
| 021: Secretariat to send participants the paper on the MLA Operator Evaluation Criteria by close 5 or 6 September | | Secretariat | | 5 Sept WG | | | 6 Sept WG | | Complete | |
| 022: Participants to provide feedback on MLA consumer understanding proposals | | Participants | | 5 Sept WG | | | 19 Sept | | Closed | |
| 023: Participants to provide feedback on MLA Operator Evaluation Criteria | | Participants | | 5 Sept WG | | | 19 Sept | | Closed | |
| 024: Participants to provide feedback on proposal for Legal Sub-Group (LSG) & ToR (paper to follow) | | Participants | | 19 Sept WG | | | 27 Sept | | Closed | |
| 025: Review inclusion of Consumer Representative within the LSG | | VRPWG Secretariat | | 19 Sept WG | | | 27 Sep WG | | Closed | |
| 026: Participants to provide feedback on MLA Operational Requirements | | Participants | | 19 Sept WG | | | 3 Oct | | Closed | |
| 027: Participants to provide feedback on MLA Propositions – Consumer Control | | Participants | | 19 Sept WG | | | 3 Oct | | Closed | |
| 028: Participants to provide feedback on MLA Operational Requirements – Monitoring and Compliance | | Participants | | 19 Sept WG | | | 3 Oct | | Closed | |
| 029: Participants to provide feedback on MLA Operator – Functional Capabilities | | Participants | | 19 Sept WG | | | 27 Sept | | Closed | |
| 030: Participants to provide feedback on Unhappy Paths Catalogue (paper to follow) | | Participants | | 19 Sept WG | | | 3 Oct | | Closed | |
| Feedback on Legal Sub-Group – ASPSPs and TPPs to discuss/agree who you wish to be the 3 representatives from each sector. | Participants | | 3 Oct WG | | | 7 October | | Closed | |
| Any further feedback on the MLA Operator Options and Evaluation Criteria | Participants | | 3 Oct WG | | | 11 October | | Closed | |
| Feedback on MLA Operational Resilience and Change Management | Participants | | 3 Oct WG | | | 17 October | | In progress | |
| Note the dissent regarding exclusion of a participant from the LSG with JROC at the next JROC meeting | Secretariat | | 3 Oct WG | | | 3 October | | Closed | |
| Secretariat to provide an anonymised comprehensive summary of MLA Operator feedback to the WG | Secretariat | | 3 Oct WG | | | 17 October | | In Progress | |
| Secretariat to consider consumer testing | Secretariat | | 3 Oct WG | | | November | | In progress | |

**INTRODUCTION**

LR as chair introduced the meeting and provided an outline of the agenda.

LR provided a reminder of competition law considerations.

**PREVIOUS MINUTES & ACTIONS**

The minutes of the previous meeting were approved with no changes required.

JC noted the actions which were being progressed:

A participant questioned whether the consumer testing will take place, and what JROC have said about participants being excluded from the LSG. RK noted the consumer testing is not part of current plan nor funding which was agreed with JROC. Also noting that requirements will evolve as we test and learn during the pilot. The suggested approach is pragmatic allowing consumer testing at the point the product is coming into market. Until a full-fledged proposition is developed, we are not ready to test with consumers. Criticality of work to get launch, and expediency of testing once agreed what requirements are is the approach.

On LSG, no feedback from JROC yet. The composition is largely those with legal expertise, and in the ToR is clear that we do not expect the LSG to question or move away from the business requirements agreed by the VRP Working Group. There will be transparency between the LSG and the VRP WG as the LSG reports into the WG.

We believe input from all participants is welcome and will be managed effectively.

**FEEDBACK FROM THE LEGAL SUB-GROUP (LSG)**ND presented progress on mobilising a Legal Sub-Group (LSG) to support the drafting of the MLA. Membership includes 4 ASPSPs & 4 TPPs,UKF & OFA plus OBL, Addleshaw Goddard (AG) and Pay.Uk (wef 24th October) . The first meeting was held on 10th Oct & meetings continue fortnightly on a Thursday.

RH provided insight into the first meeting which was enabled introductions and agreements on ways of working. AG spoke about the plan and prosposed structure and content of the MLA.

RH explained that the WG will need to make decisions and asked for the help of the LSG membership to support discussions and provide feedback. The minutes of the LSG meetings will be shared and a plan is also expected to be shared for agreement next week.

A participant queried as to when the LSG work will be finalised. ND shared the target date of 28th November WG noting that there are circa 6 weeks to complete the activity.

**MLA OPERATOR UPDATE**

RK presented an update on progress, noting that there had been a significant amount of constructive feedback on the papers which had been circulated which has resulted in a need for further reflection. This is a complex decision and it important that we understand the options.

RK shared the key assumptions which have been made and noted the desire to not create impediments to evolution and also to ensure that learning can be gathered as cVRPS ate rolled out. There are many uncertainties e.g., pathway to pricing which are relevant to the MLA and MLA operator.

RK noted that two additional MLA operator options had been suggested:

1. Operator set-up & run by Industry Stakeholders

There are many examples of ‘schemes’ being driven by industry stakeholders (e.g., PayM). RK noted it seems a sensible option to explore in more detail and that an initial meeting had been held. The proposal is to facilitate a workshop to explore further.

1. Commercially Driven Approach/ Tender

The second approach to have a commercially driven approach is also worthy of consideration. The details would need to be unpacked including who would be the contracting entity and any liability considerations.

JC thanked participants for their latest feedback; noting that there were a range of different views and support of the options shared. Detailed questions had also been received e.g., New Co governance, funding, capital buffers, contract duration & financial stability

Comments had also been received around the timeline and the need to take time to get to the right decision and also concerns on the focus on Wave 1 which could result in difficulties to make changes in the future.

There is also a question around who would make the decision and under what authority which needs to be discussed with JROC. Finally, the operation within a competitive market.

RK outlined emerging conclusions; noting that both OBL & Pay.UK may have slightly different perspectives and slightly different issues to consider. A form of joint capability would provide a better foundation. From an OBL perspective, RK felt that there is now a better & enhanced view of what the MLA Operator would need to do; however, there are a few external uncertainties e.g., establishing price / commercial framework. This had led to the view of 3 potential approaches based on the hypothesis that OBL could not act as sole operator due to concern over extension of liability. OBL is seeking legal advice re liabilities.

A participant sought clarification on the progress and set-up of the interim entity and whether this could impact the options? RK invited a JROC representative to comment; however, believed that the long-term regulatory framework was a key dependency for the interim entity and expected some clarity sooner rather than later.

RK suggested that there may be a need to do something bespoke for cVRPs in the short term.

EB outlined Pay.UK’s perspective, reflecting on OBL as order-based and therefore unable to take on liability which would make a New Co as pre-requisite. Pay.UK has independence and therefore could accept an appropriate level of liability/risk under relevant controls. There is a need to bottom out the risks and liabilities and agree with Pay.UK ExCo. Some form of jointly run operator feels like the right answer at this stage.

RK noted next steps on the MLA operator which included reviewing legal advice re liability (OBL) and how it could be mitigated and looking at the alternative scenarios e.g., industry led approach.

There is a need to balance expediency and getting to the best decision. A paper will be circulated to the WG later today and feedback is welcome.

A participant asked whether there will be an impact on the timeline for the launch of Wave 1 cVRPs? RK responded in that he does not believe so; however, the plan to share a recommendation to JROC on 3rd Nov would more likely be an update on the direction of travel. EB noted that there is a project risk in that significant decisions taking time to resolve. RK said that there is likely a mechanism to get to a path to a decision on the MLA operator.

A participant found the comments helpful and asked whether this could be captured in a paper setting out the risks, linkages, dependencies, options and trade offs etc. RK agreed to take this away.

A participant noted the revised position and asked what would be included. RK advised it would be a direction of travel and is unlikely to discount any options at this stage.

**MLA OPERATIONAL REQUIREMENTS ACCESS AND PARTICIPATION**

ND presented the requirements for access and participation. He clarified that ‘authorised & regulated PISPs & ASPSPs, meant FCA regulated. Pure TSPs had been excluded from Wave 1 as a process for their inclusion would need to be worked through.

Some additional requirements had been included with respect to Merchant Onboarding.

A participant noted the CoP is not currently part of any OB journey, ND said this will be a requirement on the PISP for the merchant at set-up of VRP. A participant explained the approach their organisation has used to check accounts; whilst another participant asked whether other verifications can be done as CoP could be restrictive.

ND moved on to minimum end-user experience where a participant requested that Pay.UK provide a paper with respect to CASS and how it may work with VRPs. EB noted that it is yet to be known what the size of the work needed is. ED advised that a note has been shared with the Consumer Protection workstream and will share.

MW noted that we should not overstate impact - switching rates are low and proportion of those that will set up VRPs will be low. The major obstacle aside from technical will be the consent model - how would an ASPSP "transfer" a VRP to another ASPSP without PSU reconsenting?

On the subject of Scheme Fees, a participant questioned why receiving ASPSPs would not be included since they would receive commercial benefit from cVRPs. ND responded in that currently recipients are not part of the MLA also noting that the merchant would be charged.

A participant noted that mechanism to recover fees could be challenging. ND noting that the ultimate solution would include some form of automation but initially we would expect data to be provided to MLA operator to enable charges to be calculated and final settlement.

**FEEDBACK ON CONSUMER CONTROL & FEEDBACK ON MONITORING AND COMPLIANCE**

DB presented feedback on consumer control.

A participant objected to the proposals raising the concern that there is no evidence that consumers understand Open Banking or the dashboards and suggested that this should be added to work needed. Additionally, they had not seen a proposal for how to cancel cVRPS or payment notifications and balance proposals. ND said that some pieces of work do not fit neatly into anything and that an auxiliary consideration proposal will be created to capture outliers which will be shared with the WG. On consumer notifications, we will look to provide guidance rather than standards, and this can be discussed with the group.

MW noted that the CMA9 dashboards are subject to Monitoring and meet CEG/Checklist. Usage is low based on data, but not possible to infer why and for AISP the safety net is obviously 90-day reconfirmation. A lot of consumer testing was done on dashboards historically and MW suggested that Wave 1 itself is a form of consumer testing and we should try to get specific feedback on them (via PISPs, ASPSPS and/or merchants) e.g., can consumers find them, where do they go to or expect to go to cancel, are they easy to understand etc. There is merit in "consolidating" payments in one place and the CEGs support that option

**RECAP OF ASK DEADLINES**

* **18th October**– Feedback on MLA Operational Resilience and Change Management (reminder)
* **1st November**– Feedback on MLA – Access and Participation
* **1st November**– Feedback on MLA Operator Risk Mitigation (paper to follow)

**AOB**

There was no other business raised

**FINAL COMMENTS AND CLOSE**The Chair thanked participants and closed the meeting.

The next meeting of the VRP Working Group is scheduled for Thursday 31st October.