Meeting Minutes

OPEN BANKING

Meeting details
Meeting date: 19/07/2018

Meeting name
Implementation Entity Steering Group (IESG)

Meeting time
10.00 – 13.00

Meeting location
Beauchamp Suite, Grange Hotel , 8-14 Coopers Row, London

Scribe
Julie Mitchell

Classification
Confidential

Name		Role	
Alan Ainsworth	AA	OBIE – Head of Policy	Yes
Andrea Melville	AM	Lloyds Banking Group	Apologies
Andrew Laidlaw	AL	FCA	Phone
Anne Macadam	AM	HM Treasury	Yes
Bill Roberts	BR	CMA	Yes
Caroline Ambrose	CA	Barclays Bank	Yes
Chris Michael	CM	OBIE – Technical Delivery	Yes
Daniel Ehreich	DE	Bank of Ireland	Yes
Daniel Jenkinson	DJ	Senior Manager for Consumer and SME Representatives, OBIE	Yes
Daniel Globerson	DG	Royal Bank of Scotland	Yes
David Baldwin	DB	Head of Programme Management OBIE	Yes
Doina Nicolici	DN	NPSO	Apologies
Dora Guzeleva	DG	Payments Systems Regulator	Yes
Ed Colley	EC	Prog Director OBIE	Yes
Faith Reynolds	FR	Independent Consumer Representative	Yes
Gavin Littlejohn	GA	Fintech Representative	Yes

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Hetal Popat	HP	HSBC	Yes
Ian Major	IM	TPP Representative	Apologies
Imran Gulamhuseinwala	IG	OBIE - Chair	Yes
John Hutton	JH	Nationwide	Yes
Mark Chidley	MCH	Independent SME Representative	Yes
Julie Mitchell	OBIE	Secretariat	Yes
Mark Mullen	MM	Atom Bank	Apologies
Paul Horlock	PH	NPSO	Apologies
Phillip Mind	PM	UK Finance	Yes
Richard Lindsay	RL	OBIE - Comms	Yes
Richard Rous	RR	Lloyds Banking Group	Yes
Robert White	RW	Santander	Yes
Roy Hutton	RH	Allied Irish Bank	Yes
Ruth Mitchell	RM	Electronic Money Association	Phone
Stephen Smith	SS	Lloyds	Apologies
Thaer Sabri	TS	Electronic Money Association	Apologies
Vickie Hassan	VH	Danske Bank	Apologies – Delegate sent
David Scott	DS	Danske Bank	Yes – Delegate for VH
John Heaton-Armstrong	JHA	OBIE	Guest
Steven Bisoffi	SB	OBIE	Guest

No.	Agenda item

1.a   MINUTES

1.1. **IG** opened the meeting and reviewed the minutes and action log. **IG** confirmed the minutes had been circulated and comments had been received and incorporated. **The minutes were accepted as final** post one minor text amendment from **FR** relating to 1.6 and a tense change. **RW** advised that he also had a minor comment on the numbers relating to the NPSO discussion on item 1.60 and also to attribute comments made by RW (Rajeev Walia). **JM** will review this section of the minutes and amend as required and change Rajeev Walia to RW1.

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1.b.   ACTION LOG

1.2.

Action Number	Owner	Description	Status
IESG_2018_301_94	*PH*	*Confirmation of Payee: IG to discuss with PH and NPSO.* ***NPSO representative to present an update at the August IESG IG advised that PH not able to join the meeting and suggested IESG members who had any queries should contact the NPSO directly.***	ROLLED
IESG_2018_301_95	DB	TPP Funnel : DB to liaise with Simon Waller regarding the breakdown of numbers in TPP funnel slide, identifying any double counting etc. and ensure reflected in slides going forward. Also to identify which of the brands were CMA9	CLOSED
IESG_2018_301_96	EC	**Path To Green:** Path to Green escalation process to be formulated. Items to be marked as green and escalated to EC/IG when there is potential to miss a milestone	CLOSED
IESG_2018_301_97	JW	***JW will be invited to the next session to provide the update.***	ROLLED
IESG_2018_301_98	IG	**Roadmap:** IG to follow up with CMA9 bilaterally to understand their views on the new roadmap (Agreed Arrangements)	CLOSED
IESG_2018_301_99	DB	**CMA9 Status Update:** DB to review the definition of RAG and Complete. ***DB confirmed that the definitions had been recirculated to PMG.***	CLOSED

1.3   **PM** also asked about an action from previous meetings regarding the T&C's for non–CMA9. **IG** advised that this was in draft stage and requested that this be added to the agenda for the 6th September IESG. He would follow up with bi-lateral discussions and socialise the first draft.

1.4   **HP** asked if a specific action was required for EBA guidance and was gap analysis required. **AA** agreed that it would be helpful and confirmed that only a preliminary analysis had been conducted which he would share. **EC** confirmed that the consultation period was scheduled to

end on the 12th August. **AA** confirmed that RLWG had also reviewed the document and as it was in the early stages there was not a lot of pushback. **HP** advised that it was important this followed the correct policy process for changes.

1.5 **IG** asked when the outcome of the EBA consultation period would be available. **HP** advised that guidance was the end of August. **GL** confirmed that the public hearing was scheduled for the 25th July. **AL** asked if IG was referring to when the EBA might actually finalise the guidelines. **IG** confirmed he was. **AL** stated that end of August was optimistic and it was more likely the end of the year. Informally he would have a reasonably good idea of the feedback from the consultation period in mid-September but will keep it under review.

1.6 **IG** clarified that the FCA approach document is being published ahead of the EBA final guidelines. **AL** stated that for consultation yes and advised that the FCA were expecting to do a short consultation and the paper was due out mid-September, as they could not wait for the final EBA guidelines to be published. He also confirmed they would pre-consult with their stakeholders so there would be no surprises and it would be finalised before the end of the year.

1.7 **DG** stated it was important to identify the outcomes which are linked to the final requirements and decide whether they take the risk or not. That decision needs making sooner rather than later.

ACTION: IESG_2018_301_100: AA to conduct impact analysis action, EBA Q&A and prepare consultation response. Approach to be emailed to IESG by 1st August.

1.c   PROGRAMME UPDATE OBIE & CMA9

Programme Update

1.8 **IG** stated that not much had changed from the last update and OBIE were keeping an eye on the 7th September release date. **IG** asked the IESG if they had any comments for EC. There were none forthcoming.

CMA9 Update

1.9 **GL** stated that he was still perplexed by the blue status. **DB** advised that the definitions had been provided and the blue status relates to what the entity believes: they had completed all requirements and there is no further work to be done.

1.10 **GL** expressed concerns about the uptime; stating that it is currently running at 95% with a down time of 1.5 days. **IG** stated that OBIE have to work with agreed definitions, noting that Release 1 can be improved and there is a lot of work in progress at present to do that.

1.11 **DG** advised that there is only one truly active TPP who is connected to the CMA9, but not all banks are offering the same service, which in turn may not offer the view that it's complete, so there could be a mismatch. **IG** stated he was not arguing that there wasn't work to do; however for the purposes of the chart he would like to move on from where it currently is and if new work is required that will be addressed.

1.12   **RW** asked where the 95% came from. **EC** confirmed it came from the downtime reports and not as part of any technical testing. **RW** requested more detail on the down time timings. **RR** felt that there was a clear obligation under PSD2 to have uptime that is comparable to the direct channel. If that is not happening then it should be reviewed for future guidelines and standards.

1.13   **IG** qualified for the minutes, stating that the 95% uptime was an unaudited figure and requested more information on this subject. **EC** stated a lot of the downtime stemmed from downtime created in core usage time, however work is being done at the Guidelines and Service Group who have concluded that downtime should be between 00:00 and 06:00. **IG** recognised that work is being done and requested an update at the next IESG. **IG** asked that EC work with PMG and include GL and any other stakeholders that wish to be involved in the process and then circulate to the CMA9 to opine on, he also stressed that it was important to identify an acceptable amount of downtime, for regulatory reasons, adding that the Order is explicit that the APIs need to be continuously up.

   ACTION: IESG_2018_301_101: EC- Programme Update: additional 2 pages to be included in programme update; taking an holistic view of what KPIs to track; suggestions from GL included downtime, speed and security non-conformance. To be included in 6th September IESG pack.

1.14   **RH** commented that on Release 3, AIB will move to red. **RR** agreed that LBG would also be heading in that direction as did **JH** for Nationwide and **DE** for BOI. **HP** observed that App-to-App would prove challenging, **RR** was in agreement. **IG** noted that it would be useful for him to have discussions with the CMA9 on resources/requirements, with the aim of returning to amber/green.

   TPP FUNNEL

1.15   **IG** advised there was not a lot of movement since the last update and noted the inclusion of the data on ASPSPs in the funnel.

1.16   **FR** stated she wasn't clear how many live TPPs were active in the market and using the APIs to deliver API based solutions to consumers across the CMA9. **DG** advised approx. 24 that are making calls, although only one is working with any volume. **FR** asked if that was because those in the market are just testing as they don't have a live product. **GL** stated that Yolt are one of the significant providers and 20% of their ingest is from APIs, the rest is from credential sharing and screen scraping. **GL** commented that the general mood amongst the TPP was that only two/three of the CMA9 were ready for production including the authentication issues.

1.17   **IG** observed that five are in production with real products and real customers, but not all are choosing to use API, so they are reverting to screen scraping. **GL** advised that there was utter confusion in the TPP market place about the regulated status with the FCA. **HP** observed that there appeared to be very limited demand for current accounts, until other products come on stream and believed that as PSD2 approaches, he would expect to see more up-take. **DG** also advised that the split journeys were not pleasant and if he were a TPP he would be worried about the momentum of customers signing up and have commercial concerns.

1.18   **RR** suggested that the statement about the provider giving the customer the option of screen scraping or an API was odd, he believed the customer would not understand the terminology.

GL advised that the TPPs were providing a little bit of AB testing to see how the APIs are performing, whilst they run their main business and as soon as the performance metrics change, they will switch over.

1.19   **IG** agreed this was a complex process and that the TPPs would figure it out and find a work around. He noted that Experian and Clearscore were authorised in the last fortnight, but advised it was taking longer than expected and working with pure Release 1 is limited, however checking affordability for new loans use case was working well.

1.20   **FR** asked if there was a way to capture how APIs are being used. **IG** was reluctant to discuss further as it was commercially sensitive. **IG** asked EC if there would come a point when OBIE can start showing this information on the MI. **EC** advised at an individual level, a bi lateral discussion would be required with each of the CMA9, requesting to share this detail, however on an aggregate level yes. **GL** advised that at trade association level, they were building a KPI platform for TPPs to feed in their information; however as not all TPPs are members it will not give a full picture, but he would provide what he could.

1.21   **DG** asked how do OBIE put facts around "this is worse than screen scraping" i.e. screen scraping is faster. **IG** advised that the KPI he reviewed and which the TPPs shared with him was based on conversion rates. This was a good metric but needs a high level of understanding and IG is observing this on brand by brand basis which allows him to have individual discussions.

CONSUMER UPDATE

1.22   **FR** provided an update whereby at the last IESG she had asked for a Consumer Outcomes Working Group to be set up. She had hoped there would have been some corporate ownership, not just the Consumer representatives leading it but not much progress had been made since. **FR** had asked that there be a programme of work which would seek to understand what are the consumer outcomes being sought from OB, how are they going to be measured, what indicators should be in place and what is the OBIE's understanding on the impact of its functionality. **FR** stated that the remedies were not set up just for commercial gain or for the sake of functionality; rather the remedies aim to create specific consumer benefits. **FR** had reviewed the benefits and how they relate back to PSD2 and the CMA Order, stating there are multiple use cases which could help deliver the intended outcomes. **FR** gave the example of the process behind a price comparison website and would like the OBIE to get to a similar place in terms of understanding means by which outcomes are achieved and would like the OBIE to consider how it would do this.

1.23   **FR** stated that she was also very concerned that OBIE had no ability to look at the interplay of the different functionalities and as they have an impact on the consumer. **FR** believed that PAG has not worked as it should: to look at the interplay of roadmap items and their impact on the consumer, citing refunds and the one step journey as examples. **FR** felt that positive friction had not been adequately addressed in the P3 document, and there was nothing about Confirmation of Payee, which is a key component of customer protection in the PISP journey and that although the authentication journey is being reviewed, there is nothing about the likely adoption of COP and particular pathway for the consumer in a PISP journey.

1.24 **JH** asked if this was a specific view of a particular item and asked if FR was proposing that IESG look at items in context of market demand, stating that if there is no demand, there is no point in developing.

1.25 **FR** explained she was highlighting through the example of refunds and authentication flows the need to consider the interplay of Roadmap items. A strategy could consider demand but focus should be on desired consumer outcomes.

1.26 **FR** highlighted key areas that needed addressing on the Roadmap from her point of view and explained the RAG status. She was not clear that the problem with P1 and its implementation was being addressed; she also stated that P15 (consent dashboard) was also a very sensitive area and was important that consumers could see this dash board to see who they have given consent to. **FR** also had issues around onward provisioning and the language used in the P3 document which was aimed at TPPs and not at providing a balanced consumer proposition. She also expressed concerns about whether the consumers were really being given control of their data or just control on who they share their data with.

1.27 **IG** stated that it would be beneficial for FR and IG to meet to discuss her comments and his thoughts on the outcome of the Order.

1.28 **FR** also wanted the IESG to review the resources given to this and stated that in her view everything had been focussed on compliance and not consumer outcomes. **FR** also discussed balance confirmation; stressing how imperative it was for consumers and under some of the OBIE proposals it would not be available. **HP** then asked if the approach that the CMA9 were about to embark on was not appropriate, as most of the consent options the CMA9 currently offer are likely to be stripped out as they are making the journey too long. **IG** requested that these items be addressed in P3/P4, and agreed that FR was highlighting areas that the OBIE/IESG should pay attention to.

1.29 **RR** interpreted FR comments as there needs to be an Open Banking strategy that should be customer focussed, but the question is how do you take that forward. **RW** agreed but also suggested that other activities that are going on outside OB need to be included.

1.30 **FR** believed that it was important to consider other initiatives like those of the Authorised Push Payment Scams Working Group that is trying to reduce fraud in faster payments between regulated entities. Regulated PISPs have no responsibility to conduct due diligence on the merchants they work for, accounts that are open and their potential use for fraud.

Action: IESG_2018_301_103: Overarching Strategy: IG to have discussion with FR in monitoring function and PAG and report back to IESG. IESG to send suggestions directly to IG/FR on overarching strategy.

1.31 **GL** commented that PSD2 is going to suffer in some other markets, due to its complexity. OBIE should build a world class eco-system that others can use as a benchmark and that all of these problems are addressed and prioritised. **JH** agreed and stressed the importance of being compliant otherwise the regulations won't be complied with.

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2.a ATTESTATION CHECKLIST AND PROCESS FOR RELEASE 2

2.1 **IG** advised that Release 2 is unfortunately more limited and provided a high level overview of the paper, confirming that the paper had been well socialised. **IG** asked if there were any comments. **CA** asked for more clarity around some of the wording on point six and seven. **IG** agreed that PMG to look at the wording and **if the CMA9 were comfortable, it will become the attestation process.** *Post IESG update: The amendment on attestation for V2 was made with Caroline and it was re-approved at PMG.*

2.b UPDATE TO THE AGREED ARRANGEMENTS (ROADMAP)

2.2 **IG** advised that the revised plan was challenging but achievable and had been finalised and the comments early in the meeting reflecting the amber trending red were of concern. **IG** confirmed the roadmap had been through multiple discussions with the CMA and the OBIE was ready to publish. He advised there were two key components a) the Order and b) Non-Order.

2.3 **AM** provided comment on the Order, it was a requirement that the CMA9 were bound to. The Non-Order, exhibit two, related to the agreement made with HM Treasury and will be published alongside the Order. **AM** wanted to ensure that the CMA9 had no concerns and that the RTS September 2019 commitment was still valid.

2.4 **CA** requested for further dialogue, advising that Barclays were still supportive but there was a lack of clarity around the API exemption process and the EBA/FCA. She was nervous about the March delivery date. **CA** asked what the regulators could do to help with the delivery timeline. **AM** stated that she wanted the banks to apply for the exemptions, and for the commitment to use Open Banking APIs across all PSD2 in-scope accounts to stand. **CA** reiterated that they need help to achieve this. **RR** also confirmed that LBG were in the same position.

2.5 **AL** agreed with the point for providing greater clarity, advising there was a stakeholder group the following week which will allow the FCA to provide further detail. **AL** advised that discussions have been on going with the CMA9 over the last 18 months, however if it is not working it would be helpful to know, sooner rather than later as things are reaching a critical point. **AL** asked that once the exemption notification has been received, allow them a month to process it; this needs factoring into the process, but not necessarily adding to the Roadmap, it will make timing very tight.

2.6 **IG** asked if there was anything OBIE can do to support this. **AM** asked if another letter was needed from the CMA9 to HMT prior to publishing the Roadmap. **IG** stated that his understanding was that in November, prior to knowledge of RTS and exemptions, the CMA9 were comfortable to do two things a) fund the OBIE to build the standards for non-current account products and b) and to implement them as APIs by September 2019. That agreement in IG view had not changed. **HP** clarified that the agreement only relates to the segments that are in scope of the Order: personal and SME and not corporate and private.

2.7 **IG** noted that there is a variety of opinions and interpretations.

2.8   **HP** commented that his understanding of the EBA draft guidance, was that there was no requirement to build APIs for March 14[th,] the requirement is to build from September 14th and used the analogy "why build a new door and keep old locks", PSD2 has a number of factors in it; one being improved security, so the new security requirements go hand in hand with the API access. **HP** believed the March 14th date is for testing and not connected to the back end, has limited user journey to enable TPPs to test against it and the testing facility has to achieve certain standards in terms of performance and uptime etc. to demonstrate what the API can do when live. **HP** also advised that data from that will be used from the exemption process and then go live on September 14th. If that is not the correct interpretation, HSBC may find themselves in the same position as Barclays and LBG.

2.9   **AL** had temporarily left the call and in his place Liz Fraser reconfirmed the comment that SCA is not needed until September. In terms of providing testing facilities to enable the TPPs to test ready for go live. So during that period you will be testing the requirements, with the September application for RTS.

2.10   **IG** stated this was a fundamental point for the CMA9, so they can establish exactly what needs to be ready for March 14th: a testing facility or live production APIs.

2.11   **AL** returned to the call. **HP** asked AL that in the June/ July application, would he expect to see SCA flows. **AL** stated that because of the time frames and the EBA guidelines, normally you would expect to see one run after another and provided further clarity around wide usage and functionality.

2.12   **HP** also commented on international payments. **AL** stated that there are separate elements to API to accommodate international payments, but what is known is that it works.

2.13   **CA** stated that they had tested lots of functionality and that the Barclays credit card business was just as big as the current accounts. **CA** asked for clarity; should they progress as per HP view or use the current Barclays plan: everything is done by March 14th.

2.14   **AM** asked how much of an extra build is adding on the additional PSD2 requirements. **CA** advised it is very significant. **HP** added that cards have a very different back end system of records.

2.15   **RR** observed that there was a common understanding and the CMA9 were pretty aligned; however he would want to have a discussion with AL and colleagues and focus on what is the right way to interpret this in the interests of the customer and the eco-system.

2.16   **GL** advised that is was clear from the API Evaluation Group that the critical path also includes authentication flow and commented that HP's suggestion might mean that HSBC would not reveal customer authentication until September, so there will be no time for testing. If this were to be done in production, it would require HSBC to show the flow in testing as well. **HP** disagreed, as he was referring to a granular level in the ASPSP domain, where there are choices to be made and that TPPs didn't need to know about this.

2.17   **DG** observed that the expectation for March: whether the final customer journey can be seen as part of the exemption or whether the FCA interpretation is that the customer journey is even critical to ensure the APIs are stable and functioning.

2.18   **CM** advised that the three months of wide usage is because the APIs have to be good enough to satisfy the TPPs.

2.19   **IG** stated the exam question was at what point should go live take place. Is it March, September or June/July, reaffirming that he did not want to see the HMT agreement slipping.

2.20   **RH** asked if the FCA could clarify what HP had stated and bring others on board and once clarified it could be a massive boon to bring others into the standards. **EC** commented that some non CMA9 might not be able to take advantage of that.

2.21   **FR** observed that if the CMA9 have to build both as a contingency the APIs and the fall-back option to manage their risk of not getting an exemption, then the CMA9 will have to stop building in other areas. If a bank doesn't get the exemption and the fall back is used, the consumer is going to bear the risk.

2.22   **IG** asked AL what was the FCA current thinking, when should production ready APIs be ready as part of the exemption process. **AL** stated that the idea of wide usage needs to mean actual usage, but there needs to be a way to satisfy the EBA guidelines and the FCA requirements within a six month window. **AL** added that the FCA could use evidence and data to act as a proxy to satisfy these requirements as it might not be possible to have every aspect up and running and there is no requirement for any TPP to come on board and use the APIs. The FCA and EBA are trying to get a better sense of what is feasible and what are credible proxies.

2.23   **AL** added that the work towards was that Open Banking have developed something standardised and firms should stick to this standardised approach, however he is seeing a lot of variations and discrepancies in some of the processes and the customer journeys. **IG** asked about the wider usage piece, as he thought it was only required for three months; **AL** confirmed it was three. **IG** followed that on that basis, the full suite of live production APIs should be ready for March, but we are now looking at June/July is that correct? **AL** not sure it is necessarily March and the FCA would share the view of what the EBA had advised in the guidelines.

2.24   **GL** advised the TPP community are going to be lobbying for a third way that locks this up to conformance testing. If they are satisfied that the commercial payloads are where they should be, timelines have been followed and the approaches are correct, it gives everyone commercial certainty. **GL** followed by explaining in more detail of what the conformance testing was.

2.25   **IG** asked AM to look at the next steps for the HMT agreement with the CMA9. **AM** confirmed she will have discussions with the CMA9.

2.26   **IG** stated that whilst discussions were on-going, the Roadmap will get published, as he didn't want the wrong message being circulated to the market.

2.27 **AL** advised that the EBA are consulting on these guidelines and they were produced in a short period of time, so the EBA is open to constructive input and suggestions and strongly encouraged the CMA9 to get involved. There is a need to arrive at concrete, constructive suggestions to help build these guidelines.

2.28 **IG** asked that the CMA9 work with HMT as soon as possible so the full and final Roadmap can be published on the OBIE website. **IG** advised he will work closely with HMT on the finer details.

2.c FINAL ACTIONS ON P3 AND P4

2.29 **IG** confirmed that this had been through the evaluation process before being presented to him to turn into a recommendation and the stakeholder representations into actions. He advised that the process took a little longer because some of the recommendations were not specific enough, and requested that going forward they must be very clear and include dates etc. The actions in the letter are now effective and part of the Order and asked the IESG if they had any clarification questions; the document had been socialised previously and feedback had come out of the evaluation process.

2.30 **DG** asked what feedback as there was reference to a research paper that RBS provided immediate feedback on. **IG** stated this was his point and that action one was OBIE to provide feedback and he wanted to see what feedback had been received, the second would be that, that feedback would be sent to the CMA9 with the aim of seeking a response. **IG** stated that the approach was done in an unstructured way and he reiterated that he wanted to know what the feedback was that can then be discussed further. It is on the CMA9 on how the feedback is interpreted.

2.31 **IG** stated that another element in the actions were the customer experience guidelines; taking into account EBA guidelines, they need to be more detailed and prescriptive and that is being addressed in P3/P4. **IG** also advised that App-to-App redirection is also being addressed and this paper provides some specifics. Decoupled is also an action, which is mandatory for OBIE to produce but not mandatory for the CMA9. **IG** confirmed that OBIE will also be setting up a monitoring function on the Implementation Entity in October and associated with this is the concept of the Standard Implementation Requirements, which is essentially a checklist and OBIE are asking the FCA to look at this.

2.32 **FR** referred to Section 2.2.2.2, paragraph two, page 74, Security Assessment of Decoupled asking for clarification that security assessment "had not" occurred during the evaluation but it reads that it "had". **IG** advised that this was lifted from the original documentation. **FR** questioned if there was a typo in the original documentation, as this did not occur. **IG** confirmed with AA that this was a typo and this was now captured officially in the minutes. **RR** asked that in the actions to be taken this statement is rectified in the master document. **AA** advised he would make the required change.

2.33 **RH** raised an issue around the limited tech changes for App-to-App, from an implementation point of view it would mean significant work for the CMA9. **RR** referred to 2.1.3.3 on page nine with **IG** responding that he had not received any feedback regarding costs and identified that there was a precedent to build this and he interpreted it as a "moderate build". **RH** stated that his

definition was a fairly substantial change to the AIB mobile app. **IG** asked does this mean that the CMA9 are not going to do this. **RR** responded by stating that he had not seen anything at the LBG costings workshop, but that would not stop them from proceeding.

2.34 **RR** was concerned about the sweeping statement that there can only be limited changes and moderate build in the absence of a costing workshops, which is something LBG have been asking for. **IG** did not want to pursue costing workshops in the same way as costings had not been requested for other P items, so he was unsure why this particular one would require it.

2.35 **RR** stated that this item had been through five rounds of IESG to ascertain what the evaluation criteria should be, and LBG's expectation was that process should have been followed and it should not be mandated for March. **IG** asked if RR's point was that App-to-App was too expensive to do. **RR** advised that his point was that it was large and difficult and it would have an impact on the banks and whilst there was uncertainty around this item, it should not be declared for March.

2.36 **IG** requested that the CMA9 write to him by the 12th August, explaining why they feel it is too expensive and not feasible.

2.37 **RR** stated that LBG was supportive and will engage, but worried that the expectations have been set by writing that it is not that big a deal. **IG** responded that he would look forward to reviewing the objections and asked that the submissions are thorough and includes costs etc.

2.38 **IG** stated that all CMA9 were involved in the evaluation. **RR** noted that in all of the draft evaluations it stated were not looking at costs, feasibility or prioritisation because mandating technical measures was off the table.

2.39 **DG** asked if the wording was appropriate and if those at the table believe that type of authentication message is required by the latest PSD2/RTS requirements, if it is, then it's just a question of timing.

2.40 **IG** agreed DG had made some good points. **IG** asked why wait to the end of the process to bring issues of cost to light. **RR** responded that the evaluation process said that funding was not being considered as no technical measures were being mandated. **IG** stated that if the CMA9 knew this was going to be a big issue, they could have run the numbers and fed them in to the working group.

2.41 **HP** agreed with DG, that App-to-App is a must have, under EBA guidance and there was a timing issue and they would have to do their best for March delivery, although it will be a struggle.

2.42 **DE** added that it is not just cost, observing there is congestion in the delivery of the Roadmap alongside many other regulatory changes which mean that even if we were to throw more money at it, it doesn't necessarily accelerate the delivery.

2.43 **CA** wanted to make sure that monitoring etc. comes down to customer facts when making the recommendation. **GL** also noted that what a customer says and what a fact is can be very different.

2.44   **AL** offered that he would be happy to discuss the exemption process off line along with the RTS guidelines.

2.d   **PROPOSITION PAPERS FOR P3 AND P4 (FOR RECOMMENDATION)**

2.45   **IG** noted that the papers were more developed than usual and observed that in order to meet the Roadmap requirements for publication of standards, they needed to be accelerated. **IG** observed that the one step Consent Model needed clarity so the team could continue to move with their own deadlines. There is consensus that the journey should not involve unnecessary steps or delays and provided further in depth views on this item.

2.46   **DG** suggested that this had been "over cooked", which was not a criticism as he understood the team were trying to do the right thing. **DG** commented he was not sure about the "what good looks like" in terms of creating a standard for users journey or if "what good looks like" is ensuring a user's journey is similar to what they experience in using their everyday bank.

2.47   **IG** advised that as the CMA9 have different journeys, the standards should set minimum requirements and then look for the ASPSP to work against those, with certain exclusions e.g. biometrics. **DG** advised that the evaluations provide an opinion on a bank's on line banking journey, which was never the goal originally. He gave an example of his Barclays account process and if the Open Banking process was the same, he would be comfortable as it's what he is used to and wouldn't know if it's bad, as its one more click than another bank?

2.48   **DG** had a concern about perception of these documents and was pushing for more positive friction due to the increase in scamming in this area and OBIE should be careful around the design criteria, as she had not read anything about safety of payments and protection against fraud.

2.49   **CM** advised that in section 4.2 it referred to removing unnecessary friction. **FR** felt that there was a piece missing from the Trustee's letter and there is a need to understand what positive friction is or what unnecessary friction is. **IG** asked if FR had a definition. **FR** responded that she had asked the team to take this away and revert with a definition. **CM** advised that there was a section on that in the paper.

2.50   **FR** stated that research had taken place with various bodies on the meaning of friction too and had advised the team on where to go. **IG** asked that she make the data available, so as to not create unnecessary steps or undue delay. **FR** advised that unnecessary friction is not judged by the person stopping the payment, or not buying the item – this could be a consumer making an informed decision that they cannot afford an item, for instance. It's about trying to make sure a good outcome is received by the customer.

2.51   **HP** asked if it would be appropriate to flag to the customer that if you pay one way, you have no insurance, if you pay another, with a card, you will have customer protection. That is positive friction; however they may not understand that. It's not ideal for the TPP conversion rates; but the customer is important in all of this.

2.52   **AL** advised that the EBA and the FCA are looking for zero friction and aspects of the journey that add value, protection and build trust. He also commented the same TPP doing the same service

with the CMA9, and one or two of the ASPSP have a better journey, the associated data can be reviewed to see the different experiences and give an understanding of the friction.

2.53   **CM** agreed this is what the OBIE was trying to do and ensure the guidelines were prescriptive enough so that there would not be a situation where there is a significant difference between steps or what might be unnecessary friction. So there is a consistent implementation and it needs to be clear if there are certain circumstances where positive friction needs to be introduced.

2.54   **CM** advised that the paper was not going to solve all the issues around the customer experience guidelines; it addressed some of the key concerns and recommendations that have come out of P3. In 4.21 it refers to removing the consent step and OBIE believe this is consistent with what the EBA and FCA are saying regarding not replaying consent. OBIE have removed a step in the process and believe it should be mandatory, OBIE have added the ability for the customer to access and review that consent if they so wish. **CA** asked if there was customer research to back this. **CM** advised that was going through customer research at the moment. **CA** asked if there was evidence of "drop-off", or knowledge of why they customers are acting this way, design should be off the back of that.

2.55   **CM** also commented on refreshing access and OBIE have developed a process whereby fewer steps are required for the 90 day+ refresh and finally, reducing friction on payments: proposed there is a clear set of guidelines where an ASPSP may introduce an additional step.

2.56   **IG** asked the team to find a way to deliver this smooth customer journey and to provide the relevant information to the customer, like their balance, so that they are aware of what they are doing.

2.57   **CA** asked if Barclays could be involved in the customer research. **FR** believed that the research being designed and advice from the agencies is not as robust as it could be, and was worried about the methodology being used.

2.58   **RW** asked if the Comms Team were involved in customer research. **RL** advised not at OBIE or the CMA9 as their teams will not have the relevant experience.

2.59   **IG** stated that if anyone had questions around the customer research items to go directly to EC.

2.60   **IG** provided an update on the agenda items that had not been discussed:

2.60.1 SME update – Carry forward to IESG on 06/09/18

2.60.2 CR on Transaction IDs - needs some practical solutions and asked the team to look at the paper and deliver at IESG on 06/09/18

2.60.3 EC expressed concern over the timings of the agenda for the 06/09/18. *(POST IESG UPDATE: It has been agreed to extend the next meeting to five hours)*

2.60.4 P7 & P9 - encouraged IESG members to provide feedback to AA directly and carry forward to IESG on 06/09/18

2.60.5 DMS - slowly working towards option 2, this is to defer for two months. carry forward to IESG on 06/09/18

2.60.6 P19 - AA will provide a document that identifies OBIE's view of the right way forward, carry forward to IESG on 06/09/18

ACTION: IESG_2018_301_104 P19: AA to circulate memo by 24th July

2.61 **CM** asked for clarification on P3 & P4. **IG** requested the removal of the over technical solution and bring back positive friction. **CM** asked if the proposition can be approved on the basis that those items are redacted in the over solutionised piece and as part of the guidelines, will agree within those guidelines what is unnecessary versus positive friction, which will enable the paper to be updated in parallel with developing.

2.62 **IG** agreed, stating there is a clear steer as to where this needs to go. The next step in the process is to develop that agreed detail and share with IESG, so it should be updated in parallel. **CM** advised the draft guidelines will be available 23rd July.

2.63 **EC** advised that the recommendation was that there are aspects that have consensus, and others that don't. Therefore this needs to be amended and re-socialised asap with a view to getting final approval from the Trustee.

2.64 **IG** reiterated that CM should amend the baseline document and provide a draft of customer experience guidelines.

2.65 **IG** agreed to follow up separately with CM on P4.

2.66 **IG** closed the meeting.