

Meeting Minutes

IESG Meeting details

Meeting date: 26/09/2018

Meeting name

Implementation Entity Steering Group (IESG)

Meeting time

14:30 – 17:30

Meeting location

Grange Hotel, 45 Prescott Street, London

Scribe

Julie Mitchell

Classification

Confidential

<i>Name</i>		<i>Role</i>	
Alan Ainsworth	AA	OBIE – Head of Policy	Yes
Andrew Laidlaw	AL	FCA	Apologies
Bill Roberts	BR	CMA	Yes
Candy Ma	CMa	OBIE – Office of the Trustee	Yes
Caroline Ambrose	CA	Barclays Bank	TBC
Chris Michael	CM	OBIE – Technical Delivery	Yes
Daniel Ehreich	DE	Bank of Ireland	Yes
Daniel Globerson	DG	Royal Bank of Scotland	Apologies
Daniel Jenkinson	DJ	Senior Manager for Consumer and SME Representatives, OBIE	Yes
David Baldwin	DB	OBIE	Yes
David Scot	DS	Danske	Delegate for VH
Doina Nicolici	DN	PSD2 Stakeholder Group	Yes
Ed Colley	EC	Prog Director OBIE	Yes
Faith Reynolds	FR	Independent Consumer Representative	Yes
Gavin Littlejohn	GA	Fintech Representative	Yes
Hetal Popat	HP	HSBC	Yes

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Ian Cox	IC	Head of Monitoring - OBIE	Yes
Ian Major	IM	TPP Representative	Yes
Imran Gulamhuseinwala	IG	OBIE - Chair	Yes
Jack Wilson	JW	FCA	Delegate for AL
John Hutton	JH	Nationwide	Yes
Julie Mitchell	JM	Secretariat - OBIE	Yes
Luke Ryder	LR	Barclays Bank	TBC
Mark Chidley	MCH	Independent SME Representative	Yes
Mark Mullen	MM	Atom Bank	Phone
Paul Horlock	PH	NPSO	Apologies
Phillip Mind	PM	UK Finance	Yes
Richard Lindsay	RL	OBIE - Comms	Yes
Richard Rous	RR	Lloyds Banking Group	Yes
Robert White	RW	Santander	Yes
Roy Hutton	RH	Allied Irish Bank	Yes
Ruth Mitchell	RM	Electronic Money Association	Delegate for TS
Stephen Wright	SW	Royal Bank of Scotland	Delegate for DG
Steven Bisoffi	SB	OBIE	Yes
Thaer Sabri	TS	Electronic Money Association	Apologies
Vickie Hassan	VH	Danske Bank	Apologies

No. Agenda item

1. HOUSEKEEPING

1. a MINUTES

- 1.1 **IG** opened the meeting and turned to housekeeping. Addressing the minutes he proposed to sign of the minutes as final. **FR** advised that she had some clarification points to forward to **JM**. **IG** advised that he would review these comments and the minutes would then be considered as final.

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1. b ACTIONS

Action Number	Date Raised	Description	Target Date	Status
IESG_2018_301_108	06/09/2018	KPI Update: EC to liaise with PH @ NPSO; to discuss the process to create the service levels for benchmarking.	26/09/2018	Closed
IESG_2018_301_109	06/09/018	SME update: JM to follow up with MCh requesting an email on what he wants evaluation and why. Paper requested that OBIE conduct an evaluation (see below).	26/09/2018	Closed
IESG_2018_301_110	06/09/2018	MI Spec: Gap analysis to be conducted with EBA. Turnaround time is two weeks for completion – i.e. w/e 21st September. Analysis to be reviewed by EC and IG.	26/09/2018	Closed
IESG_2018_301_112	06/09/2018	CEG: final paper to be reviewed by IG on Tuesday 11/9/018. Change log to be included. Once IG approved, propose to release as final on Weds 12th or Thursday 13th September.	26/09/2018	Closed
IESG_2018_301_113	06/09/2018	Service Desk Issue: RL to liaise with Nigel Spencer regarding GL 's complaint about the service desk.	26/09/2018	Closed
IESG_2018_301_115	06/09/2018	CEG paper: AA to liaise with Markus Ezekiel regarding the copyright symbol that appeared on the CEG paper. RL to liaise with Gavin Littlejohn w/c 17/09 to advise on the outcome of this discussion above. <u>Steering Update:</u> IG felt was a minor issue, and relates to copyright symbol at the bottom of the customer experience guidelines. It was not revisited after the last steering group, and there been short discussions prior to this steering group and it is a lot more complicated than we thought. IG asked that this be raised as a discussion item at the October IESG.	26/09/2018	Closed

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Action Number	Date Raised	Description	Target Date	Status
IESG_2018_301_116	06/09/2018	EC and RL to liaise re press release for API for 07/09.	26/09/2018	Closed
IESG_2018_301_117	06/09/2018	Heads of Terms; IG and EC to meet and discuss next steps and target candidates. CMA to join and produce pack. Paul Hughes also included in discussions.	26/09/2018	Closed
IESG_2018_301_118	06/09/2018	P7 and P9: AA to produce the Trustee letter to the CMA	26/09/2018	Closed
IESG_2018_301_119	06/09/2018	KPI Update: RL / EC to look at how to present and publish the KPIs.	26/09/2018	Closed
IESG_2018_301_121	06/09/2018	BBC IPlayer link to IESG featuring Bank of England Comments	26/09/2018	Closed
IESG_2018_301_121	06/09/2018	CM to provide updated paper on Version 3 MI Requirements specification. Paper to be submitted to IESG on 26th September for final Trustee recommendation, to enable implementation of Release 3.	26/09/2018	Closed

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The following items remain open

Action Number	Date Raised	Owner	Description	Notes	Target Date	Status
IESG_2018_301_103	19/07/2018	IG	Overarching Strategy: IG to have discussion with FR on monitoring function and PAG. IESG to send suggestions directly to IG/FR on overarching strategy.	Update 29/08 matter for future IESG; paper has been prepared for future IESG. Item rolled forward <u>Steering Update:</u> discussions have taken place, but this item is not ready to come to steering yet.	06/09/2018 26/09/2018 24/10/2018	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.	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 <u>Steering Update</u> Target date 24 October IESG).	06/09/2018 24/10/2018	Open
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.	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 . <u>Steering Update</u> This is still open, largely because it is a more complex issue that originally thought. AA has taken this away to rework it and the intention to bring an overview to IESG on 24 th October	24/10/2018	Open

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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: Item rolled to <u>24 October IESG</u> <u>Steering Update</u> A comprehensive debate on the impact of Brexit and the role that OBIE will have in Europe, or not. IG added that he had hoped James Whittle would be able to provide an update on the API Evaluation Group and an overview of what is going on in Europe. He has not been able to attend, so propose to roll this item to October IESG.	24/10/2018	Open

1. c.i PROGRAMME UPDATE

- 1.1 **EC** provided an overview on the programme update slides and referring to P22 (corporate accounts) advised that this was more of a milestone missed, as it was not discussed and the last Steering, however is on the agenda for today. **EC** advised if the original plan had been followed, OBIE would have also been in a similar position on P5B, but were not quite at that point yet, which is why the programme is amber.
- 1.2 **RR** asked for transparency on P5B, noting that he, on behalf of the CMA9 raised points around this in January and was not aware of them being addressed in a transparent way.
- 1.3 **IG** requested that this be added as a topic for the next IESG.

1. c.i CMA9 UPDATE

- 1.4 **IG** noted that Release 2 has effectively been met, although there is still some core work to be done. Release 3 is more challenging and the CMA9 bilateral discussions have been beneficial and resulted in further discussions which are scheduled to take place in October. **IG** added that post those meetings, the CMA9 updates may be revised to incorporate some of those discussions.
- 1.5 **GL** had a question for Danske, stating his recollection was that Release 3 was red last time and was now showed amber, observing P3 / P4 in Release 3 had now left him unable to figure out what the change means. **DS** responded they were reporting red previously as they had a couple of items on the roadmap they were unsure they could deliver, but those are no longer an issue and can be delivered. **DS** advised Danska was also unsure on PSD2 items and when they needed to be delivered. That ambiguity led to reporting red and they now only have one issue which is the delivery of P3 (App-to-App) or P4 (de-coupling) on the timescales of Release 3. P3 has a mandatory date of 13th March 2019, in line with Release 3, P4 is optional and the Danska position is that they will be looking at delivering P4 as opposed to P3, as per discussions with Trustee. **DS** added that Danska do have challenges around the March timescales and are going to find it very challenging and this is the reason Danska are reporting amber.
- 1.6 **IG** clarified that P3 does not mean just App-to-App nor does P4 just mean de-coupled.
- 1.7 **GL** wanted clarification around performance in Release 1 as there was not much commentary and looks complete, however the metrics show there are issues but the reporting is not picking it up. **IG** advised that this had come up in the bilateral discussion as a key topic.

1. c.ii TPP FUNNEL

- 1.8 **IG** advised that more TPPs were coming into the system and there is still the same amount in production.
- 1.9 **EC** added that there were a considerable number arriving and attempting to on-board. **GL** asked if they were UK only. **EC** confirmed the vast majority where. **JH** asked what a "considerable number" was. **EC** advised that the figures for last week was about half a

dozen individual entities, he added that there are a number that do not get through the first filtering and checking.

1.10 **FR** asked if there was formal feedback from the TPPs regarding the on-boarding process. She had received feedback that the FCA forms have been improved but felt that it would be useful to improve the OBIE on-boarding. **EC** responded that there wasn't a feedback process in place now, although had done in the past. **CM** advised that the challenges come from non UK TPPs.

1.11 **IG** suggested that OBIE should look to get feed-back. **EC** added that there were over 150 actors in the sandbox. **IG** believed there was still resistance to going live and the informal feedback he had received related to concern around the customer journey.

ACTION: IESG_2018_301_123

EC: As part of the TPP funnel, look at implementing a feedback process regarding on-boarding.

1.12 **GL** raised a couple of issues: how many of the companies in the sandbox where in an application process with the regulator. How many companies have been approved AIS/PIS. **EC** confirmed 62. **GL** asked if some entities had two permissions and also raised a point around Personal Identifiable Data (PID), which is used to prevent fraud in journeys relating to affordability and lending etc. There is an issue around the 90 day authentication piece, which is an issue not just for OBIE to solve because they are Europe wide regulations; but they are materially damaging the market.

1.13 **GL** advised there was a belief that the screen scraping market was accelerating faster than the API market, the companies will transition eventually, but there is approximately 7,500 customers being added to the ecosystem every day and they are not coming through the APIs. **RR** asked if there was any sense that these customers will become proper users or just try a couple of times and then give up. **GL** responded that the dropout rate is around 75%.

1.14 **IG** observed that the TPPs are not as agile as originally thought and that it's quite a long drawn out process. **IG** asked to see a named list of the 31 and the 11, to understand where they are and what their intentions are so that he can update the IESG in more detail. **IG** sensed that the bottle neck is not OBIE at the top of the funnel, it's more central with TPPs not quite getting into the market.

1.15 **RW** stated it would be interesting to find out when TPPs think they will join the "party". Most of them say next year. To help the CMA9 to plan, it would be useful to understand which quarter the TPP might be referring to.

1.16 **IG** agreed it would be good to investigate this. **EC** confirmed this information is available and there are firms out there with an agenda to come into the market, however when they do their quarterly planning they tend to roll it forward to the next quarter

ACTION: IESG_2018_301_122

EC: TPP Funnel: Provide IG 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. Create TPP Heatmap for inclusion in future TPP Funnel updates at IESG

- 1.17 **GL** felt there were still material performance issues; not with all entities but the market is very aware and the TPPs have no desire to switch to something or move en-mass from their current provisions on to the new provisions.
- 1.18 **IG** acknowledged **GL**'s concerns, however questioned if there are established businesses why don't they add 10-15 customers to learn how this works. Why are there only six entities involved? **GL** advised that not all six of the entities are saying this is their only customer channel.
- 1.19 **GL** raised the issue of PID and how it is currently an optional field that has not been provided by any of the CMA9. As the TPP moves forward to using this data, for frictionless, financial distribution, will those companies get some method of correlating the identity of the customer with the account shared. **GL** advised that FDATA have raised this with the FCA and EBA and it is important to realise that the TPP is not asking the APSPs to underwrite the identity and take on the legal responsibility for getting it right. **GL** believed that most of the use cases used in Open Banking was non-functional if you can't pair with the account that has been shared with who the bank thinks it might be. **GL** would encourage the banks to move from an optional field, as it becomes pointless if the two points cannot be connected.
- 1.20 **IG** thanks **GL** for his comments, noting this is an argument that has been heard before and has merit. The EBA has been pretty clear that this information is not a contravention as part of PSD2; therefore it sits in the optional space. An ASPSP can make its own position on this matter and it's not something that OBIE can resolve.
- 1.21 **FR** wanted to know what the key barriers were for a TPP in adopting the APIs and where are they in their business cycle. There needs to some consistent research to understand where they are at.
- 1.22 **GL** advised the FDATA quarterly meeting was held and this was a specific item the members wanted raised.
- 1.23 **HP** asked **GL** if there should be a conversation around commerciality, OBIE have gone beyond PSD2 in creating the standards, however if the law doesn't require this data to be shared, a discussion could take place to understand the value of it, the cost to implement and a way to make it available. **GL** stated that each bank is taking data, if it is out of scope for PSD2 and AIS then a TPP can screen scrape without having to provide identity. It's a loophole and it needs closing by the regulators.
- 1.24 **SW** believed that UK Finance needs to get stakeholders around the table to deliver some outcomes that can be fed back to the regulators and OBIE. **PM** advised he was happy to convene this type of meeting.
- 1.25 **IG** asked **PM** to pull together the relevant parties and have those discussions and that Open Banking would need to react to it, but the decisions fall outside of OBIE remit.

1.c.iii KPI UPDATE

- 1.26 **EC** provided an overview of the API slides and that on slides 16 and 22 the figures decreased and replacement slides were circulated during the meeting. The firms need to investigate the causes of unavailability with one common factor being changes that haven't quite worked for one reason or another. There is a need to understand the problems this is causing and how the unavailability it is detected, this is something critical that needs to be addressed.
- 1.27 **GL** suggested that there should be an automated toolset that triggers a stop watch on this matter. He also asked if there is the possibility of benchmarking this against the ASPSPs direct customer interface. **FR** agreed it would be helpful to see a benchmark to be able to compare against. **FR** also asked how this compared to screen scraping and ASPSPs availability and speed and how does it compare with other things in the market that a consumer would use and referring to reducing a figure by 1% had limited meaning to her.
- 1.28 **BR** advised that in terms of benchmarking, the Order requires the banks to make the APIs available on a continuous basis. The CMA would not interpret this as 100% but at least as available as their online and mobile platforms.
- 1.29 **IM** asked if OBIE differentiated between planned and un-planned outages. **EC** advised that the data looks at the windows of non-core and core hours so where the CMA9 have been told to introduce their changes in non-core hours which is why you would see the unavailability worse during those hours.
- 1.30 **RH** asked if the release affects the cycle. **GL** added that release doesn't mean the system is switched off.
- 1.31 **IG** advised that although this information is not important to consumers, it is important as it is helpful for TPPs who have perceptions of availability and where it is trending. Aggregating only works for individual companies, but on an anonymised basis for the benefit of the ecosystem and is not a bad way to demonstrate the numbers. **IG** has received various requests from TPPs and the media on how Open Banking was doing on performance; he suggested it would be helpful to put that information in the public domain. **IG** suggested that a selection of the data should go on the Open Banking website and suggested page 16 and 17 and the right side of page 22 and page 23.
- 1.32 **IG** believed the market want to see this information, however OBIE will maintain confidentiality. OBIE has also reviewed the T&Cs and think that this is non contentious.
- 1.33 **GL** asked if it was possible to get information on successful API calls and recalibrate it to data calls. **CM** was concerned that it may create more questions than answers and TPPs publish their own data that could contradict this.
- 1.34 **RR** had a short term reservation; it would be shame for the ecosystem to publish now at 97% - 98% and get everyone "howling"; it would be an inaccurate comparison. **RR** felt that in the longer term, what would work and be consistent with what the CMA has asked for in terms of publishing service quality metrics and the FCA objective metrics, would be to say that at some point OBIE will start publishing on a non-anonymised basis; **RR** would not want that next week but it is a logical end state.

- 1.35 **JH** agreed and added that the CMA requires the banks to report incidents publically and questioned should the CMA9 report incidents rather than availability.
- 1.36 **BR** advised that under the Order, it is the Trustee's discretion about what is published.
- 1.37 **GL** referred back the Managed Roll Out process, nine months further on this should be as robust and match the market facing data that is provided to the customers directly.
- 1.38 **SW** added that as more TPPs continue to test, they are using more end points in more complicated ways. It is a discovery process and until there are more TPPs in the market and they have completed the full range of testing, it will be difficult to iron out the wrinkles.
- 1.39 **IG** observed there was multiple valid arguments and added that transparency is critical and it is better to have something out there rather than a vacuum; no matter how difficult it is. There is a need to ensure that the right type of data out there.
- 1.40 **RH** asked if average response times were based on the calls that have gone in to the individual banks or the CMA9 banks. He was not sure what it was referring to. **EC** confirmed that the average was taken for an individual CMA9 member.
- 1.41 **JH** asked if on successful API calls, was there was something where OBIE can get TPP data, are they following the policy on how many calls they can complete. It would allow the CMA9 to see how the TPP market is behaving. **IG** agreed this was a valid point and believed the TPP market would not push back on this point, however OBIE don't yet have a reliable mechanism to get TPP info/data so would need to start with the basics and show growth in activities. **IG** believed it should not be published how it stands and requires thought, narrative and support to get the basic information on to the website. Over time it can be changed and developed. **IG** added that there was a process point around this and it relates to the formal point of contact, the Primary Business Contact (PBC) in the T&Cs.
- 1.42 **IG** asked **EC** to provide a one page memo detailing what the best metrics are to show and circulate to the CMA9 and their PBC and would like this agreed and ready for publication prior to the October IESG.
- ACTION: IESG_2018_301_124**
EC: MI to be uploaded to Open Banking website: submission requires narrative and support. Memo to be written to CMA9 (Steering members and PBCs) and copy non CMA9 from IESG.
- 1.43 **GL** stated that just before the meeting started a conversation had taken place where the steering members would like a session on this subject. **GL** advised that FDATA is about to invest in the development of a metrics platform and would like to engage Open Banking and the CMA9 to shape this and to ascertain what are the key things that people really want to know.
- 1.44 **IG** asked if there was a formal session to bring those people together. **GL** advised that he would like to have a conversation with the Tech, Monitoring and Programme team of OBIE and possibly UK Finance.

- 1.45 **IM** asked was there a requirement to explore how “humans” as opposed to just the technical side, are interacting with the ecosystem. **IG** advised this was not tracked at the moment but is something that journalists want to know. **BR** observed this was a good move, in the right direction and timely.
- 1.46 **FR** asked if there was any way to see the stats on consumer adoption of services to enable her to understand what is happening and how it is evolving. **IG** stated that in reality out of the six entities, only one is fully live. **GL** added that there were 186 companies at the top of the funnel, 75% would have raised venture capital to build their proposition. **FR** asked what the live market propositions were, what the consumer is engaging with.
- 1.47 **IG** suggested considering the 31 that are imminent to Open Banking, to understand where they are, are they already in the live market and **IG** confirmed that the reporting would be updated each month.
- 1.48 **HP** asked if there was any data on cause of failure. **GL** advised that there was more data in the pipeline and would be able to share in the near future.

2. ITEMS FOR DISCUSSION

- 2.a **UPDATE ON THE NEXT STEPS FOR API EG PROCESSES PLUS DISCUSSION ON EUROPEAN APPROACH**
- 2.1 **IG** advised that James Whittle was not available to attend this month’s IESG and hoped that he would be able to provide an update shortly as multiple meetings had been taking place.
- 2.b **OVERVIEW OF MONITORING FUNCTION**
- 2.2 **IG** introduced Ian Cox, the new Open Banking Head of Monitoring.
- 2.3 **IC** introduced himself and gave an overview of his previous roles within the financial services arena. **IC** added that his position at Open Banking was to build and develop the monitoring function and to get it operational by the end of October.
- 2.4 **IC** then provided more detail on his paper. The Monitoring Function’s key objective is to enable the Implementation Trustee to provide assurance to the CMA that the CMA9 implementations do not present barriers to adoption, and the Open Banking ecosystem is operating competitively. The Monitoring Function plans to focus on five elements:
1. ASPSP/PSU interface.
 2. ASPSP/TPP interface. For both interfaces focussing on areas such as technical specification, performance and customer experience, and looking for consistency with the CMA Order components of the Standard Implementation Requirements.
 3. Data quality: quality of data from CMA9 to TPPs through the interface, Open Data output including the service quality metrics, and finally the quality of data from the CMA9 to enable him to do the monitoring.
 4. Market Impact Analysis. Assessing whether we are meeting the objectives of the CMA Order, including the primary objectives of addressing the AEC’s and secondary objectives such as TPP and consumer adoption.

5. Customer outcomes, such as volumes. IC also added that the Monitoring Function will also administer any specific arrangements that the CMA or Trustee agrees with the banks.

IC wants to take a collaborative approach with all stakeholders including the CMA9 and TPPs, and hopes to spend time with the individual banks to provide them with further details on his plans and give them the opportunity to input. Ian stated that he may also, over time, want to meet with the bank's compliance and internal audit departments to understand what they do to monitor the banks' compliance with the CMA Order.

- 2.5 IG stated that this is very helpful and will professionalise Open Banking.
- 2.6 FR stated there are a couple of things that need to be considered; adoption, what goes to market, how the CMA Order is being complied with, along with consumer behaviours. There is a need to understand what can be suitably measured and controlled and would be happy to have a meeting with IC.
- 2.7 PM wanted to flag an issue regarding IESG and its relationship to the Order and that there could be tension in a function that relates to the Order and the wider success of the ecosystem. PM asked how this relates to those items that are beyond the perimeter of the Order, the transactions and customer experience and also the entities that are beyond the perimeter of the Order. SW added that linked to that are the obligations to the FCA regarding PSD2/RTS and it's important to understand how the two models fit together.
- 2.8 JH asked if it was a monitoring or compliance function. If taking the Three Lines of Defence approach, he felt it was overreaching in the scenarios where the CMA9 are compliant. JH understood if the CMA9 were non-compliant to have that extra interaction with the various lines of defence, he then asked IC if he was the person who determines the bank is compliant with the Order or was he monitoring the ecosystem with a data analytics type function.
- 2.9 IC advised that a lot of what he was doing was embryonic and early days and was happy to consult with the CMA9 and advised that it was important to look at all internal levels to ensure data he received could be relied upon and that the bank was compliant with the CMA Order.
- 2.10 FR wanted to ensure this wasn't just a compliance point because that doesn't always lead to the right outcome. There are a number of variables that need to come together to deliver the remedy in full. FR was keen that to see that the CMA9 are doing the right thing; but also how the ecosystem is holding together. Changes might be needed and some of these may be outside of the control of OBIE. It needs to be monitored wholly and not just from a compliance perspective as it would miss out the types of propositions in the market, business models, changes in consumer behaviour and the overall outcomes for consumers intended by the remedy
- 2.11 GL asked if something was discovered that was not right, what powers did he have. IG advised that the CMA regularly ask if everything is going OK and if the CMA9 were compliant. Occasionally they may ask, and this would be more relevant in the future "is what we have done here, having the impact that we hoped for". IG added that IC will create a team to focus on these areas and there is clearly a compliance role to all of this

as we have to comply with the Order. **IG** added that **IC** is not a regulator nor is the team; however **IC** wants to create an open relationship and enable dialogue. **IG** was pleased that this sits within the Office of the Trustee and away from OBIE, it is healthy from a governance point of view and as long as the Order is in place there is always going to be a Trustee.

2.12 **GL** asked if **IC** would be monitoring the non CMA9 compliance with Standard Implementation Requirements. **IG** advised that this piece sits within OBIE and is part of the overall ecosystem.

2.13 **RH** observed there was a lifecycle on this, the actual measuring of what comes out of the Order and what comes out of subsequent pieces of legislation will become less easy to decipher.

2.14 **RW** advised that there needs to be consistency and a simple approach, there should be a documented view of what is needed for the next six months, which could act as a code of conduct.

2.15 **IG** suggested **IC** reach out as required and provide an update at the November IESG.

2.c *PROCUREMENT PROCESS ON DMS (RFP)*

2.16 **IG** provided an update on Dispute Management System (DMS), which has been carried over from previous meetings. The DMS process will take nine months from build to completion. OBIE is currently working on a manual, paper based process and DMS Working Group (DMSWG) have advised that it doesn't require material investment or change on the bank side, it will be built on the OBIE side and will then be implemented by the banks.

2.17 **DB** provided detailed information advising that it would be a web based tool and would be available to any ASPSP not just the CMA9, to give them a more automated function.

2.18 **IG** believed this was a sensible thing to engage and the next steps would be to take Resolver into the discovery phase. **HP** asked what the volumes were. **DB** advised it was difficult to say, OBIE have reached out to lots of TPPs who have said it is difficult and the process had not worked particularly well; e.g. no traceability of letters. The feedback is around 20-30.

2.19 **RW** asked what the cost was. **DB** advised that it was approximately £1m for the licence and implementation, then £400k for licence costs only in subsequent years. **IM** asked if discovery meant a commitment to implement. **GL** asked how much investment was required for the discovery process. **DB** advised that the discovery process was for four weeks and OBIE were trying to do a lot of the work this year and would engage with the workflows to ensure the work was suitable and to shorten the process.

2.20 **JH** felt that the timeline was not doable; given Release 3 is going on and the impact of that. He asked if it was a mandatory solution; it was the OBIE solution. There were other options out there and would the banks need to fund it if they were not using it, are they able to use alternatives. **DB** stated it is the preferred option from an OBIE perspective as it would be easier for the ecosystem to have everyone using the same tool.

- 2.21 **IG** suggested that “does it have the weight of the Order behind it” as opposed to being mandatory or not, adding that it is a logical and sensible thing to have just one provider for the ecosystem. **IG** understood that any single entity could use it but it is not mandatory and timing is up to the ASPSP. The intent is to get on top of the problems before they occur and advised that the building of this did appear in the Roadmap and the timing is consistent with the Roadmap and he understands that there is not a mandatory implementation.
- 2.22 **GL** added that there was a material difference in this one to those that had gone before. In the ecosystem there are two certainties, the ASPSP at one end and the customer at the other end. In the middle there are lots of providers; if there is an incident and not a standard platform to work from, it would be unworkable; it is illogical to have multi DMS providers in the ecosystem. The customer can complain to a variety of bodies, we want to get to them first and put them into the funnel and direct them to the appropriate place; not use multiple funnels. **GL** was hoping that regardless if it is written down in the Order, the CMA9 would get behind one solution.
- 2.23 **HP** asked if the banks were to pay for this in perpetuity. **GL** advised that the TPPs would be happy to support it as long as there was an agreement on one provider.
- 2.24 **FR** expressed her frustration around discussion focusing on legislative requirements as opposed to the need. She said that if the problem is around cost, then the banks should state that, not argue “it’s not in the CMA Order, we can’t do it”. Cost can be dealt with separately if needs be, the first question to be answered is whether the ecosystem needs it or not.
- 2.25 **SW** asked if OBIE were too constrained on their scoring and procurement process, MasterCard and Visa offer a similar dispute processes. **SB** advised that OBIE were very open with the solutions that were presented back to Open Banking: looking at the strategies, what solutions were presented and how agile were those solutions.
- 2.26 **RW** asked if OBIE were going to agree the terms and pricing of the contract, proceed to discovery and then go back to signing the contract. **DB** advised that the contract would be signed and then progress to delivery. **GL** stated that in the last Dispute Management Working Group (DMSWG) he attended he understood that discovery would be paid for and on the basis that it was the right solution, contracts would be signed after discovery. **DB** stated it needs to be clear what the scope of delivery is, there is a phase and short piece of work on how to get that scheduled into the build.
- 2.27 **IG** stated the exam question is the DMSWG have recommended to the Trustee to move ahead and create an automated method for dealing with disputes. **IG** stated this is a prudent method to take and believed all parties would be exposed when volumes take off in 2019 and if OBIE advised the press that the process for dealing with customer complaints was emails/spreadsheets it would not be seen as acceptable. **IG** acknowledged that £1m was a lot of money and was cognisant of the costs running through the programme; however this item sits within the hygiene factor of the programme. **IG** confirmed he would check the Order to understand where it sits and what the requirements are.

- 2.28 **IG approved the recommendation and requested the team proceed with Resolver and progress with the build**
- 2.29 **IG** added, in time the on-going costs will be funded under the new entity funding model. **IG** was keen to draw a line on this and if there were any significant, material concerns they should be made directly to him within 24 hours.
- 2.30 **JW** requested more information around the scope of this item. **IG** requested **SB** or **DB** follow up and **EC** advised that Helen Ginter, who though no longer focusing on Open Banking was heavily involved in the DMSWG.
- 2.31 **GL** advised that he and **HP** were in the demo group and took a view that the final product for Resolver was not quite fit for purpose, but could be. The proposal they gave was that OBIE implement a short discovery phase, to make sure the system, when it was contracted and did the job OBIE wanted it to do and not the one they could get it do to. **IG** felt **GL** was making a point around a gating decision and discovery should take place before final sign off. **GL** added that his point was not about money and wanted to ensure that the money was well spent and the service works. **IG** noted the previous comments and advised that Open Banking will finally have a process for managing disputes, however if there is enough uncertainty around it **IG** will take a view and bring it back to Steering for further discussion.
- 2.d ***CHANGE REQUEST: CONFIRMATION OF FUNDS***
- 2.32 **IG** provided an overview advising that the paper had been through multiple consultations and the intent is for this to be implemented into Release 3. **IG** added that the paper is uncontentious and whilst it would be great to approve today, the team had advised that there are some final FCA inputs that are due this Friday.
- 2.33 **HP** agreed this was a good proposition, but wanted to clarify that the proposal was not to implement by March, but be available from March. **SW** agreed in principle and wanted to see what the FCA view was on this. **RR** advised that LBG held the view that this was not necessary for PSD2 and would support the change request on the basis that it was a “should” not a “must”. LBG legal team were also looking into this and were sceptical around the value to customer utility. **SW** also held a similar view.
- 2.34 **JW**: stated that the intention of the EBA guidelines on Conformation of Funds was that a Yes/No message should be sent to the PISP when they request it.
- 2.35 **IG was minded to approve the change request subject to conversations that are going to take place with the FCA.** **IG** added that concerns around international payments and currency issues would be picked up in discovery.
- 2.36 **DN** raised the issue of eIDAS certificates and asked if any of the CMA9 had approached European entities, how they had got on, were they viable and had they worked.
- 2.37 **GL** advised that one of his working parties had been collaborating on sharing intel on European entities that may be willing to offer and discovered a fairly wide spectrum of quality, pricing etc.

2.38 **IG** stated that this was a valid point and would encourage anyone who wants further information on eIDAS it can be discussed at the next IESG. **IG** confirmed that he had also fed back OBIE concerns to HMT.

2.e *EVALUATION P22 – CORPORATE ACCOUNTS*

2.39 **AA** provided an overview, advising that a lot of work has been done, along with gap analysis conducted with the CMA9 and the conclusion is yes, it is fit for purpose; however there is one data field that is proving tricky to understand, so OBIE will build a supplementary data field in addition to the data field we have mentioned to ensure if there is something missed, it would be easy to solve. **AA** advised that there was another item that needed a little more work which was around consents and delegated consents in the ASPSP domain and ensuring that the appropriate message comes through if the individual looking to do an AIS transaction does not have the right permission.

2.40 **AA** advised there was not a great deal of work left to do, and in terms of the additional data fields, it is only a couple of the CMA9 who would not have that in their online banking systems.

2.41 **IG was minded to approve the evaluation of P22 and will follow up with a letter of recommendation to the CMA.**

ACTION: IESG_2018_301_126

IG: Trustee to provide letter of recommendation to the CMA on P22.

2.f *MI REQUIREMENTS FOR VERSION 3*

2.42 **IG** advised that this paper has comeback from the 6th September meeting and would like it to be approved at this meeting. There have been no new items included.

2.43 **RH** had comments which were uncontentious. Points 27 – 33 are neither mandatory for PSD2 or the CMA Order; would this mean they are optional. **IG** advised that this would be clarified in the Standard Implementation Requirements (SIR). **AA** confirmed that the SIR would be discussed at the October IESG. **CM** added that the general idea would be to build a capability to enable reporting against all the elements. If they are not mandatory either under the Order or PSD2, OBIE would still like to have them as it provides useful data fields and confirmed it is optional. **IG** also added that if they are optional, they would be irrelevant for a non CMA9 entering the ecosystem.

2.44 **HP** questioned if the elements are mandated in the Order, are OBIE trying to pull data only PCA/BCA transactions; base lines need to be agreed and worth **IC** looking at this from a monitoring process.

2.45 **IG** stated that OBIE were trying to be practical and agreed with the idea of baselines as it will help the direction of travel. **HP** stated the MI should start with what OBIE/CMA9 wants to have and noted that any small changes in MI requirements mean big changes for a bank in rebuilding etc.

2.46 **IG** asked **CM** if the next stage to have a more detailed version. **CM** confirmed that the next stage is to build the specification and provide data via API. **RW** suggested it would be

good to have clarity on what is required and optional so the banks can prioritise appropriately.

2.47 **IG** noted various concerns from the CMA9 and advised these would be addressed in the bilateral discussions.

2.48 **IG was minded to approve the recommendation and requested the team proceed to building the specifications for MI requirements for Version 3.**

2.g **COUNTER FRAUD EVALUATION AND FRAUD MONITORING**

2.49 **EC** provided an update on the paper, advising that this was not a formal evaluation and the last update by Fraud was in December 2017. A number of items were taken to the Security Fraud Working Group (SFWG): data analysis, sharing intelligence, data breaches, coordinate response around fraud incidents and operational risk management. **EC** added that over the last few months SFWG have looked at three key items: data transaction analysis of the OB ecosystem, intelligence sharing and data breaches. The group has also looked to see if it is appropriate for Open Banking to build things, leverage what is appearing in the marketplace or utilise facilities in UK Finance. **EC** also advised that SFWG were comfortable with services appearing in the market, so OBIE would not have to create competency in all those aspects, however what is needed is simple interaction between the banks and the TPPs.

2.50 **EC** advised that the key recommendation was to explore an extension to the directory to enable participants to integrate with the counter fraud services that are appearing in the ecosystem.

2.51 **IG** clarified that this was a minor build and has limited functionality and was a mechanism for ASPSPs and TPPs to access fraud providers.

2.52 **FR** had a different interpretation and thought the idea was to integrate complimentary fraud advisory data analysis on behalf of TPPs as a managed service; however, it appears OBIE are providing an app store for fraud analytics or a provider gateway through which they can access one of several providers. **FR** asked if this would work for a TPP and make their journey smoother, although she had concerns about having multi providers and asked GL's opinion.

2.53 **GL** felt that the recommendation needed fleshing out a bit more. **EC** responded, advising that the recommendation is going into discovery. **JH** commented that there were lots of providers and he was struggling to understand what OBIE was trying to achieve from this.

2.54 **GL** felt there was an element of fraud prevention that was in relation to the security of the ecosystem and sharing intelligence and another section which is about letting the customer know when something has gone wrong. The two are joined but it is how you effectively trace the source of the fraud and would need to link with the DMS. **FR** felt this was something slightly different to what had been presented and this paper focussed on the mechanics of data and intelligence sharing.

2.55 **GL** asked if an entity could report a concern to Open Banking and then OBIE would have the regulatory authority to temporarily suspend the actor until an investigation has taken

place and if the technical architecture was going to be rebuilt it would include more traceability.

2.56 **FR** reiterated that she still didn't fully understand what the Implementation Entity was going to deliver in terms of a substantial difference to TPPs.

2.57 **IG** believed that the conclusion was that there was not a lot for the Implementation Entity to do and that UK Finance has reviewed their process and TPP can now get the required access.

2.58 **EC** advised there were three key areas: how do you identify firm fraudulent activity; how do you share intelligence and how do you provide the mechanism for a coordinated response from those fraudulent activities. **EC** stated that SFWG identified these three items were the critical components and there were services in the market that could be integrated into the ecosystem. The aspect of UK Finance opening its doors to the TPPs is a step forward.

2.59 **IG** didn't believe Open Banking would be generating information and asked if any of the providers are lining up to join the DMS. **EC** advised that this would come out in the discovery process.

2.60 **IG** requested that the Security and Fraud team provide him with a briefing and create a more succinct memo; asking if there was any time-bar on the discovery process as the recommendation needed better understanding and may not enter discovery just yet.

ACTION: IESG_2018_301_125

EC: Security team to provide a briefing on the rationale behind the counter fraud evaluation. Security team to provide a more succinct memo to IESG

2.61 **JW** advised that the FCA were supportive of this positive step and agreed it needs fleshing out.

3. AOB

3.1 P14 and P15 is a paper for noting only and was an update only. If any member of IESG has feedback this should be forwarded to **AA** and copied to **IG**.

3.2 **FR** raised a concern around the evaluation processes and felt that OBIE hadn't got to the point where key issues were articulated and resolved as well as being concerned around stakeholder engagement. **FR** and **AA** to have a further discussion on this.

3.3 **IG** closed the meeting.