

# Meeting Minutes

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**Meeting details**

Meeting date: 17 December 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

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Name		Role	Attendance
Alan Ainsworth	<b>AA</b>	OBIE – Head of Policy	Yes
Bill Roberts	<b>BR</b>	Competition and Markets Authority (CMA)	Yes
Candy Ma	<b>CMA</b>	OBIE – Office of Trustee	Yes
Caroline Ambrose	<b>CA</b>	Barclays Bank	Yes
Carly Nimmo	<b>CN</b>	HMT	Yes
Chris Michael	<b>CM</b>	OBIE – Head of Technology	Yes
Daniel Ehreich	<b>DE</b>	Bank of Ireland	Yes
Ed Colley	<b>EC</b>	OBIE – Programme Director	Yes
Faith Reynolds	<b>FR</b>	Independent Consumer Representative	Yes
Gary Sheen	<b>GS</b>	Tesco Bank	Yes
Gavin Littlejohn	<b>GL</b>	Fintech Representative	Yes
Ghela Boskovich	<b>GB</b>	Fintech Representative	Yes
Helene Oger-Zaher	<b>HOZ</b>	Financial Conduct Authority	Yes
Hetal Popat	<b>HP</b>	HSBC	Yes
Hilary Plattern	<b>HPL</b>	PSR	Yes
Ian Major	<b>IM</b>	TPP Representative	Yes
Imran Gulamhuseinwala	<b>IG</b>	OBIE – Trustee/Chair	Yes
Mark Chidley	<b>MCH</b>	Independent SME Representative	Yes

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Matt Cox	<b>MC</b>	Nationwide	Yes
Matt Wallace	<b>MW</b>	OBIE (Guest)	Yes
Nicola Patricia McCleery	<b>NPM</b>	Danske Bank	Yes
Phillip Mind	<b>PM</b>	UK Finance	Yes
Richard Mould	<b>RM</b>	OBIE (Guest)	Yes
Richard Newman	<b>RN</b>	OBIE	Yes
Robert White	<b>RW</b>	Santander	Yes
Roy Hutton	<b>RH</b>	Allied Irish Bank	Yes
Sally Chiwuzie	<b>SC</b>	OBIE IESG Secretariat	Yes

### Apologies

Name		Role	Delegate
Daniel Globerson	<b>DG</b>	Royal Bank of Scotland	Stephen Wright ( <b>SW</b> )
Simon McDougall	<b>SMD</b>	Information Commissioners Office	Jenny Vega Destello ( <b>JVD</b> )
Stephen Smith	<b>SS</b>	Lloyds Banking Group	Richard Rous ( <b>RR</b> )
Thaer Sabri	<b>TS</b>	Electronic Money Association	Ruth Mitchell ( <b>RM</b> )

### No. Agenda item

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

- 1.1. **IG** welcomed IESG members to the Microsoft Teams virtual video conference.
- 1.2. **IG** stated that there are AOB items from **MC** - the first is an update on CoP which **EC** will expand upon during the actions updates and another on IESG paper pre-read timeliness, which would be covered in AOB. **IG** stated that any further AOB requests should be put into the chat where himself or **SC** would pick up.
- 1.3. **IG** informed IESG members that feedback was received by **FR** on the minutes, and revisions have been made. On this basis, **IG** approved the minutes for the November IESG.

**APPROVAL – IESG\_APR\_LOG\_088 – November IESG Minutes - IG approved the minutes from the November IESG.**

- 1.4. **IG** moved the agenda along to the open actions on slide 21.
- 1.5. In terms of action #476 (CoP Phase 2), **IG** advised that this is not in the Order and the OBIE play a supporting role. **IG** handed over to **EC** for an update. **EC** stated that the OBIE was contracted by Pay.UK to deliver a directory update that enables all accounting firms (not just ASPSPs) to make use of CoP sending and responding end points. **EC** stated that the capability will deploy in February 2021 and any usage of that capability is subject to each individual firm being authorised (not in the regulatory sense) by Pay.UK as they have a process for onboarding participants into the CoP scheme. **EC** stated that the importance of this is that any deployment into the ecosystem is governed by Pay.UK. **EC** stated that non account

holding firms are supported from the beginning by that enabling capability. **EC** stated that this goes back to the point that they can only go back to the ecosystem once they are authorised by Pay.UK. For non-accounting firms, **EC** was not aware of any plans to roll out in 2021, adding that account holding firms may join the ecosystem during the course of 2021 but certainly not before the second quarter. **EC** wanted IESG members to note that there might be an HMRC tender which will be issued to drive the main CoP activity but this will be up to the governance of Pay.UK. **EC** referenced the CoP / CRM journey changes that are within the Roadmap and are in preparation for including in the PISP journeys. **EC** stated that there is work being done with CRM and Pay.UK on CoP but there is no immediate plan to introduce PISPs into this journey and the expectation is that it would only envisage when there was significant growth of PIS services in the ecosystem. **EC** stated that the deployment of the customer experience outcome is as per the risk appetite of the individual ASPSP and presently, there is no mandate for that.

- 1.6. **MC** stated that his question was answered, explaining that he was asking about making sure that the banks are aligned with the scope which does not include PISP journeys. **EC** stated that from OBIE perspective, the deployment meets all requirements, however, the governance in terms of the rollout is entirely at the discretion of Pay.UK. **IG** says clarification should be from James Whittle and we can deal with
- 1.7. In going back to the actions, **IG** took IESG members through to action #477 (*Performance Improvement Plans (PIPs) – DF to confirm to GL that CEG updates have been added to the transparency calendar*), **IG** stated that the transparency calendar has been updated. **GL** confirmed.
- 1.8. With regard to action #478 (*KPI Dashboards – The various ways of measuring API availability to be discussed internally within OBIE, taken to PMG and brought back to IESG in January 2021*), **IG** explained that this conversation is a carry-forward which is due in the January 2021 IESG meeting. **IG** advised that this action should remain open.
- 1.9. With regard to action #479 (*A2(c)(ii) Timely-Provision/High-Frequency MI Requirements for ASPSPs – A cost impact analysis to be prepared by the CMA9 detailing the complications of the architecture and resources required. An agenda item detailing a cost impact of the as-is state MI to be added to the December bilaterals. This should be brought back to IESG in December 2020 or January 2021*), **IG** explained to IESG members that at the last IESG, there were a diverse view of opinions with regard to the frequency of MI Submissions and the underlying problem statement; the idea was that they should be discussed at the bilaterals in January. **IG** advised that there are impact assessments from nearly all of the CMA9 and so this is on track for January 2021. **IG** advised that this action should stay open.
- 1.10. With regard to action #480 (*Dashboard Review - AA to consider the orchestration of a discussion with the FCA about the implications of the dashboard review on open finance, PSD2 and potential divergence*), **IG** explained that this is an agenda item at this meeting. **IG** agreed closure.
- 1.11. **GL** asked if the impact assessments were consistent. **IG** stated that indicatively, they are similar but was not in a position to disclose any more detail. **EC** added that a couple more impact assessments have not been received from some of the banks and would like to see those before drawing conclusions. **IG** stated that the impact assessments are sufficiently substantive and so conclusions can be drawn, however the process needs to play out.

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### ACTIONS

Action Number	Date Raised	Owner	Description	Notes	Target Date	Status	Date Closed
IESG_2020_301_476	25/11/2020	EC	<b>Programme Update - CoP</b> - EC to discuss CoP phase 2 in more detail and bring back to the December IESG.	<p><b>Update 17/12</b> – closure agreed.</p> <p><b>Update 14/12</b> - COP II Directory Enablement for account holding firms - deploys February; usage subject to each firm being "authorised" by Pay.UK. Non account holding firms are supported but not planned for rollout yet in 2021 (Note likely HMRC tender may drive this activity). COP/CRM journey changes are in preparation for including in PISP journeys once ASPSP risk appetite is reached. Presently there is no mandated date. Propose to close.</p> <p><b>Update 10/12</b> - SC awaiting further update.</p>	17/12/2020	Closed	17/12/2020
IESG_2020_301_477	25/11/2020	DF	<b>Performance Improvement Plans (PIPs)</b> – DF to confirm to GL that CEG updates have been added to the transparency calendar.	<p><b>Update 17/12</b> – closure agreed.</p> <p><b>Update 09/12</b> - confirmation received from the internal team that the Transparency Calendar was updated with the relevant CEG Conformance link. Propose to close.</p>	17/12/2020	Closed	17/12/2020
IESG_2020_301_478	25/11/2020	EC	<b>KPI Dashboards</b> – The various ways of measuring API availability to be discussed internally within OBIE, taken to PMG and brought back to IESG in January 2021.	<p><b>Update 09/12</b> - carry forward to the January IESG.</p>	17/12/2020	Open	
IESG_2020_301_479	25/11/2020	EC / DF	<b>A2(c)(ii) Timely-Provision/High-Frequency MI Requirements for ASPSPs</b> – A cost impact analysis to be prepared by the CMA9 detailing the complications of the architecture and resources required. An agenda item detailing a cost impact of the as-is state MI to be added to the December	<p><b>Update 14/12</b> - Carry forward to January IESG.</p> <p><b>Update 11/12</b> - OBIE expecting further information during the bilaterals. Verbal update to be provided at IESG. Propose to close.</p>	17/12/2020	Open	

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## OPEN BANKING

			bilaterals. This should be brought back to IESG in December 2020 or January 2021.				
IESG_2020_301_480	25/11/2020	AA	<b>Dashboard Review</b> - AA to consider the orchestration of a discussion with the FCA about the implications of the dashboard review on open finance, PSD2 and potential divergence.	<b>Update 17/12</b> – closure agreed. <b>Update 10/12</b> - This is included in the pack. Propose to close.	17/12/2020	Closed	17/12/2020

## **1.c PROGRAMME UPDATE**

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### **1.c.i OBIE STATUS REPORT**

- 1.12. **IG** moved IESG members on to the programme update on slide 23, inviting **EC** to give updates, specifically mentioning year end updates on eIDAS changes forthcoming.
- 1.13. **EC** stated that from OBIE point of view, all the changes and clarifications on eIDAS from the FCA have been digested. **EC** stated that this has thrown up a small challenge where the identifiers (FRN's) within the register will be from the UK rather than from the EU. From an ASPSP and CMA9 perspective, **EC** explained that this will be handled internally so that there will be no impact as 01 January 2021 approaches. **EC** asked IESG members to recall that there is a requirement to get off OB legacy certificates by June and for those firms that are passporting and now using those legacy certificates, there may be a shortened time period where they can migrate their PSU's. **EC** stated that this was unfortunate news, however, the change has been scheduled and will be reported. **EC** stated that there is a set of activities around supporting the change over that period. **EC** stated that any entity sitting in the directory will not be revoked between the 31 December 2020 and 01 January 2021 because it could be operating within the EU and Republic of Ireland.
- 1.14. **IG** opened the floor to questions on eIDAS.
- 1.15. **EC** drew out key things from the status report – limited changes to status is due to the alignment of the CRM / CoP. In January 2021, **EC** expected the forecast to go green. In terms of key activities during this reporting period, **EC** stated that the first consultation for VRP and sweeping closed and there is a paper in the pack to discuss that. In terms of the RCA work on authentication and bilateral conversations, **EC** explained that each of the CMA9 have now concluded and we are working on the recommendations in the report. **EC** opened to questions.

### **1.c.ii CMA9 IMPLEMENTATION UPDATE**

- 1.16. **IG** moved IESG members on to the implementation summary on slide 24, stating that a few more greens have turned blue, particularly Barclays and Nationwide.
- 1.17. **EC** stated that Barclays have implemented and have conformance for 3.1.6 and bar an MI issue, NWD are substantially complete. **EC** stated that most of the other CMA9 implementations are on track. There are a couple of issues around Cater Allen's implementation. As a summary, **EC** stated that during the course of the tail end of November and this month, there have been a significant number of implementations done across the CMA9 and great progress has been made.
- 1.18. **IG** opened the floor to comments and questions. There were none.

### **1.c.iii CMA9 CERTIFICATION UPDATE**

- 1.19. **IG** moved on to the conformance dashboard on slide 25. **IG** explained that David Fineberg would usually give an overview of these next two slides, but he has moved on and will be replaced by Anoushka Thompson who will start in January 2021.
- 1.20. **EC** explained that there are more greens and blues around the certification updates. On statistics, **EC** stated that since the start of November, 29 individual certifications have been passed. **EC** was pleased with the progress made over the last six weeks. **EC** added that some certifications are imminent as the new year approaches.
- 1.21. **IG** found this helpful and thanked all involved.

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

- 1.22. **IG** noted that the big difference on slide 26.
- 1.23. **EC** wanted to draw out dates for the performance improvement plans. **EC** stated that the monitoring items – highlighted in blue indicates that they are progressing well. **EC's** expectation was that the report in January 2021 should show completion and so will be removed at that point. Overall, **EC** stated that good progress has been made and everyone is on track.
- 1.24. **IG** thanked all for constructive work and ethic.

## **1.c.v KPI DASHBOARD**

- 1.25. **IG** moved the agenda on to the KPI dashboard. **IG** stated that this month looks steady with availability inching forward and even though response times has scaled back, **IG** stated that this is not particularly a trend. In terms of KPI volumes, **IG** described these as decent.
- 1.26. With regard to the KPI volume growth, **EC** stated that 659 million is decent and went on to explain that in October, the average daily volume was around 19.7 million and has risen to 22 million in December. **EC** was pleased to announce continuous daily growth. **EC** expected this to reach north of 700 million API calls in December and north of 7 billion in January.
- 1.27. On availability, **EC** stated that this has not improved much, but was expecting that there will be an improvement going into the reporting period for January.
- 1.28. **EC** did not have a lot to say about service desk tickets, stating that they are pretty stable in terms of volume - Barclays increased but this is down to implementation problems.
- 1.29. **EC** stated that across the CMA9 there are a significant number of tickets awaiting fixed dates. From an implementation point of view, **EC** added that as the new year approaches, the fixes will get scheduled.
- 1.30. **GL** stated that the technical performance and volumes of new TPPs coming into the market is encouraging. **GL** stated that Account Information Service providers are still haemorrhaging customers on the 90-day mark. **GL** added that despite the fact that new TPPs are driving in new customers, the retention for long lived access business models is going to destroy a number of businesses. **GL** stated that he would be interested in hearing from the FCA of any intentions to bring new changes. **IG** stated that he has heard about reluctance of some TPPs to get into the ecosystem until the 90-day authorisation issue is resolved. **IG** asked **HOZ** or **RP** to provide an update if possible. **HOZ** stated that the FCA are still looking at options and what can be done. **HOZ** stated that there is nothing more that can be shared at this stage but will do when there is something to discuss. **GL** knew that a main market participant is considering returning share capital to shareholders. **HOZ** thanked **GL** for the information.
- 1.31. **IG** asked **EC** what the team is doing with the account and fraud strategy group between Christmas and the new year. **EC** stated that there are regular sessions but not sure of attendance. **IG** expressed a desire to be kept abreast of updates.

## **2.a Data retention for the calculation of first time PSUs**

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- 2.1. **IG** turned to 2.a – Data retention for the calculation of first time PSUs, stating that this delves deeper into one of those additional points in the MI specifications raised in agenda item 2.c.
- 2.2. **CM** stated that this is about the definition of first time PSU. **CM** stated that in the MI specification up till now details 3 types of metrics.
  - 2.2.1. Those using AIS services for the first time
  - 2.2.2. Those using PIS services for the first time; and
  - 2.2.3. A unique category of those who use both services together or in addition to each other.

**CM** stated that this has not changed, but clarity has been accorded to explain historical duration and how far back it goes. **CM** added that for AIS, the historical duration must align to each individual firms corporate records and retention policies because data cannot be held on for longer than retention policies, however, if they do not cater for Open Banking, then the start date should commence on January 2018. **CM** stated that if there are dates that go beyond the retention policy, then these consents must still be available. For PIS, **CM** explained that there are no long-lived consents, so this has been clarified slightly differently. **CM** added that a minimum of 3 years has been specified and the first payment must be considered the first time the customer has used the PIS service.

- 2.3. **HP** found this helpful. **HP** stated that HSBC were trying to avoid the volume of data becoming exponentially large over time and was happy with the 3-year time period. **HP** wanted to clarify that CBPII is also part of the AIS long lived header at the top. **CM** confirmed.

## 2.b A2(b)(iii): Evaluation of Efficacy of Consent and Access Dashboards

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- 2.4. **IG** introduced slide 30 – A2(b)(iii) – evaluation of efficacy of consent and access dashboards.
- 2.5. **MW** explained that in the last month, an overview and plan on a page was requested, adding that the timeline at the top reflects the various deliverables that were produced during the first three pages, recommendations of which are to be discussed.
- 2.6. **MW** reminded IESG members that the Roadmap timeline had a tight delivery schedule as the drafting phase continues straight on from the report phase as discovered at the October 2020 IESG. **MW** added that this could have knock on implications for the initial consultation and timelines if consensus is not reached today. in order to mitigate, **MW** explained that internal draft work has begun and if there is non-consensus, industry consultation can be started on the agreed recommendations this month (December 2020) while final recommendations can be discussed at the January 2021 IESG.
- 2.7. In terms of recommendations, **MW** did not propose to go through each in detail but was keen to hear feedback and answer queries as to any problem questions.
- 2.8. **IG** reiterate that the aim is to approve the standard, adding that these recommendations are not standards, but the next steps along the journey.
- 2.9. **SW** appreciated all the effort put in by **MW** and broadly agreed with the recommendations, but stated that when it comes to looking at specific requirements, there are nuances that need to be looked at around where the dashboard is placed and other challenges around direct channels and real time notices of revocation because the experience indicates very low usage by TPPs and 90 day reauthentication is supported.
- 2.10. **MW** stated that this is recommendation 5, which is not mandated but updated guidance will be provided with support for it.
- 2.11. **AA** stated that P2 says that the need for real time notifications will be reviewed depending on the number of calls and usage by TPPs of the current P2 implementation, the earliest of this usage will be January 2021 and the backstop is October 2021. **AA** stated that the problem statement is whether the two parties know that there has been revocation at the access dashboard and there might be another way of getting the information across to the TPP. **AA** stated that this might be potentially a different error code solution which accepts the problem statement, but the solution may not be P2.
- 2.12. **MW** stated that that the potential solution might preclude the need for a P2 solution.
- 2.13. **MCH** made introductory comments from the consumer aspects. **MCH** stated that the research demonstrated the value placed on these PSU dashboards where they can be found. **MCH** stated that this goes back the real importance of control from an end user point of view which goes back to control. **MCG** stated that if these things



are important, then are these recommendations doing enough – if less than half people cannot make use of these controls, is there is anything that can be done to make this more useful and accessible. **MCH** stated that other conversations around P2, there are helpful usages around A12 – Customer Protection and recommendations that could be helpful. **IG** asked if there are any specific recommendations that should be seen. **MCH** stated that a lot of these are voluntary and not mandated and there may not be much more that can be done, but everything should be done to ensure that dashboards are made effective.

- 2.14. **IG** stated that the OBIE has to work within the bounds what can and cannot be mandated.
- 2.15. **RR** stated that building a new functionality at the ASPSP end that might support something that could be supported at the TPP end but cannot be mandated seems problematic and would like to hear from the TPP community about polling and receiving messages and updating the dashboard as close to real time as possible. Regarding the CEGs, **RR** stated that there is some nuance that needs to go through in terms of the re-working of the apps and journeys that will be recommended. **RR** was also interested in reasonable and proportionate things that can be done to make these better and was of the opinion that there is still some work that needs to be done.
- 2.16. **MC** thought this was a good piece of analysis and research which emphasises the roll and value of dashboards. **MC** stated that before the recommendations are agreed, they need to be explored in more depth as this might take everyone through recommendations that is heavy to build and disproportioned. **MW** stated that the key word 'prescriptive' in the regulatory sense. **MC** suggested that a Post Implementation Review (PIR) to document learnings.
- 2.17. **IM** observed that in recommendation 6, it states that strong recommendations have been received on consent access dashboard, however, further down the document states there was no research. **MW** stated that this was not tested, it was vanilla PFM TPPs were used, but in the research, respondents were asked the question which was the best that could be managed at that time. **IM** was calling out that in the spirit of the document, more needs to be done to ensure that all angles aligned and suggested that the FCA need to be involved in this. **IM** stated that he would be interested in whether more research can be done to further the justification and recommendation of CEG and how it has been made.
- 2.18. **IM** highlighted the need not to confuse (vulnerable) consumers as consent can be provided outside of the Open Banking journey. **IM** stated that there are a lot of nuances that could lead to tripping up consumers. **MW** stated that this is an optional recommendation and the suggestion is that examples are developed through research so that if TPPs wish to show these, they are done in a way that consumers best understand.
- 2.19. **FR** was keen to have a discussion with the FCA about the role of consent and access dashboards and whether this should be used as part of consultations on adapting PSD2 and divergence from Europe. **FR** stated that increasingly, these controls are seen as real points of risk control from the consumer point of view which mitigates some of the other challenges within Open Banking. **FR** explained that the problem is that they are not a legislative requirement for non-CMA9 and TPPs; a discussion needs to be held with the FCA to see if it could be pushed forward for adoption across the board. **FR** explained that people are not clear about their data in the Open Banking journey and as an ecosystem, there needs to be more education to eradicate the lack of transparency in the data chain.
- 2.20. **GL** added that he also would like to see the regulators in a review of PSD2 and Open Banking elevate some of these concepts to include all parties and would apply this to a whole raft of things that are not included in this conversation. **GL** stated that all ASPSPs and TPPs should use uniform naming conventions and solutions for the customers need to be worked out.
- 2.21. **FR** agreed with **GL** stating that the challenge with not having co-ordinated communication is that every firm tends to overcommunicate so people hear a variety of messages that are not clear.
- 2.22. **IM** emphasised that many of the things that are being done with Open Banking data are part of a proposition. **IM** thought that keeping it simple on paper seems great but a lot of this consent management seems broader than what open banking is responsible for.

- 2.23. **FR** stated that the question is what good consent management looks like. **FR** stated that the nature is that there are dashboards everywhere which in the longer term will not aid consumer control. Moving to digital identity could help, for example, one digital identity could provide consent management for multiple providers using that identity, instead of dashboards at each entity.
- 2.24. **IM** stated that his additional point is that there is existing regulation and at present the FCA have clear regulations on lending, credit reference, data usage, etc. and there is an overlap in legislation. **IM** stated that stating what good looks like is a big topic.
- 2.25. **IG** asked **AA** and **MW** to address the recurring theme on P2. **IG** stated that there is recognition that customers are not really using it at the moment and wondered if it is time to take stock. **IG** referred to the point made by **SW** with regard to where the dashboards are placed and whether this has been addressed enough. **IG** wondered whether these recommendations are specific enough considering that the specificity happens when the CEGs are constructed; at the same time, clearer direction on the outcome of what the CEG will look like. **IG** referred to the points made by **FR**, **IM**, **GL** and **MCH** about how this is communicated to consumers and how do they manage their consents. **IG** stated that **OBIE** can only work within the tools and the mandate and while it will be good to hold something up as best practice, there needs to be a mechanism of showing suggestions to the **ICO**, **DCMS**, **FCA**. **IG** referred to a few things which are going on within the programme such as consistency of language and how to make some of these aspects (outside of **CMA9**) more mandatory.
- 2.26. **AA** stated that people have been asked to nominate themselves for the **EAG** naming and terminology – this group will look at this. **AA** stated that responses have not been overwhelming. It was not set up with the aim of ensuring there is no over communication, but it will help with the consistency and language point. **AA** encouraged **IESG** members to response.
- 2.27. **AA** agreed with the comments on P2 - the current solution means that people need to take stock, and this is not the wrong thing to do and there might be a better way of solving the problems that have been identified.
- 2.28. **AA** stated that there are things people are doing that could be picked up on and others can use in the research.
- 2.29. With regard to **RR**'s point on being a political space as opposed to overly prescriptive, **AA** stated that the team was keen to get the right output and the points have been taken onboard. **AA** added that there is the recommendation to work more closely and broadly with the **FCA** especially around **API** and dashboards, but this could be extended to include how guidance can be industry wide.
- 2.30. **MW** mentioned the awareness issue, stating that something one does not know exists cannot be easy to find. **MW** stated that if the awareness issue is fixed, then P2 becomes more important. **MW** echoed the principles point – the updates to the CEG are predominantly there to reflect what was found on the customer research.
- 2.31. **GL** stated that if it is possible to get more orchestration of **TPPs** providing dashboards of what is happening, that would be helpful. **GL** stated that there is no real harm to the customer in positioning the dashboard in a way that is not convenient to the normal customer journey – to see balances and make payments. **GL** stated that perhaps something like an **MOT** can be done whereby an **ASPSP** has to communicate what connections exist.
- 2.32. **HP** stated that 2 topics which are inherently linked are the 90-day re-authentication and dashboards which are being separated. **HP** stated that customers may not use the dashboard because they are not frequently reminded. **HP** stated that they customers are going through a full journey at the **TPP** end which gives them a clear and transparent summary of services every time. **HP** stated that it may be that there is no problem to solve and it may be that it goes away when the 90 day is extended.
- 2.33. **IG** stated that the **OBIE** is in a similar place to approach in terms of overall recommendations and the conversations have been additive. **IG** stated that for some, the wording could be tightened for clarity, e.g., what might those CEGs look like at the end and what will be the end result of P2.

- 2.34. **IG** held off approving the recommendations as they currently stand, asked **MW** and **AA** to do a version with track changes which sharpens up the wording of the recommendations, considering the valuable contributions from this IESG. Once sent out, **IG** wanted to encourage written stakeholder representations that are based on the revised recommendations that will be sent out by **MW** and **AA** so that **IG** can consider for approval. **IG** added that depending on how that goes, this could be approved ahead of IESG but if not straight forward, then this can be discussed at IESG and take it from there.
- 2.35. **AA** was happy with that.
- 2.36. **FR** stated that these recommendations are in a good place for the majority and was concerned about bringing it back as it creates more work which will not add value. **FR** thought it best for the work to progress.
- 2.37. **IG** stated that he was trying to find a route through to bringing in the valuable things that have just been discussed without rewriting the recommendations. From a governance point of view, he approves a tweaked version without sharing with IESG members input, there will be complaints. **IG** stated that when **MW** and **AA** send out the tweaked recommendations, he is expecting IESG members to come back to ask if there are any objections; and if no objections, then he will take it as approved.
- 2.38. **AA** in giving some comfort to **FR** stated that there are not a lot of changes.
- 2.39. **MCH** stated that these recommendations go beyond just dashboards; but raise important questions around the success of the remedy as the remedy is successful if it is widely adopted and valued. **MCH** stated that two things have been discussed – firstly, the role that dashboard has to play and secondly, the important things that could be reconsidered such as revisiting PSD2 and Brexit conversations. **MCH** stated that there will be a short space of time to sort these before they are handed over to the Open Banking successors.
- 2.40. On a separate note, **MCH** wanted to know what will happen on 13 January 2021 which is a significant date in Open Banking and is before IESG.
- 2.41. **IG** thought everyone was in the same place. **IG** stated that there is a way forward and needs to spend time with **AA** and **MW** so that people are not burdened.

***ACTION – IESG\_2020\_301\_480 - AA and MW to amend the wording of the recommendations considering the contributions from IESG. Once sent, IESG members to put forward written stakeholder representations based on the revised recommendations that are sent out. IG to then consider for approval either ahead of IESG (if feedback is minor) or at the January 2021 IESG for discussion if feedback is significant.***  
***27 January 2021***

## 2.c ASPSP MI Specification v3.1.7

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- 2.42. **CM** introduced slide 37 – ASPSP MI Specification v 3.1.7 includes a number of fixes for some inconsistencies between the spec and documentation. **CM** stated that clarifications on fixes and inconsistencies have been included due to a number of tickets. **CM** stated that these are simple and non-contentious, adding that it is not a change to the specifications but tidying up questions and challenges on things that were not particularly clear in the previous version.
- 2.43. Regarding v3.1.7, **MC** stated that his team have not seen this as it was not routed through TDA for approval and was unsure of what correct governance is. **CM** stated that historically, MI specs do not go through TDA for approval, but the process can be changed on **IG**'s say so.
- 2.44. **IG** stated that **MC**'s point is valid **IG** stated that when things are approved at IESG relating to technical standards, they go through TDA. **IG** agreed that there has been no precedent of going through TDA for MI. Having caught it

now, **IG** thought it appropriate for TDA to get an opportunity to look at it. As there are TDA's every week in January, **IG** did not see any reason why it cannot go to TDA for approval despite losing a month.

- 2.45. **IG** suggested that TDA Colleagues should pre-read this before TDA and provide any written concerns that they may have over the course of the next 10 days such that when it gets to TDA, it is not starting from scratch and the OBIE team are ready to answer queries and not explaining from the beginning. **IG** added that these are non-contentious and did not want to get stuck in an unnecessarily long governance loop. **IG** was minded to approve but would approve the paper in IESG meeting in January 2021.
- 2.46. **MC** stated that going forward, requirements on MI become technical and **IG** asked for TDA to be part of the process.
- 2.47. **IG** was minded to approve, but subject to TDA approval; the expectation being to formally approve in January 2021. **IG** added that all future versions of MI specifications should be approved by TDA ahead of being presented at IESG.

***ACTION – ASPSP MI Specification v3.1.7 – IESG\_2020\_301\_481 - CM to take this for TDA approval first and bring back to IESG in January 2021 for approval. Due Date – 27 January 2021***

***DECISION - IESG\_DEC\_LOG\_001 - ASPSP MI Specification v3.1.7 - All future versions of MI specifications should be approved by TDA ahead of being presented at IESG.***

## **2.d Sweeping and VRP Consultation Update**

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- 2.48. **IG** described this paper as a Sweeping and VRP; the paper does not seek to make any recommendations or decisions or even to lodge opinions. **IG** stated that the team have been running a consultation and felt it would be a good time to give an update on this. **IG** stated that **AA** will talk IESG members through observations and clarifications. **IG** explained that there is a one pager which is in the pack on page 41 and for those who would like to follow the written summary, this is on slides 81 – 84 and the detail is behind the pack.
- 2.49. **AA** stated that there was a very good level of responses and have spoken to all the CMA9. **AA** added that everyone has had a chance to feedback.
- 2.50. **AA** stated that there were a lot of TPPs in both consultations who would have liked VRPs to be mandatory for everyone, including non CMA9. **AA** stated that there is a great deal of appetite from the TPP community which may not be covered in the Roadmap.
- 2.51. **AA** stated that there is a polarisation of views amongst members of the CMA9 community and most of the TPP community which would need to be worked through. **AA** stated that TPPs are keen for VRPs to be a mandatory deliverable under the Order and the CMA9 have concerns. **AA** stated that a couple of the core points is that the cost of the CMA9 should be included – payment costs which may be passed on to consumers, but also the overall economic cost of what is being proposed.
- 2.52. **AA** added that some feedback raised other payment mechanisms – standing orders and requests to pay (the latter was from a TPP). **AA** stated that another view was that prompted sweeping might have benefits in terms of useful friction and probably was discarded too early.
- 2.53. **AA** talked about consumer protection – this came through on both VRP and Sweeping consultations. On Sweeping, **AA** stated that the team have spoken to the FCA on this and the discussions with the FCA concluded that there will be a use case analysis and look for gaps against the previous analysis.

- 2.54. **AA** stated that in the most part, this work is within regulatory regimes. **AA** added the lending use cases came back strongly around conduct risks related to collection practices where the sweeping provider could see the appropriate time to make a payment, including a number of variations within this theme.
- 2.55. **AA** stated that it was agreed with the FCA that the team will look at the analysis of work that has been done in the consultation (by use case) and compare with the original risk analysis to understand whether there are any gaps in the overarching regulated umbrella and the analysis of risks suggested in the original document. **AA** added that this will come back to IESG.
- 2.56. **AA** raised a point about the definition of sweeping. **AA** stated that there was consensus to broaden the definition to include accounts in the same bank (e.g. a sweeping provider can initiate payments between accounts in the same bank).
- 2.57. **AA** stated that there was a question around whether automatic / automated movement should be included within the definition as opposed to prompted sweeping (semi or not automatic). **AA** explained that the consumer representatives stated that the answers in consumer protection could help them become more comfortable with a broader definition.
- 2.58. **AA** raised a point around assurance – how does one know if this is sweeping and not for some other purpose. **AA** explained that the consultation document states that the TPP would make that case to the ASPSP.
- 2.59. **AA** moved on to Confirmation of Payee, stating that if CoP is not possible, this should not be within the definition; the question is how this can be checked. Linked to the CoP point, **AA** advised that there were concerns about app scam fraud.
- 2.60. On timing of payment, **AA** stated that there is a concern that if the sweep is timed wrongly, it will disadvantage the customer because later on that day, a payment may be made, and the experience could lead to bank charges. **AA** added that it is hard to determine what constitutes the end of the day to sweep.
- 2.61. **AA** stated that there were systemic points made around whether faster payments could cope if this was done regularly and whether it would survive if there were large sums of money out of PCAs and BCAs into other accounts that could damage the integrity of banks.
- 2.62. **RR** believed that sweeping and everything done at Open Banking is a means to an end (not an end in itself). **RR** stated that there is a need to be looking at the entire set of costs and benefits, including unintended consequences outside PCA and BCA (which were raised in the LBGs submission). **RR** could not agree that because the CMA want certain things in one version of the Roadmap does not mean that automated sweeping is a good thing. **RR** determined this to be a means to an end, adding that all the sets of unintended consequences should be considered.
- 2.63. **FR** stated that the consumer representatives question the nature of the definition of sweeping and VRP and the potential fragmentation that this brings to the market. **FR** thought there was a wider policy discussion around VRPs and their role in creating a more competitive market as an alternative to cards. **FR** explained this approach is using sweeping to bring VRPs into the market - bringing in a mandated standard for sweeping alone accelerates for some use cases and not others and this is concerning. **FR** stated that there is some value in the consent parameters, notifications for pre- payments being taken, and the dashboard – but these 3 key controls are not legislated for and only the CMA9 would be required to provide those dashboards. **FR** encouraged Open Banking to think through what the premium API standard model – is it open or closed in terms of the standards specification? How will this be adopted in the market? What does the governance look like? **FR** stated that the key controls for consumers are not guaranteed. **FR** stated that the route through to proper legislation should be looked at to ensure these 3 controls for consumers could be guaranteed.
- 2.64. **FR** raised another concern around delegated SCA – there is no understanding as to whether it is the PISPs credentials or consumers. **FR** wanted to see this separated out and a useful, valuable conversation around this. [**FR** noted in the chat that she does not believe delegated SCA constitutes a VRP because the consumer must be present.]

- 2.65. **IG** appreciated that there are a few more gaps in the understanding that need to be filled.
- 2.66. **BR** interjected to address a misunderstanding regarding sweeping. He stated that it was not an underhand means of introducing VRPs into the market, and sweeping was not a means to an end, but an end in itself. **BR** stated that sweeping was one of only two use cases mentioned in the Retail Banking Market Investigation final report and was a key element of the remedies proposed by the CMA; it was a way of addressing the issue that in a market characterised by inertia, people were not good at moving their money around and as a consequence, they missed out on interest rates and balances and paid too much for overdrafts. **BR** added that this seemed like a good way of unbundling current accounts. If there is a misapprehension, **BR** stated that the report was very clear on the importance of sweeping, however, the report did not say how it should be delivered – one solution could be to deliver sweeping through VRPs, but it should not be seen as VRPs being delivered by sweeping
- 2.67. **FR** was happy with this explanation but stated that in bringing sweeping to market, this is invariably bringing VRP standard for a whole range of other use cases to market without the tools needed to ensure that the key controls for consumers are ubiquitously applied and that protections are in place.
- 2.68. **RH** thought it might be useful to mention the Safety Net Credit case that was mentioned in *The Times* about Open Banking facilitating big payments being taken out of the customers high rate loan account. In terms of lessons learnt, **RH** thought that it would be good to explore this.
- 2.69. **GL in** responding to **RH** stated that is what happens in overdrafts.
- 2.70. **FR** stated that the safety net credit model falls outside of the high cost short term credit rules as well as the overdraft rules, therefore, although it is an unbundled third party overdraft, this has not been looked to check whether existing rules should apply to it – what existing conduct rules are there for products like overdrafts and how do these need to be applied? **FR** stated that there is no clarity about third party overdrafts and what regulations need to be extended to those products.
- 2.71. **RH** stated that the article said that the TPP was using Open Banking to check when the customers lodgment was coming in and then taking a payment. **FR** stated the Open Banking enabling feature is AIS [not the payment mechanism] which facilitates the is sweeping . [CPA is the payment method.]
- 2.72. **IG** did not want to discuss Safety Net Credit, especially as they have disputed many of the findings in *The Times* as well.
- 2.73. **AA** understood the fragmentation questions on VRP and delegated SCA points. To **RR**'s points, **AA** stated that points were be taken on board. **AA** stated that the team was asked to look at how to deliver sweeping most effectively. **AA** stated that sweeping does occur and the protections available under CPA may be available under VRP.
- 2.74. On VRPs more specifically, **AA** stated that consumer protection and liability models are the biggest themes – what happens when something goes wrong with a VRP in the commercial space? **AA** stated that the remit is restricted, but there is work to be done that could be handed over to a successor. On fragmentation, **AA** stated that this point was made by **GL** at one of the webinars, stating that if this is a standard and the ecosystem is relying on a few bilateral contracts, there could be a few which makes it hard for customers and may lead to lack of adoption. **AA** wanted to raise the strategic fit question - how does this fit with a number of the initiatives going on in the payment space? **AA** stated that those initiatives are HMT payment landscape review, the Pay.UK's review of faster payments and the NPA. From conversations with Pay.UK, it is understood that NPA might have a proposition that looks something like VRPs, though timescales are not fully approved but need Pay.UK to opine on that. **AA** stated that the PSR is looking at not just consumer protections but payments more widely. **AA** stated that the question is how this fits into that broader landscape.

- 2.75. **GL** requested a view on the timetable. **GL** stated that there is a lot of complexity. From a TPP perspective, **GL** stated that there is a keenness for this not to be fragmented. **GL** stated that there is an Open Banking Order and a requirement to deliver sweeping within the Order, however, all these things will not be solved without adjusting.
- 2.76. **GL** said VRP is not an efficient way to deliver sweeping and it would be a shame if there are no consumer protections; there is no point fragmenting this, it is a short space of time for the sake of speed.
- 2.77. **AA** stated that there is a solution bare bones in place to solve sweeping and there are responses as to how this should be approached. **AA** stated that a clear Roadmap is out of scope at the moment. In terms of VRPs more generally, but what would be great is a clear roadmap to getting VRPs more widely.
- 2.78. **GL** stated that the ability of a consumer PSU to sweep money to a place which may improve their situation but may not be allowed to sweep back when needed. **GL** stated that competition may be inhibiting rather than facilitating competition.
- 2.79. **MCH** stated that the striking thing is that a wide range of stakeholders have all expressed concern about consumer protection in the context of VRPs and there is a mechanism through the EURC to do a deep dive into those concerns. **MCH** felt that this would be a useful part of a further consideration of VRPs. From a consumer point of view, **MCH** thought that it would like to look at risks from that end user point of view.
- 2.80. **IG** stated that this is a programme set up to deliver the remedies identified by the CMA. **IG** stated that the trajectory set up is still doable. **IG** thought that consulting on a VPR and sweeping standard at the same time was to save time. **IG** stated that it has been beneficial but has also made it quite complex to disentangle questions about sweeping. **IG** stated that any financial services player in the UK could come up with VRPs on a proprietary basis and there is a risk of having different types of VRPs. **IG** stated that the fragmentation bit of it is a concern and thought it was worthwhile speaking to the right people in government. **IG** reiterated a need to continue to push on developing the VPR standard. With regard to the sweeping aspect, **IG** stated that there are a few things that came out of the consultation that he was unsure about - gaps that can be filled in a straightforward way. **IG** stated that he would like the team to address the gaps in knowledge, including interviewing actual sweepers. **IG** stated that an in-depth analysis with the team would be valuable. **IG** stated that the risks are apparent to the team, and they have certainly been informed by the regulatory sandbox and from the consultation. **IG** stated that the next step is to work through these with the FCA step by step – is this activity within the purview of regulations and would it be enforced against, and how. **IG** stated that the third element is around cost estimates. **IG** stated that the team could get to a stage where VRPs / sweeping are effective, but not cost proportionate. **IG** addressed the concern around Hot Money Flows, stating that there was a round table to discuss this. **IG** explained that there is a lot to do and the next stage at IESG could be well informed with some of these reference points. **IG's** sense is that the team should engage in pulling some of these aspects together.
- 2.81. **AA** thought the 4 points raised by **IG** make sense. **AA** stated that the first point around the risks has been discussed with the FCA and this may not be ready for discussion at the January IESG, but there could be an outline. With regard to actual sweepers, **AA** stated that this is in hand (there is a big German bank). With regard to cost estimates, **AA** stated that the questions need to be determined and sent out to people.
- 2.82. **AA** referred to Hot Money Flows, **AA** stated that he has a list of people at the regulatory round table, therefore this could be clarified. **IG** agreed on the cost estimate piece as an iterative approach so the conversations on the standards need to continue to generate cost estimates.
- 2.83. **FR** referred to the exchange with **RH** around third party overdrafts, stating that it would be helpful (as part of the policy work and risks) to have a specific paper on Open Banking and credit and the risk that occur there to make it clear as it is complex and not immediately obvious what is causing the risks. **FR** thought it would be good to put this specific section into a paper that can be published. **FR** thought that this will help consumers' voices to be heard as it is a concern for consumers. **FR** asked for this to be taken as an action.

- 2.84. **IG** stated that this is an action but wanted to have the conversation with **AA** and the FCA as this goes back to use case determined risks and how they are addressed in the current environment and if there are any gaps. **IG** stated that this should go through the process of describing this, followed by a paper that could be shared with IESG; a decision could be made thereafter as to what to do with it.
- 2.85. **HOZ** thought that **FR**'s point on credit was good and the kind of areas that the FCA have been thinking about in considering FCA parameters and how things work together in these scenarios. **HOZ** stated that the work on credit is supported. **IG** was happy to hear this.

***ACTION – IESG\_2020\_301\_482- IG / AA to discuss the risks that are associated with VRPs with the FCA. This should be covered in the VRP/Sweeping paper, together with next steps (for decision) and shared with IESG. 27 January 2021.***

### 3.a AOB – IESG Papers timeline

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- 3.1 **IG** introduced an AOB item requested by **MC**.
- 3.2 **IG** spoke about the IESG pre-reads being unwieldy and not getting them sufficiently early. **IG** agreed, stating that there was a good discipline (5 working days before hand), and the wheel came off during the crisis. **IG** stated that refreshed timelines / SLA will be a new year's resolution.
- 3.3 **IG** stated that when IESG is in the 3<sup>rd</sup> and 4<sup>th</sup> week of IESG, it is easier to get the information 5 days before hand, **IG** also suggested a single tranche. **IG** explained that the downside is that some of the status updates will be a week or so out of date and as long as IESG members are all comfortable to live with that and avoid the conversations stating that the status is wrong, then this should work. **IG** stated that the implementation states of the bank are stabilising. **IG** stated that the size packs will be limited and appendix isolated or included separately.
- 3.4 **MC** was happy with this, stating that going into the next complicated phase, it is important that our organisations have the right visibility.

***DECISION – IESG\_DEC\_LOG\_002 - IESG papers to be distributed 5 working days ahead of the meeting. The pack will be split into body and appendix.***

### 3.b AOB – 13 January 2021

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- 3.5 **IG** explained that the final AOB point which was raised by **MCH** was whether there is anything being done to mark the 13 January 3-year anniversary. **IG** stated that there might be some press interest, but asked **AA** to cover.
- 3.6 **AA** stated this is being looked at, the bigger announcement would be upon hitting 3 million users. **AA** stated that IESG members will be informed closer to the time. **IG** stated that if any strong views, IESG members should please approach **AA**.
- 3.7 **SW** enquiring whether the individual IESG papers could be published on confluence. **IG** stated that this can be taken away to think about.

## 4 CONCLUSION

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- 4.1 **IG** thanked all for dedicating time to attending, stating that it has been a long year with many highs and lows (more lows). **IG** stated that landing the Roadmap was a big deal and was pleased that IESG members participated. **IG** stated that it has been a year where millions of people are using Open Banking. **IG** wished all a good Christmas.



4.2 IG closed the meeting.