

Meeting Minutes

Meeting details

Meeting date: 17 October 2019

Meeting name

Implementation Entity Steering Group (IESG)

Meeting time

10.00 – 13.00

Meeting location

Etc. Venue, 8 Fenchurch Place, London

Scribe

Sally Chiwuzie

Classification

Public

Name		Role	Attendance
Alan Ainsworth	AA	OBIE	Yes
Bill Roberts	BR	CMA	Yes
Candy Ma	CMa	OBIE – Office of Trustee	No
Carly Nimmo	CN	HMT	Yes
Caroline Ambrose	CA	Barclays Bank	Yes
Chris Michael	CM	OBIE – Head of Technology	Yes
Daniel Ehreich	DE	Bank of Ireland	Yes
Daniel Jenkinson	DJ	Senior Manager, Consumer and SME Representative	Yes
Ed Colley	EC	OBIE – Programme Director	Yes
Faith Reynolds	FR	Independent Consumer Representative	Yes
Gavin Littlejohn	GL	Fintech Representative	Yes (Phone)
Hetal Papat	HP	HSBC	Yes
Ian Major	IM	TPP Representative	Yes (Phone)
Imran Gulamhuseinwala	IG	OBIE – Trustee/Chair	Yes
Laura Mountford	LM	HM Treasury	Yes
Mark Chidley	MCH	Independent SME Representative	Yes
Matt Cox	MC	Nationwide Bank	Yes
Phillip Mind	PM	UK Finance	Yes (Phone)

Robert White	RW	Santander	Yes
Roy Hutton	RH	Allied Irish Bank	Yes (Phone)
Sally Chiwuzie	SC	OBIE IESG Secretariat	Yes
Simon McDougall	SM	Information Commissioners Office (ICO)	Yes
Thaer Sabri	TS	Electronic Money Association (EMA)	Yes
Vicki Hassan	VH	Danske Bank	Yes (Phone)

Apologies

Name	Role	Delegate
Daniel Elreich	DE	Bank of Ireland Oonagh Koeppern (OK) (Phone)
Daniel Globerson	DG	Royal Bank of Scotland Stephen Wright (SW)
Paul Horlock	PH	Stakeholder Engagement, Standards and Strategy N / A
Rebecca Langford	RL	FCA Kat Cloud (KC)
Stephen Smith	SS	Lloyds Banking Group Richard Rous (RR)
Will Curley	WC	Tesco Bank Stuart Pratt (SP) (Phone)
Vicki Hassan	VH	Danske Bank Jonathan Glover (JG) (Phone)

No. Agenda item

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

- 1.1. **IG** welcomed IESG members in the room and on the phone.
- 1.2. **IG** stated that revisions to the minutes were received and incorporated, with nothing contentious to note, and on that basis, **IG** approved the minutes for the IESG of 05 September 2019.

APPROVAL - IESG_APR_LOG_055 - September IESG Minutes - Comments received and incorporated, IG approved the minutes from the IESG of 05 September 2019.

- 1.3. **IG** moved on to discuss the open actions, inviting people to walk through from slide 23 (**Note: action updates are documented on page 4, with additional comments captured below**).
- 1.4. With regards to Action #223 (*Programme Update – Dispute Management System – DMS*), **IG** explained to IESG members that there are outstanding points (particularly with regards to Hogan Lovells) that will form the basis of agenda item (2.a) for noting. **IG** closed this action stating that additional actions will be captured as new actions.
- 1.5. With regards to #224 (*Programme Update – implementation update*), **IG** reminded IESG members that this was a request for a high level programme update which is in discussion with the CMA and would form the basis of an agenda item at the IESG meeting on 19 November 2019.

- 1.6. With regards to #225 (*Programme Update – workshop on P8*), **IG** informed IESG members that **AA** canvassed relevant stakeholders for opinions and it was decided at the bilaterals that an explanatory memo would suffice for a speedy resolution. **AA** explained that this was discussed briefly at PMG on 15 October 2019 as well as bilaterally. **IG** added that if after the memo has been sent, IESG members still believe that a workshop is required, then that would then be taken into consideration; in which case a new action would be created. In the meantime, **IG** confirmed with **AA** that the memo would go out to IESG members over the next few days, adding that the action could be closed.

Meeting Minutes

ACTIONS

Action Number	Date Raised	Owner	Description	Notes	Target Date	Status	Date Closed
IESG_2019_301_223	05/09/2019	EC	Programme Update - DMS – EC to share due diligence re third party suppliers with IESG members.	Update 17/10 – This is now closed. Update 09/10 – This is covered as part of agenda item 2.a in the October IESG pack. Propose to close.	30/09/2019	Closed	17/10/2019
IESG_2019_301_224	05/09/2019	IG	Programme Update – IG to give a post implementation update on the status of Open Banking.	Update 09/10 – IG to review summary implementation update with the CMA. Carry forward to November IESG.	19/11/2019 17/10/2019	Open	
IESG_2019_301_225	05/09/2019	AA	Programme Update – Workshop on P8 to be organised to clarify points on implementation.	Update 17/10 – This is now closed. Update 09/10 – P8 has been designed to enable ASPSPs to deliver parity between their direct channels and the Open Banking channel for exemption handling, this is a functionality requirement. OBIE is discussing this in the bilaterals with each CMA9 and will clarify requirements at the next PMG. Propose to close.	17/10/2019	Closed	17/10/2019

1.c PROGRAMME UPDATE

1.c.i OBIE STATUS REPORT

- 1.7. **IG** introduced the programme update section stating that it is in two halves as usual – the first looking at OBIE and the other, the CMA9. **IG** invited **EC** to walk IESG members through with high level comments, after which questions around the table would be taken.
- 1.8. **EC** stated that there are a few items that will be coming to the IESG forum; these are at various stages of consultation. As an overall message, **EC** stated that progress is being made, hence the trending RAG status is green. **EC** explained that one of the key things to note is that the CoP/CRM and the CoP capabilities are in two phases. **EC** stated that the first phase is for the directed six and any other firm that decides to join in within a similar time frame, while CoP phase two extends to non ASPSPs that could be PISPs or other parties like head office collection accounts, building societies, etc. **EC** explained that **CM** would be discussing the importance of the work that is being undertaken with CoP and CRM and how that affects the APIs in the PISP journeys as part of agenda item 2.b as a verbal update.
- 1.9. **IG** pointed out two elements:
 - 1.9.1. OBIE's support of Pay.UK to help with the implementation (has nothing to do with the OB Order); and
 - 1.9.2. The impact of CoP journeys in PISP and CBPII (has to do with the OB Order).**IG** explained that the aim is to keep these two elements distinct. **IG** added that the contract with Pay.UK governs the work required for CoP Phase 2 and some elements of the service contract that would be required to support CoP; however, the contract has yet to be signed.
- 1.10. **FR** suggested that OBIE should engage LSB re the actual code as there is a connection between Confirmation of Payee / how it is delivered and how this might be translated into the code. **CM** confirmed that this relationship has been established.
- 1.11. As there were no further questions on slide 25, **IG** moved the agenda on to slide 26 - a one pager perspective on the CMA9 status of build. **EC** stated that the vast majority of the deliveries are fully complete, with some well-planned and controlled activities to be delivered over the next couple of months – international payments, bulk payments in very niche areas, etc. – these are not affecting the update of TPP propositions or the delivery, but will make these capabilities available to the TPP community.
- 1.12. **EC** explained that the Red RAG status items are associated with delays to the Cater Allen migration to their new platform. In terms of App to App, **EC** explained that a couple of firms are still on directions with activities progressing - in particular, Bank of Ireland and HSBC (Marks and Spencer sub brand).
- 1.13. **IG** asked for an update on P2 and P8 which are leading to Red RAG statuses in the penultimate column of slide 26. **EC** explained that some firms have committed to their time lines, while others are still in discussions about exact dates, and one firm is considering if to implement.
- 1.14. **FR** asked how this maps to the PSU rates of abandonment and completion in the journeys. **EC** explained that part of this conversation will be picked up under discussions on the KPIs, however, in terms of conversion rates, Santander has deployed their App to App in the last month which has had an uptake in conversion rates. **EC** added that the implementation of the capabilities which everyone in the ecosystem has been working on has an impact on successful conversion for consumers.
- 1.15. **RW** explained that App to App has had a positive upturn in terms of the conversion of drops. **RW** added that the feedback from the TPPs is positive, whilst still trying to work out what acceptable tolerance is for those that progress and those that choose not to progress. **EC** agreed, stating that this is relevant because in terms of the propositions, the motive for the consumers to go through the process is different – lending for example comes with more motivation than other propositions. **IG** agreed, stating that the functionality is not driving the

conversion, particularly in terms of international payments, BACs, etc. – it is much more around customer experience, performance and availability.

- 1.16. **IG** added that there needs to be a discussion around the Customer Experience Guidelines (CEG) and Functional Conformance in terms of plans over the next fortnight. On CEG's, **EC** stated that this has undergone a thorough review in terms of all the guidelines, including the actual implementations, and a summary of progress / additional actions will be published on the website. Individual firms associated with all of the CMA9 will receive Trustee letters explaining what these updates are and how implementations will be affected. **EC** added that there are still some anomalies to be resolved, however, majority of have definite resolution dates. **IG** confirmed to IESG members that these will be tailored letters and will be sent out within the next week.
- 1.17. In terms of the aggregated information to be published on the website, **RW** questioned whether the banks would be colour coded in line with RAG Status. **EC** explained that format of images remains to be decided; however, it will probably contain some RAG status information which will be associated with features of the CEG. **RW** asked if this would be on an aggregate rather than individual institution level. **EC** stated that it will have some individual level information. **RW** asked if it will read warning messages in authentication processes. **EC** stated that it will be associated with the CEG guidelines, as opposed to CRM messaging. **IG** confirmed that the point of the CEG is to have an objective checklist, and therefore, individual checklist levels (circa 30) can be seen in terms of 'pass', 'fail' or 'agreed to resolve' – this information will be colour coded. **IG** added that the letters, including content for publication will be shared within a week, and there will be ample opportunity for the banks to feedback ahead of publication. **HP** commented on the fact that the final clause of the letter asks the CMA9 to notify the OBIE of any changes to customer journeys for approval, stating that this is a broad obligation and asked if the 'material' could be qualified better because as the CEG guidelines are binding, it seems unnecessarily bureaucratic to inform the OBIE of every small change. **IG** agreed that this request could be accommodated. **CA** was happy with the letter, but stated that the lawyers at Barclays have some questions about the legality of some of the content. **IG** stated that many helpful bilaterals have led to resolutions, albeit there being some outstanding points for clarification.
- 1.18. With regards to the wording, **RW** stated that there is a requirement to be cautious around what is published against the CMA9 to avoid unnecessary tension. **RW** stated that there would be discomfort if, for example, Santander was published as Red for something that is still in discussion with the FCA and others. **IG** stated that the Order places additional requirements on the CMA9; however, there is a need to ensure that nothing within the Order contravenes regulations or laws. **IG** added that the team will look into the best way of presenting this information.

ACTION - IESG_2019_301_227 - Programme Update - Customer Experience Guidelines - Letters - The CEG letters will be sent out to the CMA9 within a week, the content of the letter will include details of what is being scheduled for publication to the wider market.

Due Date – 08 November 2019

- 1.19. In terms of functional conformance, **EC** stated that a number of firms are reasonably close on AIS, at least one has passed, but it is not complete; PIS is not complete and this demonstrates to the ecosystem that the nonCMA9 outstrip the CMA9. **EC** stated that it is important to:
- 1.19.1. Determine compliance of this with the APIs; and
 - 1.19.2. Provide a level of certainty around the new version for the TPPs.
- 1.20. Moving on to the KPIs, **IG** expressed frustration at the continuous delay in getting quality data in on time. The IESG pack should include September data, but this has not been received. **IG** stressed that quality and timeliness are part of the Order, especially as a lot of third parties with real customers are beginning to use this data outside of the testing environment. **IG** added that as it is now twenty months since release 1, there is a need to ensure these performance metrics reflect what good looks like.
- 1.21. **EC** made some observations on the process, stating that the CMA9 (not all) as a collective struggle with due date, with one or two missing the deadline by at least a couple of days every monthly cycle. Other than being late, **EC** explained that the data does not pass quality checks which result in further returns – returns typically take 3 – 5

days after the problem has been identified. **EC** stressed the need to ensure the process becomes industrialised and robust. Upon reflection, **EC** explained that a number of firms still use manual processes, **EC** encouraged the CMA9 to use automated systems ASAP to enable and improve routine action without the need for manual intervention, thereby improving the quality. **EC** concluded by emphasising the two things required of the CMA9.

1.21.1. Automation - making sure the data is right; and

1.21.2. Continuity – making sure the data is available.

- 1.22. **IG** stressed the need to be confident in the quality and timeliness of the data as there is a need for performance to be good, therefore, improvements to plans have to be done more proactively to ensure the problems are annihilated. **IG** stated that the OBIE team has allowed a period of settlement, so there should be renewed emphasis on performance - this is the key message from the Trustee.
- 1.23. **HP** stated that September saw a real spike in SME traffic driven by primarily by Xero and Open Works, the largest TPP HSBC is working with, overtaking Yolt and other retail use cases. A number of features worth noting according to **HP** are: there are existing use case that SME customers have used for a many years, but Open Banking and the API route offers a faster, cheaper and more stable way of doing what they have done before; there is a high level of trust between the HSBC customer and the service provider and therefore, all the ingredients fit together nicely, which drives traffic and benefits everybody, including the banks. **HP** explained that it helps to reflect on where use cases have failed to get traction – is this about the perceived trustworthiness of the counterparties (in terms of new firms) or the genuine value being offered to the consumer? **IG** was grateful for this input, stating that he has had many conversations with Xero and Open Works and what they are doing is the migration from bilateral connections and the part of the rationale of the adjustment period was to allow for firms like this.
- 1.24. **MC** stated that the challenge on how APIs are treated as compared to digital is entirely fair, and that he is not aware of any reasons why dates should be missing. **MC** requested that this should be fed back to him to allow visibility on behalf of Nationwide. **MC** added that the presence of a feedback loop would be useful. **MC** stated that his understanding at the bilaterals is that the MI relative to the parity requirements for PSD2 would be reported on public websites, performance and availability of API channels relative to the digital channels will go live for the first time over the next couple of weeks and there appears to be a significant difference in the methodology that PSD2 has set out compared to the ones the firms are running with. The question, therefore, is whether this is correct and whether an alignment is required.
- 1.25. **IG** explained that there are so many KPIs to look at in order to assess whether the performance is sufficient and every KPI has a myriad of KPIs that sit underneath, to the extent that the 'K' in KPI has become somewhat meaningless. **IG** stated that nonetheless, for the sake of transparency and clarity, it would be better if the ecosystem did focus on a few headline numbers. **IG** added that this does not mean that Open Banking as a Programme would ignore all the other indicators, especially as this has undergone a thorough process to try and identify the relevant metrics for focus. **MC** stated that the specific PSD2 definition of availability is five errors within a minute across any of the Open Banking endpoints. From the Nationwide point of view, the methodology being deployed by OBIE is different for the same measure of availability, whereby it is five consecutive errors on any one endpoint. **MC** explained that this amounts to a significant difference because an endpoint with no traffic on it could be put live and it errors when tested, appearing like the whole channel is down when clearly that is not the case. **MC** stated that this means that there is a significant difference for the same KPI that is also required for PSD2 and this is worth looking at from an alignment point of view. **IG** explained that the right forum for that detailed definition of KPIs is through (referring to OBIE team) TDA. **CM** confirmed that it should go to TDA as this is a technical discussion that will affect not just the CMA9. **CM** explained that an update to the Operational Guidelines is imminent for the next milestone of 23 December 2019 and the guidelines contain the definition of the KPIs. **CM** suggested that as there are also some EBA clarifications which are relevant, and this presents an opportunity to pull these together and fix discrepancies. **SW** stated that this is not just a TDA conversation, but requires a one-off meeting as going back to **EC**'s point about automation, data is being drawn from different platforms to bring together to the system format which is becoming a manual process that is growing month on month; and as there is manual intervention, having a broader conversation about how production of MI could be improved would be helpful. **CA** agreed stating that there are differences in definition and to some degree, it

might be better to recognise that there are two different definitions for availability measuring two different things. **CA** explained that the more the requirements change, the more complexities will be introduced, and therefore, a period of stability with the MI would be helpful to allow time to remove the manual intervention. **MC** explained that this has come to light because of PSD2 reporting that takes place this month. **CA** agreed, but it is one measure and it might be more productive to just recognise the difference, park it and focus on the day to day automation. **IG** agreed that there is attention required here; however, time has been spent on building this process, especially as an audit trail is required to identify the improvements in performance. **IG** explained that this is why what gets communicated, how it gets communicated, the KPI and supporting APIs are all required.

- 1.26. **GL** referred to slide 31 – availability by brand, stating that Nationwide got an exemption to having to support an alternative channel and the figures reported on this slide do not seem to reconcile with that as the August figure of 94% availability would not be a compliant interface. **GL** wanted to know if Nationwide is still enabling alternate channel access, introduced SCA and any comments as to whether the figures reported in the slides are correct. **MC** asked to have an offline conversation with regards to the metrics in August as the reported metrics for August is 99.8% and confirmed that Nationwide is yet to enable SCA as they are leveraging the extension period offered by the FCA.
- 1.27. **IG** stated a reluctance to get drawn into making a decision right now in terms of standing up a new exercise on MI, however, **IG** thought the action should be to come back with a view of what to do in terms of tidying up the MI – change, automation, etc. at the next IESG on 19 November 2019. **IG** encouraged IESG members who have perspectives on what to do to approach **EC** directly on the aspects of MI that ought to be reviewed in that exercise. **EC** agreed, but commented on the definition – what makes an individual endpoint does directly correlate with the PSD2 definition, therefore reports should be based on the five times duration or interruption in service, and should not be because an endpoint has gone down. **EC** explained further that the difference is associated with where an endpoint has been taken offline due to a reported unavailability and there is no subsequent transaction to change it back to available. **EC** stated that as long as this is recognised along with the fact that this is a growing ecosystem, as the endpoints all get used over time and the volume increases (the number of API volumes have had a substantial increase compared to the numbers in the pack) and the volume of endpoint usage increases, that problem will disappear unless there is a real outage. In wrapping up this topic, **IG** modified the action to include a request for IESG members to send through thoughts and comments about things that can be used to create an agenda for a discussion around MI.

ACTION - IESG_2019_301_228 - Programme Update - MI - Improving the MI process and information quality, including eliminating synthetic authentication requests whilst providing TPPs and TSPs with critical real time information on aspects such as availability, performance and quality to be presented as an agenda item at the next IESG (19 November 2019) with all suggestions from IESG members to be sent through to EC by 01/11. Due Date – 19 November 2019

- 1.28. **FR** requested an opportunity to include PSU numbers as part of the MI discussion at the November IESG or have an out of cycle meeting as it would be good to understand how the numbers can change. **HP** stated that the data on slide 44 is entirely misleading especially where it is labelled ‘*authentication abandoned by PSUs*’. **HP** explained that it has been identified and agreed with the counterparty that for half of those across the entirety of the HSBC group that there is no PSU - these are pings to check the availability of endpoints and whilst they are entirely legitimate, they are not customer transactions and therefore, never translate into customer journeys. **HP** explained that until it is represented correctly, that this should be redacted from the pack. **IG** explained further that this information is new, therefore it is not published on the website – this might take a few months to settle down. **IG** reiterated the need to get the definitions right, the need to understand polling and also stated that the OBIE team is looking at this alongside pulling together its own capability to do some of this to prevent TPPs from having to do it. With regards to **HP**’s suggestion on redacting the data, **IG** stated that this bearing in mind that this information has been provided by the CMA9, this issue has been discussed with TPPs to enquire about their experience of consent success rates and for those TPPs that do not poll, there is an uplift to these numbers; each TPP will have its own success rates depending on how compelling the proposition is. On this basis, **IG** agreed that polling has an impact, however, the discrepancy across the CMA9 is double – the worst performing CMA9 member (of the big 6) is half that of the best. **IG** explained, therefore that there is something in the data that

needs to be understood while the information is evolving, however, this has been appropriately caveated, therefore it should not be redacted at this stage.

- 1.29. **CA** stated that Barclays has discovered from their second biggest TPP that they used the wrong URL for App to App, and as 70% of Barclays Open Banking customers are app only, this has produced a large number of failures. **CA** requested a discussion around this at the bilaterals. **IG** stated that a review of many of the metrics and the status of the programme is one of the action items that is being shared with the CMA and one of the outputs is that it would be helpful to conduct a root cause analysis on adoption rates across individual banks where on the face of it, they appear to be average. **IG** explained that there are some sensible reasons why that could be the case - poor implementation, lack of conformance to CEG or functional conformance, poor performance of the API. **IG** agreed that this should be discussed at the bilaterals. **CA** stated that her request to **GL** and the collective TPPs represented is to talk to the parties involved as sometimes it is a misunderstanding and the intention, is to solve all the root causes quickly and efficiently. In wrapping up the conversation, **IG** stated that there will be specific topics around adoption and consent success rates with individual banks at the IESG on 19 November 2019; the aim of this is to understand what the MI is trying to unravel, which may lead to other actions being taken.
- 1.30. **RW** reminded IESG members that in a past IESG meeting, there was a conversation about challenging TPPs, and requested an update on this discussion. **IG** explained that if OBIE could do polling on behalf of the ecosystem, then there would be no need for TPPs to do it. **IG** added that there have been discussions with a particular TPP on how to help OBIE determine its own performance metrics, there is also provider that can offer some of that polling capability to the OBIE. **RW** thought that the conversation was around preventing polling. **EC** explained that this is outside the perimeter of PSD2 as there is no customer; this is the reason for the authentication / abandonment rates. With regards to whether TPPs should be polling or not, **IG** stated that the OBIE cannot have a view about this.
- 1.31. **FR** expressed an interest in the FCA view on what is inside and outside the perimeter as a separate issue, and if a PSD2 activity is being undertaken but is not providing a direct customer service, does that mean that this is unregulated but the access can be granted? **EC** explained that within this context, there is no customer involvement. **EC** explained that OBIE providing a monitoring service will not resolve the problem; the service provider needs to interact with the TPPs (both inbound data and outbound service) so that the TPPs can real time check on the availability and performance quality of the ecosystem and return that response in one place. **IG** stated that it would be great to obtain TPP buy-in so as not to incur unnecessary expenses. **EC** agreed, stating that for this reason, it has to be consultation with the TPP community, as well as getting data from the TPPs themselves, including TPPs who are amongst the CMA9. In the context of performance and availability, **EC** reminded IESG members that the requirement for AIS and PIS are different from the point of view of TPPs. **EC** expressed a concern that a high level of availability monitoring on AIS as is seen at the moment will get significantly higher with PIS. **IG** asked if there is a process within OBIE for undertaking this consultation on polling with TPPs. **EC** explained that there is a process, including a series of soundings being undertaken to understand some of the issues to construct a consultation. **EC** added that a number of the CMA9 have been engaged on this at the bilaterals about the concept and hopefully, will be getting feedback from them which will enable a proper consultation to emerge later on in the year. **IG** stated that it would be good to track this by way of a short update on progress at the IESG of 19 November 2019 so that the component parts and timings for the consultation can be understood. *(This is being tracked alongside action #228 above).*
- 1.32. **IM** proposed an interim solution to the problem if TPP buy-in is established – essentially to differentiate the test traffic using basic TPP polling apps that will explain that it is not a real activity and then it could be removed from the MI. **IG** expressed an interest in quick fixes. **EC** stated that this would not necessarily solve all the use cases, but happy to take suggestions.
- 1.33. **IG** drew a line under this agenda item, stating that the action to provide an update at the next IESG is now captured.

2.a Dispute Management System (DMS) Update

2.1. **IG** introduced the paper stating that this has been discussed at PMG. **EC** explained that due diligence and the actions / activities that have been undertaken by the OBIE fall into two parts:

2.1.1. The original supplier selection; and

2.1.2. The contract.

The OBIE will exercise rights under the contract to undertake reviews in order to understand the actual implementation and there will be a continuous review of due diligence at the various levels as the capabilities come into service. **EC** informed IESG members that there is due diligence around the data privacy arrangement and the agency status which have been externally reviewed by Hogan Lovells; some finessing is required, following which it will be distributed to the CMA9 first and then to IESG. Going back to a general approach to due diligence and supplier management (the same process has been in place for a year and a half for all OBIE suppliers), **EC** explained that a view is taken each quarter, which goes into the Security and Fraud Working Group with oversight recommendations from the BSI. **IG** stated that it will be difficult for IESG members to react until they have read the Hogan Lovells report, therefore, **IG** welcomed questions for clarification around the approach and process, and adding that otherwise, the action is to get the Hogan Lovells report out over the next few days. **EC** explained additionally that the Security and Fraud Working Group will review all the output – this is in the process of being set up.

ACTION – IESG_2019_301_229 – Dispute Management Systems (DMS) - Hogan Lovells report to be distributed to IESG members by EC following OBIE internal governance reviews.

Due Date – 08 November 2019

2.2. **CA** requested a collective meeting to discuss questions raised by the Barclays legal team. **MC** and **RR** agreed. **EC** believed all the questions have been answered; therefore, the right approach is to send out the Hogan Lovells due diligence report bilaterally as it would be a good forum to discuss any residual themes. **IG** stated that if after the bilaterals, the CMA9 believe that there still needs to be a group discussion, then this should be escalated to the Trustee.

2.3. **FR** requested a demo as this is now live, **EC** agreed.

2.b Confirmation of Payee (CoP) Update

2.4. **IG** introduced the paper on Confirmation of Payee (CoP), stating that this will be a succinct verbal update from **CM**, followed by Q and A.

2.5. **CM** stated firstly that the OBIE team has been working closely with Pay.UK on this, including a workshop held in October which was widely attended. **CM** added that out of the workshop arose the need for several potential solutions, not just the default positions previously assumed – i.e. the CoP call is done by the bank and everything is displayed in a redirect flow in the bank interface. **CM** stated that the team is working towards clarifying gaps in the next iteration of the Standard regarding how CoP fits into a PISP journey; this will be catered for in the 23 December publication of 3.1.4. **CM** stated that there is an intersect and potential overlap between this and CRM, and there have been discussions with LSB and PSR around what further guidance might be needed to the code and how that could relate to and/or interact with PISP flows and this is working to the same timelines. **CM** stated that this will include clarifications around Customer Experience Guidelines (CEG) as well.

2.6. **IG** stated that the OBIE team and Pay.UK are working on this together, but with broad representation from stakeholders. **CM** agreed - the last workshop had 150 attendees from across the industry, including Pay.UK running the workshop and OBIE facilitating. **CM** added that at the moment, these are initial discussions, but the team is looking at guidance to support the code, and as soon as the detail of what that might look like for customer journeys and PISP flows, a wider group will be involved.

2.7. **FR** stated that she joined the workshop which provided the opportunity for some Q and A, and would be keen to engage with the LSB as she sits on the advisory group. **FR** stated that other than bank representatives who are

actually financial crime representatives, there is a lack of understanding of PISP within that space. **FR** raised two issues:

2.7.1. The ecommerce journey and how that gets settled and where liability falls - **FR** stated that she is trying to ensure that liability does not fall to the consumer on CoP; and

2.7.2. The full journey that people undertake, especially around the friction caused if one has to start the journey all over again - **FR** talked about minimising this as much as possible because CoP could bring a significant disruption and when this is done twice, the friction is likely to result in an unhappy pathway.

In response to **FR**'s comments, **IG** stated that the team needs to be careful not to inadvertently unwind the benefits of the journey that has been created in PISP.

- 2.8. **CM** explained that there are different use cases for both CoP and CRM, be it a payment to an unknown person, payment to a friend, payment to a merchant – there are also different types of PISPs (banks acting as PISPs, big PISPs, and small PISPs) coming into the market. On this basis, **CM** stated that the solution has to be holistic.
- 2.9. **SW** asked CMA9s who have banks in the Channel Islands and Isle of Man – with regards to the scope of CoP, does this extend to these two locations because they use faster payments and the same schemes, as if not, that would require a directory change to expand the directory for non EU jurisdictions for phase 2.
- 2.10. **RH** explained that there is a conversation at the EU level about having CoP for Swift payments, although this is early days with no timelines to confirm.
- 2.11. **IG** stated that there are 2 elements to this:
- 2.11.1. What does CoP and CRM look like in a PISP journey:
- 2.11.2. What are we doing to support Pay.UK in the delivery of CoP?
- EC** stated that this issue has come up. From the OBIE team's perspective, this is a tripartite arrangement – Participants and OBIE, Pay.UK and OBIE, OBIE and participants – for the on-going provision of directory services to support CoP. In the context of the Channel Islands, **EC** explained that if Pay.UK confirms a participant in the Channel Islands, the current directory structure means that it would not be as an ASPSP, it would be a CoP only role, therefore, the Channel Islands would be available as would any other jurisdiction. The issue is whether Pay.UK will authorise as a CoP provider in those jurisdictions.
- 2.12. **IG** commented that if Pay.UK determines that it would work for the Channel Islands, the directory will be configured easily. **SW** reiterated that the question is for the CMA9 as Pay.UK has not been clear in their communications around this, adding that if the CMA9 could collectively raise this, then the answer could become clearer. **IG** left that to the CMA9 to figure out in their prospective forums.
- 2.13. With regards to CoP phase 2 and PISP journeys, **CA** stated that Barclays is struggling with the timelines, explaining that Pay.UK informed Barclays that this is a Q3 2020 piece, and **CM** is expecting to have an agreed set of processes going into the Standards in December. **CM** corrected the view, stating that in terms of the Standards, the publication in December will be an update. **CA** stated that this should wait until the end state is known before it is put into the Standards because otherwise it gets very confusing in terms of who is implementing what. **CA** thought it would be useful to have a joint OBIE / Pay.UK timeline that state the overall agreement.
- 2.14. **FR** reminded IESG members that the advisory group is meeting and the bigger question is whether CRM applies to PISPs and if it does not, will a CoP be applied?
- 2.15. **IG** explained that the reason for speeding this up is that some of the timelines for other deliverables coalesce more quickly than OBIE is able to move, once published, it becomes hard to influence them. **IG** referred to two separate timelines:
- 2.15.1. a CoP timeline; and
- 2.15.2. a CRM timeline.
- IG** stated that the CRM is stable and now the principles of guidance are being worked on and should be published imminently with the focus being on incorporating the fact that PISP journeys exist into the plan. On the CoP

piece, **IG** stated that there is build associated with this as well, the timeline for which is being set by Pay.UK. **IG** added that he has asked the OBIE team to be clear about what the timelines are, how this will be influenced, who needs to sign off. **IG** referred to a positive conversation with Chris Woolard the day before (16 November 2019) to ensure that when a case can be represented, that there is a clear mechanism in place. **IG** added that his jurisdiction as Trustee over CoP and CRM is limited, therefore there is a collective requirement to make this work as an industry. **IG** requested to see the timelines from **CM** in order to ensure that they sync up with what the other initiatives are doing and to avoid the situation of undue instability or creating rework for the CMA9.

2.c P14 – Evaluation of Efficacy of Account Comparison

- 2.16. **IG** introduced the P14 paper stating that account comparison is a key aim of the Order and this is an effort to try (for the second time) and understand the position of the market. **IG** added that this is not complete as it has been broken down into a number of phases, asking **AA** to explain the relevance of the phases and to walk IESG members through the overall approach – i.e. to move from stakeholder representations to Trustee actions.
- 2.17. **AA** explained that the headline conclusion is that there is a lot of activity in the market for personal current account holders (PCA), but not for PWC and reasons why are explained in the report. In terms of Price Comparison Websites (PCW), there are alternative ways that both Challengers and existing firms choose to recruit new customers, rather than using PCW. **AA** explained further that what remains to be seen is Challengers taking more than just new accounts though this is likely to ramp up as if more business from incumbents have the right propositions in the markets. **AA** explained that for business current account holders (BCA), the situation is different owing to smaller market size, smaller number of organisations and there is less incentive to offer any PCW service, although there are different actors in that space – Xero and accounting platforms who are in there and able to offer nudges to either the accountant as a middle man or directly to customers.
- 2.18. **AA** stated that engagement of SME's in this debate has been difficult; trying to offer new and additional choice in competition in terms of unbundling the core current accounts to business customers is a clear objective, one that PCWs or their ILK (in terms of digital comparison tools) might help to provide; however, there have been a few examples of this, but not a lot. **AA** explained that the recommendations are about looking at other things that the OB is considering rather than being definitive - examining the concept of existing, developing new sandbox environments, ramping up the SME forum and considering new ways of engaging through that forum to drive awareness and activity in this space.
- 2.19. With regards to the statement around fees and charges, **AA** stated that this is an output in the PCA space and understanding if that is possible to be shared via an API. **AA** explained that the phase 2 question around open data was parked; in the original p14, there was exploratory work on whether it was delivering what it should, but the team decided that it was better to explore what is preventing PCW's from coming in and considering whether this is a blocker; the answer to this question is not yet clear.
- 2.20. **IG** referred IESG members to slide 64, which tries to lay out what the blockers are to getting account comparison to work and it is not all about the technology, but also things like across the customer acquisitions, commercial returns of actually operating a PCW and also, the complexity of processing the data. **IG** explained that it is important that the right problem is being solved, rather than just coming up with a technology solution in the hope that everything works from there on.
- 2.21. **IG** explained that in order to close off an evaluation, the usual process is to get to a point where Trustee actions are shared with the CMA9, with a piece within that process calling for representations from stakeholders to come to the Trustee.
- 2.22. **MCH** informed IESG members about a discussion in the Delivery Working Group (DWG) about P14, a lot of which is reflected in this paper. **MCH** stated that one of the problems is that there is a lot of emphasis on switching and looking at PCA and BCA without a further analysis about what is bundled up. **MCH** added that the services within the account need to be unbundled in terms of PCA and BCA. From an SME point of view, **MCH** stated that if the proposition and trusted provider are right, then there will be a product that is susceptible to comparison. **MCH**

stated that there is a lack of transparency about the nature of the bundled services, including what is bundled together into a BCA.

- 2.23. **FR** addressed the context of the paper, stating that it is helpful to look at the entire piece holistically in order to understand what is going on in the market, adding that if this was going to be taken forward, there has to be an interest in understanding it, building it and getting a better deal. **FR** stated that this is where it has been identified that consumers can get value from Open Banking in different ways – switching, 3rd party overdraft and a high balance swept away. **FR** thought that a lot of emphasis has been on switching SMEs when there are limited products in the market for consumers on 3rd party overdraft or high balance sweeping and wanted to know why – is it because there are no variable recurring payments arrangements or something else? If this is going to be taken forward, **FR** was interested in seeing how the market is stimulated through the Open Banking challenge, but to understand the other hindrances. With regards to the issue of price comparison for current accounts, **FR** stated that there is a requirement that PCA is offered through MAPS. **AA** could not recall this requirement, stating however, that the CMA talks about situations where there are no solutions in the market, the CMA could look into advising that there is one set up by an appropriate body.
- 2.24. **BR** took the conversation back to the report, stating that the initial thought was that there was a problem with BCA comparisons because of the metrics that there are only 4 million SMEs switching rates at 3%, hence the NESTA challenge was set up which provided solutions (e.g. SWOOP). **BR** added that when this challenge was set up, it was thought that if it did not work, the CMA would have to set up something and this was in the context of BCAs. With regards to PCA, **BR** stated that the metrics looked better with 60 million PCAs even with relatively low conversion and switching rates. **BR** agreed with **IG**, stating that there are not too many technological problems and the Order has been interpreted in parallel with PSD2 which means that the information accessible about one's account online has to be made available under Open Banking. **BR** added that in terms of the information currently available online about the SMEs, this was not set by the CMA; the only bench mark set is that the data has to be available to enable comparisons. **BR** concluded by stating that this is the only technological problem, with all the others being economic.
- 2.25. **FR** asked if there is a chance to expand some of the analysis to look at particular questions around why unbundled overdrafts and 3rd party sweeping are not being seen; and then the P items could be expanded to include getting a better deal as opposed to a narrow account comparison. **IG** stated that while this is a good point, but as a matter of process, the evaluation items should be closed off, and if new evaluation items need to be set up, then this could be considered separately as opposed to allowing scope creep on the existing items. **IG** reemphasised that OBIE would take stakeholder representations on this, therefore any points that have not been made at the meeting could be directed to the OBIE outside of the meeting.
- 2.26. **SW** stated that from what is being seen in the market, customers are unbundling, but in a different way. They are opening accounts with Monzo, Starling, etc. because they want to save the FX rate on debit card transactions or a specific service from them that offers value. **SW** explained further that there are changes coming in over the next few months that may end up standardising some current account features, FX rates will come off debit cards and there are changes to the way overdrafts are presented and there might be more conversions. **SW** stated that RBS will be providing stakeholder representations.
- 2.27. With the recent history of the market, **GL** stated that account comparison engines never had any real depth of experience other than through **IM**'s Runpath's account aggregation services. **GL** added that prior to PSD2 coming into force, opportunities in the market were not taken advantage of, this was down to the fact that the comparison models were paid by the banks, insurers, the different product providers - there may be other elements worth exploring.
- 2.28. **IM** made an observation - in the phase 1 recommendations, it is not just complexity and processing data, but a lack of data in terms of signals.
- 2.29. **IG** stated that the OBIE team is trying to prioritise potential solutions or identify the bottlenecks whilst thinking more broadly than technology and invited IESG members to document all feedback in a letter to OBIE detailing

what is stopping the market and what the solution is. **IG** requested additionally that the letter should make a specific comment on the notion of the sandbox and if this is actually going to move us in the right direction.

- 2.30. **CA** asked what signals are, stating that clarity on that would give Barclays something to work with. Additionally, **CA** asked with regards to the sandbox if the same one built for PSD2 can be used as a lot of money was spent on it. **CA** expressed a word of caution on statement of fees – Barclays has been doing comparison of the bank statement of fees, but because there are different fee structures, the statement of fees will not allow that comparison, however, this is just a current view based on Barclays analysis. **IM** stated that an aggregate of fees will not support an accurate comparison because it has to be based on the behaviour of the individual with that account or multiple accounts.
- 2.31. **IG** stated that this discussion was helpful to get a broad sense of where opinions are, stating that this will be considered carefully as decisions will not be made based on fixing a problem that does not solve the problem in its entirety.
- 2.32. By way of a sense check on timeline, **RW** stated that high cost of credit is due at the end of the year and this could change the way that information is presented to customers – would there be enough time to go through this process between now and March 2020? **IG** explained that the OBIE team is pushed hard to give Trustee recommendations that are tangible and actionable; therefore, deadlines are requested because otherwise there is nothing to work with. **IG** added that it is a valid point, one that could be taken offline to be discussed with **AA** as well as documented by way of stakeholder representations.

ACTION - IESG_2019_301_330 - P14 Evaluation of Efficacy of Account Comparison - As discussed at IESG on 17 October 2019, IESG members to provide stakeholder representations to the Trustee, copying in Alan Ainsworth by 25 October 2019.

Due Date – 25 October 2019

2.d Customer Experience Guidelines (CEG) for TPPs

- 2.33. **IG** introduced this paper, stating that the entire CEG for TPPs has been included in the pack because they set important context; these are applicable to TPPs as opposed to ASPSPs (therefore, not the CMA9), these papers include the first version and **MCh** will be walking IESG members through the process for evolving, as well as the next version. **IG** added that under PSD2 and Open Banking, the ability to mandate TPPs is limited; by definition, these are guidance – instructive and voluntary, however, **IG** encouraged the OBIE team to think about how elements of this can become the basis of a code that would sit with the purview of the ICO. **IG** explained that all the pages and flows will not be discussed in detail, but stated that as a construct, IESG members' perspectives would be welcome.
- 2.34. **MCh** explained that the intention of this paper is to bring some clarity around the customer journey. **MCh** went on to explain that the OBIE team has consulted widely and considered the relationship between PSD2 and GDPR; the first step is to bring clarity to the customer journey itself, including the components of the consent journey; therefore considerations have been given to the set up phase, the consent management, revocation, off-boarding and the right of erasure at the end of it. **MCh** stated that the team tried to ensure that a structure was established around the consent to ensure that the key perimeters of the consent could be established; so that a value can be applied to those and a set of languages can be defined for clarity to the customer. **MCh** stated that the paper looked for things that would help the customer to understand as well as the speed at which they would understand and thereby improve the propensity to share.
- 2.35. With regards to context, **MCh** explained that the customer journey and structure around consent have been established, consideration has been given to how this could be developed into a formal code because once the parameters of consent are known and values are assigned to those, a Standard can be built around that and the information can be recorded. **MCh** stated that the team understand what this might look like; however, this has not been taken any further.

- 2.36. **IG** concluded the walkthrough by stating that this is a stab at looking at *'what good looks like'* from a consumer point of view in the TPP domain, adding that **MCh** and team have worked closely with **SM** of the ICO to progress this. **MCh** confirmed that the OBIE team spent a day with ICO walking through the proposed paper, giving the ICO team a week to feedback; this was followed with a one to one call, feedback of which was incorporated into these guidelines.
- 2.37. **SM** expressed the ICO's support for the engagement and direction of travel. With regards to progression to a code, **SM** stated that under the GDPR, the ICO can give *'blessing'* (approval) to a document that is then adhered to by a particular sector. **SM** added that this could be worked towards with support from the ICO. **SM** stated that support from the ICO can be shown in a number of ways, such as launches, publicity, etc. and that the code is something that should be aspired to, therefore, the ICO will be supportive of its mechanism without being binary about it.
- 2.38. **IG** stated that the support is not expressed in this version; however, the idea is to include that in the next version. **MCh** confirmed, stating that this would be ready in Q1 2020, adding that the timelines are still being worked on. **MCh** stated that the intent is to publish this as a draft as there are some parts that may be amended; following which it will be integrated into the CEG from end to end so that the complete journey can be seen through the online version. **MCh** explained that the idea is to go into consultation on this once further work on the code, the language, more detailed wireframes has been completed. **IG** asked if this might include the support of the ICO, asking **SM** if this is the kind of material that the ICO envisaged in terms of a code. **SM** stated that the codes being seen by the ICO are more text based than formal codes of conduct for industries processes; however, this is early days and looks good so far. **SM** issued a health warning in that the ICO has not actually issued any codes just yet and getting the regulator to sign off is hard, the ICO support and approval would help to validate.
- 2.39. **IG** stated that it would be ideal to have a governance process for OBIE to submit for approval, but if that does not exist, then it would still be helpful to know from the ICO if there are any gaps in what the OBIE has produced so far compared with what the ICO would usually see in a code; this would enable the OBIE create a structure and to understand what the deliverable looks like. **SM** asked **MCh** to engage with Chris Taylor of the ICO as he is knowledgeable in the area of codes.
- 2.40. **IG** asked **MCh** to describe the engagement with the TPPs on this. **MCh** described the engagement as positive, the steer from the TPPs is that if it brings clarity for some of the dimensions, then it is really helpful; they were not keen on the UR and UX space being interfered with. In terms of CMA9 acting as TPPs, **MCh** stated that there has been good feedback from the consultations, this was published on confluence.
- 2.41. **FR** stated that this is a good step in the right direction and the consumer forum was pleased to see the direction in which this is going and also that perhaps this would be useful for other sectors. In terms of the document itself, **FR** was happy with the table on the front page of the document that shows the options for evolution of the document. **FR** spoke about the space around how to explain the onward shared parties, pointing out that it is good to share how to stop onward sharing; however, it would be good to share a wireframe on how to get to those that stop onward sharing. **FR** stated further that some of the content is repetitive; however, **MCh** explained that this is due to the fact that this is dynamic to show how it will look like online, adding that it could be picked up offline. **FR** agreed and added that she convened a roundtable on Consumer Consent on 12 September 2019 and a further workshop for TPPs on onward sharing is in the pipeline.
- 2.42. **IG** informed IESG members that any amendments should be fed through to **MCh** as this does not need to be published in this format.
- 2.43. **CA** expressed her support for this, but stated that when considering the fact that the desired outcome is to raise the standard of the end to end customer journey, the question as a group is how achievement of the right outcome will be measured objectively. **CA** wanted to know if there would be some form of evaluation that shows percentage number of TPPs in the market that are broadly adhering to this. **CA** added that considering this is not mandatory, perhaps a future action could be what the objective measure of the efficiency of this is. **FR** stated

that this is iterative; some of the wireframes are robust, but there are not enough examples in the market of how to use this – how do you explain? How do you make terms and conditions clear? How do you make people's rights obvious to people – these are known problems which have not been addressed. **FR** expected that there will be learnings over time and potentially understand where the market is not being as upfront as it could be and the reason for this.

- 2.44. **IG** drew a line, thanking the TPPs who contributed time and effort to this, stating that this is an important piece of work because one of the risks of Open Banking is getting bad consents and other aspects that affect consumers in the TPP side of things. **IG** added that this helps the TPPs understand what good looks like. In agreeing with **CA**, **IG** stated that if at the end, this document is created and nobody adheres to it, it will be of no benefit. **IG** liked the idea of working towards a Q1 2020 update on this and wanted to hear about the continuing engagements with TPPs and at that point, it would be good to get some words of support from the ICO in order to ensure that this is more than just an academic exercise.
- 2.45. **GL** stated that the engagement of the TPPs on the CEG has been positive from the AIS community, stating that they are open to the next stages of this journey. **GL** expressed concerns coming through from firms that are taking data that goes beyond PSD2 data and just trying to ensure that there is consistency of approach. **GL** echoed **CA**'s approach on measurement and suggested that perhaps in the future some of these things can move on to be enforceable. **GL** commented on the PIS category, stating that there was great degree of scepticism on any interference from either the ASPSP role or the TPP role in illustrating how they would conduct their businesses; many of the particular continental PISPs are still arguing that redirection may not be the way forward.
- 2.46. **IG** stated that these are helpful points and a decent segway into the 'Updates on Europe'.

(Note - There was no objection to approval of this paper which is the first version of the Customer Experience Guidelines for TPPs that has been developed in order to describe each variation of the end-to-end customer journey and it will be fully integrated into the existing CEG; it will be developed through further iterations.)

APPROVAL - IESG_APR_LOG_056 - the first version of the Customer Experience Guidelines for TPPs that has been developed in order to describe each variation of the end-to-end customer journey and to be fully integrated into the existing CEG. It will be developed through further iterations.

2.e UPDATE ON EUROPE

- 2.47. **CM** stated that the EBA API working group consists of representatives of 9 TPPs, 9 ASPSPs – including from the CMA9 – HSBC and BOI and 8/9 market initiatives – including Open Banking, Berlin Group, STET and some of the consolidation aggregator hubs, representatives of the NCAs across Europe and chaired by the EBA and attended by the EC; this was the fifth meeting. **CM** stated that the general theme is that it goes through a number of the issues that have been raised and clarified, and new issues that get raised. **CM** stated that the first significant point is that the EBA has had a lot of issues raised that are being worked through. These take time and so the next working group will take place in January 2020.
- 2.48. **CM** advised IESG members that the point of focus was around the fact that the UK is significantly ahead of Europe in terms of the overall quality of implementation; there were, therefore, issues raised by TPPs about some of the challenges they have had. The lack of standardisation and conformance testing means that it is taking up to two months to connect or have their eIDAS certificates recognised by some of the ASPSPs. There was concern in the EBA API Group about the lack of quality of some of the APIs across the EU. They have mostly not been tested properly due to the inconsistent approach and late delivery. There are very low volumes of APIs and almost no PISP payments being made across Europe that are using APIs. **CM** explained that there are some ASPSPs who have delivered good quality APIs, there is no consistency and low levels of adoption.
- 2.49. **CM** explained that the European Commission were concerned about this, commenting that things that ought to have been ready in March are still not ready. **CM** stated that the items discussed were things like 'sharing

account holder name' and clarification on whether that should be for PISP as well as AIS. **CM** stated that there were concerns around items 3b (Manual entry of IBAN) and 4 (Perceived obstacles under article 32(3) RTS) which linked into redirection and manual entry driving friction into payments journeys where friction is a barrier to adoption.

- 2.50. **CM** stated that the most relevant point was item 7 (delegated SCA for AIS account access) – there is a consistent and strong concern from TPPs in Europe around the requirement for 90 day reauthentication and how that is going to be a significant barrier for use cases. **CM** stated that UK Open Banking shared with the EBA API group the consultation paper that is being undertaken for the UK market. **IG** asked if the consultation was about the decision made by OBIE to design the standards but not mandate the recommendations from the API evaluation group. One of the options is for the TPP to perform authentication rather than the ASPSP. **CM** confirmed this to be the case.
- 2.51. **HP** echoed **CM**'s opinions, stating that PSD2 and TPP access has teething troubles similar to the ones the CMA9 and Open Banking ecosystem had last year – this took six months with the co-ordinating hand of the OBIE to drive that out. Without the co-ordinating hand, **HP** failed to see how this would be fixed soon.
- 2.52. **RR** asked if the tone of this is because the law is not being applied. **HP** explained that the tone is that the law is not being applied (EBA's view) and there is no co-ordinating hand with some binding power, e.g. a scheme or entity like Open Banking.
- 2.53. **CM** stated that for AIS, the significant perceived obstacle regarding the law is around the 90 day reauthentication. For PIS, it is more concerning for some players in the market because there is a difference of opinion from PISPs around what they were expecting to be available and what the regulations require or allow. For example, name of account holder, some of the points mentioned around sharing of PSU information - redirect even with ApptoApp cannot work for many use cases that many PISPs are currently operating in Europe. **CM** mentioned that there are other things around status – confirmation of funds, there are some use cases where use cases where PISPs currently get access to recent and real transactions and can make a real time and a 'confirmation of funds' does not offer that.
- 2.54. **GL** explained that FDATA Europe (as part of the European Commission's PSD2 Taskforce) had received a letter from Vice President Dombrowski highlighting that he is aware of the issues that the TPP community has reported both in the regulations and in the delivery. **GL** referred to complaints made at an EU level about the exemption process. Some NCAs appear to have provided blanket exemptions to ASPSPs. TPPs do not have access to the decisions made between an ASPSP and their regulator, but it is widely reported that the qualities of the APIs that would be required to meet the criteria for an exemption have not been fulfilled across all the ASPSPs in those markets. **GL** added that there is also a request for greater clarity from the EBA and European Commission on the issue of 'Customer Not Present' access, stating that there seems to be contradictions within the RTS, particularly around what can and cannot be done re Article 10 to try and ensure that the TPP can access the customer data without the customer being present at least 4 times per day. **GL** also stated that TPPs have a strong reaction to the words 'delegated authority', in relation to 90 day reauthentication which is assuming that the ASPSP has the right to delegate, whereas in this case, it is the customer giving consent to the TPP to perform a service. The RTS states that the Payment Service Provider (PSP) may provide the authentication. The TPP representatives on the PSD2 taskforce (**GL** plus Ralf Ohlhausen) have asked the EC and EBA to focus on 5 issues, namely 90 day reauthentication being passed to the TPP and then revised to opt-out (subject to clear communications to the PSU) rather than opt-in, a fair exemptions process, customer not present access being mandatory in an adjusted interface, avoiding mandatory redirection, and ensuring that the fraud prevention measures such as Name of Account Holder is strictly enforced.
- 2.55. **IG** referred to HP, CM and GL – there is no surprise that all of these are in debate, but in this context the interest is in the impact on UK Open Banking. Open Banking reacts to the outcomes of the EBA Q and A and then discusses with the FCA any issues that arise from those changes. **GL** responded by stating that PSD2 is a maximum harmonisation directive, however, at the moment it is fragmented. In the event a settlement is that keeps everyone on the same track is reached, things like redirection-only might not be the only offer, which will

mean that in the UK, the service would have to enable different types of flow. If the UK follows a different path (with Brexit), then some of these issues may end up being solved by the FCA. **HP** agreed, stating that based on what the TPPs were saying, firms are unlikely to get through exemptions across the major markets by March 2020. Even by the stats they shared with CM, **HP** noted that the number of TPPs in production with even the largest European banks in each of the markets is sub five in many cases and some zero. **HP** thought that some markets might move to modified customer interfaces. There may be extended periods of largely ineffective TPP markets where there is compliance, but not many solutions in place. **IG** stated that his interest is in the near-term impact on the programme. Given the March deadline and the fact that there is no EBA working group scheduled until 2020, **IG** asked if this means that there will not be much new output to consider until Q2. **GL** stated that EBA might have something on the reauthentication model in the next few weeks, and are actively working on this issue, but have not made clear what the direction of travel is. The European Commission appears to be pushing the EBA quite hard to make some early decisions around this in order to get early relief to TPPs who are struggling for business continuity. **HP** stated that the conflict is that the European Commission wants to see things done in a matter of weeks, however, the reality is that delivering regulatory change and then technology change is sure to be much slower; **HP** added that there would either be an enforcement of the law (modified customer interfaces) or a prolonged period of transitioning, i.e. accepted noncompliance.

2.56. **RR** stated that when he wanted to know if the law was in-existent or incorrectly applied, **GL** stated that there is a big push to move away from a redirect only model, particularly where it cannot be married to things like customer experience guidelines and App to App. **RR** added that there might be a need for a better and more consistent application of the law and a more consistent application of an appropriate standard at which a redirect model must operate. **HP** stated that the EBA qualified previous comments, stating that redirect is not an obstacle and the FCA elaborated on that in their final approach document and there appears to be a wide understanding of what that means – a slick redirect. The TPPs have two legitimate complaints:

2.56.1. The slick redirect has not been applied by NCAs; and

2.56.2. In some use cases, particularly PISP flows, even slick redirect may or may not support the use case.

2.57. **IG** explained that the onus is on Open Banking to demonstrate what good redirection looks like having had the opportunity to deliver the Customer Experience Guidelines, Standards in delivery and App to App – the better the delivery, the more other markets in Europe will learn from that experience in the way that Holland can be used as examples of how PISPs work; in the UK, there is a form of redirect that feels like it does work well for AIS. **FR** raised a slight concern – PIS needs to work on a redirection in the UK in order to argue that that is a viable model, because otherwise, something will be imposed, as opposed to the opportunity to influence. In spite of there being workshops, **FR** explained that there is still some work to be done around PISP journeys – how this can work as a product in its own right would be ideal. Whilst not trying to solutionise a product, the key is to look at this holistically in trying to understand the key barriers and how can there be a more constructive dialogue than appears to have happened in Europe. **FR** added that the exemption process as a regulatory tool needs to be revisited and would be interested in other mechanisms that would get firms acting and moving quicker – for example, there are running schedules in Network Rail and failure to adhere would amount to fines. **FR** wondered if the TPPs are not asking for some of these fining mechanisms or other mechanisms that discipline the market better. From a consumer point of view, **FR** stated that things get imposed that go to the opposite end of the spectrum to try and make amends as quickly as possible and the consumer suffers, and on that basis, wanted to know if TPPs are asking for other mechanisms. **IG** referred to a current discussion about a European wide scheme for PSD2. **CM** explained that what the TPPs are asking for is quite nuanced and if there is a recognition that if redirect works well, it works well for AIS and some of PIS use cases; but many of the PISPs are complaining that even when redirect is done well, it does not work for quite a few of the PIS use cases. **CM** pointed out that the other issue is around customer protection and liability and other issues that are associated with these; therefore, the use cases need to be looked at on their individual merits.

2.58. As some of the PISPs have been trying to protect their direct journeys and do not want to invest in something different, **FR** wanted to know if the problem is that redirect does not actually work in that journey or that they do not want to invest in it because it costs them money. **CM** said it is not the latter, in some cases it is about protecting their business model, but if it is largely used, it is of value to lots of consumers and if this stops, this is

a concern for consumers as well as business model of some of the PISPs. **FR** asked if anybody has adopted and tried to implement the redirect model. **CM** confirmed that they had.

- 2.59. With regards to **IG**'s question about what is going on in Europe, **AA** stated that this is complicated, but that there also is the European Retail Payments Board which has a working group looking at a separate API scheme; they released a report back in June and **AA** encouraged IESG members to read this. **AA** explained that there is a strategic view and strategic understanding of a number of issues that would need to be addressed to resolve PIS and the solution is a scheme which does not have all the answers or next steps, but the ECB recognise that for this to work, ubiquity and a set of rules will be needed. **AA** stated that as PIS is fragmented across Europe and within member states, the merchants need ubiquity for the use cases and until this is understood, it would be difficult to sell to a customer. In summarising, **AA** stated that there is possibly a requirement somewhere for proper strategic conversations in the UK, but who owns this is not clear.
- 2.60. **IG** wrapped up stating that it is important to keep an eye on the developments in the EU regulatory domain, and the onus is on OBIE to demonstrate that what has been built works well and there will continue to be work done on the standards.

2.f OPEN UP CHALLENGE (OUC) 2020 UPDATE

- 2.61. **IG** introduced this paper, stating that NESTA is running this with **MCh** leading from OBIE.
- 2.62. **MCh** stated that of 107 applications, the team came up with a long list of 29 which went through assessments (14 people assessed). Across the 29 that will go through the judging panel on 06 November, **MCh** advised that there are 13 different use cases with a range of propositions around each use cases and lots of breadth; there was also good regional input – 30% of the companies in that list are from outside London, good diversity within the management teams, a good mix of large and small companies – the overall picture is very encouraging with a lot of innovation.
- 2.63. **MCh** stated that programme kick off is around 20 November 2019.
- 2.64. **IG** advised IESG members to approach **MCh** in the event that more information is desired.

3.a AOB - UPDATE ON UK BASED QUALIFIED TRUST SERVICES PROVIDED (QTSP)

- 3.1 **AA** stated that the organisation issues AIS certificates and the original concern was that there were not any, there are now some although not necessarily in the UK. **AA** added that UK legislation (even post Brexit) allows for UK entities to rely on EU issued eIDAS certificates, therefore, the decision at OBIE was that the piece of work to look into creating a UK QTSP would be discontinued.
- 3.2 **FR** asked if the quality of the EU QTSP can be relied on, to which **AA** responded by stating that for OBIE to resolve issues would be a big lift, therefore, it is better for other organisations who own them to improve the quality themselves and clearly TPPs across Europe are working with those QTSPs to improve the quality of what they are doing. **FR** asked if the number of people accessing the Open Banking directory with an eIDAS certificate only can be monitored; as the issue is consumer trust downstream.
- 3.3 **IG** stated that regardless of whether they have an eIDAS certificate or not, the OBIE will check that they are authorised by the NCA, so there should be no doubt about the integrity of the ecosystem on the grounds of weaknesses in QTSPs.
- 3.4 **SW** added that some QTSPs are actually major certificate providers across the board.
- 3.5 **IG** drew a line under the discussion and suggested that IESG members speak to **AA** if more information is desired.
- 3.6 **IG** asked if there were any closing comments round the table or on the phone, there were none.

3.7 IG closed the meeting.