

Meeting Minutes

IESG Meeting details

Meeting date: 24/10/2018

Meeting name

Implementation Entity Steering Group (IESG)

Meeting time

10.00 – 13.00

Meeting location

Broadgate Room, Landmark Venues,
99 Bishopsgate, London

Scribe

Julie Mitchell

Classification

Public

<i>Name</i>		<i>Role</i>	
Alan Ainsworth	AA	OBIE – Head of Policy	Yes
Andrew Laidlaw	AL	FCA	Yes
Bill Roberts	BR	CMA	Apologies
Candy Ma	CMa	OBIE – Office of Trustee	Yes
Caroline Ambrose	CA	Barclays Bank	Yes
Chris Michael	CM	OBIE – Technical Delivery	Yes
Daniel Ehreich	DE	Bank of Ireland	Yes
Daniel Globerson	DG	Royal Bank of Scotland	Apologies
Ed Colley	EC	OBIE - Prog Director	Apologies
Faith Reynolds	FR	Independent Consumer Representative	Yes
Gavin Littlejohn	GA	Fintech Representative	Yes
Hetal Popat	HP	HSBC	Yes
Ian Cox	IC	OBIE - Head of Monitoring	Yes
Ian Major	IM	TPP Representative	Yes
Ian Pegg	IP	OBIE –Head of PMO	Yes – Delegate for EC
Imran Gulamhuseinwala	IG	OBIE – Trustee/Chair	Yes
John Hutton	JH	Nationwide	Apologies
Julie Mitchell	JM	OBIE - Secretariat	Yes

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Laura Mountford	LM	HM Treasury	Apologies
Mark Chidley	MCH	Independent SME Representative	Apologies
Mark Mullen	MM	Atom Bank	Phone
Matt Cox	MCo	Nationwide	Yes
Paul Horlock	PH	NPSO	Apologies
Phillip Mind	PM	UK Finance	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 – Delegate for TS
Simon Waller	SWa	OBIE – Head of Testing	Yes – Delegate for EC
Stephen Wright	SW	Royal Bank of Scotland	Yes – Delegate for DG
Thaer Sabri	TS	Electronic Money Association	Apologies
Vickie Hassan	VH	Danske Bank	Apologies

No. Agenda item

1.A MINUTES

- 1.1. **IG** opened the meeting and noted the minutes had been circulated, all contributions had been received and as there were no final points he would **accept the minutes of the 26th September as final.**
- 1.2. **GL** commented that on Page 5, the copyright action should not be marked for closure; he felt there were still some issues outstanding. **GL** also had a comment on 1.13 and would follow up with **JM** after the meeting.
- 1.3. **IG** agreed with **GL** on the copyright matter, requesting it be added to the agenda for the November meeting.

1.B ACTION LOG

- 1.4. **IG** noted there was nothing contentious on the action log, advising that **JW** was not joining the meeting and there would be no update on the API evaluation group. In AOB AA to provide a European update, from the perspective of the OBIE.

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Items 106 onwards, all items are covered in the meeting.

Action Number	Date Raised	Owner	Description	Notes	Target Date	Status
IESG_2018_301_97	27/06/2018	JW	Update on the next steps for EG API process to be provided to IESG.	<p>Update 29/08: JW to update following API EG meeting 11/09.</p> <p>Update 17/09: Item added to IESG agenda for 26th September</p> <p>Update 11/10: JW did not attend October IESG.</p>	19/07/2018 26/09/2018 24/10/2018 26/11/2018	Open
IESG_2018_301_106	19/07/2018	CM	CR for Transaction ID's: document update, requires a more practical solution and consolidated at MG and TDA.	<p>Update 03/08: half day workshop held on 3rd Sep to get input from TDA and TPPs. This workshop will enable the owner/sponsor of the CR (Gavin Littlejohn) to update the CR and re-present at a later date - target date 24 October IESG.</p> <p>Update 11/10 - CM providing summary update to October IESG</p>	06/09/2018 24/10/2018	Closed
IESG_2018_301_111	06/09/2018	AA	AA to IESG on 24/10 - holding update paper whilst main paper is revised. SIR paper to be updated addressing: what does certification mean modular certificates grading: pass, work or fail (review what terminology to use) Update on overarching proposition plan.	<p>Update 17/09: EC to provide brief verbal update as part of the IESG Programme Summary on 26 September 2018, with full paper submission at 24 October IESG.</p>	24/10/2018	Closed

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Action Number	Date Raised	Owner	Description	Notes	Target Date	Status
IESG_2018_301_120	06/09/2018	AA	Brexit Update: AA to look at paper on Brexit in October IESG.	Update 17/09: AA to provide verbal update at 24 October IESG. <u>Steering Update</u> AA advised that there was work still to be done and proposed to bring to the November IESG.	24/10/2018 26/11/2018	Open
IESG_2018_301_122	26/09/2018	EC	TPP Funnel – IG to be provided with a named list of TPPs to ascertain where they are and what their intentions are, what are the specific situations are and to provide more information on the numbers. Internal Action is for Simon to do a memo on the 31 TPPs in the funnel and create TPP Heat map for inclusion in future TPP Funnel updates at IESG	Update 11/10: TPP heat map included in programme update section of pack for 24 October IESG. IG has received named list and OBIE team working on MI	24/10/2018	Closed
IESG_2018_301_123	26/09/2018	EC	Look at implementing a feedback process regarding on-boarding.	Update 16/10: New slide incorporated into Programme Update: (TPP section) focusing on TPPs live to market, and will be included pack for 24 October IESG	24/10/2018	Closed
IESG_2018_301_124	26/09/2018	EC	MI Web Upload: needs narrative and support. Memo to be written to CMA9 (Steering members and PBCs) and copy non CMA9 from Steering. Style of uploads to be reviewed by Comms team and engage external support.	Update 11/10: Open Banking website uploads progressing; permission narrative agreed. New format for MI to be included in pack for 24 October IESG.	24/10/2018	Closed

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Action Number	Date Raised	Owner	Description	Notes	Target Date	Status
IESG_2018_301_125	26/09/2018	EC	Fraud Paper; Security team to provide a briefing on the rationale behind the counter fraud evaluation. Security team to provide a more succinct memo to IESG – the action is probably on Bill. McCluggage via EC.	Update 11/10: letter from EC to IESG included in reading material for <u>24 October IESG</u>	24/10/2018	Closed
IESG_2018_301_126	26/09/2018	IG	Trustee to provide letter to CMA to close out P22 [Internal action: AA to draft Trustee letter to CMA on P22 and provide to IG.]	Update 11/10: Letter circulated on 12 October. Copy for IESG included in reading material for <u>24 October IESG</u>	24/10/2018	Closed

1.C PROGRAMME UPDATE

1.c.iii OBIE/CMA9 Update

- 1.5. **IG** observed the programme had amber turned green rating on the Standard Implementation Requirements, adding the team were making good progress and preliminary findings would be discussed later in the meeting. **IG** advised that Evaluation Working Groups A & B are still amber because there remains a question mark over P5B (Variable Recurring Payments) which has not yet entered into Discovery.
- 1.6. **IP** added that the next iteration of Version 3.1 would be published on the 23rd October and the final version at the end of November. Work is continuing on Version 4 scope with baselining at the end of October; then to present at IESG in November.
- 1.7. **HP** asked if Release 3.1 (R3.1) was mandated to go-live in March. **IG** advised that R3.1 will be covered in the papers later in the meeting. **HP** wanted to know exactly what was required for the 7th March as there were elements of R3.1 that were reasonable to include e.g. Customer Experience Guidelines, yet there were other elements e.g. Confirmation of Funds for PISPS that were material and shouldn't be mandated and HSBC would contest if made mandatory. **HP** stated there needs to be clarity around what is included in March and what is optional and then mandated for September. **IG** responded that **HP**'s concerns can be addressed in the bilateral meeting.
- 1.8. **CM** suggested that the date should state March/September as some elements of R3.1 are expected for March and some are PSD2 requirements.
- 1.9. **RH** agreed with **HP**, requesting clarification on the March items, they could be six months earlier than the CMA9 had expected. **RH** believed previous conversations had stated that things would be released at that point, but it would be up to the individual institutions to decide when they applied them. **HP** suggested a clear grid should be created for the requirements of R3.1 - could **PMG** address this; it needs to be clear on what the legal obligations are.
- 1.10. **GL** agreed and asked if there was a clear view between **HP** points and the items that are already in V.3; which items are deemed as requirements for firms seeing exemption. **GL** wasn't sure if some payment items were being brought forward to V.3.1 to ensure the best possible chance to apply for exemption by the CMA9, adding that the TPPs need clarity of what they are building against and he thought the purpose of moving items from R.4 to R.3.1 was related to the exemption process. If they are not there, there needs to be another reason.
- 1.11. **RR** agreed with **HP**'s proposal of a table of items that are necessary for an exemption. There will then be a clear difference between items that are mandatory because the Trustee says so and the things that are mandatory in the sense that it is necessary for an exemption.
- 1.12. **SW** observed that in the exemption process there is a difference between items in the sandbox and available as functional testing for TPPs and what has to be in live for March. **SW** added that it was important to consider that some of the March items will be built in the next few weeks and are entering testing phase.

- 1.13. **IG** agreed that the implementation plans across the CMA9 were incredibly challenging and there were some items that were viewed as critically important for consumer adoption such as the CEG guidelines and App-to-App Redirection, along with other items, which are of secondary importance. **IG** added that OBIE had been supporting the CMA9 during their bilateral meetings with the prioritisation process, which will benefit the whole ecosystem as well as their requirements to meet their FCA exemption obligations. **IG** noted that to date, nothing unduly had arisen that would give him cause for concern. **IG** added that it was important to find a way of surfacing the transparency and suggested going via PMG in the first instance, then communicate to the wider ecosystem and TPPs.
- 1.14. **IM** asked if there was a timeframe, how solidified were the bilateral meetings and what was the alignment from a comms perspective out to the wider market. **IG** described the bilateral process and that the Redirection Journey Improvement Document (RJID), (bar two), has been agreed in a formal letter from the Trustee to the CMA9; with baseline discussions relating to R3 and R4 scheduled to land in the next two to three weeks. **IG** added that there would be additional support for the CMA9 members to adhere to the R3 and R4 and where they don't a form of oversight will be created.
- 1.15. **GL** noted that on page 25, the SIR's were named as the operational guidelines, did that mean they were not requirements and had now moved to guidelines, which historically had not been a recipe for success. **IG** advised that would be covered in the SIR section later in the meeting.
- 1.16. **IG** asked if there were any comments from non CMA9 stakeholders on the CMA9 RAG status, noting that the RJID was being monitored on an ASPSP basis; which will bring more transparency in future steering packs and RJID activity should be completed by the end of 2018.
- 1.17. **GL** asked in terms of AIB and Santander what does it mean "Trustee letter to be issued and that its RJID was not applicable". **IG** responded, stating the RJID was still being finalised. **FR** asked what the new acronym "RJID" was. **IG** explained that it was the Redirection Journey Improvement Document and stemmed from the P3 from the P4 evaluation where there was feedback from the OBIE team to the CMA9, which was to knock the edges of the customer experience in particular and could be implemented outside of the release schedule.

1.c.ii TPP Funnel

- 1.18. **IG** noted that the AISP live in live figure had increased from six to eight and believed this meant there were a couple of extra TPPs that were engaging with real customers, with real propositions. **SWa** advised there was a new live TPP as of Monday, increasing the number to nine.
- 1.19. **RW** asked if there was a reason why names were not included. **FR** agreed and would be interested to know if they were fin techs, traditional TPPs, or whether they were existing ASPSPs. **IG** agreed this was a valid question and asked if there was any sensitivity from the TPPs around this.
- 1.20. **SWa** advised there was not and the names could be shared. He advised that during MRO there was commercial sensitivity around the type of offering rather than their names and added that the graphs in the TPP funnel specifically exclude CMA9 ASPSPs TPP offerings.

- 1.21. **IG** advised IESG that the TPPs were Astro Digital, Cast Light and Fractal Labs . **SWa** confirmed that Astro is a beta app for current accounts; Cast Light is an affordability scorecard and Fractal Labs were business insights. **RR** felt it would be appropriate to include CMA9 activity on the graphs. **SWa** advised that OBIE could include that in future. **FR** suggested it would be helpful to include the nature of the businesses and understand if they were operating primarily as a consumer facing product or as a TSP. **SWa** agreed this could be done.

ACTION: IESG_2018_301_128: SwA - MI: CMA9 operating as a TPP figures now to be included in TPP funnel as part of programme update paper, as well as identify the names.

- 1.22. **IG** advised that on page 28, **SWa** had provided a forward looking measure and it was not appropriate to include specific TPP names that were coming to market. **SWa** agreed that there were sensitivities around timings and projected volumes. **IG** confirmed that by year-end there should be 20 live TPPs in the market plus members of the CMA9 who were acting as a TPP. **SWa** confirmed that he would include the CMA9 in the funnel numbers.
- 1.23. **SW** asked what the OBIE view was on TPPs coming in for Q1 2019, he felt there was a lot of demand in the funnel coming through but the go live figure was a small fraction of that. **SWa** stated that it depends on the TPP's testing journeys and NCA permissions will also affect the volumes observed of those wishing to on board with the CMA9. **SWa** added that once a TPP is authorised and out of the sandbox, they do move rapidly through to the live ecosystem.
- 1.24. **GL** advised that some TPPs were worried about the timing of the release of Strong Customer Authentication (SCA), not just by the CMA9 but by all ASPSPs in the market, because the principle of customer not present screen scraping on a daily basis, requires the ability for the customer to set a rolling permission and not have to re-authenticate every day. SCA is something that the market is very worried about is and driving everyone to think that about accelerating their journey to Open Banking. **IG** agreed there were a number of items to be discussed and they could be addressed in AOB, however the question he was hearing was what level of resource should the CMA9 gear up to, to on board TPPs and whilst there is a continued interest and demand from TPPs it is still subject to the NCA authorisation.
- 1.25. **SW** believed 73 had been authorised to date; 73 active in the directory sandbox and there are 20-30 actually live, the assumption is that those 73 will be live in March.
- 1.26. **GL** stated that of the dozen companies that are adding approximately 250 new users per day, one is at pace in Open Banking and there are 11 sat on the side-lines waiting to go. **GL** believed when the larger players start to enter; OBIE will see volumes of customers coming on to the platform. **GL** asked if there was a way to discover the frequency of refreshes per day, per TPP, as it would give a better lens on the number of real customers in the market.
- 1.27. **HP** suggested asking Yolt directly. **IM** added that distinguishing between technical and human connections in the ecosystem were critical, adding that there would be a need to solicit the TPPs to establish the numbers.
- 1.28. **IG** advised that the next section on the agenda focussed on API KPIs: what is being measured, what is going public and timeframes required. **IG** added he has had good discussions with the CMA9 via their Heads of Retail forum, particularly around their appetite to get adoption of non CMA9 ASPSPS

and TPPs, as well as end consumers and SMEs. There was recognition that the number of customers was the one piece of volume data that an external viewer/layperson is interested in and the CMA would use this to understand what success looks like and the end outcome for the CMA would look like. **IG** confirmed that there were encouraging soundings from the CMA9 to begin to present and offer some of that data; on an aggregated basis to begin with.

- 1.29. **CA** agreed this was a fair approach and to understand customer adoption this is the way forward. **SW** suggested it was worth checking with Yolt as they were the main player in the market. **IG** acknowledged there was sensitivity with regard to Yolt and for reasons of politeness OBIE needs to have a discussion with them first.

ACTION: IESG_2018_301_129: CM - liaise with Yolt re customer adoption and the ability to make this information public.

- 1.30. **MCo** agreed with **IG** but also wanted to use this information for more accurate forecasting and planning for scaling and resilience. **IG** suggested to **MCo** that it should also be an integral input as part of Nationwide's Stress Testing for any exemption activity they are undertaking.

- 1.31. **CM** advised IESG that this should be approached with caution; there are currently between five and twenty thousand customers in the system at present, however when the large tech players join, it will be a complete game changer in terms of CMA9 resilience and it may be very difficult to forecast using these numbers.

- 1.32. **HP** believed that the CMA9 would still be the drivers of volume; referring to HSBC's own product; which now has 200,000 users, so when that moves to API's it is a bigger chunk of volume and other banks must be working on similar volume driven items.

- 1.33. **GL** added that in the live market there were approximately 2.5m – 3m to come across, which will be during the course of the next 12 months, assuming the RTS timetable doesn't get moved. **IG** finalised that polling the TPPs and Yolt for customers is going to be challenging.

ACTION: IESG_2018_301_130: CM - OBIE to explore with the ASPSPs how to get to the customer numbers and work through what it means to try and pull the information together.

1.c.iii API KPIs

- 1.34. **IG** advised that this was a new format and a subset of the information was now appearing on the Open Banking website. The CMA9 had received this information prior to publishing on the website, to assess it from the point of view of factual accuracy and he was not aware of receiving any commentary. **IG** advised that August data has gone live and September will follow once the data has been reviewed by the CMA9, likely within the next week, adding that the CMA were pleased the CMA9 were getting this information out there as it was an important pillar of their overall approach. **IG** advised the next step would be to move from aggregate information to brand based and after constructive discussions with the Heads of Retail of the CMA9, it was recognised that this information will be brand by brand, under regulatory requirements by September 2019, so there is no reason why OBIE cannot fast track this.

- 1.35. **FR** commented that in October's IESG, she asked about a benchmark against TPPs that were offering consumer facing services that used screen scraping and how those products are being used. It would give a sense of transition between the two types of technology. She also asked if it was time to look at a suite of consumer focused metrics, how is OBIE going to measure the CMA remedy metrics and how is data going to be collected.
- 1.36. **IG** advised **FR** that this was the essence of the request from the CMA9, who are trying to understand what the success metrics are that the CMA is looking for. **IG** added that OBIE would run a process with the CMA and obtain granular metrics by which success can be gauged; advising that Ian Cox and the Monitoring team will help the CMA understand if the Order is being achieved. The first step in this is for the Trustee to have a full discussion with the CMA.

ACTION: IESG_2018_301_131: IG - Consumer Metrics: IG to discuss with CMA prior to November IESG.

- 1.37. **GL** referred to page 48 and the FDATA monthly update, advising that it was going to become a live report on the FDATA website and a number of other TPPs have agreed to provide data to it, as currently data comes from a relatively small number of firms. **GL** added that a key point of interest was that there are some firms where the conversion tracks similarly to their on line channel for their direct customers; there are others where the API is now significantly outperforming screen scraping in customer conversion to the tune of 25-30% consistently over a sustained number of customers and period of time. There are others where it is 25% less than the screen scraping equivalent in the API. This creates a set of inverse incentives because it makes the journey less competitive. **GL** questioned what the regulator, the CMA or the Trustee can do about this and was aware that there was a lot of work going into the customer journey on the authorisation step, but on the authentication, there is still the impediment of different types of SCA; creating a level playing field is a material, regulatory challenge.
- 1.38. **IG** asked **AL** for his view of this assessment. **AL** advised he was not sure what extent screen scraping data can be corroborated with what the regulators requires; however felt the data from a "how are things working in practice" would be helpful.
- 1.39. **IG** commented on the analysis provided by FDATA: from a CMA perspective it has been helpful in assessing some of the interactions that the CMA have had specifically with parts of the community. One of the main questions the CMA ask themselves is "have we created something that is better than screen scraping" and this goes a long way to helping inform that view. With regard to **AL** point about comparison, that is something the CMA are interested in because they want to align with the FCA and PSD2 interpretation of what good looks like.
- 1.40. **GL** added that the key thing was that the RTS is primarily looking at the availability, speed and quality as opposed to the comparison between the SCA journeys. From the TPPs perspective, the most important metric is the efficacy with which the process on-boards customers or completes the payment.
- 1.41. **CA** advised that it was important to understand the limitations of the data and what it is telling us. **IG** agreed with **CA** and observed the positioning is helpful, especially as this information is provided by FDATA rather than mandated by OBIE. **GL** added that the sample set will increase in the coming

weeks. **IM** stated that it was important to distinguish between existing journeys and up time and availability versus the throughput.

- 1.42. **CM** suggested a quick win would be publish in the next IESG pack calls by end point type, as this will identify use cases or use patterns. **FR** asked if it would include testing data. **CM** advised that his understanding was that it's only production API calls.
- 1.43. **IG** confirmed there was now a mechanism for evolving data and proposed that OBIE begin to form part of/additional items of the IESG API KPI deck and begin to include the better proxies for underlying activity and then over time, filter in what customer numbers mean. Further discussions in the future with IESG will be required to interpret the data to ensure the correct level of data is being shared with those outside of the ecosystem.

ACTION IESG_2018_301_132: CM - Calls by End Point: Discovery required for obtaining customer numbers, CM to liaise with CMA and Ian Cox. Aim for inclusion in November IESG pack to discuss and agree to publish in the public domain.

- 1.44. **GL** referred to the figures in the paper, commenting that the availability figures were not good. **IG** asked if he had a sense of what good looks like. **GL** suggested an acceptable figure was similar to what the brands had in their direct customer channel. **SW** advised that some of the banks experienced outages in September and they were across both API and digital channels.
- 1.45. **IG** advised that outages were being looked at and have been discussed during the bilaterals, adding that the last few periods, many of the participants have experienced outages.
- 1.46. **HP** asked if there was a plan to publish page 36. **IG** confirmed that there was no plan at present. **HP** added that as the information was already semi-public there was no objection from HSBC on publishing it.
- 1.47. **IG** advised he was hesitant to publish as there was a wider discussion on information by brand required and would like to give the CMA9 time to review and prepare any necessary communications. **IG** confirmed that the Heads of Retail of the CMA9 were comfortable with this approach. **RH** advised the context needs to be clearly understood. **IG** agreed that it is important to understand who the audience is as some of the information is very technical
- 1.48. **GL** advised that the TPP market was relaxed about the data on page 36 stating that the market is seeking a level playing field, not for the TPP to be available whilst the banks direct interface is down. **GL** added that if it had this data, removing those that are down in the direct customer channel, it would create a better method of showing a like for like comparison between the two channels, so that all could see how well supported the level playing field principle is being adhered to.
- 1.49. **IG** asked if the CMA9 currently report publicly the downtime on their direct platforms. **CA** advised that it depended on the outage type and if customers can get on line via other channels.
- 1.50. **IG** asked AL what the timing was on the EBA and FCA guidelines. **AL** advised that the FCA will not publish until the EBA have, but the plan is before the end of the year and they have been trying to encourage the EBA to accelerate their timing and working in parallel with their own guidelines.

- 1.51. **IG** advised the immediate next steps would be to have a meeting with the CMA9 to understand what data can be obtained, publish on the website, at IESG and finalise the timing around that; also important to look at customer numbers and the potential levers that OBIE have as it could be technical. **IG** stated that he did not want OBIE to have to frequently review the KPIs over time. **IG** added that this pre work should be done during the course of November, so when EBA guidelines are published, OBIE can quickly form a view. **IG** suggested that the non CMA9 members also join the meeting if they felt it would be useful.
- 1.52. **GL** advised that FDATA have a meeting with IM to find out what other metrics might be useful and the CMA9 are welcome to join. **IG** suggested combining the two meetings.

2.A MANAGED CONVERSION LAUNCH ASSISTANCE (MCLA)

- 2.1. **IG** advised that the team had taken learnings from Managed Roll Out (MRO) and have operated a comprehensive, multi-track approach. PMG and Testing Working Groups have reviewed the paper and it has the support of the CMA9. **IG believed this was an uncontroversial approach for Release 3 testing and was minded to approve.**
- 2.2. **SWa** advised the date should be the 13th March and not the 7th March.
- 2.3. **CA** supported the process and PMG agreed to target the end of November to have this locked down.
- 2.4. **HP** asked if the acronym could be changed to Release 3 MRO as his wider stakeholder group get incredibly confused with the vast number of acronyms in use. **SWa** agreed with HP advising OBIE are trying to convey that this is broader than the MRO, however if IESG are in agreement he would push it back to MRO as it gives a level of consistency. **IG** suggested raising this at PMG and simplifying the name.
- 2.5. **IM** observed that as this was a mutual programme of support; was there an end date. **IG** advised that was one of the reasons the team didn't want to refer to it as MRO, due to the original MOR having definitive start and end date. This however has participants all at varying stages and many TPPs will come into the process after Release 3 or between Release 3 and Release 4, so the intent is that this is open ended.
- 2.6. **GL** asked if anyone had a sense that if Version 3 requirements had been available at the start date; how much of the work done over the last couple of years would be truncated. **GL** advised that his reason for asking was that if as a new ASPSP, you had to fire the start gun with an equivalent team today, how long does it take to deliver Version 3, or would you have to deliver V1, V2 and then V3.
- 2.7. **IG** advised that he could not answer that fully, nor could it be addressed at this meeting.
- 2.8. **AL** asked if this had been put together to encourage TPPs to test and on board with firms they might not necessarily have considered. **IG** advised that the intent was to make it easier for non CMA9 to engage with the TPP community.

- 2.9. **SW** suggested that a round table with the FCA on the exemption process was needed to align thinking, as it came up in PMG that some of the CMA9 were taking different approaches. This should take place in the next few weeks, before OBIE finalise their guidance.

2.B UPDATE ON TRANSACTION ID'S

- 2.10. **IG** advised the teams had reviewed this item and sought to find a constructive solution that was helpful to the TPPs but also implementable by the ASPSPs. This item is about an ASPSP being transparent with a TPP as to how they can best get to immutable transaction ID's. **IG sensed this has the support from all participants so on that basis was minded to approve.**
- 2.11. **IG** observed option four was the "do nothing" category and it would be a shame if the CMA9 and future ASPSPs landed in this space. He didn't believe the CMA9 were unwilling to provide the information; it's just that the information doesn't exist and would require significant build to make it happen.
- 2.12. **IM** asked if there could be something else provided if Transaction ID's were not available that would create additional, attributed data that would then create uniqueness. **CM** advised that this was discussed in detail during the workshops and provided more in-depth detail on a subset of option three.
- 2.13. **RH** asked what the ask was of the CMA9 and sought further clarification. **GL** agreed that the recommendation could do with being redrafted in terms for creating transparency and the output needs to be crisper with confirmed dates etc. **IG** asked OBIE where the various participants on matters such as dates are and agreed that a redraft was required to address missing key points. A process needs to be created and then it can be signed off. **SW** stated that it was not in the Order or PSD2 and had provided feedback on the costs involved. **SW** added if one of these options was required by March, many banks are "maxed out" on doing anything by then; it is likely to be option four, however if the question is what can be done for September then there would be a mixture of views across one, two and three. **FR** said the paper did not make clear what the loss of benefit was from not having the uses cases transaction ID enabled versus the cost of the CMA9 delivering for those use cases. **IG** advised that part of the issue was that many of the ASPSPs are in very different places. **FR** asked what it was from a consumer point of view that was going to be lost, if the transaction identifiers are not made available.
- 2.14. **IG** suggested that this point could be finalised at the meeting; he requested OBIE firm up the recommendation, include some timings and get some nuance language around one to three, versus four. **IG** added that he didn't see any fundamental change in position on this recommendation, there is a willingness from the CMA9 to try to make this work .
- 2.15. **CM** requested the CMA9 revert with what they can do by when.
- 2.16. **IG** requested that CM prepare the recommendation to push through IESG prior to the November meeting.

ACTION IESG_2018_301_106: CM - OBIE firm up the recommendation, include some timings and get some nuance language around one to three, versus four. To be circulated prior to November IESG."

2.C UPDATE ON CUSTOMER EXPERIENCE GUIDELINES

- 2.17. **IG** advised that the team had asked him to approve an update to the Customer Experience Guidelines (CEG). This document is intended to make the implementation of the CEG for March, easier and simpler. Section three is about clarification, section five is a defect/bug needed fixing and section six is about creating consistency between CEG and the CEG Checklist. **IG** stated advised that he was not in a position to flex the March deadline and asked if any of the CMA9 had any issues with version 3.1. **IG** advised that the changes were limited and were intended to be helpful; many of the changes came from the CMA9. **IG approved the Customer Experience Guidelines.**
- 2.18. **RH** advised that AIB still had one outstanding query which is pending clarification. **IG** requested **RH** follow up post IESG,
- 2.19. **CA** stated that Barclays had some concerns around the CBPII flow and felt it could damage the customer experience. **AA** advised that it was not within the scope of this version (1.0.1), although version 1.1 would have more significant changes, which could capture her concerns. **CA** asked for clarification of that when available. **AA** added that 1.1 would be released alongside 3.1 and the consultation process was about to commence.
- 2.20. **RW** asked if this version was locked down and final. **IG** affirmed that 1.0.1 ideally for March, but if this version leads any of the CMA9 to be unable to make March, and revert to 1.0, that is acceptable. **IG** wants to ensure only the items that make it easier for implementation go into this version. Anything that increases the scope goes into 1.1.
- 2.21. **FR** observed that changes she had suggested, that she believed were non contentious had not been included in 1.0.1. **IG** suggested these were being addressed in future iterations.

2.D UPDATE ON SIR PROPOSITION

- 2.22. **IG** advised the steering group that the primary reason the SIR was being done was to meet the objective of getting non CMA9 ASPSPs into the ecosystem. The paper is not the finished article and is a work in progress and provides a flavour of where the Open Banking team are getting to. **IG** added that the timing of this was critical and it needs to land in 2018, with final sign off at November IESG. There have been conversations with non CMA9 ASPSPs who are looking to sign up and OBIE has received views from stakeholders prior to the IESG and wanted to address some of the points first.
- 2.22.1. This is not about monetisation; it's about adoption.
- 2.22.2. It is about how OBIE formalise the working relationships with non CMA9 in a way that gives them ownership of what it is being done.
- 2.22.3. There is the question of how to engage in long term relationships; the first point they all want addressing when they sign up: what does that mean from a financial point of view
- 2.22.4. It is similar to the Heads of Terms memo and although money is referred to, nothing is payable until 2020.
- 2.23. **IM** asked if it was commercial first and then adherence and exemptions. **IG** confirmed that it was compliance first and that was the predominant view held by most participants.

- 2.24. **IG** noted the DMS element is also contained within the document and it's important to encourage this, if there are different DMS systems in use, it becomes quite complex for the end consumer. It's important to get as many participants on to this particular platform as possible.
- 2.25. **IG** advised a point was also raised about whether this caters for those ASPSPs that only want to do the minimum and confirmed that there are a number of companies in this bracket and OBIE want to make it as easy as possible for them. **IG** confirmed that many non CMA9 are already building commercial APIs (between an ASPSP and a TPP). **IG** wanted to make clear that there was nothing in the SIR proposition that would be considered as operating as a regulator; nothing about providing guarantees to any ASPSP that they will get an exemption, no liability shouldered by OBIE, just an easier framework process. **IG** asked for views; reiterating that this item will not be finalised today and will be brought to the November IESG for final approval.
- 2.26. **IM** noted that a Sales Director had been appointed and asked if there was an opportunity for up selling. **IG** advised that in theory there was, however in practice he had not discussed this with any non CMA9 ASPSPs that want to publish information through Open Data, however would be willing to have those discussions.
- 2.27. **GL** asked if there was any opposition to retitling the Sales Director to On-boarding Partner or anything other than its current title, as he felt that if potential users felt they were being sold to, they would run a mile; especially at EU level. **IG** agreed this was a good point, however the terminology was used because the skill set being sought is the kind of person that can actually covert closed contracts; and the non CMA9 need something to sign; to take to an executive committee and something that a Sales Director can help them get over the line. **IG** was conscious about OBIE running out of time to close and recruit. **AA** confirmed that there was already one new starter at OBIE that has a "TSys" background.
- 2.28. **MC** asked how this would affect the commercial model for the existing CMA9. **IG** responded that it doesn't as it sits entirely independent from the CMA9; the CMA Order directs the responsibilities and funding requirements for the CMA9; this is about the part within the Order where OBIE are trying to make it a broader market based initiative. **IG** advised that he had discussed with the Heads of Retail: at what point does the Order itself meet the changes that the CMA were looking for. Once that has been achieved it will then change the funding model. **GL** suggested that the more people in the ecosystem, the cost burden will be shared proportionately.
- 2.29. **IG** observed that this was more of a stepping stones approach, with the CMA9 who broadly account for 80-90% of overall market share. If OBIE can fill the 10-15% gap that would be a great outcome, there may need to be teaser pricing to make that happen, however cautious of not overpricing the DMS service. It's important that the parties adopt this along with the standards. **IG** added that during the course of November and December discussions will be taking place with people wanting to on board.
- 2.30. **HP** asked if there was any liability framework as there are more firms signing up to the directory and what would be the read across to Confirmation of Payee (CoP). **IG** agreed and that further discussions with NPSO/Pay.UK would be required to understand if the directory was the only way of meeting requirements under CoP, if so what the typical liability framework is associated with it and is it applicable to what OBIE are going to be doing.

- 2.31. **IG** suggested there may be a pricing point that is different for directory only, if it's only being used for CoP and not the standards. **HP** believed it was less about pricing and more about liability in the event of the directory going down and CoP failing. Who pays; the CMA9? It would be an unwelcome outcome. **IM** also expressed concerns around this item. **IG** acknowledged these liability and certificate concerns and agreed further discussions were required.
- 2.32. **GL** advised that FDATA would steer companies to a single DMS and asked from an ASPSP perspective if a material break was being mentioned, either through UK finance or if any of the CMA9 are having cold feet about the one that is coming through, that it should be discussed before the break happens. **GL** added that this would not replace the National Competent Authorities (NCA), FDATA have been urgently campaigning at a European and local level to try to move towards a conformance based approach to the exemption process; of which this SIR and its toolset is exactly what the market needs. **GL** advised he would like to position this with all the regulators as "if you want to deliver PSD2 properly, this is what you need to do to make the APIs work properly".
- 2.33. **IG** addressed the points as follows:
- 2.33.1. It would be disappointing if the CMA9 were not planning on using DMS; the Order itself talks specifically about a customer redress mechanism. It in effect becomes a CMA Order item. Any differing views need to be escalated to IG.
 - 2.33.2. NCAs: at the request of the EBA, OBIE was given the opportunity to explain the programme to all the NCAs around Europe. It was made clear that OBIE are developing a set of tools, not just for ASPSPs journeys with NCAs and enquiries are still forthcoming for those that want to use some of the elements (e.g. CEG).
- 2.34. **GL** asked if there was a sense on recent discussions between Stet, Berlin Group and Swift regarding a proposal of merging the international community to FAPI. **CM** advised there have been lots of on-going discussions on this issue as it's in everyone's interest that all of the standards are either merged or aligned as closely as possible. The starting point is to do an exercise with Swift/Stet on mapping everything to ISO and FAPI was work in progress.
- 2.35. **GL** advised that he along with AA were presenting to Stet and Bank of France the following day and was there any message to carry through re FAPI. **CM** advised there were two messages: update them on the work OBIE are doing with Stet and Swift on the APIS and the other is the FAPI message.
- 2.36. **CA** was supportive of the paper and had detailed comments which she would send off line, however she believed the biggest issue for a non CMA9 and required absolute transparency, related to what they need to do to be complaint versus what they don't and is hard for them to understand. **CA** suggested it could be worth sitting down with a few of the non CMA9 and see if they have what they need to enable them to get executive board approval to get this over the line and satisfy their compliance officers. They could be used as a feedback loop. **IG** agreed and was comfortable that this was the objective and the team at OBIE are trying to create the proposition, the brochure-ware that sits around it, along with the legal contracts that underpin it, which is only a small deviation from the current T&Cs.
- 2.37. **AA** added that when the workshops take place, the first question from non CMA9 is, is this CMA Order or PSD2. The message is it's about compliance with PSD2. OBIE is not trying to create a two tier system either but the bar is PSD2 and it's important to make sure that is understood.

- 2.38. **AL** advised there are still perception issues, as there are lots of long documents, multiple names which can make it especially difficult for non English speaking companies to understand. **IG** confirmed that the language in the brochure-ware is being looked at.
- 2.39. **RH** asked how long the banks that have already been in discussion with OBIE need to make their final decision. **IG** advised that 21 had signed up to the existing T&Cs and were ready and waiting. There is also a subset that **IG** is aware of who have completed internal governance and discussions have taken place with their key decisions makers.
- 2.40. **FR** asked about a consumer facing aspect to all of this, how it might work in terms of the SIR; when can OBIE discuss this. **IG** requested to discuss this off line and agreed a landing spot for this item can be included, but he doesn't want the process to slow down.
- 2.41. **CM** advised that the World Wide Web Consortium work around payments may negate the need for a kite mark from a payment point of view. **FR** added that there was talk over the summer about a consumer facing code of conduct; after discussions with EC and IG it appeared to fall outside the remit of the Implementation Entity. **FR** advised she has been working with the Lending Standards Board and Account Technologies who were hoping to collaborate with the Implementation Entity. **IG** suggested that this be looked at during the November IESG.
- 2.42. **IM** was interested to discover if the non CMA9 ASPSP would go above and beyond the minimum viable product. Has OBIE looked at value exchange; whereby prices are discounted if they go further. **IG** observed that the conversation today was about what needs to be done to comply; conversations can go beyond that in the future.
- 2.43. **CA** expressed concern that there is a risk of some non CMA9 continuing with screen scraping and there could be a risk of a divide in the marketplace.
- 2.44. **HP** added as a group, there is talk about doing more, the answer is always "let's do more and mandate it up on the CMA9", which will not work in a commercial framework. Gaps should be identified and become commercial optional extras; otherwise as a member of the CMA9 there will be some resistance to having further discussions through the IESG.
- 2.45. **IG** finalised that he had discussed with the Heads of Retail of the CMA9 about encouraging a non CMA9 ASPSP to become a member of IESG. IG formally proposed that Will Curley of Tesco Bank join steering, representing one of the non CMA9 ASPSPs that is building to the standard. Tesco have a large cards portfolio and can bring a perspective around what merchants are thinking.

3. AOB

3.a VARIABLE RECURRING PAYMENTS (VRP) - P5B

- 3.1. **AA** explained VRP: a long live consent to make customer not present payments in the future; subject to agreed parameters. In the mandate the customer can specify the maximum amount and number and total amount. The proposition is more controllable than direct debits or continuous payment authorities. The CMA does not believe the current set up provides a frictionless journey for the

customer. AA stated that this was not required for part of PSD2 nor is it prohibited. The challenge has been the specific liability framework for VRPs, with gaps in clarity around merchant disputes.

- 3.2. **AA** advised the next step is for OBIE to consult on the design, but it will not be released until September 2019, after PSD2.
- 3.3. **IG** commented there was not time on the agenda and this item needed further discussion and would take time to understand. It didn't relate to Release 3 or Release 4 and was not an immediate build priority but it was important to make progress. The CMA expressed a very legitimate concern regarding the roadmap the importance of having a frictionless mechanism for delivering sweeping. If any of the IESG members had questions they should raise them directly with AA.

GL RAISED THE FOLLOWING:

- 3.4. There are four primary barriers to TPPs adopting Open Banking:
 - 3.4.1. User journeys
 - 3.4.2. Quality of the API
 - 3.4.3. 90 day re-authentication, which doesn't affect the screen scraper
 - 3.4.4. Personal Identifiable Data (PID).
- 3.5. **GL** advised that 90 Day and PID have had things happen in the last 48 hours at a regulatory level. The EBA stated in their consultation paper, when the PSU's identity was not required (social security number, address, date of birth) the FCA have written to GL and said that the account holder information is a requirement and that he had misinterpreted that and there was no misalignment there. GL added that in terms of what to do now: ASPSPs don't have to put any of the other metadata about that account in the API but the account holder information is required. There is an expectation through dialogue between the FCA and the EBA that this particular point will be upgraded in the next EBA version. **GL** asked AL if his interpretation was correct.
- 3.6. **AL** referred to the Approach Document; point 17.32, advising this question is being submitted to the EBA and should be clarified sooner rather than later.
- 3.7. **GL** then commented on 90 day re-authentication: the evaluation group at a European level looking at the API, are effectively looking to have a rethink about whose responsibility the Strong Customer Authentication (SCA) is after the initial SCA. If a TPP, as a regulated actor from September 2019, would communicate with the customer to obtain their authority to maintain the connection and pass that information through to the ASPSP and provide regulatory reporting to their regulator that they have maintained the connection in a suitable fashion. That is a contentious issue but without it the AIS use case would be worthless.
- 3.8. **IG** clarified that this is not the TPP trying to use the PSU's ASPSPs credentials in order to get consent for renewal. It is the PSU's credentials with the TPP which have to be at a level of SCA which they would then communicate to the ASPSP that they have done their SCA with the PSU for renewal of consent and were now informing them of that.
- 3.9. **GL** did not want this to be taken as fact as regulation, the point was that it is taking all sides of the argument at evaluation group level. It has now gone forward as the proposal.

- 3.10. **GL** believed there was an increasing volume of people starting to realise they don't have any chance of delivering an API to the RTS timetable and that FDATA have been saying that for some time as it is a long and difficult process. Previously when FDATA spoke to EBF in Amsterdam, they reported that they were also hearing from their members that they still think they are on course for the delivery of the API and were looking for exemptions. There is a thought that there would need to be testing with the release date for production simultaneously, which gives the TPP community no time to know what was coming and how to connect to it in advance. The timescales are completely improbable. GL hopes that there is a collective communication to the powers that be to try to get some flexibility.
- 3.11. **IG** thanks GL for his comments and asked if there were any questions to direct them to GL, observing that this was still breaking news. **IG** closed the meeting.