**VRP Working Group Meeting Minutes and Actions**

*Minutes*

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| **Meeting Date:** 19 September 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** |
| Alexandria Pierre | Barclays |
| Andrew Neeson | Tink |
| Brianne Evans | Truelayer |
| Callum Flaherty | Barclays |
| Chris Harris | Mastercard |
| Chris Owen | BRC |
| Dharmesh Akotiya | Mastercard |
| Dominic Lindley | Independent Consumer Representative |
| Fliss Berridge | Ordo |
| Gary Aydon | Santander |
| George | HSBC |
| Jack Wilson | Truelayer |
| James Guy |  |
| Jonathan Glover | Bank of Ireland |
| Lynsey Hunt | NatWest |
| Mike Banyard | Ordo |
| Nicole Green | Yapily |
| Nisha Rajasingham | NatWest |
| Paul Austin | Bank of America |
| Ramjit Lal | NatWest |
| Richard Ibell | NatWest |
| Robert Sullivan | Token |
| Serenna Cole | Yapily |
| Tim Birts | Nationwide |
| Tom Trundle-Martin | TrueLayer |

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| **Chair and Secretariat Attendees** | **Organisation** |
| Euan Ballantyne | VRPWG Co-Chair |
| Luke Ryder | VRPWG Co-Chair |
| Christian Delesalle | VRPWG Secretariat |
| Danh Nguyen | VRPWG Secretariat |
| Daniel Jenkinson | VRPWG Secretariat |
| Deborah Horton | VRPWG Secretariat |
| Gloria Dsouza | VRPWG Secretariat |
| Keith Milburn | VRPWG Secretariat |
| Lorna Suffield | VRPWG Secretariat |
| Khishi Ganbold | VRPWG Secretariat |
| Jo Ainsley | 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 |

**ACTIONS**

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| **Action** | **Owner** | **Origin** | **Due Date** | | **Status** |
| 024: Participants to provide feedback on proposal for Legal Sub-Group (LSG) & ToR (paper to follow) | Participants | 19 Sept WG | | 27 Sept | In Progress |
| 025: Review inclusion of Consumer Representative within the LSG | VRPWG Secretariat | 19 Sept WG | | 27 Sep WG | In Progress |
| 026: Participants to provide feedback on MLA Operational Requirements | Participants | 19 Sept WG | | 3 Oct | In Progress |
| 027: Participants to provide feedback on MLA Propositions – Consumer Control | Participants | 19 Sept WG | | 3 Oct | In Progress |
| 028: Participants to provide feedback on MLA Operational Requirements – Monitoring and Compliance | Participants | 19 Sept WG | | 3 Oct | In Progress |
| 029: Participants to provide feedback on MLA Operator – Functional Capabilities | Participants | 19 Sept WG | | 27 Sept | In Progress |
| 030: Participants to provide feedback on Unhappy Paths Catalogue (paper to follow) | Participants | 19 Sept WG | | 3 Oct | 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 | In Progress |
| 023: Participants to provide feedback on MLA Operator Evaluation Criteria | Participants | 5 Sept WG | | 19 Sept | 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.

The Chair noted the actions which were being progressed:

* 015 – to be followed up off-line.
* 019 – governance model - slides to be recirculated to reemphasise the model
* 022 & 023 – participant feedback due today (19/09)

**PROPOSAL ON A LEGAL SUB-GROUP (LSG)**DN introduced the proposal to mobilise a Legal Sub-Group (LSG) to support the drafting of the MLA.

The LSG would meet on a bi-weekly basis and focus on undertstanding, defining and laying out the key headline elements of the MLA. The LSG would feed into the Legal Firm, Addleshaw Goddard (AG) who will draft the MLA. It would also bring the elements back to the VRP Working Group for assessment and consideration and then feedback to AG.

This approach should help in meeting the deadlines for MLA drafting. As a smaller group the LSG would be allowed the opportunity to do detailed focused work.

The proposed LSG would have representation from OBL, Pay.UK, AG, UK Finance, OFA, 2 ASPSPs & 2 TPPs. Terms of Reference is currently being drafted and will be shared shortly.

A participant asked if they could join the group to provide the consumer perspective. In response, DN agreed to consider the request.

A participant enquired about the process for selecting ASPSPs & TPPs. DN responded by suggesting that they discuss between themselves and let us know. Interested participants were invited to contact the secretariat.

A partcipant questions what other options had been considered outside of the sub-group. In response, DN highlighetd the need to make good progress and be efficient and to balance the interests of the relevent experts. The LSG will need experience and contribution from speciailists eg lawyers or those with experience in these types of agreements.

The same participant recognised the approach and raised concerns that 2 TPPs and 2 ASPSPs may not reflect the entire breadth of interests. Another participant suggested that UKF could provide this broader view.

EB rspoke of the need to balance views and also the practicalities of doing so. He reminded participants that the MLA principles are shared with the Working Group for views. This is then taken to the LSG who will support the MLA drafting with guidance from AG & t he eventual MLA Opertaor. The draft MLA will be shared with the Working Group as well for further input.

A participant questioned why the LSG would be constrained if it’s not a technical group? Had there been any consideration to included Merchants / Billers or is this via the TPPs? The response was that the intention was via the TPPs to keep the group workable.

Another participant suggested that as the TPP holds the relationship with the merchant then the merchant is not needed.

The Chair recognised that many models could be used and that a level of pragmatism was required. Therefore having a smaller group to complete activities and share back to the Working Group.

A participant commented that whilst the Working Group had good attendance, feedback appeared to come from less than 10 participants. However they felt that the process runs quite well in asking for feedback. They raised concern that a TPP may support a certain type of merchant and there was a need to be more inclusive, particularly as the MLA will morph into v2.0. The LSG is missing consumers, a variety of merchants and others.

The Chair thanked participants for their feedback and saw the LSG as being additive to the process. The feedback will be reviewed.

A participant asked to see the ToR and also for time to respond to the request for nominations.

DN concluded by saying that the LSG would be considering the details, provisions and items to be included in the MLA. This will require extended time (2 hours +) from the membership to enable detailed discussions around items such as liability, rules of participation etc.

**WAVE 1 SUCCESS CRITERIA - UPDATE**

KG presented the feedback received on the Wave 1 Success Criteria and gave thanks to the participants who provided some.

She noted that four written responses had been shared, with contributors mostly agreeing with the initial success criteria within the VRP blueprint plus additional proposals.

One element which received feedback related to the inclusion and definition of volumes as a measure of success.

A participant suggested that given the specific focus of Wave 1 use cases, there may not be that much of a demand for a Direct Debit substitute. Low take up of cVRPs should not be a prohibitor to moving forward. In response KG noted that the first criteria had been updated to reflect this point.

Another participant stated that it was important to have enough uptake to show that the commercials work. They expressed a concern re the timebound criteria which may not allow for sufficient empirical evidence to support a move to Wave 2.

KG responded that the feedback had been heard and that we plan to monitor Wave 1 and advise JROC if the data is insufficient.

Another participant asked for a full list of minimum KPIs e.g., Dropout rates at an acceptable tolerance level. In response KG advised that this will be considered and shared with the group since there is likely to be more MI that we would want to collect.

EB suggested that we need to know what is enough to measure success; not only transactional volume but also e.g., disputes, participation of billers/merchants. This will need to be built into the MI and measurements.

A participant suggested minimum thresholds and asked for clarification re Fraud as a success criterion. KG responded in that the dispute system will help in the provision of MI around fraud.

DJ spoke about how the activity to plan and prepare for unhappy paths plus the mechanism to reduce unhappy path occurrences are also success criteria.

A participant raised a concern that the more complicated the MI requirements and recording the less likely it will be in place in time. Consideration should be given to what is possible; it will not be 100% perfect on day one and so launching Wave 1 should happen even without MI being ready. We need to consider what is absolutely needed and recognise that advanced elements may not get delivered.

Another participant noted the need to be specific e.g., just measuring fraud does not give anything, it should be measured against other payment methods. Similar for disputes – it may work for customer but what is it compared against?

They also queried the lack of inclusion of commercial model; asking if we fail to evaluate a sustainable commercial model then what have we achieved?

KG noted that commercial model is a pre-requisite for Wave 1 to proceed and that clarity was needed from the PSR. EB agreed that commercial model was important (like volume), but we are not setting the commercial model or setting a volume target. The focus in more on functionality.

A couple of participants raised the point that in addition to the service being good for customers, meeting their needs and doing no harm; we should also consider and evaluate a good commercial outcome for participants.

KG agreed the action to revisit the commercial model post clarification from the PSR.

EB suggested this is discussed with the VRP Implementation Group. Our task is to deliver the functionality for an effective service that works and not to deliver a business outcome.

In conclusion, KG agreed to take away the additional feedback and asked for participants to share any further material comments. She will return to a later working group with further updates.

**MLA OPERATIONAL REQUIREMENTS RESPONSE**

ND noted that respondents had agreed with the 19 Operational Requirements which were captured. Respondents had suggested additional requirements which were analysed in the paper that was previously circulated. Some of the 19 Operational requirements had been broadened out as a result, and another operational requirement added to the list.

**MLA PROPOSITIONS – CONSUMER CONTROL**

ND presented the MLA Propositions under the theme of Consumer Control and requested comments be provided by 3rd October. The VRP blueprint formed the basis, and four items were identified as not covered by the model clauses.

In terms of consumer visibility, this is met by using the dashboards already in place. Access and consent dashboards should be used as defined in the Open Banking Standards.

A participant raised the concern that dashboards can be hard to find in banking apps which could doom the pilot from the start.

ND talked about the need to be able to find information (view) and cancel mandates which are also covered in the standards and will be applied in the MLA.

GD explained that the standards / principles state that the information should be easy t to find and locate noting that an ASPSP can decide how to do this.

A participant suggested that ASPSPs place this information near other payment information. Noting that it is mandatory for PISP to provide consent dashboard’ they asked whether there was an expectation for Merchants to host and manage consent dashboards? In response GD advised that the customer gave consent to the PISP however the merchant, as customer facing, may need to provide something. There is an expectation that the PISP & the Merchant discuss who would provide this.

ND confirmed that there will be a dashboard which the PISP is expected to host; it could be white labelled so a merchant could offer.

A participant noted that most consumers do not look at the OB section of an App and there may be benefit in providing standardisation as the current standard offers flexibility.

Another participant questioned whether VRP consent would be distinguishable from other consents and what the offerings would be called e.g., VRP, Sweeping VRP. They recognised the importance of the CEGs for consistency including a recommendation for a name.

GD re-iterated that the dashboard section of the CEGs does provide clarity; is specific on terms and allows flexibility in terms of location as appropriate. The principles within the CEGs should be followed. ND advised that this would be considered under the MLA.

A participant spoke about using the MLA to bind us all in the provision of user-friendly language and processes for the consumer. Raising a concern that language needs to be clearer to increase chances of adoption. Eg VRP, OB, cVRP is not customer friendly.

Another participant felt that the merchant needs to present to the customer their consent and the ability to withdraw it. Questioning how prescriptive are we being?

ND explained that the MLA would bind the PISP and the ASPSP and not the Merchant. Appreciating that it can be challenging for a PISP in controlling a large biller.

ND raised a point of discussion regarding statements and including the right information on statements for consumers, for example End Creditor so that the statement is clear for consumers, however it is outside of our MLA to be too prescriptive on details for statements.

A participant stressed the importance of being able to identify the end recipient. Whilst it may be a regulatory requirement, they were aware that not all statements show the end destination with some having the TPP named.

ND reminded participants that it is mandatory to pass the end creditor information. DH quoted the regulatory position in the PSRs and shared a link to the relevant section in the meeting chat.

A participant highlighted that there are reasons why it is not always possible to see the end recipient e.g., where a TPP is not following the guidance when they set up a client. ASPSPs can only display the information that they are given. In response ND noted this and agreed to consider as part of the fraud theme.

A participant advised that they provide the merchant’s name as part of the payment payload and therefore expect it to be passed on.

**MLA OPERATIONAL REQUIREMENTS– MONITORING AND COMPLIANCE**

ND introduced the requirements for monitoring & compliance explaining that feedback from earlier papers had helped to shape the considerations and proposals.

A participant questioned whether their feedback had been considered including the MLA needing powers to monitor & share. They had standards from another area which could be useful for us. ND confirmed that the feedback had been incorporated with the MLA Operator reserving the right to undertake deep dives and research.

ND then spoke about compliance with the MLA and potential routes and implications of non-compliance.

A participant questioned the need for annual attestations as these deviates from the OB conformance testing that is currently in place. Also noting that there is no attestation requirement for sweeping VRPs.

ND acknowledge the difference, noting that cVRPs are using payment rails and highlighting the benefits of attestation in helping firms keep up to date with changes in rules / standards.

MJ added that we are seeing an increasing need for payments and OB to come together. An example being the inclusion of a marker within FPS procedures to identify OB initiated payments to help avoid potential processing conflicts. The MLA will combine the initiation and processing of payments and evolve accordingly.

The participant spoke about the non-alignment of rules between OBL and Pay.Uk to which MJ spoke about the close working between the two organisations on a technical, standard and product level (cVRPs).

Another participant spoke about TRIs advising that they could not share or store this information if it were not provided to them. ND advised that this will be mandated for the PISP to provide to the ASPSP (under the fraud proposals).

A participant questioned how the MLA Operator would assess and manage liability. ND responded that this would be considered under operator risk, noting that an operator would seek to remove or limit all liabilities that could arise.

A participant agreed with an earlier point re dovetailing with existing standards and also recognising that this is new expanding beyond VRPs. They noted that the EU is looking at PSD3 with premium APIs and further functionality in OB; hoping that the FCA would join the dots.

A participant questioned whether we were moving beyond the initial MVP approach for Wave 1. Noting the requirements of TPPs and ASPSPs e.g., fraud prevention, MI provision, attestation. Appreciating that these would be needed in the fully fledged solution but may make Wave 1 unattractive for ASPSPs given the increased investment and operational costs. Is there a danger that we are gold plating things and losing incentive to participate?

ND thanked participants for the helpful feedback and encouraged participants to submit in writing to enable this to be considered.

**MLA OWNER – FUNCTIONAL CAPABILITIES**

JC recapped on the MLA Operator activity and thanked participants for their feedback on the evaluation criteria.

He introduced the proposals for the functional capabilities which would be needed by the operator.

A participant referred to the options for MLA Operator, noting that some options suggested a need for contracting with OBL, if OBL were not the operator. They questioned what functional elements would be taken on by OBL?

JC suggested that if a third-party operator were chosen, where would they source capability e.g., OBL, Pay.UK, another? There is a need for a pragmatic approach.

The question will be revisited at the next VRP Working Group.

**DISPUTES FRAMEWORK – PROPOSAL ON ASPSP VS PISP DISPUTE TYPES**

DJ provided an update on the recent Disputes Unhappy Path workshop, recognising the great level of attendance and support.

We now have a solid catalogue of Unhappy Paths which will be circulated separately after the working group for feedback.

DJ reminded participants what the catalogue is and what it is not.

Feedback required by 3rd October

**RECAP OF ASK DEADLINES**

* **27th September** – Feedback on MLA Operator Functional Capabilities
* **27th September** – Legal Sub-Group (LSR) ToRs (paper to follow)
* **3rd October** – Feedback on MLA Operational Requirements
* **3rd October** – Feedback on MLA Propositions – Consumer Control
* **3rd October** – Feedback on MLA Operational Requirements – Monitoring and Compliance
* **3rd October** – Feedback on Unhappy Paths Catalogue (paper to follow)

**AOB**

A participant asked whether Pay.UK had considered the inclusion of VRPs as part of the current account switching service. MJ confirmed that this is being discussed and offered to reach out to the participant to discuss.

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

The next meeting of the VRP Working Group is scheduled for Thursday 3rd October.