
Meeting details

Meeting date: 22/02/2018

Meeting name

Implementation Entity Steering Group (IESG)

Meeting time

10.00 – 13.00

Meeting location

Beauchamp Suite, Grange City Hotel,
8-14 Coopers Row, London EC3N 8BQ

Scribe

Julie Mitchell

Classification

Public

<i>Name</i>	<i>Role</i>	
Andrew Laidlaw	FCA	Yes
Andrew Slough	HSBC	Apologies
Andy Booth	Barclays	Phone
Anne Macadam	HM Treasury	Apologies
Bill Roberts	CMA	Apologies
Daniel Ehreich	Bank of Ireland	Yes
Daniel Globerson	Royal Bank of Scotland	Apologies
Doina Nicolici	NPSO	Yes
Dora Guzeleva	Payments Systems Regulator	Phone
Ed Colley	Prog Director OBIE	Yes
Faith Reynolds	Customer Representative	Apologies
Gavin Littlejohn	TPP Representative	Yes
Henry Kuang	EY	Apologies
Hetal Popat	HSBC	Phone
Ian Major	NPSO	Yes
Imran Gulamhuseinwala	OBIE - Chair	Yes
James Trasker	Royal Bank of Scotland	Yes
John Hutton	Nationwide	Yes

Kunal Jhanji	OBIE and Oliver Wyman	Yes
Mark Mullen	Atom Bank	Apologies
Paul Horlock	NPSO	Yes
Phillip Mind	UK Finance	Yes
Richard Lindsay	Comms OBIE	Yes
Robert White	Santander	Yes
Roy Hutton	Allied Irish Bank	Phone
Ruth Mitchell	Electronic Money Association	Phone
Stephen Smith	Lloyds	Yes
Thaer Sabri	Electronic Money Association	Apologies
Vickie Hassan	Danske Bank	Phone
Geoff Groves	NPSO?????	

No. Agenda item

1.a HOUSEKEEPING: MINUTES AND ACTION LOG

1.1. **IG** opened the meeting and reviewed action log and minutes. **RW** advised that he re-joined the conference call and would like that reflected in the minutes.

Action Log:

- IESG_2018_301_37 Funnel graphic representation on slides. Update provided in **CLOSED** pack
- IESG_2018_301_38 Barriers to entry for TPPs. Update included in pack and will **CLOSED** provide further update during the MRO paper.
- IESG_2018_301_39 / 40 Lessons Learnt and FAQ from TPP - Action rolling to next **OPEN** month (28/3)
- IESG_2018_301_46 IESG to provide nominees for evaluation working group relating **CLOSED**
- IESG_2018_301_42 P6 - item still under discussion – Action rolling to next month **OPEN** (28/3)

1.2. **EC** provided a further update on P6 and advised the Change Request (CR) had been circulated and feedback received. The item is required to back into discovery, to enable a delivery date to be determined. Some of that is due to scope. With regards to the comms from the EC and ERCB sub-groups, it will need to be assessed, with firm guidance obtained from the FCA. **EC** also advised that the context of the item and its relationship to CPBII and PSD2 needs to be reviewed and that until discovery is completed, the output, focus or timing cannot be determined.

1.3. **IG** asked if the CR was to put it into discovery. **EC** advised that it was in delivery and needs to come out as insufficient work has to be done to exit the process. Once discovery has OBIE will be able to make an informed decision.

1.4. **GL** asked if he could be advised what the arguments were from both sides.

1.5. **EC** advised there were a number of points, but they were only going to base it on face value and action it on CPBII. **RW** asked if from a PSD2 perspective was there a need to confirm that it was a Belgian Supermarket only and queried the knock on impact on the OBIE evaluation. **EC** confirmed there was a

need to do the CBPII piece regardless, but in the context of the confirmation of funds, there were several other avenues to explore and a recommendation to be made, to ultimately decide when the correct delivery timeframe.

- 1.6. **IG** suggested it would be helpful to have a formal delivery / discovery restart note, detailing why have OBIE have come so far and why they are not comfortable to move P6 out of discovery, the reasons to keep it there and what is the timeline achieving this.
- 1.7. **IG** stated that there is more clarity around CBPII even though it is complex and OBIE should wait for European advice on what the PISPS are waiting to see in terms of confirmation of funds.
- 1.8. **CM** asked if the current change request as it stands, needs updating. **IG** advised it didn't, rather a formal note to say that it has been withdrawn as it is not a technical CR. **IG** followed that another note would be required, advising, it is not leaving discovery and contain the reasons why and what is going to happen as a result.

ACTION: IESG_2018_301_50 – EC - P6 Delivery: Delivery Discovery Restart note: detailing why have we come so far, why not comfortable to move P6 out of discovery, why it needs to stay in discovery. What are the key questions and what is an approximate timeline for doing that.

1.b/c **MANAGED ROLL-OUT AND PROGRAMME UPDATE**

- 1.9. **IG** requested the CMA9 to vocalise their thoughts on MRO.
- 1.10. **EC** provided the Programme update; it remains Amber, identifying a number of challenges with the development of Release 2, the progression of P5 and the challenges around P5 and P6 (which has just been discussed).
- 1.11. **GL** commented that on Release 2, he was struggling to find a full set of what is Release 2 and Release 3, asking for a slide in future packs that detail the breakdown. **IG** advised that it is still as per the amended agreement; nothing has been formally moved, although there are plans to look at that and historical evidence can be found on the website or previous packs.
- 1.12. **EC** stated that as the process is exited, when P5 and P2 conclude, it is highly likely that there will not be a single delivery date.
- 1.13. **GL** asked was the status of amber for read/write Release 2 dependent on restricting the functionality, is there going to be a release in September come what may and reduce functionality? Is it really amber or is it more of a case of the unknown. **EC** agreed there was a degree of "don't know" in terms of timeframes because looking at individual items there are assumptions that it would broadly take six months to deliver a release across the CMA9. **EC** added that after high level, detailed work and impact assessments, it will become very clear what the timeframes are. **EC** further advised that the aspirational dates for release still hold true but impact assessments need to be completed as each of the detailed propositions that affect that discovery conclude. That will then inform if there are fundamental problems with any of the dates. **IG** advised that this needs to happen imminently, OBIE cannot keep deferring on what is going in to Release 2 and 3.
- 1.14. **GL** stated in his experience, there would be an adjustment to resources, time or functionality. Should there be an assumption that the resources are the same? **EC** stated that no assumptions have been made. When the impact assessment is carried out, that will give a better understanding on resources.
- 1.15. **IG** observed that until the standards are published, this doesn't sit with the CMA9 position. There is a lot of uncertainty at the moment, and it cannot continue and imminently either the date, scope or colour changes and ideally within the next four weeks.
- 1.16. **GL** asked about other candidates that want to come into Release 2, close to the date, are the timelines to be brought back a little. **EC** suggested a staggered implementation.

- 1.17. **IG** advised that the six month time line is the end of February hence the urgency. There are still major issues with P5 and P2, so it's hard to know exactly what is going to go into Release 2 until these items are ready to come out of discovery.
- 1.18. **GL** noted that the European Valuation group need a six month window to get any ASPSP looking for an exemption. He suggested that there would be a need squeeze in two more releases later in the year. **EC** confirmed that Release 3 is still targeted for August and **KJ** provided a further update around this.
- 1.19. **RW** reminded the members of one of the principles that was agreed, which was that there are two releases per year. Changing and amending creates an inconvenience to the market.
- 1.20. **IG** advised that OBIE intended to do this, but the fact remains that all parties are not agreeing to items in discovery quick enough. If everyone involved were to commit to the 28th February delivery, this would be the point when standards get published, come what may – good bad or indifferent. But as there is no consensus, judgement is being applied, therefore creating a delay. The counter argument is that OBIE wants to make sure they are building the right standards. **IG** followed that as there is so much uncertainty it's very difficult to know when the standards are going to land. There is six month implementation window for the ASPSPS, which needs to be safeguarded, so a staggered release may need to be considered.
- 1.21. **PM** asked if there was an action on the IESG to outline the critical path, which has six months testing, working back from RTS. Are there any windows to consider by which releases could be issued.
- 1.22. **IG** agreed that a revisit was required on the release schedule and although relatively comfortable he was not happy that multiple discussions were required to land P5 and P6. **IG** believes that for the next IESG there needs to be a strawman release schedule, which will be complicated to do until P5 and P2 land, but however something is required show what is being worked to.
- 1.23. **EC** advised that it can be done and will include critical components and the outcome of the evaluation; there needs to be consensus in a certain timeframe in order to give OBIE six months to land in February 2019. Assuming the RTS evaluation doesn't cause an impact.
- 1.24. **GL** felt the six monthly rhythm was under pressure and needs flexibility to move to quarterly. The Evaluation Group needs time. It would be better to optimise the critical items, rather than the “vanilla” ones, which could be done afterwards.
- ACTION: IESG_2018_301_52- EC- To provide overview for realistic items for August**
- 1.25. **IG** asked **EC** to take the lead on this. What is the plan on a page - a high level piece, and what the realistic items for delivery are in August. Should it move to three monthly or staggered; what are the critical path points to get OBIE there and would it mean that this standard would be helpful to any ASPSP.
- ACTION: IESG_2018_301_51- EC - Strawman/Plan on a Page - release schedule for IESG on 28/03, showing critical path to end of Programme.**
- 1.26. **CM** advised it had been discussed and a number of people in the working groups requested to stagger the delivery of the specs in one or more of the releases between now and August. **IG** asked if this would mean an implementation period of nine months. It would be helpful if the next iteration could be prepared in time for the next PMG.
- 1.27. **AB** stated there won't be certainty on each of the items, they will need qualifying. **IG** requested to title it as a working draft. **RW** suggested that each part of the package could be individually positioned and have a RAG status applied, to help focus the attention.
- 1.28. **GL** advised there was tension on the TPP side. How to deal with customer authentication is where all the effort is going to be and to figure out what ever one builds is going to get through the gate.
- 1.29. **AB** asked **EC** about the CMA service quality metrics that need to be delivered in mid-August. This item must land and hopes it is less controversial than P5.

- 1.30. **IG** then requested the CMA9 provided an update on MRO.
- 1.31. **RH** advised that MRO was disappointing for AIB due to the availability of TPPs. They have managed to prove on what has been available to engage with. They have worked with the TPPs and received good feedback. However, some TPPs are only engaged with the larger players, which is a little bit frustrating in terms of trying to get some volume through.
- 1.32. **AB** confirmed similar comments to RH and advised that Barclays were late with their release (7th February). They have on-boarded their MRO partner and have also had another TPP on-board themselves successfully too. They are working through the API end to end execution activities and getting positive outcomes within the limited timeframe and scope they have with the TPPs.
- 1.33. **DE** confirmed BOI are on track, however once live what is the equivalent of MRO.
- 1.34. **EC** advised he will have further discussions with BOI on this matter.

ACTION: IESG_2018_301_53 - EC - To have discussion with RH-DE@BOI on how will they will enter the ecosystem and what controls will be available.

- 1.35. **VH** advised engagement with TPPs has been good but had seen low volume in getting some of the TPPs on board, as they have been working with the bigger banks. This was raised at PMG last week, and the good news is that Danska have seen some more coming through, but are still waiting on the PISPs.
- 1.36. **HP** advised HSBC were disappointed in volume and the level of coverage of API. Noting that this is driven by the TPPs he observed less than half of HSBC end points have been contacted. **HP** asked whatever can be done to drive that process hard and get coverage across the end points would be helpful. They don't want to be "re-tapping" the same journeys.
- 1.37. **SS** confirmed that Lloyds had achieved the most success in the number of TPPs and hits. They also did a test in a harness environment with Yolt, although this was more of a prototype transaction.
- 1.38. **JH** advised that Nationwide went live and were pleased with the results, the payment functions is also live but not officially launching until next week.
- 1.39. **JT** confirmed RBS Online banking now live. TPPs have on boarded on both platforms and getting some traction on AISPs but there are concerns arounds PISP timelines.
- 1.40. **RW** advised that they had on- boarded the TPPs and it is all going in the right direction.
- 1.41. **EC** provided a recap on slide 17/18, reiterating the process behind MRO, which was to ensure that principles were maintained, a level playing field for all and volumes were at manageable levels. **EC** provide further colour on the two charts. **EC** then turned to slide 19, advising there were two key items to point out: gate 2 and gate 4 closing - neither have been met. That goes back to the SS comment on the only transaction that has been managed in the ecosystem for real is the Yolt test. This is not sustainable and as at test across this system and as a today, there have been no PISPs to test. **EC** added that end point coverage is good overall (even though payments have not been covered) across the ecosystem. This is due to the variety of TPPs and the range of offerings they want to bring to market.
- 1.42. **GL** commented that the buddying system only takes you so far. **EC** said that in practice, other than the later entries to the MRO process, most buddies had transacted with both, the focus has been on that every TPP in the ecosystem has had the opportunity to validate their solutions.
- 1.43. **GL** asked why HSBC had got comparatively few end point touches. **EC** responded that they had experienced some issues, which have now been resolved and blockages removed, but advised that HP could provide more detail. **HP** advised there were only two TPPS in the process who are testing a wide range of end points. The problem HSBC are experiencing is that the TPPS in the process are only trying to do simple activities. HSBC will have to wait for a properly built set of harnesses to work on. The key

gaps in MRO are not related to OBIE work, or the ASPSP, it's the TPPS, there are fewer and less developed firms than they would have expected.

- 1.44. **IM** discussed the content of slide 22, commenting that there are 42 still waiting in the funnel, and there is a need to encourage more TPPs. **IG** advised that in the next iteration will have a narrative around the chart. **DB** advised that this was discussed at PAG and slides will evolve
- 1.45. **IG** asked **EC** what was the next stage. **EC** advised there were two messages to take away from the paper; one in terms of the PISPs that are trying to get into MRO – there are not sufficient, nor in the context of the TPPS that are in the MRO, they are not ready to bring a live product to market. Referring to the graph on slide 22, in MIT they are completing basic testing, as they join the ecosystem post their authorisation. The vast majority of TPPs are prototyping on a technical level and on data, which will help them refine their product ready to go to market. There is only one TPP ready to expand and go live, three others are on target for March, nor is anyone advising they are going to have a PISP ready, to go to market in that timeframe either.
- 1.46. **GL** asked about the AIB comment on TPP buddying with the larger enterprises. There is no plan to have an ASPSP experiencing a better situation than others. These entities should all have the same experience. Why are AIB complaining? **VH** stated that she supports what RH advised as Danska had experienced this too.
- 1.47. **EC** advised that most had some form of difficulty with establishing transaction flows, it hasn't been a one day experience. TPPs are looking at the data then refine their application. A number of TPPs had been out of action for up to two weeks during MRO. **RH** agreed, some of the TPPs don't have the bandwidth to work with more than one entity. **RH** advised they were not in a position to maintain the level of support indefinitely and that the CMA9 had overestimated the progress and believe they had overestimated the readiness of the TPPs.
- 1.48. **GL** stated that the voluntary agreement put in place for the TPPs made it clear that they had to test evenly and couldn't favour a commercial partner. **EC** agreed and felt that no favouritism had been demonstrated. **RW** disagreed, advising that it had been minuted in the daily meetings; noting that a couple of TPPs had advised they were leading with a specific bank.
- 1.49. **IG** advised that there was a need to be cognisant of what the OBIE asks the TPPs to do. It's all on a voluntary basis and there is limited leverage. **RW** felt that it was not the ASPSPS that have the situation, it's the TPP side. **IG** confirmed the team have regular discussions with the TPPs.
- 1.50. **IG** asked what the next steps were in the way the TPP acts around AIS, observing that a number of them are going to move forward, slowly, however on the PISP front there is nothing. **EC** advised there will be prototypes during March but they are not going to market. There are others beginning to come through, who are just about to come out of MIT, but again they will not be ready. **IG** observed that in terms of activity in MRO, going to market is currently way off because those with with PISP authorisations haven't been authorised yet? **EC** advised it is a bit of both, there are very few that are authorised in MRO, but even those that are; their focus has been on the AIS journey first. **GL** felt the reason was because in the UK there is little PISP activity unlike those in Nordic/Germany.
- 1.51. **IG** questioned that if OBIE kept MRO open a little longer, is there going to be any PISP activity, it doesn't sound like anything is imminent in the next four weeks. **EC** advised OBIE will not get to the point where there will be any real customers, although staff reference accounts will have been used. **IG** asked will those be by TPPs in MRO or newly authorised? **EC** believes there is one more joining that would want to address this quite quickly.
- 1.52. **GL** asked if other nations are requesting enrolment. **IG** advised they can do and there is one TPP passporting in. **EC** confirmed there were a small number coming in from an EU state, some of which have transposed, some haven't. **GL** asked if they are coming through regulated by the FCA? **EC** advised not yet and they cannot get beyond until that until authorisation happens, but there are others that have definitely transposed and are now going through validation of the IDB checks. It will be one of those that will test the PISP quite quickly. **AL** advised there are only eight member states transposed, with 20 still pending.

- 1.53. **JT** suggested there were some further tests the AISP's can do, there is good coverage but volumes are not being observed, how should this be encouraged?
- 1.54. **EC** advised it has been impossible up to this point, but going forward that will change. He had personally tested the prototypes against his account; note these are not an app in any shape or form. But the question remains - how to get a real customer, there needs to be a beta application before that can be done. Phase three, with real customers has been completely impossible, with one exception. There are four other TPPs that are ready for beta application and throughout March, so an increase in volume and variability of accounts and data being used should be observed.
- 1.55. **GL** asked if there was any experience of multi-party business models as there are some companies that are known as technical service providers and have applied for regulatory permissions. **GL** stated that the guidance he received when querying this, is that these companies must have something in the pipeline, and they have 12 months from first registration. **EC** and **IG** advised they had not experienced this.
- 1.56. **IG** asked what is happening next in MRO. There are four options, and the preference is to extend MRO for four weeks for AIS and PIS. Please can you give details on the process and thoughts for coming to this conclusion?
- 1.57. **EC** advised that it had been seen by numerous parties: testing working groups, all MRO, TPP and ASPSPs were also polled. This is also their recommendation. OBIE will see in the next few weeks, four AIS providers, growing with real customers. That will enable OBIE to get to a point when AIS can be called a success. **EC** added that it was important for it to be reviewed from an external perspective, so there needs to be an application of some form, so that a customer can look at the OBIE website and identify successful participation and then seek and app(s) in the marketplace.
- 1.58. **EC** further advised that PIS is not so good, however during March, OBIE will have got to the point where it will have confidence that the end to end solutions from the PIS point of view all the way through to the ASPSPs work. **EC** didn't think there was a problem, its more about volume, the technology and interaction between the two parties is working. OBIE aim to conclude during March.
- 1.59. **IM** observed promoting a newly live service in March risky?
- 1.60. **GL** suggested that OBIE remain in market acceptance testing until RTS applies. Every few months there will be tests of new items, plus the pipeline of TPPs coming through, along with the banks that do not have everything presented.
- 1.61. **IG** stated he assumed this was a sandbox process; a longer term plan? **EC** confirmed that from his perspective sandbox is a safe testing environment which was previously called the MIT environment. OBIE will continue with the model bank approach and enrich the data within it and support new TPPs joining. **EC** added that any extensions or handholding, or ways that TPPs have been supported and on-boarded, doesn't really change either in testing or live environment. OBIE will support the TPPs and other ASPSPs etc. throughout their entire journey.
- 1.62. **MC** expressed concern around drawing another line in the sand, as it could lead to a less controlled situation and another complicated comms process to manage. It is an ongoing procedure and he worries about being "held hostage to fortune" – this is a slow burn process.
- 1.63. **IM** asked can OBIE point to a single TPP that that has over a thousand customers that are their friends and family that a journalist could use. A journalist will start digging at the end of MRO and OBIE should not keep deferring MRO as there isn't a live product.
- 1.64. **GL** stated that however communications are managed, there is a duty for all participants, and OBIE should anticipate a future conversation with European partners about collaboration. There will be lots of new items to test and embed. Should MRO change to something else?

- 1.65.** **IG** advised MRO applies to all TPPs and OBIE has encouraged them to sign up to the voluntary MOU under MRO. What this refers to is a situation where new TPPs are coming in and some existing TPPs are ready to go to market. **IG** advised that under the existing Release 1 functionality, there is not a mechanism to allow mature, proven TPPs to exit MRO. **IG** questioned if there was a need to keep MRO open for as long as required, but add a mechanism for TPPs to graduate out of MRO and go to market directly.
- 1.66.** **KJ** suggested calling it launch support, to help them graduate through the process. **EC** referred to it as BAU.
- 1.67.** **GL** asked would there be an MRO for every new participant. **IG** advised it is compulsory to go through the MRO process and it should be formalised with an MOU to support it. **EC** disagreed an MOU was required. It's more an approach, from first point of contact and how OBIE help a new TPP come into the ecosystem. **IG** stated a key part of MRO was to safeguard a potential spike in volumes amongst the CMA9, although it did not turn out to be a big a risk as initially thought. However if any TPP want to avail themselves of OBIE support services and helplines, and then they would probably be happy to sign. **IG** added that once they actually have a product and then share it with OBIE, the support structure then falls away.
- 1.68.** **MC** stated that there was a good story to tell, however journalists always look for the "bad" angle. There is a fragile ecosystem and the question is how to morph what exists and establish something that will work up to RTS and beyond.
- 1.69.** **IG** asked **EC** to think about structure of this. There will be the MRO but something else is also needed, which could benefit from MOU protection and label it carefully. OBIE needs to get a positive message out there. **EC** requested the help of **RL** and the comms team to support on the narrative to get the ecosystem through this particular stage.
- 1.70.** **AB** agreed a proactive comms strategy was needed but also some of the CMA9 would have real concerns around an ad-indefinitum MRO. It needs to be something different and needs to be fit for purpose and potentially not as resource intensive. Also referring back to **EC** comments earlier, in terms of the MRO set of papers that were presented, it's a reflection of the TPPs role, it is important to note that in the minutes.
- 1.71.** **HP** expressed concern that although helpful, the data that had been shared around ASPSP performance did breach the terms and conditions of our agreement with the OBIE. **HP** asked **EC** to review this and get permissions from each of the CMA9 that this information can be shared. The CMA9 also need to ensure that the data being shared with OBIE is being treated appropriately and controlled properly. **EC** agreed to double check. **IG** asked **EC** to provide him with a response so he could circulate to the group.
- 1.72.** **AL** agreed to comments and wondered if it would be helpful to get the TPPs views and provide input about what they found helpful. Maybe consider what the firms obligations are going to be under RTS and what support to give the TPPs. **IG** agreed these were fair points to take into account.
- 1.73.** **GL** asked if **RL** could consider the narrative and how it sells to other parties that aren't involved in this. No one wants to come to the party thinking the ship has already sailed and that they have been left behind. There has to be a process for those that want to come into the directory and engage in the process, feel that they can engage with this and there is still a safe process to bring them in, not switched off and overexposed before they have had a chance to test. Needs to have a hand of friendship, cannot be viewed that this has been set this up and all parties have moved on. Something needs to be left behind.
- 1.74.** **IG** stated that in terms of timing, IESG meets on March 28; therefor this element regarding MRO will not be able to be discussed before the group meets again. The question is that whilst EC provides a boarder, comprehensive plan for the long term. Is the view point from this group and the various others that OBIE will close MRO at the end of March and or work with Option 2, which needs building out? There will be time to discuss this extension at the next steering group. There was no disagreement from the IESG members in the room. **IG** requested **RL** have reactive discussions with the media, if they have been watching for the end of February MRO. **RL** advised that the HMT FinTech conference is on the 22nd March, there will be a lot of questions about how this is going to work, by then the narrative will be in place. **IG** stated that this will need accelerating; a note needs to come out sooner with a view around this. Doesn't need to be long winded and the group can provide input on labelling and wording.

2.a UPDATE ON OBIE LIABILITY DISCUSSIONS

- 2.1. **IG** requested that this item be drawn to a close and asked if there were any questions from the IESG.
- 2.2. **KJ** advised that they are now actively looking at insurance for OBIE. **GL** asked who in OBIE was leading this activity. **KJ** confirmed it was the legal team and Bill Suglani (Finance Director). The legal team have reached out to the markets and have received quotes for £10m, with a significantly improved policy. **PH** asked how the premium would be paid. **KJ** advised that it is included in the ongoing activity and that this new policy the premium was less than £15K.
- 2.3. **GL** asked why OBIE is getting it, stating that after reviewing the paper he remain astonished at the content and would not be bothering with insurance on this until the entire liability model is overhauled. **KJ** advised that these were only extracts from legal team, who have the detailed contracts. **GL** felt it read that the CMA9, notwithstanding the fact that there is a limited liability company in the middle, have a requirement to go beyond the risks that would normally be tied to a limited liability company and extend in to unlimited liability for other people's risks. In the way it was written it didn't say that the CMA9 had a requirement to cover the expenses liabilities of an organisation, just the liability, which he took to include the contingent liability and the risks of loss which may be resultant from technical mistakes in the architecture which result in other things happening in the market, including data loss.
- 2.4. **IG** asked **GL** if he was concerned that the OBIE were going to run out of money and asked for further explanation of his concerns. **GL** reverted that he was worried that the governance of the OBIE at a board level did not understand the risks that it was looking at and that OBIE were putting thought into an important piece of market infrastructure by people didn't properly understand the risks. **GL** asked **KJ** about the £10m liability, what does it cover on the risk register? There are legal requirements here which he didn't think had been properly thought through and feared that the CMA9 lawyers were in negotiation with the CMA lawyers when this was configured. He felt it might have been reasonable before it was in the market because it didn't have any contingent liability, only the costs of supporting the organisation. **GL** observed that OBIE is now in a different situation in the market with real customers involved. He didn't think it had the right foundation and the document in his view was incomplete and not good enough.
- 2.5. **IG** stated that every time this item comes up for discussion there is a further request for review and asked if it was a high priority on anyone else's agenda. **PM** expressed that he had some concerns. **KJ** advised that the contracts can be shared.

ACTION: IESG_2018_301_57- KJ to organise discussion with GL / PH and include Bill Suglani to discuss concerns around insurance and liabilities. KJ also to provide IG with details on the deal for 1/3/5 years.

- 2.6. **GL** asked if one of the CMA9 lawyers could join the meeting so they can update the others. **IG** asked if there was a CMA9 lawyer involved. **KJ** advised that it came from the Regulatory and Legal Working Group. He added **GL**'s point was more around the governance and the underpinning. **RW** noted that the document said that the CMA9 lawyers decided it was too expensive and asked if anyone had gone back to the CMA9 lawyers to see if that view still held. **KJ** advised that he hadn't received the final figures to enable that conversation to take place. **EC** advised that the initial quotes were high but it will go back to the lawyers.
- 2.7. **SS** felt it was extraordinary that this was the CMA lawyers call as he believed it was the CMA9 decision to take insurance and underwrite a risk they ultimately faced. **SS** expressed he would like to see the detail and work out whether to pay the premium or take the risk. **SS** advised that the CMA9 should take a collective view and tell the CMA lawyers what they are planning to do.

2.b EVALUATION PROCESS

- 2.8. **KJ** provided an update on the evaluation work advising that meetings had taken place already. He confirmed that the internal team had been reorganised into two working groups. Group A to cover P3, P4 and P19 and the nominations for membership have been received. **KJ** provided detail on the names of those attending and advised that all of the representatives had a fundamental duty to represent their

constituents and to ensure wide representation and act as a conduit for input and feedback. **KJ** noted that during recent meetings, principles, plans and processes were discussed and agreed; at the second meeting there was a discussion around the draft scope, which has been circulated for feedback. **KJ** advised that the process was similar for working group B, and provided detail of that group's membership. Group B will work on the preliminary evaluation paper. It's not a rigid set process and will continually refine engagement.

- 2.9.** **IG** asked who was in the chair for the two groups. **KJ** advised Group A: Matt Wallace and Group B: Tim Werkhoven. They are responsible for delivery of documents. **IG** expressed that it was important for a good escalation method if either of the groups fall behind or go off track. **KJ** advised that as discussed at the last IESG they were going to document any aspirations or objectives, where the market thinks functionality is an addition to the roadmap and this will be circulated and then discussed at PAG. The groups will work on a consensus basis and no agreement can be reached, then they will go back and review again.
- 2.10.** **AL** appreciated this exercise was different from what the European body is doing and asked if there was someone who is "plugged in" from a European perspective to advise? **KJ** confirmed that Dorina and several others have been in discussion with James Black, especially regarding P19.
- 2.11.** **PM** confirmed that Richard Cox would be a nominee from UK Finance. He also asked about stakeholder input at each of the key stages and was the document on evaluation scope of work available for stakeholders to add to? (Referring to the slide it only seems to be available at the end stage) **KJ** confirmed that the documents had been circulated and PM was included on that list. The papers will be as agreed in governance, and the working groups are sticking to the process as agreed and go through the different forums to obtain input. **IG** advised that stakeholder representation is a defined term, this is a different matter. This is stakeholder input, which is an ongoing process.
- 2.12.** **SS** requested the working groups ask some fairly serious questions on timing and pace. The CMA9 need to look at this and judge if it is urgent and not just a good idea. **CM** confirmed this is one of the key items in the evaluation process, to leave behind a mark of evidence in the market. **AB** agreed with SS, advising if you can't evidence market demand and value for customers then OBIE need to take a step back and review again. He also wanted to understand where JB's position was on the Regulatory and Legal side. Who does he represent? There needs to be transparency across all groups regarding what advice OBIE is being given. **KJ** stated that he represents Regulatory and Legal Working Group and ensures that the process is followed, and supported by a secretariat function.

2.c UPDATE ON PROPOSITION PAPERS (DISCOVERY ITEMS)

- 2.13.** **KJ** advised he had received feedback and input, the last being at PAG. Regulatory and Legal have also provided feedback on each of the proposition papers that were submitted for approval. P1 and P20: feedback undertaken, on P1 the specs will be published. They are not covering bespoke as it may not be required at this stage. For P20 going to go forward with API functionality for in scope PSD2 products.
- 2.14.** **CM** advised that he had called that bespoke is out of scope and only covered PCA and DCA accounts. There are customers that might be on a good bespoke rate, and there may be a wish to share this information, however this is optional. If there is a customer on a standard backbook product and only one on that product and multiples on others; where do you draw the line? There was an ask from the CMA9, how many customers where there on a standard backbook product.
- 2.15.** **RH** asked if it was customers or accounts that were being referred to. **CM** confirmed it was accounts. **KJ** advised that the threshold needed to be defined; the number discussed at PAG was 5,000 accounts on the standardised backbook side. They had also agreed different bands, to give a good spread and will discuss a threshold over which the implementation will apply. The next process has not yet been finalised.
- 2.16.** **AL** asked what the consequences were for the ASPSP. **IG** advised this just relates to Open Data and has nothing to do with access to accounts. There needs to be a process and all of the CMA9 are coming with multiple products. **IG** requested that the team start the analysis and press on with the specs.

- 2.17. **CM** asked if there was formal approval in the forum to sign off the scope for P1, to enable the specs to be signed off.
- 2.18. **IG** stated that he was minded to approve this request.
- 2.19. **KJ** advised they were asking for scope coverage on P1 and does anyone have any inputs they would like to provide
- 2.20. **RH** asked was it that the IESG should agree a standard rather than everyone going to the CMA with a different view point. If OBIE is setting the specification, can they not agree a minimum threshold with IG as the Trustee? **IG** advised he would like to wait and see the outcomes of the analysis and have a discussion with the CMA. He would then provide an update to the IESG post those findings and the discussion. It should not hold up the publication of the standards.
- 2.21. **GL** asked if IESG approve the standards or the scope. **KJ** confirmed it would be the scope. **CM** advised OBIE have the scope but there is a challenge around the implementation of it. The scope is a standard backbook product/accounts. What was discussed was the interpretation of what a standard backbook account is. If there are 5,000 accounts or less, is that considered standard.
- 2.22. **AB** disagreed, they may well have been standard products previously, but it could be a variety of reasons that the accounts remain open.
- 2.23. **IG** stated the IESG doesn't approve things per se, and asked if there were any fundamental objections to the publication of the standards that have been scoped out in the document that the group had previously reviewed. He asked if there were any different concerns from those that have been flagged in any of the particular working groups. On the basis that there were not, he believed the document had been well socialised, and would be minded to approve confirming that he was referring to P1 only. **IG** also added that if there are any final, objections that the IESG felt had not been identified, determined and agreed upon and they should make final representation.
- 2.24. **IG** reiterated that he was minded to approve p1. Representations on minimum thresholds should be provided to the OBIE for consolidation review and may be reflected in the standards or via individual derogations.
- 2.25. **CM** advised that P20 is an extension the read/write API of PSD2 of sterling accounts as detailed in previous papers. OBIE is looking for approval to publish the end points for the account information API to cover these different account types. There has been an ask for clarity around mandatory versus optional, and the ASPSP have created a standard which enables them to be compliant with PSD2 requirements. There is lots of optionality, but it is down to the ASPSP to make a call on the requirements, dependent on their own priorities and all of the data are reflected by the CMA Order or PSD2.
- 2.26. **IG** asked if this had gone to TDA for discussion. **CM** advised it had and they were looking for the approval to enable decisions to be finalised. **RH** asked if it was not so much scope, rather implementation as there is was a view around PSD2 and some of the products were not relevant until RTS comes in, but this spec would come in before that date. He asked of OBIE were making the changes before that date? **CM** advised the specifications now being published and referred to in the roadmap are for implementation for P20 and that is not August this year, it's the RTS timeline they are following.
- 2.27. **IG** advised that this is one of the items that Treasury are keen on and want to have the standards published so that non CMA9 ASPSPs, would feel that there was something here they could use rather than developing something of their own.
- 2.28. **RH** asked for clarification on RTS coming in 2019, are the products covered in here from an API point of view, and did they have up until the RTS deadline to implement that as an organisation. **IG** confirmed that was his understanding, and that was also the view that was held by Treasury.
- 2.29. **HP** asked about PCA and BCA design, will those endpoints be adopted for existing release by August 2018. **IG** suggested that HP was not referring to P20 anymore. **HP** advised that P20 affects the design of

PCA and BCA as well as the additional products. **CM** stated that all of the account information APIs, Version 2 has the design that caters for P20 and P1. Only P1 is August, P20 is the piece that needs to be implemented within the RTS timeline.

- 2.30.** **JT** asked if the definitions of optional and mandatory had been shared. **CM** advised that OBIE had not created any more mandatory items, but have changed optional to conditional, which means it is technically optional but mandatory if applicable to your on-line channel, however it's up to each ASPSP to assess if they need to provide it. There is a PSD2/RTS requirement for every ASPSP to provide documentation about their implementation specification. It is aligned to the process OBIE has been going through with Version 1. However there is a need to get ahead of the curve so the TPPs can see what decision have been made on a product by product basis and which conditional items have been applied. **IG** advised it caters for judgement on the ASPSP side and then to be followed up with the regulator.
- 2.31.** **KJ** asked if P20 could be approved. **IG** confirmed that was minded to approve this item. **NOTE:** P2 needs to come back for approval.
- 2.32.** **IG** stated that the IESG need to move on to P2, and the other items on the agenda will be rolled to the next IESG. We need a quick update on Trade Associations at the end of the meeting.
- 2.33.** **KJ** advised the feedback on P2 was enclosed in the pack. It had been discussed with PAG and still required work to articulate as to why both solutions were required, and what is meant by real time. There was also a request to include detail on how the decision had been reached that both options are required. It also included examples of customer journeys and the benefits of polling and real time. **KJ** advised his team were in the process of updating the document. PAG will be the first point to finalise it, which means there is an implication as to what will be put forward as a standard and when. **IG** asked what stage this document was at now. **KJ** advised that his team want to refine the paper; the recommendation from PAG was the paper should not be shared with the Trustee and IESG as they were not happy with the arguments that were laid out. **IG** stated he was not comfortable with allowing PAG or working groups to be 100% comfortable with document content, as it will cause delays. He asked if **KJ** felt the quality was not good enough. **AB** advised a question not included in the pack was does this solve the customer problem that it was meant to address. He didn't think one solution would and this was the core issue.
- 2.34.** **MC** advised FR raised this previously and if you look at the roadmap on P2 which is consumer driven, this paper doesn't look at it from that angle; it comes from the ASPSP viewpoint. **SS** observed that is it important to work out what's right for the customer and could not see anything in the document to aid the Trustee to make a decision.
- 2.35.** **CM** advised it would be useful if requirement was stated from a customer point of view. If it can enable a TPP/ASPSPS to notify the customer in realtime, then specifics can be looked at in more depth.
- 2.36.** **IG** acknowledged the valid criticisms of the note and wanted to ensure OBIE got things right in the future. This piece was not an evaluation item but part of discovery. **IG** wanted to know how OBIE reached a point where the Trustee had a recommendation that didn't feel like all stakeholders had bought into it. **KJ** advised that it was purely down to timing; PAG had met a couple of days previously and had discussed the item and incorporated the feedback received at that time, however because of the cadence of the meetings it was assumed all the feedback would be an item for noting and as IESG papers are circulated a week in advance, the group wanted to defer the paper. For next IESG **KJ** will present a paper that has gone through the working groups.
- 2.37.** **DJ** added that he was speaking on behalf of FR and expressed his frustration that the formal note submitted by Faith and Mark on 23rd January was not included. There is a need to resolve this and as there was a formal paper written from a consumer point of view talking about consumer scenarios. **IM** believes the technical, real time solutions sounds like a silver bullet. At every stage it is important to remember why OBIE is doing this; it's not a technological programme. It's to ensure a good consumer outcome and this doesn't seem to be at the front of peoples' minds. **CM** advised that OBIE need to work with the TPPs and look at potential propositions, a lot of it is theoretical, potential consumer outcomes can be reviewed, but ultimately it is the TPPs that are creating those end user experiences.

2.38. **IG** asked about the timeline, and stated that it should be socialised and reworked with the recommendation coming from OBIE to the Trustee. **IG** also asked if OBIE were doing stakeholder representation then or following at a later date. **KJ** advised he would revert, as there has been more feedback in the last 24 hours. **IG** stated that it felt like a trip up in the process and there was an important need to clarify who owns this in OBIE. **RW** said there were still some scope issues about what should be included, it's not clear in the paper.

3. AOB

3.1. **PM** provided an update on the voluntary screen scraping guidelines, that have come out of a discussion with the FCA and financial institutions at senior level. The aim is to encourage good market behaviour and work collaboratively. It is close to being finalised, however one of the issues is identification of the third party to the ASPSPs and interaction with OBIE and issuance of certificates and this needs to be looked at by OBIE governance. Iteration is due for circulation today.

3.2. **GL** advised the FCA asked him to look at a number of companies in the market that will be credential sharing and the regulator doesn't know who they are. He also thinks there are companies that could be sheltering under the grandfathering rule that should be regulated. These companies are under commercial contracts and confidentiality and the regulator wants to be able to see what is going on, so they can see where to monitor and how the risks are managed. **GL** stated he is trying to find a method to have a conversation with the various parties in a sensitive way to make sure he can come up with a "whitelist" of companies that are entitled to operate in the live market. The broader guidelines are moving into being agreed, there are just the technical points that need further finesse. **IG** asked **GL** if it was his sense that when the next iteration comes out, there will be another draft before it goes to the FCA. **GL** advised not on the meaning, just how to solve these points. **PM** advised it is a complicated market but the guidelines need to work at a board level and there is a need to liaise with **EC** on the certificates and governance matters.

3.3. **IG** requested **JM** circulate the next version of the guidelines to the IESG.

3.4. **IG** closed the meeting.