

A2(d)-Open Banking Standards Relating to Confirmation of Payee and Contingent Reimbursement Model Code

Proposition Document

Date : 01 02 2021
Version : 0.1
Classification : PUBLIC

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Document version history

Version	Date	Workstream	Comments
V0.1	01 Feb 2021	OBIE Standards Team	Draft for internal review

1. Roadmap item definition

The objective of this Roadmap A2(d) - Evolving Open Banking Standards re Confirmation of Payee and CRM Code is to develop Standards to enable the CMA9 to implement Confirmation of Payee (CoP)ⁱ and Contingent Reimbursement Model (CRM)ⁱⁱ in their PIS customer journeys and provide customer experience guidance to ensure that customers experience low friction journeys that are consistent with the regulatory requirements of CoP and CRM Code.

1.1 Scope

2. Market analysis

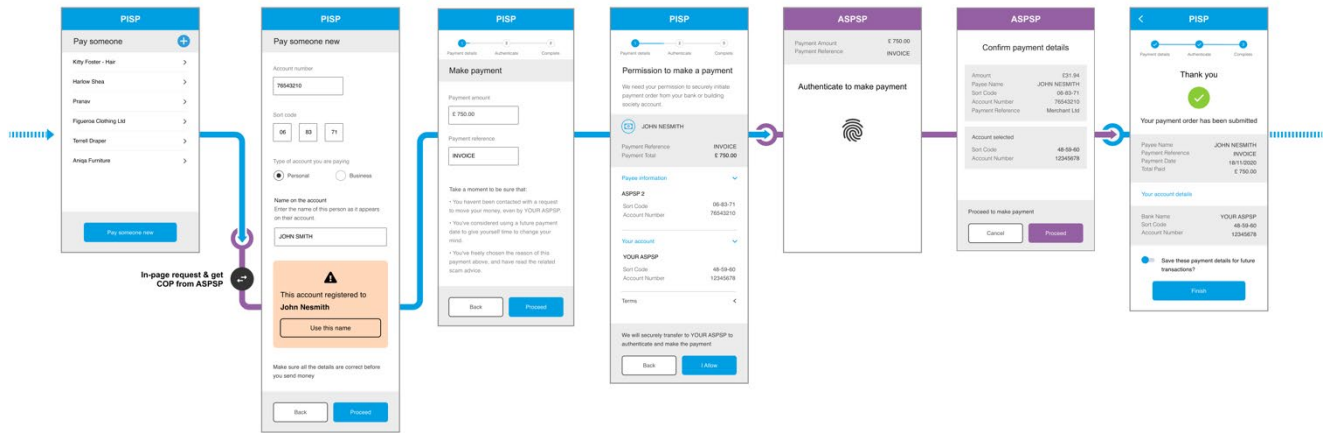
Refer to [CoP-CRM Consultation Paper 20210201 Final.pdf](#) for details on analysis and research on CoP and CRM.

3. Use Cases

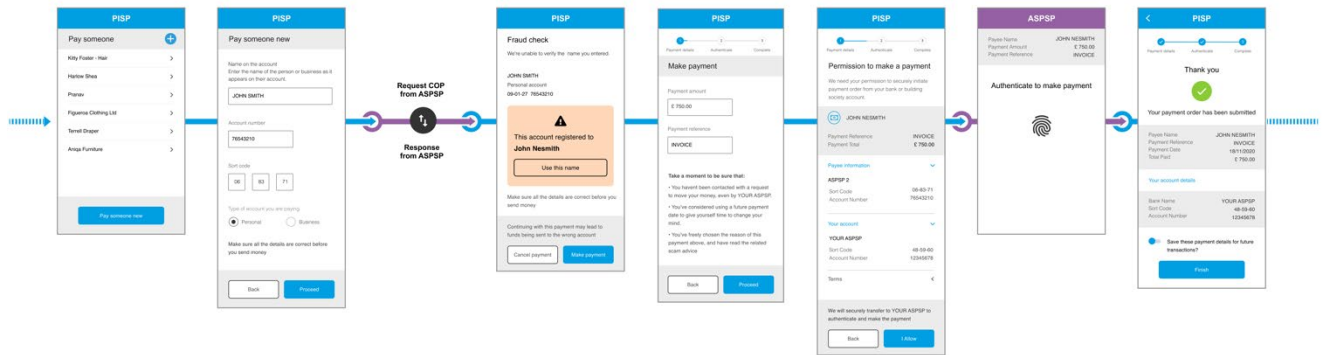
ID	Description	Met
1	As a Merchant providing integrated checkout and payment facility to customers via PISP, I do not want to perform CoP checks of my payment account with the customer's bank every time a payment is made as the PISP has verified it as part of onboarding process	Not addressed
2	As a PISP, providing payment facility to customers, I would like to verify the beneficiary and show appropriate CoP warnings/messages to the customer before payment is initiated with the bank.	Fully
3	As an ASPSP, I would like to receive requests from PISPs to not verify the beneficiary before executing the payment order and provide appropriate response back.	Fully
4	As a PISP, providing payment facility to customers, I would like to request the ASPSP to verify the beneficiary and show appropriate CoP warnings/messages to the customer either before or during authentication.	Fully
5	As an ASPSP, I would like to receive requests from PISPs to verify the beneficiary before executing the payment order and provide appropriate response back.	Fully

4. Customer Journeys

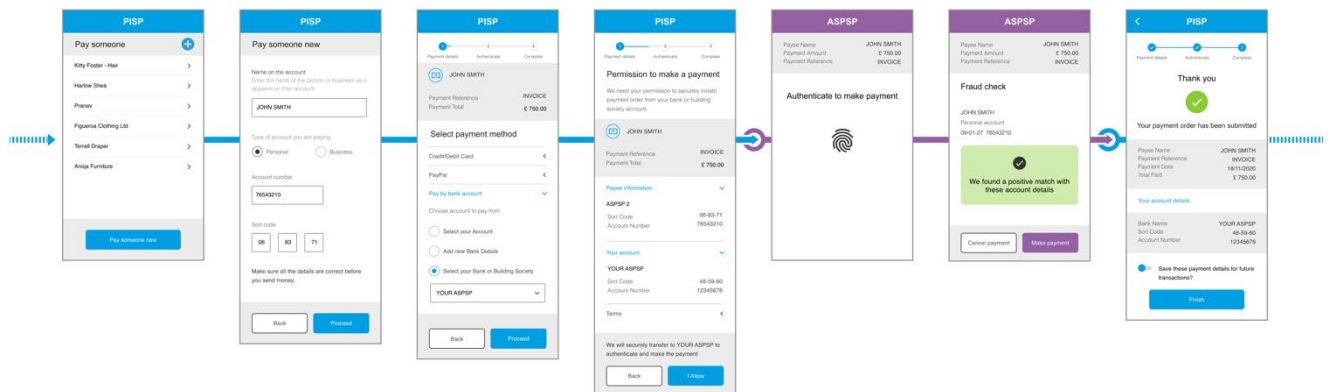
4.1 CoP call by PISP



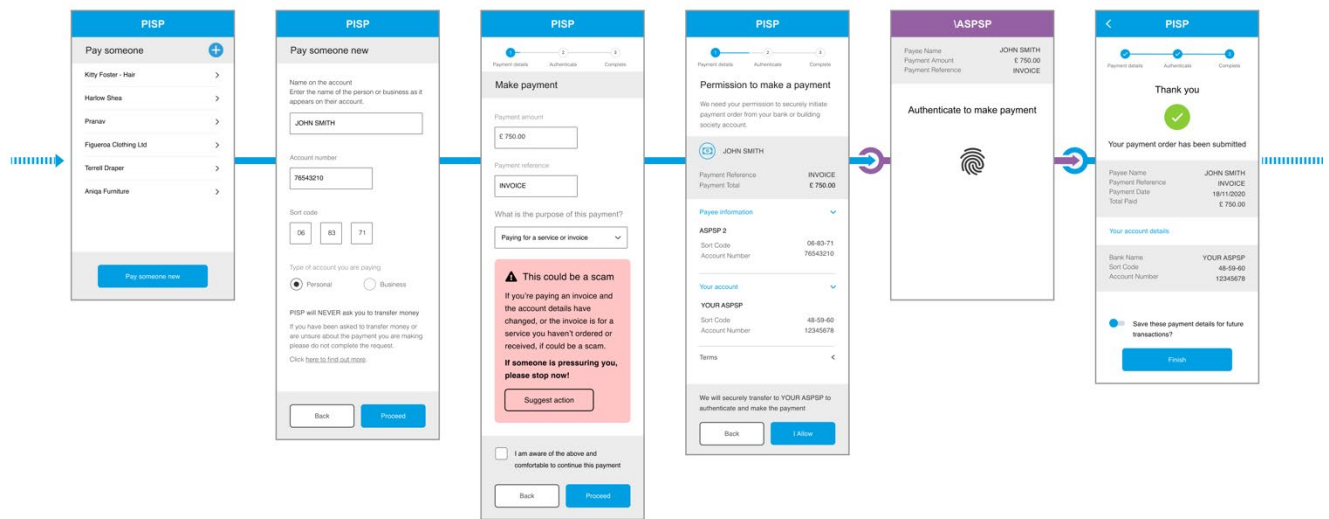
4.2 CoP Call by ASPSP before authentication



4.3 CoP Call by ASPSP during authentication



4.4 CRM warning by PISP



5. Product Requirements for Standards

These are stated as requirements of the OBIE solution to provide a standard for CoP and CRM. Requirements marked as 'M'(Must) are in the scope of the OBIE solution. All other requirements are listed for future consideration. Each requirement below is 'optional' for implementation by ASPSPs and/or TPPs. These terms are defined in the document “Categorisation of requirements for standards and implementation”

The following requirements only apply to:

- domestic payments
- Future dated domestic payments
- Standing Orders

ID	Description	MoSCoW	Rationale	Implementation by ASPSP
1	The OBIE Solution(s) must enable the PISP to provide a sub-category* associated with each payment as part of payment consent request to the ASPSP. *sub-category – BillPayment, EcommerceGoods, EcommerceServices, Other PartyToParty	M	Customer	Optional
2	The OBIE Solution(s) must enable the PISP to carry out a CoP check and then communicate the result to the ASPSP as part of the payment consent or payment submission request.	M	Customer	Optional
3	The OBIE Solution(s) must enable the PISP to request the ASPSP to perform a CoP check as part of the payment consent or payment submission request.	M	Customer	Optional
4	The OBIE Solution(s) must enable the ASPSP to perform a CoP call and respond indicating the entire response of the CoP check to the PISP, as part of the payment consent response or payment submission response.	M	Customer	Optional
5	The OBIE Solution(s) must provide guidance to ASPSPs where it is recommended, to not perform CoP check and display additional CRM warnings where the sub-category of the payment is identified as Merchant Initiated or Me2M by the PISP.	M	Customer	Optional

ID	Description	MoSCoW	Rationale	Implementation by ASPSP
6	The OBIE Solution(s) must enable the PISP to provide to the ASPSP an indicator to show whether or not the CRM warnings were displayed to the PSU prior to payment consent request.	M	Customer	Optional

6. Considerations

6.1. Assumptions

- Where PISP and ASPSP both are participant of CRM Code, a contractual agreement between the two parties may likely be required to determine responsibility of appropriate CRM warnings, CoP checks and liability.
- PISPs have a mechanism to carry out CoP check with the beneficiary bank either directly or via a third party.
- Merchant details are verified (CoP check done) by the PISP as part of their merchant onboarding process and hence a CoP check for payments made to the merchant by PSUs is not required.

6.2. Dependencies

- Implementation of CoP in PISP journeys by CMA9 is required in order to meet the objectives of the CMA Order, however it is subject to pay.uk incorporating and extending the current rules to cover PISPs as anticipated in their planned Phase 2 (Q2 2021) activity.
- Implementation of CRM in PISP journeys by PISPs is required in order to meet the objective of the CMA Order, however it is subject to LSB enabling the PISPs to enrol and participate in CRM Code.

6.3. Constraints

- None

7. Appendix

7.1 Roadmap Reference

The following table is taken 'as-is' from the published [Roadmap](#):

Reference	Roadmap Scope Item	Original Roadmap Item	Objective	Description & Work Activity
A2 (d)	Evolving Open Banking Standards re Confirmation of Payee and CRM Code	P19	The Standards need to ensure that customers experience low friction journeys that are consistent with the regulatory requirements of CoP and CRM Code.	<p>OBIE Preparatory Activity: to complete by end of October 2020.</p> <ul style="list-style-type: none"> Develop the OB Standards (including CEG and OG), in conjunction with Pay.UK, the Lending Standards Board and the Payment Systems Regulator, to ensure maintenance of low-friction, no obstacle customer journeys that take account of the requirements of the Contingent Reimbursement Model (CRM) code and Confirmation of Payee (CoP). <p>Industry Consultation (to include CMA9 participation):</p> <ul style="list-style-type: none"> Industry consultation (including CMA9 Participation): for two months, to commence four months after the end of the Crisis Impact Period. <p>Final Standards:</p> <ul style="list-style-type: none"> Final Standard: to be published seven months after the end of the Crisis Impact Period. The CMA's expectation is that the CMA9 will not implement CoP into any PIS customer journeys until the OB Standards specified in this Roadmap item have been developed and published. <p>CMA9 Implementation:</p> <ul style="list-style-type: none"> Mandatory CMA9 implementation of the new OB Standard to be completed within 13 months after the end of the Crisis Impact Period.

ⁱ CoP – Confirmation of Payee - <https://www.wearepay.uk/confirmation-of-payee/>

ⁱⁱ CRM – Contingent Reimbursement Model Code - <https://www.lendingstandardsboard.org.uk/contingent-reimbursement-model-code/#contingent-reimbursement-model-crm-code>