

Meeting Minutes

Meeting details

Meeting date: 27/06/2018

Meeting name

Implementation Entity Steering Group (IESG)

Meeting time

10.00 – 13.00

Meeting location

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

Scribe

Julie Mitchell

Classification

Confidential

<i>Name</i>		<i>Role</i>	
Alan Ainsworth	AA	OBIE – Head of Policy	Yes
Andrea Melville	AM	Lloyds Banking Group	Apologies
Andrew Laidlaw	AL	FCA	Yes
Anne Macadam	AM	HM Treasury	Apologies
Bill Roberts	BR	CMA	Yes
Caroline Ambrose	CA	Barclays Bank	Yes
Chris Michael	CM	OBIE – Technical Delivery	Apologies
Daniel Ehreich	DE	Bank of Ireland	Yes
Daniel Jenkinson	DJ	Consumer Representative	Yes
Daniel Globerson	DG	Royal Bank of Scotland	Apologies – delegate sent
David Baldwin	DB	Head of Programme Management OBIE	Yes
Doina Nicolici	DN	NPSO	Apologies
Dora Guzeleva	DG	Payments Systems Regulator	Apologies
Ed Colley	EC	Prog Director OBIE	Apologies
Faith Reynolds	FR	Customer Representative	Yes
Gavin Littlejohn	GA	Fintech Representative	Yes
Hetal Popat	HP	HSBC	Phone
Ian Major	IM	TPP Representative	Apologies
Imran Gulamhuseinwala	IG	OBIE - Chair	Yes

Meeting Minutes

John Hutton	JH	Nationwide	Phone
Mark Chidley	MCH	Consumer Representative	Yes
Julie Mitchell	OBIE	Secretariat	Yes
Mark Mullen	MM	Atom Bank	Yes
Matthew Perks	MP	Nationwide	Apologies
Paul Horlock	PH	NPSO	Apologies
Phillip Mind	PM	UK Finance	Yes
Richard Lindsay	RL	OBIE - Comms	Apologies
Richard Rous	RR	Lloyds Banking Group	Yes
Robert White	RW	Santander	Phone
Roy Hutton	RH	Allied Irish Bank	Yes
Ruth Mitchell	RM	Electronic Money Association	Apologies
Stephen Smith	SS	Lloyds	Yes
Stephen Wright	SW	Royal Bank of Scotland	Yes – Delegate
Thaer Sabri	TS	Electronic Money Association	Yes
Vickie Hassan	VH	Danske Bank	Yes
Rajeev Walia	RW	OBIE	Yes – Guest
Freddi Gyra	FG	OBIE	Yes - Guest

No. Agenda item

1.a MINUTES

1.1. IG opened the meeting and reviewed the minutes and action log. IG confirmed the minutes had been circulated and comments had been received and incorporated. **The minutes were accepted as final** post one minor text amendment to item 2.51, and to ensure OK was marked as attended via phone.

1.b. ACTION LOG

1.2

Action Number	Owner	Description	Status
IESG_2018_301_71	IG	P5b to be discussed at May IESG meeting. IG to look at governance perspective	CLOSED
IESG_2018_301_80	EC	Path to Green @ OBIE Level: Address actions necessary to return OBIE Amber statuses to green and review risks to implementation for the eco-system, focussing on the effect of both Release 2 and Release 3. June IESG	CLOSED

IESG_2018_301_87	EC	Procurement Process on DWG: Paper to be submitted to June IESG. To provide procurement evaluation paper making clear the criteria used and ensuring conflicts of interest are addressed.	CLOSED
IESG_2018_301_89	CM	P13: Following IG approval of this item a meeting is required early w/c 4/6 to focus on the way forward, followed by a one page memo to circulate to IESG on the outcome of that meeting. IG confirmed to CM that the paper is approved subject to the meetings and written update.	CLOSED
IESG_2018_301_90	IG	Agenda Items: 2.C: Change Requests for Recommendation (I. Non Repudiation Payments & II. (Critical) Technical Enhancements) 2.D.Proposition for Conformance and Certification 2.G Open Data Specifications for Endorsement (I. FCA Metrics API v1.0 & II. Open Data API v2.2.1) IG believed these were non contentious items, which had been through PMG and TDA and was minded to approve them, however with the following caveat: If the IESG has any objections or points of contention they should make representation in the next 24 hours, after which IG will then write to the IESG and let them know any specifics or nil return.	CLOSED
IESG_2018_301_91	AA	Working Group Update: 1) AA to issue IESG letters (note redactions) and pack and include timeline to enable IG to agree and conclude this item with the CMA/HMT/FCA.	CLOSED
IESG_2018_301_92	EC	EC to prepare one pager note on "Heads of Terms for non-CMA9 ASPSPs" - covering facts and expectations etc. (item will become key artefact for RL outreach prog)	OPEN
IESG_2018_301_93	IG	Plan on a Page (PoAP): 1) IG to email IESG to highlight minor changes on the PoaP 2) IG to discuss with Bill Roberts	CLOSED

1.c PROGRAMME UPDATE OBIE & CMA9

1.1. **DB** provided a Programme Update:

OBIE Status

1.2. **FR** raised a question on the evaluation in Q2 18 and felt it needed updating, observing that P15 and P14 have been pushed out.

1.3. **FR** also commented that she had not seen any material relating to Confirmation of Payee (CoP) and was concerned that there was a scope of issues that had not been fleshed out, which included who was offering this service and what were the implications to TPP. **FR** stated she had hoped that it would be designed and managed by the NPSO, but felt it was not happening because OBIE were already at solution design stage. **DB** advised that OBIE were working with the NPSO to get an agreed solution and design and advised that OBIE would also be providing the API specs, update PMG w/c 2nd July and publish the papers on Confluence. **DB** added that the NPSO were leading in terms of proposition and the engagement with all the ASPSPs. **IG** advised that the NPSO would be managing the stakeholders and believed that in a previous IESG regarding CoP it was agreed that the IESG would not discuss CoP at

such a technical level. It is an NPSO product and he was reluctant to get the IESG involved in the shaping and sign off. **IG** believed better understanding of the NPSO governance process was required and suggested that NPSO would consult across various forums to provide all stakeholders a view.

- 1.4. **JW** speaking on behalf of PH, advised comms was going live on 29th June, which will socialise where the NPSO stands in terms of the draft specifications, documentation and includes a plan on how to engage with all interested parties. **JW** confirmed that he will raise the issue with PH on how that engagement relates to OBIE/IESG.

ACTION: IESG_2018_301_94 - PH & IG to discuss CoP with NPSO and present an update at the August IESG.

- 1.5. **RW** was surprised to see the CoP technical standards on the OB website rather than the NPSO's. He stressed there should be governance in the IESG before taking a form of responsibility for it and that it should in future sit on the NPSO website. **RW** also stated that it was important to understand what was going to happen with the funding model on CoP and believed that the assumption was that the Open Banking budget will pay for everything, although didn't think this was agreed to previously, future expectations and additional costs need to be understood.

- 1.6. **RH** expressed his concern about the IESG having oversight of any additional demands, how people are going to register for it, if it's coming over the infrastructure built for one purpose, could a multitude of queries bring down the other side. **RW** agreed, stating in November and December 600 plus entities would need to be registered on the OB directory, how is that going to be done? There will be potential, significant spikes and there is a need to understand how, operationally that will work.

ACTION: IESG_2018_301_94 - IG to liaise with NPSO and look how to address this quickly and as a backstop will give them a slot at the next IESG to advise how the consultation is working.

- 1.7. **GL** asked if there were any plans to add anything monitoring related and performance metrics within the programme update. **IG** confirmed that the monitoring function had not been created yet and still needed scoping out, once complete that information will then be incorporated into the pack.

CMA9 Status Update

- 1.8. **IG** asked for comments around Release 1.
- 1.9. **GL** noted there were a lot of items classified as "Blue", feedback from the TPP market did not agree. He felt there was a lot of emphasis on PSD2 compliance, yet six months later, the market's ability to consume some of the CMA9 were not in a position to do so. **GL** advised that he would contest some of the "Blue" and the TPPs felt that the focus had shifted from what is to be done next, rather than making what has been done to date functionally available and working. **GL** advised that he had hoped the teams would have gone back to refocus their efforts on the current delivery and commented that it had been variable amongst the CMA9. The TPPs were struggling to have their propositions live in the market because they were finding the APIs unreliable and authentication flows were unworkable. **GL** summarised that there should be real focus on getting Release 1 working and then focus on the further releases.
- 1.10. **RR** stated that LBG were doing their best and had received positive feedback from Monzo "Lloyds Bank doing a sterling job with their Open Banking implementation. Leaning into it, doing the right thing." and acknowledged that ASPSPs should demonstrate continuous improvement. **SW** also noted that RBS had seen success in the marketplace.
- 1.11. **IG** stated that "Complete" does not mean that the entity had stopped working on the proposition and suggested there was a need to define the RAG status.

ACTION: IESG_2018_301_99 - DB to look at definitions of RAG and Complete status.

- 1.12. **MM** asked if there was a “snag list”. **DB** advised that issues and defects are logged in Jira, but the RAG is down to CMA9 interpretation as to what their position is. **IG** advised that the snag list is comprehensive and is being fed back through the OBIE which in turn allows the pace of turnaround to be reviewed. **DB** advised that he expected each of the CMA9 to have their own internal snag list and only when they are reporting standards, specs or guideline issues can OBIE capture them. **IG** advised that discussions around P3 and P4 will provide a different perspective on this matter.
- 1.13. **IG** asked the IESG if there were any comments on Release 2 or Release 3.
- 1.14. **RH** asked about the FCA quality metrics as it was agreed that rather than each bank building an individual API it would be have one central host, which would be the OBIE. **RH** said that he was nervous about comments surfacing that the banks will have to build a contingency, if the central one goes down. **RH** expressed that AIB was relying on the OBIE so they don't have to build it themselves. **DB** advised that the comment came from the each of the individual banks. OBIE is on target for delivery and had no concerns. OBIE provide the spec for end points for all the CMA service quality metrics, the individual banks provide the FCA part.

TPP Funnel

- 1.15. **IG** asked DB if there were any significant changes from last month. **DB** advised just a few minor tweaks, and if further feedback was to be added, this can be done via the Working Groups.
- 1.16. **IG** asked if the production box on slide 27 contained TPPs and ASPSPs, i.e. an ASPSP who has their own TPP offering in the market. **DB** advised he didn't have full breakdown and there was duplication.
- 1.17. **IG** advised the IESG about the bottlenecks that the TPPs were experiencing with the FCA. However, the FCA has now provided IG with an escalation point person. **GL** asked for more details. **IG** suggested that if any TPP had an issue they should approach the FCA directly as he was unable to share the information. **AL** confirmed he would speak to GL after the meeting.
- 1.18. **GL** asked DB about the figures in the funnel, 31 are licensed and in production, do they have a live certificate. **DB** responded advising that the 31 were in production and registered with the FCA, and he assumed they were in possession of a live certificate. **IG** also advised that there is a small number who are authorised but they are not progressing with OBIE at present or any other form of open banking.
- 1.19. **IG** stated that the ASPSP funnel is new to IESG and will become very important when non CMA9 members join and it would be good to identify which are CMA9 brands.
- 1.20. **FR** expressed she was wary that ASPSPs were promoting screen scraping, asking if there was a summary of where this is being promoted? It would be helpful to see what this competing market looks like as the longer screen scraping goes on, the harder it will make API adoption. **HP** advised that this was not an appropriate way to think about it, as the APIs being created through the CMA and PSD2 only cover payments products. There are other products that TPPs would like access to in order to fulfil use cases for end customers. **HP** felt that these were not competing methods and over time more products would be made accessible by APIs across the market. **FR** believed a more strategic approach would be to expand APIs across other product sets. Stating it's important to understand where the ASPSPs are not using the APIs available and using screen scraping instead. **RW** also expressed the importance to remember there are only nine banking institutions that are ASPSPs at present and coexistence is needed in the short term and acknowledged that there is future strategic requirement to work to hat will fully enable API and get rid of screen scraping.
- 1.21. **IG** agreed it was a good point to raise but would not commit OBIE to producing stats to cover this matter. **RH** was more concerned about what the banks that have not joined OBIE are planning to do.
- 1.22. **MM** advised that is was not that straight forward and that not all ASPSPs, outside of the CMA9 were comparable, stating that not all banks have a product that would require them to join Open Banking e.g. they are not offering payment accounts. **MM** also added that he would be cautious in offering a deposit based account in a PSD2 banking world as he believed it could destabilise the liquidity of his business,

therefore the choice of an ASPSP to engage does not sit around whether they wish to support Open Banking or not it's about what they want from it.

- 1.23. **RH** observed there are a number of banks who have not engaged with OBIE who are offering payment accounts and will have to be PSD2 compliant.
- 1.24. **FR** stated this goes back to the consumer question and why are APIs important. This should not be approached half-heartedly and it's important to deliver a better outcome for consumers or are there other items in the market that are equally as good or not, although she confirmed that she was of the opinion that APIs are more secure.
- 1.25. **GL** confirmed that the TPPs will adopt the API however, questioned quality and for the large volume of current customers stated it's going to take a while to transition and re-on-board.
- 1.26. **BR** reiterated to the IESG members that the reason all were here was not a common cause but the CMA Order and the legal obligation.
- 1.27. **PM** advised that UK Finance had conducted a survey of its members who provides access to payment accounts and all responded that they would provide API access.
- 1.28. **IG** stated it would be sensible for non CMA9 ASPSPs to voluntarily adopt API standards in order to be PSD2 compliant. It's important to be aligned around this and a tactical approach by the CMA9 is needed to get over this hump and encourage the adoption of the standard. **IG** also stated that the commercial elements will not be in place for at least 12 months, so this needs work. **IG** advised he would like to revisit this in detail in the Heads of Terms one page document and this should deal with the concerns that the non CMA9 ASPSPs have about joining in the Open Banking Standards. **IG** also advised that he had been surprised how many ASPSPs had told him they had been using the OB standards for a considerable amount of time, however they have not put their head above the parapet because they don't understand the governance of what OBIE are doing, had concerns around cost and obligations of joining the OB Standard and some are even concerned they have to fall under the mandate of the CMA Order. These issues need to be written down clearly and explained to the market. **IG** stated that this was the tactical approach he would like to see ployed for two to three months.
- 1.29. **MCH** asked how many of the 29 brands were CMA9.

ACTION: IESG_2018_301_95 - DB to liaise with Simon Waller regarding the breakdown of numbers in TPP funnel slide, identifying any double counting etc. and ensure reflected in slides going forward. Also to identify which of the brands were CMA9.

2.a Path to Green- OBIE Level

- 2.1. **IG** provided a short update on the paper and asked if there were questions or clarifications on the Path to Green.
- 2.2. **CA** suggested that although the document was well thought through, it might be better to have all status set to Green and if a milestone looks like it will be missed, then there should be a call to action. **IG** agreed this would make it more efficient. **DB** confirmed he was happy to move the plan to Green.
- 2.3. **IG** confirmed he would be a proponent of Green and to have an escalation point if it looks like something is moving towards Amber. The issue should be raised with him first and he would then in turn email the IESG to work through the matter. **IG** confirmed that the next two months are going to be sensitive to any delays.
- 2.4. **RH** stressed that specs should be as close to final as possible when presented to IESG. **DB** confirmed that the specs go via TDA, PMG etc. where they are baselined and then any changes are managed through the Change Request process.

- 2.5. **RW** advised that on Version 3, OBIE had been able to ensure the standards were defined and support the product requirement which enables the OBIE to work from a position of stability. **IG** stated it was important to guard against undue complexity and supported the approach of reverting to IESG in the case of bottlenecks at PMG etc. as a matter of urgency (same day).
- 2.6. **JH** shared his concerns around the lack of plan and specs for Release 3 and asked if there was a better way to speed up the process. He also felt that the members were “drowning” in the amount of governance surrounding the specs.
- 2.7. **IG** identified that there were two types of governance; delivery, which he was satisfied that it was working well; however evaluation governance was new and there were lots of moving parts, agreeing it was tough to strike a balance with too little/too much, but would err on the side of too much in the early stages.
- 2.8. **JH** and **IG** agreed to take this off line for a bilateral discussion.

ACTION: IESG_2018_301_96 - Path to Green escalation process to be formulated. Items to be marked as green and escalated to EC/IG when there is potential to miss a milestone.

- 2.9. **IG** advised agenda running order change as JW would provide an update later on the API Evaluation Group.

2.b Open Data Specs for CMA SQM v1.0 API

- 2.10. **IG** this is a piece that is hosted by the OBIE and it has received significant consultation to ensure the correct interpretation of the CMA Order, and the team are now requesting IESG approval to go live on the website. **IG** asked if there were any questions.
- 2.11. No questions raised; **IG** was **minded to approve the specification for publication.**

2.d P13 – Multi Auth

- 2.12. **IG** stated that the last time this was presented to IESG; there were questions around the legal interpretation. **IG** advised that there was now good consensus from the various stakeholder groups including members of IESG, giving significant clarity to **move to specification**, although the team did need a little clarification from the FCA, but this would not hold up the delivery process.
- 2.13. **IG** understood that consensus had been reached. **RR** agreed that OBIE/IESG were at a good place with this recommendation; however he had a question on “*that banks must make available to PISP the status update...*” and on top of what is currently offered by the banks, there is also going to be an obligation on a final status to say that it’s gone. **RR** advised that his understanding was that if during the chain there had been a change in the amount that will be communicated to the PISP again at that time. **RR** stated that he wanted to move away from the blow by blow process, and asked that section six, paragraph three be clarified “*relating to any amendment in the payment order in the chain...*” he interpreted could be presented on a blow-by-blow basis and not at the final hurdle.
- 2.14. **RW** advised that there was an obligation to confirm back to the PISP if there had been any changes between the first and final authorisation, although there was a question of when this communication takes place and is something that has to be worked through in the design process. Consensus was that in the event of any changes it could be at the end of the process. **RR** agreed with this interpretation
- 2.15. **HP** requested that **RW** make the fields optional to ensure that customer permissions are not inadvertently breached. **RW** advised that this particular point had been previously noted.
- 2.16. **DJ** advised that discussions had taken place with TPPs and in their view the end status is absolutely critical, the view of status updates during the flow was an additional request on which there has been quite a lot of challenge.

- 2.17. **RR** expressed that it was important to continue to support the current user journeys. **DJ** spoke in detail about the process, with particular focus on an additional ask from the market, the end status is critical it is the view during the flow or chain that is the additional request. **RR** advised that LBG do not provide this service (the blow-by-blow version), to customers today on any channel, for a number of very good reasons and would be hesitant to take it up.
- 2.18. **GL** asked how this related to the EBA guidelines. **JW** advised it required further review and the implications need to be considered.
- 2.19. **CA** believed the question had been answered and there was a broader piece of work that needed doing, now that EBA guidelines were available and felt that OBIE were now in a place to move this item forward.
- 2.20. **RW** responded to IG's comment on point of clarification; and it was to ensure that OBIE doesn't breach anything from a regulatory perspective if things change between the first and final authorisation. He doesn't believe there is an issue, but a final discussion is needed to close out this point.
- 2.21. **HP** continued to express concerns and talked through the token exchange process for initiating payments advising that he had asked IG and the team to review the current design as he felt parts of it could, in some circumstances, be at the detriment to the customer and contrary to the EBA draft guidelines.
- 2.22. **IG** advised HP that it will be reviewed. **IG** then stated that he was still unclear about the first screen and how is the end of a multi-auth journey defined. **FG** advised IG of the process.
- 2.23. **IG** asked the IESG if there were all comfortable and had reached a consensus. No further questions raised; **IG** was **mindful to approve the specification for publication** and asked RW to follow up with the FCA on the outstanding query

Additional Item: Update from James Whittle

- 2.24. **JW** provided an overview on the API Evaluation Group, advising that they were looking at the specs of the APIs to establish what good looks like with regards to the specs and conformance with RTS and other obligations. **JW** advised that work is progressing and it has been agreed to extend the mandate by another three months as there are two items left on the agenda a) testing and b) getting a firmer understanding of what good enough looks like at an industry level, with the authorities. The current suggestion, which is embryonic at present, is that the ASPSP would be incentivised to present their offering, in terms of the design and implementation to an APIEG, and to look through that with the group, so that issues could be identified, which could lead to a process for closure and build certainty to the exemption setting process and fill the gaps in where the legal test ends and implementation beings. **JW** followed that this will also enable the EBA to broadcast to the industry what good enough looks like, noting that this is not a one size fits all as it depends on the firm, market, business model and geographical location.

ACTION: IESG_2018_301_97 - JW confirmed that he will revert back to IESG when the process is defined.

- 2.25. **IG** asked if JW's expectation was that there should be one representative from the ASPSPs from each market, or is it open to all ASPSPs? **JW** responded, stating that this needs to be looked at but it should be made up of companies that are at a mature level with what they have built, which will include some of the CMA9 and there is also a need to be sensitive to illuminating some of the issues from the breadth of the context of the market and need to focus on priority issues and markets. **IG** believed that the group had done a review of the standards and now wanted to look at a representative sample. **JW** confirmed and advised it was part of the Terms of Reference and stated this is a good opportunity to create a leadership view from a market facing perspective and what you need to aim for if you wish to get an exemption. **IG** asked that for this to be helpful and constructive to the market it will need to be public and an open discourse on the implementation by that specific ASPSP. **JW** stated he was aware of the sensitivity and could be challenging, and has discussed the risks in depth with EBA colleagues.

- 2.26. **IG** asked where **JW** was with the review of the standards as he had not seen any outputs. **JW** advised that there were a number of different engagements with all of the main API initiatives in Europe, which **OBIE** had been involved with. **JW** confirmed that the **EBA** will publish the recommended functionalities as it is important to address where the market wants to go first, with the additional functionality beyond what is necessary just to comply with the law. He confirmed that the document would be available 6th July.
- 2.27. **GL** asked if the **EBA** guidelines leaned towards not having to share identifiable information. **JW** agreed this was an issue and was being discussed. **GL** advised there was an **F-Data** meeting and it was unanimously agreed that they would have to screen scrape that data.
- 2.28. **AL** asked that after the **EBA** had published the guidelines and opinion, the intention would be that they would comply with those guidelines and would follow up with the **EBA** in September. It was important to remember that this was a consultation process at present.
- 2.29. **GL** advised the **IESG** that there was a public hearing on the 25th July. **GL** advised the one lesson to draw from **MRO** was that any deviation from conformance to standards can lead to massive issues in complexity, time and cost and asked if the **EWG** produces the what good looks like, how do we get other outputs to conform to it. If a situation arises where everyone builds something that looks like it, from a functional perspective but isn't standardised, **GL** would rather have screen scraping than an **API** in the market that doesn't work for anybody.

2.c **EWG A Update (P3, P4 and P19)**

- AA** advised that he, along with the Trustee had met with **HMT** and the **CMA** to discuss the action plan relating to **P3** and **P4**. Given the timetable of making things happen, **AA** confirmed that **Delivery** should start the process based on these recommendations even though the final evaluation letter had not been circulated, however if there are any issues he asked the **IESG** let him know. **IG** confirmed the substance had not changed and the letter would be imminent. He asked if there were any concerns with this and none raised.
- 2.30. **AA** stated that it was important to meet the implementation timetable and within the work being done, the **EBA** opinion and guidelines being published are helpful, and would ensure the wording around the use of credentials is woven in.
 - 2.31. **SW** asked if **AA** was going to change what the recommendations concluded. **AA** replied that the recommendations will be transferred into actions and become more specific using **App-to-App** as an example. **RR** strongly supported **Decoupled**, however asked if there was a standard requirement for **App-to-App** or was it something that banks asked for and may interpret in many different ways. **AA** advised he had discussed this with **delivery** and there is no need to change, but a final review on guidelines may be required.
 - 2.32. **IG** stated there were a few stakeholder representations to be factored in and there was also the **EBA** guidelines coming through which cannot be ignored e.g. terminology needs to be aligned. **IG** also confirmed that items being mandated need to be reflected in the roadmap. **RR** asked what was going to be mandated. **IG** advised that **App-to-App** would become mandatory. **RR** said that in previous discussions this was not the case and that the **Evaluation Report** had not suggested it would be mandatory; it was highly concerning that **Evaluation Criteria** had been bypassed in entirety because technical measures weren't being mandated, but now the mandate is being imposed after the **Evaluation** is complete. **IG** advised that it was something that was currently being considered.
 - 2.33. **GL** advised that from a **TPP** perspective this was a critical point because the authentication flows have been the big issue and if this is going to work or not, depends on which items are going to be mandated, so that there can be a level of conformity. **GL** observed the big tension point was that this has been described by all **IESG** members previously as "being in the competitive space" but the challenge comes when you look at the stats used for benchmarking and he believed it was now in the "anti-competitive space" because those that have good conformity to the **OB** guidelines are having consumed and competition from **TPPs** and those that aren't are not. **GL** stated he can quantify this statement and

appreciated that the CMA9 wants to be able to offer their own design to their customers, however this is having a profound effect on the TPPs ability to consume and get customers through the workflow.

- 2.34. **VH** responded that Danska wish to pursue App-to-App, but were uncomfortable around it being mandatory. **RR** also disagreed with the point about mandatory and cited the report references that it was a decision for ASPSPs, it had been through a consultation process, but that it was now earmarked as mandatory and that clearly makes a difference.
- 2.35. **IG** updated the IESG on the perspective that the CMA and the Trustee held, based on the recommendation from the consultation process. The Order provides them with a suite of powers to enable certain objectives to be achieved and it should be looked at in that context. **IG** stated that there may be items from the consultation process that the CMA/Trustee fundamentally disagrees with and it is currently being reviewed and could become mandatory for the CMA9.
- 2.36. **SW** asked IG about how this was going to be defined. **IG** responded that he was looking to tighten up the terminology to ensure clarity. **VH** asked when IG would be able to provide further updates. **IG** advised he would be meeting the CMA in the next few days to rationalise the recommendations, so that the letter of recommendation becomes part of the Order. **RR** asked if the papers will reflect that there has been no assessment of cost, proportionality or feasibility because up until recently it was at the discretion of the ASPSPs and suggested that during the evaluation process he would have liked to have seen more alternative ways of doing this, what the potential customer benefits are and the experiences of the CMA9 could have been included. **IG** advised that a process will be created to address those concerns.
- 2.37. **RH** commented that if it was going to be made mandatory, then the standards need to be something that all the TPPs are going to buy into, and he also had concerns that the implementation timelines would have to go beyond September.
- 2.38. **IG** finalised this point by advising the IESG that they could approach him informally to discuss further.
- 2.39. **BR** stated there would be an obligation on the Trustee to make a decision and talk to other stakeholders. **PM** stated that although not mandatory for non CMA9 it would have an impact on the market.

2.f Update to Agreed Arrangements Roadmap

- 2.40. **IG** provided an update on the Roadmap, noting that Release 2 which is due in August cannot be complied with. The timeline needs updating, there was a Plan on a Page (PoaP) previously presented to IESG and IG has taken the feedback from that to the CMA for agreement. **IG** advised that one of the main reasons for its complexity is that some of CMA9 are asking to push back a few items, a lot of activity that needs to be delivered in September 2019 is being back ended and gives IG cause for concern, so to ensure an even spread, OBIE have suggested to bring forward a couple of items to balance out the back-ending of other items and wanted to the views of the IESG on this proposal.
- 2.41. **IG** shared some of the feedback: "Does Release 2 need to be 31st August?": **IG** agreed there was not an issue by pushing it out by one week and confirmed the OBIE will be providing self-attestation guidelines.
- 2.42. **RR** asked if the date of the 7th September had been agreed as the new date. **IG** agreed but wants to agree everything in one go.
- 2.43. **IG** advised that in order to spread the workload, OBIE wanted to bring forward the BCA/PCA pieces which were scheduled for September (B10 and B11 – international payments and BACS/Chaps respectively). **IG** confirmed he had received CMA9 feedback which stated that these were difficult ones to do and six months is going to be challenging. **GL** asked if PSD2 items were included. **IG** clarified that anything that is PSD2 and is related to BCA/PCA is both PSD2 and CMA Order. **GL** asked if it was correct to assume that these are in the Order and should have been delivered in January. **IG** responded no, as the standards were never created for January delivery. **BR** advised that the benchmark had moved and this is a starting point of what is in the Order/ Explanatory Note. The obligations on the CMA9 are contained in the plan.

- 2.44. **GL** believed that these were obligations for every ASPSP in Europe and was intrigued that timeline pushbacks were coming from the CMA9 who are a year ahead of everyone else. **HP** stated that HSBC and other firms are taking this very seriously as these obligations are critical to comply with UK law, just concerned that timelines set for obligations are realistic in terms of banks being able to meet them. **GL** advised that from a TPP perspective this was unworkable and too complicated.
- 2.45. **RR** advised that bringing these items forward (B10 and B11) is going to cause significant angst. **IG** stated he was recognised this and others had raised this matter too.
- 2.46. **IG** advised that outputs coming from the Evaluation Working Group's will produce a timeline which can overlay onto the plan. **IG** was concerned about how much can be delivered in September 2019.
- 2.47. **IG** then listed out the items that would move forward, from discussions in August/September 2019 and be part of the delivery: International Payments, Complex Domestic, Two Way Notification of Revocation, Trusted Beneficiaries, Variable Recurring Payments, Reverse Payments (currently in evaluation), plus the outcome of the evaluation of the Dashboard, Trigger events and matters around P19. **IG** stated it's important to remain receptive to all of this and he needs to be able to approach the CMA, confirming that the plan for September 2019 is going to be met. The CMA9 also need to be comfortable with the timeframes.
- 2.48. **SW** felt that it was uncoordinated, as some of the items would mean non-compliance with PSD2 and felt the plan was complicated to work out and un-coordinated. **IG** stated that is was about prioritising what was required for the Order, and not scheduling items for PSD2 before they are required and that it is good business practice to spread the delivery over a period of time.
- 2.49. **RR** observed that the right thing to do was to get the specs ready for August/September and allow six months to build, ready for March. However, he felt this was not the same as the Trustee requiring the CMA9 to do it for March. **RR** expressed his concern that it was putting a big workload on September, and the question in terms of delivery was: do the CMA9 want to be "GCSE children" or "undergraduates", he stated he would prefer the latter and it should be down the individual banks to manage their workload and it won't be helped by having an extra deadline, he also felt that it was more of a case of "I am going to go to make your life easier, by making it more difficult"
- 2.50. **CA** was broadly comfortable with the plan.
- 2.51. **IG** advised he was not trying to force deadlines, but he needs to be able to demonstrate to the CMA that as Trustee he is confident about the CMA9 delivery capabilities. **IG** stated that OBIE wants to ensure that the standards are ready across the board so that the CMA9 can implement in March. The second part of the question is what the CMA wants to do from the legal element.
- 2.52. **VH** asked what Release 3.1 is. **FR** advised that her understanding was that there were intermediate releases. **DB** advised that it would only be the case if there were a group of defects to fix.
- 2.53. **IG** stated he was a little confused around the CMA9 and the possible need to build fall-backs, is it a significant piece of work in terms of resources etc. If it's not commercially sensitive it would be good to have this discussed at IESG in the future. **IG** also asked the CMA9 about the requirement to build a testing environment which is not on the roadmap, should it be down to the individual companies or centrally.
- 2.54. **HP** confirmed HSBC happy to share with IG and the CMA, but not with the IESG because this is commercially sensitive and therefore inappropriate with competitors and other market participants represented within IESG. **BR** stated that as there is a legal obligation for the November timetable, any changes will need to be explained and it is important to collate that information. **IG** agreed and ensured that OBIE collates feedback on this item.
- 2.55. **GL** aired his concern on the roadmap prioritisations. There is evidence that delivery of Release 1 was not consistent and very mixed. From a TPP perspective, the prioritisation for the roadmap is now CMA9 constituent dependent. **GL** noted that P3 and P4 is on target for delivery for February 2019 and he was

concerned that in certain circumstances the authentication flows, a primary barrier to entry not being fixed until RTS compliant, will mean that some of the CMA9 deliveries will not be consumed until then. **GL** stated it doesn't affect all CMA9 to the same degree, but the implementation of the fixes that make the output useful, need to be governed by the previous release.

2.g Review of Consumer Priorities

- 2.56. **FR** provided an update to the IESG, stating that she was keen that OBIE delivers PSD2 and spoke in detail on her paper and the manifesto that she had recently launched. **FR** asked if the IESG had any priorities or additions that she felt may have been missing from the document.
- 2.57. **CA** stated that it was helpful to see this information from a consumer perspective, but wanted to understand what the right measures to understand good customer outcomes were.
- 2.58. **BR** asked if there were broader issues that **FR** would be concerned about, you specifically mentioned bank liability.
- 2.59. **FR** referred to page 64 of the pack, where the risks are listed, observing that it's the liability of the ecosystem that is difficult to pin down. **BR** responded stating that placing payment liability on banks may incentivise themselves to try to self-protect and build a wall.
- 2.60. **FR** stated that if the answer is not clear where the fault lies, the consumer will not have their issue dealt with quickly and will be passed from pillar to post.
- 2.61. **PM** advised that some payment initiators are offering payment protection.
- 2.62. **RR** welcomed the manifesto; however on P5b there is more work to be done. It remains at evaluation stage and would like to discuss this further with the consumer representatives.
- 2.63. **MC** stated that this did not relate to SME and he will bring that to IESG in the future, noting that P10 is a different priority for SMEs.
- 2.64. **FR** advised that she will set up a specific working group for consumer outcomes, which should report up to IESG. **SW** asked if this will replace another working group, as he believed there are too many at present. **IG** stated that if it was a new group, there would be a need to collapse another, but recognised the need.
- 2.65. **FR** confirmed she would share the research with the Customer Working Group and stated that **IG** and **EC** would need to decide which group(s) to collapse. **FR** went on to describe the differences between the Consumer Forum and the Customer Working Group and that this new group must have an end goal as there is a specific piece of work to do.
- 2.66. **IG** confirmed that at the next IESG, SME would be on the agenda and encouraged the IESG to feedback thoughts to **FR**.
- 2.67. **MCH** asked if there should be a reconfiguration of the Customer Working Group.
- 2.68. **RR** believes it is important to discuss the technical issues, however more time should be allocated to the customer and suggested to put as a standing item on the IESG agenda. **IG** agreed to trial this for a few months.
- 2.69. **IG** stated that DMS would roll over to July meeting and that on P5B there was no update to the previous submission.
- 2.70. **IG** closed the meeting