

# Meeting Minutes

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**Meeting details**

Meeting date: 19/01/2018

**Meeting name**

Implementation Entity Steering Group (IESG)

**Meeting time**

12.00 to 15:00

**Meeting location**

Sidney Suite, Grange Tower Bridge,  
45 Prescot Street, London, E1 8GP.

**Scribe**

Julie Mitchell

**Classification**

Confidential

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| <i>Name</i>                | <i>Role</i>                                            |
|----------------------------|--------------------------------------------------------|
| Andrew Laidlaw (AL)        | FCA                                                    |
| Andrew Slough (AS)         | HSBC (Phone)                                           |
| Andy Booth (AB)            | Barclays                                               |
| Anne McAdam (AM)           | HM Treasury                                            |
| Bill Roberts (BR)          | CMA                                                    |
| Caroline Ambrose (CA)      | Barclays                                               |
| Daniel Ehreich (DE)        | Bank of Ireland (Phone)                                |
| Daniel Globerson (DG)      | Royal Bank of Scotland                                 |
| Daniel Jenkinson           | Consumer and SME representatives, Open Banking Limited |
| David Baldwin              | OB Programme Manager                                   |
| Dora Guzeleva (DGu)        | Payment Systems Regulator                              |
| Ed Colley (EC)             | OBIE Programme Director                                |
| Gavin Littlejohn (GL)      | FinTech Representative                                 |
| Helen Ginter (HL)          | FCA (Phone)                                            |
| Henry Kuang (HK)           | OBIE                                                   |
| Hetal Popat (HP)           | HSBC                                                   |
| Ian Major (IM)             | TPP Representative (Phone)                             |
| Imran Gulamhuseinwala (IG) | OBIE Trustee                                           |
| James Whittle (JW)         | PSD2 Representative                                    |
| John A Hutton (JH)         | Nationwide (Phone)                                     |
| Kunal Jhanji (KJ)          | OBIE Policy                                            |

# Meeting Minutes

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| Mark Chidley (MC)    | SME Representative                |
| Mark Mullen (MM)     | Challenger Representative (Phone) |
| Matthew Alder (MA)   | HM Treasury                       |
| Nuala Jackson (NJ)   | Santander                         |
| Phillip Mind (PM)    | UK Finance                        |
| Richard Lindsay (RL) | OBIE Communications               |
| Richard Rous (RR)    | Lloyds Banking Group              |
| Robert White (RW)    | Santander                         |
| Roy Hutton (RH)      | Allied Irish Bank                 |
| Stephen Smith (SS)   | Lloyds                            |
| Thaer Sabri (TS)     | Electronic Money Association      |
| Vicki Hassan (VH)    | Danske Bank (Phone)               |
| Walter Mccahon (WM)  | UK Finance                        |

### Apologies

|                       |                         |
|-----------------------|-------------------------|
| Faith Reynolds (FR)   | Consumer Representative |
| Paul Horlock (PH)     | NPSO                    |
| Richard Henshall (RH) | Nationwide              |

| No. | Agenda item |
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| 1. | <b>HOUSEKEEPING</b> |
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**IG:** Opened the meeting and provided an over view on the media activity since Go-live on Saturday 13 January, with the stories are being well reported.

**IG:** Moved on to the agenda and housekeeping, asking if there were comments on the minutes.

**JM:** Requested that any comments be sent directly to her for inclusion and will ensure corrections are reflected.

**IG:** Reviewed the action list:

- IESG\_2018\_301\_13: Relating to Release 2. Carry forward due to P5 sticking point
- IESG\_2018\_301\_02: Develop "pitch" to TSPs w.r.t. access to test environments. Carry forward
- IESG\_2018\_301\_10: withdrawn repeat of IESG\_2018\_301\_19: Opt out Evaluation exercise, paper is submitted to this meeting. Action closed.
- IESG\_2018\_301\_14: James Whittle to clarify the position with the steering group. **JW** stated the action needs further clarification re PSD2 stakeholder group and he would revert back to the IESG

should the need arise. **IG** advised that there is a discussion with Paul Horlock on Monday 22 January that would steer this action.

- IESG\_2018\_301\_07: Paper is submitted to this meeting. Action closed.
- IESG\_2018\_301\_08: Action closed.
- IESG\_2018\_301\_12: RL and GL convened a meeting with UK Finance and Tech UK to discuss combined comms, a plan for combined comms is underway.

**RL:** Advised that as of 18 January plans from the CMA9, will be integrated in once place, exempting some areas that cannot be shared with the wider community,

**IG:** Advised that a letter, written in conjunction with the CMA9, was sent to the CMA9 banks, with regards to how to conduct ourselves around the comms piece. IG requested the CMA9 to work openly and collaboratively with RL. **RL** advised that the letter included a confirm receipt statement. To date three or four have been received. **RR** confirmed they had received the letter.

## **ACTION**

**IESG\_2018\_301\_22: RL - Revised comms plan due w/c 22/1/18 and to be presented to IESG on 26/1 and RL to chase those who have not confirmed receipt of the email letter.**

**EC:** Provided a programme update. Advising the attestation process has been completed and that IG had received the attestation report from KPMG. **EC** confirmed the number of directory entries was up to 96 participants. Important to remain focussed on when enrolments happen, they complete an identity and validation process and then FCA authorisation. As at 26 January there were 32 in the pending authorisation. **EC** is monitoring this during the Managed Roll-out (MRO). Support to the ASPSPS and TPPs is being recognised as being valuable, a warranty is also being provided during the MRO period. **EC** advised some of CMA9 raised concerns around the screen validations of the DFI and fixes are going in next week.

**GL:** Asked about what the output of the attestation processes has been, specifically for the CMA9 who are attesting that they are ready. What is the visibility of those outputs?

**IG:** Responded that the checklist would have been circulated, that each of the CMA9 was requested to attest against. Those disclosures were then used by the OBIE to make a decision as to whether it would go live or not. There is no intention to share those disclosure items with the CMA9 or TPPs

**GL:** Asked as the data is not being shared, can you advise what the key issues were that emerged, or did you feel comfortable that the banks that have delivered, had met the required technical standards. At the last steering meeting, the TPPs found the surface area of the API delivery to be very uneven and that the banks had all delivered a different technical output. **GL** continued they may have been functionally fine but they were of a different standard. How do we converge a standard over the next few weeks?

**IG:** Advised there was no common theme in the disclosures. The view that OBIE took reviewing each one was that it will not stop a CMA9 from getting into the MRO, if the issues are small defects/bug fixes. **IG** continued that the alternative is if they are not in MRO, OBIE would need to seek direction, which is a significant move and not one that he would be willing to make on such small issues. **IG** was comfortable with technical support from OBIE team and that all the items fall in to the category you refer to can be remedied in the early part of MRO.

**IG:** Stated some of the CMA9 struggled to get a fully comprehensive result from the conformance harness exercise. However, OBIE is comfortable that work is underway to address this. **GL** asked if IG was referring to the conformance test suite to assess the security protocol. **IG** agreed he was.

**EC:** Advised that a number of the CMA9 have confirmed that they have successfully run the conformance harness and he expects all of them will eventually confirm, as it's a key part of conforming to the security profile.

**GL:** Asked if OBIE view was that successfully running was the same as successfully passing. **EC** confirmed it was.

**IG:** Advised that the OBIE will keep a watching brief, but is an issue that is being rectified quickly.

**EC:** Stated that the banks that have managed to do the exercise ahead of launch got a lot of value with less defects coming out the other side. This week, more of the CMA9 have got closer to passing the conformance test, with only minor issues needing rectification, and being dealt on a case by case basis.

**IG:** Advised that where disclosures were made as part of the attestation process, there was bilateral reporting directly to him with and is a situation that is being monitored carefully.

**RH:** Asked a question regarding security code and rating; is there a plan or line of sight about it being adequate for Go Live. **EC:** the process continues and will happen on a quarterly basis.

**RH:** Followed up, asking is it possible to get a line of sight as to what is being done and what the end state will be. It's not clear in terms of some of the actions when they were going to be closed or what mediation had been taken. No matrix on the report, advising what the highest standards were, it referred to adequate for roll out.

**EC:** Advised there is ongoing remediation, however during the course of the year there are plenty of roadmap items, many affecting the directory. EC confirmed that continuing review of the directory and information security management system will need continual review to maintain the appropriate level of adequacy. **EC** believes OBIE should also look at appropriate standards and ensure they are met in order to achieve certification.

**RH:** Requested to see something and discuss the matrix further. **EC:** I need to provide transparency on when the items are being closed. EC and RH will have a follow up discussion.

**EC:** Provided an update on the MRO. Advising that as at 10am on the 19 January, there were 90 TPPs in the MRO candidate list, six had been approved by the FCA or other NCAs, and successfully seen the authorisations happen and completed and observed the on-boarding in the Open Banking directory. Three of those TPPs have on boarded with ASPSPS, two TPPS concluded transactions with one of the CMA9, and one TPP has also completed AIS with one of the CMA9. The rest are getting very close to actually completing successful transactions.

**EC:** Advised the buddying process is working well, the TPP and ASP community are working collaboratively together, however OBIE are holding the line that when phase one is exited, there is a breadth of coverage across the CMA9 and all of the TPPs - all parties have successful transactions before moving to the next phase.

**DG:** Provided TPP feedback, advising that some had asked for dates to be moved.

**EC:** Reconfirmed that the holding pattern was reiterated at the joint bank only call.

**EC:** Advised the production reference accounts and staff accounts have been received from the CMA9, along with receiving 22 support tickets, most are queries and clarifications. There are seven tickets left to be resolved. The TPPS raised 17 issues across the ASPs, 40% are with the TPP to fix, the others with the ASPSPs to resolve, some remedial action required, some long-term fixes.

**EC:** Recapped that all TPPs in the MRO have successfully connected across all the banks, and where the level of success and breadth has been achieved, the next stage will be to move onto staff based accounts usage (from the banks, TPP and OBIE).

**IG:** Asked if we are doing TPP staff in phase two. **EC** confirmed they would.

**EC:** Advised that during the first week, good progress had been made, with all communities energised to get the banks, TPPs and OBIE over the line.

**IG:** Advised the comments coming in from TPPS and ASPSPS were heart-warming and this is a massive achievement. **IG** asked for reflections from the CMA9 and the TPPS on anything that could be done better. Asking **EC** on his perspective, concerns and issues that he is checking for as the process moves from phase one to phase two.

**EC:** Stated that the main thing is to make sure that no bank has a complete blocking problem, there is no indication there has been, however this is being monitored.

**RR:** Provided feedback that the programme at Lloyds had been very good; with an observation on what would future releases look like in terms of roll out. Is there a plan to do something similar in terms of a MRO.

**EC:** Confirmed that this is being considered and how it is managed and reported back will be delivered to the IESG towards the end of MRO.

**GL:** Believed that it is important that multi industry testing and live environments are as aligned as possible for ASPSPs and TPPs that are joining at a later date.

**EC:** Agreed with GL; advising the final form of the production testing environment will be available at the end of January.

**GL:** Asked if the TPPS have signed up to the voluntary plan?

**EC:** advised that the TPPs are going through their own final integration and checks and the CMA9 also need to ensure their facilities are working too.

**IM:** Asked if there are there any non CMA9s coming in MRO.

**EC:** Confirmed that there are none during MRO but there are ongoing discussions.

**IG:** Advised there are around four or five discussions taking place, their names cannot be made public yet. Most of them would be looking to indicate support in the next one to two months' time. **IG** advised that those wanting to come on board who aren't ASPSPS, want to try to enter as a TPP first, before looking at implementing the standards themselves. **IG** followed that the question is do they maintain their own standards or do they adopt OBIE standards. **GL** advised he will encourage them to take OBIE as a minimum.

**CM:** Advised there were six over the last two days in the working group and a number of them are waiting for version two as it would be more useful.

**IG:** Asked if there are any comments from the CMA9 regarding the RAG status. There were no comments.

## 3. a.i EVALUATION ACTIVITY LEADING UP TO RELEASE 2

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**KJ:** Provided an in depth update on the evaluation paper. Stating that OBIE have defined what is meant by evaluation and it's key purpose being to determine and develop a case for taking forward an evaluation item into discovery for standards development. It needs to be effective and proportionate and go through the right lenses of assessment. The OBIE will produce a paper for the Trustee to take to the CMA through the governance process to then assess and get a decision from the CMA to move it forward to the discovery category on the roadmap.

**DG:** Asked what is the CMA9 role in evaluation?

**KJ:** Advised that OBIE is working with the TPPs and CMA9 to ensure every stakeholder has an opportunity to feed into the assessment and evaluation work, through various forums e.g. PAG and PMG. A governance document will be published, which will outline the evaluation items to ensure that the work is balanced.

**AMc:** Stated it would be useful to get the legal view on the compliance early in the proceedings.

**KJ:** Stated that Regulation compliance is one of the lenses is being used as part of the assessment.

**RW:** Asked for the word "if" to be emphasised on the first bullet point on the slide. **KJ** will amend.

**MC:** Felt there was some inconsistency on the roadmap on the website and what is proposed in KJ's slides. **KJ** confirmed that evaluation will not move into discovery until evaluation is complete.

**EC:** Emphasised that OBIE are not undertaking discovery or any other elements of delivery work until an evaluation outcome is agreed. In terms of that agreement, **KJ** mentioned the relationship with PMG which is important in the context of what the evaluation says, and the likely implementation risks and timelines. **EC** continued that when a recommendation goes to the OBIE and IG, it includes the outcome of the evaluation and an assessment about the implement ability of the recommendation.

**PM:** Questioned the process around PAG and asked is it as presently constituted or as reconstituted as describe in the roadmap on page 24.

**KJ:** Replied that there was expanded representation and confirmed the membership. Going forward there will be a representative from the Credit Card market and a non CMA9 representative (ASPSPS).

**PM:** Asked who determined how the PAG was going to be reconstituted? **KJ** replied that there was a discussion at PAG that agreed it needed to be inclusive participation form the broader TPP community.

**IG:** Explained the PAG is there to assist the policy team. Ensuring that it's got a manageable group of stakeholders that can provide input into the work they are doing. They don't sign off or veto, it informs.

**RW:** requested that the PAG ToR be recirculated, as the group had additional responsibilities. He believed it would help if the Chair of the PAG was a member of the IESG, enabling effective reporting back. It would also allow the opportunity to ensure the membership is correct.

**KJ:** Advised the role of the PAG was always meant to be what it is going to do going forward, however, due to the nature of the Go Live documentation, it critiqued and reviewed the documents. Going forward the role in the ToR must be fulfilled.

**AB:** Believes this is a crucial document for the governance process and sets the ability to meet the roadmap deadlines and work collaboratively.

**KJ:** Advised that next week a detailed governance process for evaluation will be circulated, which will include a view as to who are the key external stakeholders, the process being followed, the working groups involved and to ensure there is a comprehensive input and point of interaction between the working groups.

**GL:** Asked if the CMA9 have a group that discusses market requirements? **AB:** Confirmed the PAG papers are circulated amongst the CMA9 is the mechanism used.

**MC:** Asked if OBIE is not looking at the end user requirement, we only look at what technology can deliver; he felt this was the wrong way is round.

**IG:** Stated that greater clarity is needed as to how this process is going to work. PAG needs revitalising with specific user evaluation.

**AMc:** Suggested a Gant chart and timetable of when things are delivered by and identify which meetings will discuss which issues. **RH:** Requested that realistic timescales must be set.

**IG:** Stated that evaluations need time-boxing, even if they are not conclusive, an interim report should be provided.

## **ACTION**

**IESG\_2018\_301\_35 KJ:** Detailed governance update, evaluation items, which groups are responsible for what, include ways of working, details GANT on evaluations (incl realistic timelines)

**IESG\_2018\_301\_24 KJ:** Circulate PAG Terms of References for any potential/proposed changes

**IG:** Provided detail on evaluation; from consultation to the write up processes and then through to the final document, which is provided to the Trustee. The document should also be available to the other stakeholders so they can make representation and all views are then collated.

**JW:** Had two observations: Who has what responsibilities, need to see PAG activity and where some of those responsibilities can be distributed. **JW** also queried content of the process and how to close some issues where there are differences of opinions, currently it comes to the Trustee and then to CMA for approval.

**IG:** Agreed it needs clarification. **JW** also asked about the process for items that are either in the order or not.

**BR:** Clarified, if it is in the order then IG must try to come to a consensus or make the final decision. **JW** addressed **BR**, questioning that the CMA are not responsible for PSD2 implementation.

**MM:** Asked if a scoring mechanism could be used, it would take subjectivity out of the discussion. **IG:** Agreed it would be a good idea and structure the input.

**KJ:** Confirmed he will take the point on board for the evaluation process and will try to develop this framework, although will not work with all evaluations.

**RH left the meeting**

## **3.a.ii**

### **LIABILITIES ASSESSMENT OF OBIE**

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**IG** asked **KJ** to provide a high-level overview of OBIE liabilities.

**KJ:** Provided an outline of the liabilities faced by OBIE between TPPs and the ASPSPs. The liability is purely non-contractual between the three entities and any statutory liability is in a non-contractual environment, and relates to fraud or negligence liability. The OBIE and ASPSPS liability are contained within the T&Cs that have been established and are capped. Within those T&Cs there is a provision for a singular OBIE audit, which can be undertaken, collectively by the banks. A non CMA9 may make a request, explaining the details on the type of audit that could be requested. It would need to be a view that is shared.

**GL:** Asked if the audit would be technical or financial; an audit of OBIE output. **KJ** advised that discussions on the directory had taken place in the past with **IG**.

**GL:** Provided an example of the US government and regulator who had conducted an audit. **IG** agreed this was a good point, stating there is nothing in the pipeline in terms of a single audit of the directory, but there are small audits taking place continually, which was part of the Go Live sign off.

**IG:** Advised that no regulator has yet come to OBIE and said there are specific obligations on the directory.

**TS:** Stated the procedures around the directory are making sure that there are no exposed vulnerabilities.

**BR:** Advised the PRA has been looking at this. **IG** confirmed that he has a meeting scheduled with the PRA and will include it on the agenda.

**KJ:** Advised that there are also vendors and suppliers and T&Cs are in place for any liabilities.

**AB:** Asked if legal have reviewed? **RW** asked if the CMA9 legal teams have reviewed. **KL** advised he will double-check.

**RW:** Felt some confusion around the parties and limits statement in the paper. **KL** will revert.

**RW:** Asked if the insurance policies were in place already. **KL** advised he believed they were.

**KJ:** Stated the limits have been kept low, which will be covered by the OBIE budget. **EC** will follow up on the insurance policy question.

**GL:** Asked what the difference was between OBIE and Open Banking Ltd. **IG** confirmed there was none.

**AB:** Asked who the guarantors were, is it the CMA9? **IG** said it confirmed it was.

**GL:** Asked if OBIE had directors and officer's insurance. **IG** advised he will check.

**JW:** Asked for an overlay of how the liability sits within the corporate structure of OB Ltd.

**TS:** Asked who can make a claim in tort against OBIE? **KJ** replied that based on the feedback from OBIE legal team; given the non-contractual nature of this, the only two claims that can be brought is tort and negligence.

**RW:** Asked that if other ASPSPs sign up, is it correct that they are not allowed into the directory without signing these T&Cs.

## **ACTION**

**IESG\_2018\_301\_26: KJ - Circulate 6 actions to IESG and then produce paper for noting for the meeting on 26/01/2018 relating to OBIE liabilities.**

**1. Is the liability cap of £500k per ASPSP or collectively for all ASPSPs?**

**2. Is the liability cap reasonable? What happens if the liability is exceeded?**

**3. Does the OBIE have an insurance to cover these liabilities?**

**4. Who can make a TORT claim towards OBIE?**

**5. What is the liability structure for OB Limited i.e. what happens if Open Banking is unable to meet a liability?**

**6. Collate further questions from the group and share with Marcus Ezekiel (ME) in legal. Add to the agenda for IESG on 26 January and invite ME.**

**GL:** Also expressed concern of where the flow sits if there is a data breach in the infrastructure.

**EC:** Confirmed that OBIE has directors and officers insurance.

## **3.b UPDATE OF P5 (FUTURE DATED PAYMENTS)**

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**IG:** Advised that he was unable to identify a consensus and therefore would not be able to make a final decision at the meeting today. However conclusive plans do need to be made. Current thoughts are presented in the paper today, which consist of input from the technical team, the CMA9 and the TPPs. It has also been discussed with HM Treasury and the CMA. **IG** sought the views on P5 in the room, and requested further debates, so that this matter can be concluded within the next two weeks. **IG** reconfirmed that P5 is a Release 2 item that needs to be finalised by the end of February to allow the CMA9 six months to implement. **IG** advised there are working groups taking place and are looking at a token based approach in order to create future dated payments. CMA9 questioned if this is the correct way, and believe it should be a mandate based approach.



**IG** asked if it was right that we pursue a mandate based PI.

**RR:** Said it was, advising the CMA final report aims to support the customers and improve their engagement. Sweeping model as he understands, helps them engage and makes it easier to move their money, the customer is in control and he strongly believes that is what the customer wants. Feedback demonstrates this. There are lots of areas to explore e.g. fraud and liquidity management.

**RR** and **GL** then discussed customer ownership in greater detail and the role of TPPs and the ASPSPs. Settling on that neither the bank nor the TPP owned the customer, with **RR** stating it was more important for the customer to have a good experience and be in control.

**TS:** Advised that there are controls in place, asking do we want to enable a set of tools to allow greater competition, and cited various examples.

**JW:** Stated the paper poses a number of questions and not entirely sure he can agree with them. There is a need give it some further consideration. **JW** also asked how the assumptions are validated. The CMA9 may have to go to HM Treasury or the CMA for advice.

**CM:** Clarified how the current environment operates with regards to the initiation of a payment order and the effects of PSD2 on that process. He also provided feedback from the recent working groups and the views from the legal team.

**JW:** Advised that the wording in the paper contradicts what CM explained. There is a need to narrow it down to a conclusion and establish a clear route forward.

**IG:** Stated there was no clear consensus.

**JW:** Asked if all of the IESG agreed there was a need to build a token based process?

**There was disagreement in the room.**

**IG:** Followed that the P5 plan was to build token based; does the IESG now consider a mandate PI or token PI or both. CMA9 objections need to be considered to produce iteration. There is also the Intention of the order to consider, the sweeping use is core and what does it look like under these approaches.

**IG:** Stated that a number of items need addressing.

- OBIE to set up cross stakeholder working group to show what a sweep use groups under mandate or token and what it looks like from a customer point of view.
- Understand regulatory implications of these different approaches.
- No sense of resource or costs implications of implementing these solutions among CMA9
- A working group is required on these items to enable this to be finalised.

**DG:** Asked if it was taken as read that under European regulation we must specifically expose with a mandate on our side, future dated payments and recurring payments.

**IG:** Responded that his understanding under PSD2 is that you do as a minimum allow a TPP to set up future dated payments and standing orders.

Conversations continued regarding the sweeping product.

**IG:** Reiterated the process for the next two weeks, confirming that the OBIE team will continue to develop both of the standards and progress as per existing timelines. IG could not see a situation where this will get signed off in time for Release 2 and he doesn't want to stop the development of the standards for token based, whilst the discussion continue. **IG** also asked the team to work up a mandate based PI to see if it can fit with the timeline. **IG** requested that the CMA9 do not obstruct what the read/write working groups are trying to do in terms of fleshing out the P5 token standards, and that the mandate needs to catch up.

**JW:** Asked if the PSD2 working group could help answer the question in the paper. **IG:** Confirmed he had been trying to engage with them.

Conversations continued around this issue.

**IG:** Requested a call on the Opt-out evaluation approach for the IESG members to have further discussions and then to circulate the proposed next steps, and on the basis of acceptations it will become the agreed next steps.

## ***ACTION***

***IESG\_2018\_301\_36: IG - Call with IESG to discuss Opt out evaluation approach. IG to circulate proposed next steps.***

**IG:** Closed the meeting at 15.10